

**PROMOTIONAL MIX TOOLS AND PERFORMANCE OF SUPERMARKETS IN
NAIROBI CITY COUNTY, KENYA**

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REG NO: D58/CTY/PT/33611/2015

**A THESIS SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL
FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF A
MASTER OF SCIENCE (MARKETING) DEGREE OF
KENYATTA UNIVERSITY**

APRIL, 2022

DECLARATION

I declare that this Thesis is my original work and has not been presented for a degree in any other University:

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DEDICATION

I dedicate this thesis to members of my family beginning with my mother Elizabeth Onyango who has been my role model, my motivator and a pillar of my strength. My brother Dr. Evans Onyango for the confidence he had in me and for encouraging me to work harder when I was almost giving up and lastly to my husband Fred Aseto for his overwhelming support, my lovely daughter Tabbydiana Zawadi and adorable son Uriel Ian for their perseverance with my absence during my studies.

ACKNOWLEDGEMENT

I thank the Almighty Lord for leading me this far and for the gift of life. To my supervisors Dr. Jane Wanjira and Dr. Anne Muchemi thank you for your professional input that has seen this thesis reach this level. My husband Fred Aseto for being a real support system throughout my studies, my daughter Zawadi and son Uriel who have always been the reason I work hard and I will always do my best to make their life perfect. My mother Elizabeth, you are the best mother any child can desire to have. You always encouraged and supported me to pursue education to the highest level. God bless you.

My baby sisters Sharon and Nelly, I was at peace knowing Zawadi was in safe hands. I appreciate you. Special thanks to my elder Brother Dr. Evans and his wife Catherine Macacu for their encouragement and prayers. My sincere gratitude goes to my elder sister, the late Lilian Onyango who never gave up praying for my success. Lastly to my niece Susan, Amanda and Ella and nephews Dan, Victor and Jayden for always putting a smile on my face during the period of this study.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF FIGURES	x
LIST OF TABLES	xi
ABBREVIATIONS AND ACRONYMS	xiii
OPERATIONAL DEFINATION OF TERMS	xiv
ABSTRACT	xv
CHAPTER ONE: INTRODUCTION	1
1.1 Background to the Study.....	1
1.1.1 Promotional Mix.....	3
1.1.2 Organizations Performance	6
1.1.3 Organization Characteristics	7
1.1.4 Supermarkets in Nairobi City County	9
1.2 Statement of the Problem.....	10
1.3 Objectives of the Study	12
1.3.1 General Objective.....	12
1.3.2 Specific Objectives of the Study	12
1.4 Research Hypotheses	12
1.5 Significance of the Study	13
1.6 Scope of the Study	14

1.7	Limitation of the Study	14
1.8	Organization of the Study	15
	CHAPTER TWO: LITERATURE REVIEW	16
2.1	Introduction.....	16
2.2	Theoretical Literature Review	16
2.2.1	Push and Pull Theory	16
2.2.2	Response Hierarchy Theory	17
2.2.3	Institutional Theory	18
2.2.4	Expectancy Theory.....	20
2.3	Empirical Literature Review.....	21
2.3.1	Advertising and Performance.....	21
2.3.2	Sales Promotion and Performance	23
2.3.3	Public Relation and Performance	25
2.3.4	Direct Marketing and Performance	26
2.3.5	Organization Characteristics' and Performance.....	28
2.4	Summary of Literature Review and Knowledge Gaps	30
2.5	Conceptual Framework	34
	CHAPTER THREE: RESEARCH METHODOLOGY	36
3.1	Introduction.....	36
3.2	Research Philosophy	36
3.3	Research Design.....	37
3.4	Empirical Model	37

3.4.1 Testing for Moderation.....	38
3.5 Operationalization and Measurement of Study Variables	39
3.6 Target Population of the Study	41
3.7 Sampling Procedures and Techniques	41
3.8 Data Collection	42
3.9 Data Analysis and Presentation	42
3.10 Diagnostic Test	46
3.10.1 Normality Tests	46
3.10.2 Autocorrelation Test.....	46
3.10.3 Multicollinearity.....	46
3.10.4 Test of Hypotheses	47
3.11 Ethical Considerations	47
CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION AND	
DISCUSSION.....	
DISCUSSION.....	48
4.1 Introduction.....	48
4.2 Response Rate.....	48
4.3 Background Information	49
4.3.1 Level of Education	49
4.3.2 Age of Respondents.....	49
4.3.3 Experience of the Respondents	51
4.4 Descriptive Statistics.....	51
4.4.1 Advertising	52

4.4.2 Sales Promotion.....	53
4.4.3 Public Relations.....	54
4.4.4 Direct Marketing	55
4.4.5 Organization Characteristics	56
4.4.6 Organization Performance.....	57
4.5 Diagnostic Tests.....	58
4.5.1 Tests for Multicollinearity	58
4.5.2 Autocorrelation Test.....	59
4.5.3 Homoscedasticity Tests	60
4.6 Inferential Statistics	61
4.6.1 Regression Analysis	61
4.7 Hypothesis Testing.....	63
4.7.1 Sales Promotion has no Significant Effect on Performance of Supermarket... 63	
4.7.2 Advertising has no Significant Effect on Performance of Supermarkets..... 64	
4.7.3 Direct Marketing has no Significant Effect on Performance of Supermarket. 65	
4.7.4 Public Relation has no Significant Effect on Performance of Supermarket. ... 65	
4.7.5 Testing for Moderating Variable on Performance of Supermarket..... 66	
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ..	73
5.1 Introduction.....	73
5.2 Summary of the Findings.....	73
5.3 Conclusion	76
5.4 Recommendations.....	77

5.5 Contribution of the Study to Knowledge	78
5.6 Areas for Further Study	79
REFERENCES	81
APPENDICES	88
Appendix I: Researcher’s Introduction Letter	88
Appendix II: Questionnaire.....	89
Appendix III: List of Supermarkets in Nairobi.....	96
Appendix IV: Letter from the University	101
Appendix V: Research Permit	102

LIST OF FIGURES

Figure 2.1: Conceptual Framework	34
Figure 4.1: Normal Q-Q Plot	60

LIST OF TABLES

Table 2.1: Summary of Literature Review and Knowledge Gaps	30
Table 3.1: Decision Making Criteria	39
Table 3.2: Operationalization and Measurement of Variables	40
Table 3.3: Sample Size	41
Table 3.4: Test of Hypothesis Table	44
Table 4.1: Response Rate.....	48
Table 4.2: The Level of Education	49
Table 4.3: Age of Respondents.....	50
Table 4.4: Work Experience of the Respondents.....	51
Table 4.5: Advertising	52
Table 4.6: Sales promotion.	53
Table 4.7: Public relations.	54
Table 4.8: Direct Marketing.....	55
Table 4.9: Organization Characteristics.....	56
Table 4.10: Organization Performance.	58
Table 4.11: Test for Multicollinearity.....	59
Table 4.12: Testing Autocorrelation	60
Table 4.13: Model Summary	61
Table 4.14: ANOVA.....	61
Table 4.15: Coefficients.....	62
Table 4.16: Regression of Promotional Mix Tools on Performance	67

Table 4.17: Regression of the Promotional Mix Tools on Organizational Characteristics	68
Table 4.18: Regression of Promotional Mix Tools and Organization Characteristics on Performance.....	69
Table 4.19: Summary of Regression Analysis.....	71
Table 4.20: Regression Results Summary for the Mediating Effect	72

ABBREVIATIONS AND ACRONYMS

Ads	: Advertisements
AIDA	: Aware Interest Desire Action
AMA	: American Marketing Association
CBD	: Central Business District
GMA	: Grocery Marketing Association
KPIs	: Key Performance Indicators
MC	: Marketing Communication
MSI	: Marketing Science Institute
POP	: Point of Purchase
POS	: Point of Sale
PR	: Public Relation
ROA	: Return on Assets
SOEs	: State-Owned Enterprises
SPSS	: Statistical Package for Social Science

OPERATIONAL DEFINATION OF TERMS

- Advertising:** Refers to openly sponsored or paid for non-personal message presented through various media by an identified source aimed at promoting or selling a product, service, or an idea.
- Brand loyalty:** It is the tendency of a buyer to acquire goods or services repeated rather than the competing product.
- Direct marketing:** Refers to the kind of market that allows users to target specific groups of customers directly with tailored messages.
- Supermarket:** It is a self-service large retail store that sells to ultimate consumers for their own consumption.
- Sales Promotion:** It is an idea carried out by a firm in promoting sales increase, consumption or enticing consumers to try a product or service.
- Personal Selling:** Is direct communicating linking consumers and traders to persuade them to buy.
- Publicity:** Is a non-personal public awareness or visibility for any product or services or organization.

ABSTRACT

The purpose of this study was to establish the effect of promotional mix tools on performance of Supermarkets in Nairobi City County. The following specific objectives guided the study: to establish effects of advertising, sales promotion, direct marketing, public relations, and organizational characteristics on performance of supermarkets in Nairobi City County area. Explanatory research design was used. The study population consisted of 102 supermarkets in Nairobi County as per the Kenya business directory listings, 2018. The study used purposive sampling technique to pick a branch manager and one sales and marketing representative from each of the 102 supermarkets who was conversant with the effects of promotional mix tools on the performance of the supermarkets in Nairobi totaling to 204 respondents. Primary data was collected using Questionnaires. The study used descriptive statistics. Multiple regression analysis was used in testing the hypotheses. Tables and figures were used to present data. The research findings indicate that promotional mix tools advertising, public relation and sales promotion significantly affected performance of supermarkets in Nairobi City County. However direct marketing insignificantly affected performance. The study also found that organizational characteristic had a moderating effect on how promotional mix tools affected performance of supermarkets. The study concluded that sales promotion, public relations, and advertising significantly affected performance of supermarket in Nairobi City County while direct marketing had insignificant effect on performance of supermarket in Nairobi City County. The study recommends supermarkets to use advertising to develop large markets and utilize outdoor adverts to boost their performance and make use of print adverts to promote purchase of products. The supermarkets should also invest in direct marketing through websites as they are useful in product brand identity. It is also recommended that Supermarkets should make use of Telemarketing to help in product communication as well as social media to increase market share and newsletter helps to improve publicity. The research findings were helpful to the government in formulating advertising policies for effective management and shaping of the industry. The study provided a useful reference document on promotional mix tools to policy makers and regulators Authority that was relevant in ensuring that the retail market industry is well regulated.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The improving economy endearing markets to modern contributors by reducing many regulations on contentious activities. The familiar surroundings of competition method that corporations face competition now not handiest from nearby companies but additionally from global groups all objectives at growing their marketplace share by means of including more customers. Supermarkets have to understand that their products and services, in spite of ways top they may be, definitely cannot be positioned up for sale by means of themselves therefore promotional activities should be worried (Welch and Welch, 2015).

Supermarkets have proven to be key contributors to the economic system of the United States growing due to connection between consumption and production (Neven & Readon, 2015). Supermarket performances include all approaches that a supermarket uses to attract the attention of shoppers, to cope with aggressive competition and enhance its market function (Thomson & Strickland, 2014). In supermarkets these developments are specifically visible through having specific product packaging, attractive displays, and growing operation hours, use of loyalty playing cards to encourage extra purchase and supermarkets being accessibility to customers, with this kind of activities supermarkets are likely to perform better within the industry.

In China there has been revolutionization of retail market in the last twenty years, reducing regular branch stores to big-scale integrated purchasing department shops. Chinese shoppers had been drifting down closer to more foreign and smaller-format outlets, increasing the purchasing department shops to deal with these stores (Chin & Chow, 2012). Departmental stores had been typically a popular way for brand spanking new manufacturers to establish themselves in China, however in latest beyond modern-day buying facilities have become majority to satisfy demand (McKinsey, 2015).

The Kenya Economic Survey (2016) pointed out that both the retail and wholesale zone improved with the aid of 19 per cent in the past five years, becoming the subsequent largest driver of economic boom after the delivery and verbal exchange zone. This allows a firm to create price for its consumers and lead to growth of the corporate profitability. However there have been a number of factors which include gross mismanagement, bad strategic decisions, tax issues and big internal losses achieved with the aid of some employees and suppliers, these factors have contributed to slow death of giant supermarket chain like Nakumatt.

The Kenyan retailing industry is depicted by competition of prices, seasoned customers, and perceived equality of product. In Kenya competitive environment is defined by key determinants such as shifting market shares and changing market growth rates. Kenya retail industry is facing challenges such as Stiff competition and fluctuating demand. The competitive environment in the retailing industry in Kenya is known to be very dynamic, complex and highly segmented making acquisition of customers an uphill task.

Increasingly supermarkets located in the same area within the city are directly competing with one another (Walsh & Lipinski, 2015).

During the economic turndown, the purchasing power of consumers all over the world considerably drop, affecting consumer confidence and trust. This has formed rigid competition for customers and market share among the supermarkets in Kenya leading to closing down of most branches or the entire supermarkets, (Barbara,2017).

This situation necessitated a detailed study of the effect of advertising, sales promotion, public relations and direct marketing on performance of supermarkets in Nairobi City County area. In a bid to solve this problem, past studies have attempted to deal with marketing communication mix effects on Supermarket's performance holistically without studying promotional tools in isolation focusing on four variables with organizational characteristics as a moderating variable. It is on this premises that this study was anchored.

1.1.1 Promotional Mix

Kazmi and Batra (2008) defined promotional mix as any marketing effort aimed at informing or persuading potential or actual consumers about the value and benefits a product possess as a way of persuading them to either continue or start purchasing the organization's product. Kotler (2012) postulates that promotion mix is a key issue in marketing mix and comprises of incentives, a tool that helps to stimulate a quicker sale of a product or a carrier by means of the purchaser. Promotion mix factors encompass direct marketing, personal selling, public relations or publicity, corporate image, digital

marketing and advertising. This study selected four commonly used promotion mix factors among the supermarkets in Nairobi city encompassing direct marketing, public relations or publicity, sales promotion and advertising as study variables.

Advertising is described as direct persuasion that is offering additional cost or enticement for the goods or services to the income force, carriers or the final consumer with the number one goal of producing a right way sale. According to Kotler (2012), advertising blend is a key difficulty in advertising promotions and includes incentive a device that allows to stimulate a faster sale of a product or a carrier by means of the purchaser. Advertising combination tools entails income vending, advertising, private selling, direct marketing and direct advertising. Consumers buying behavior is considered a very crucial area as it influences the purchasing for desire of a client (Ajzen, 2014).

Advertisement is a non-personal presentation of a concept or a product to influence decision making of the buyer to acquire the product. Advertising is a significant tool in the retailing industry this is described through stiff competition in the market and dynamic change in technology and client's choice. It creates a lively feature in protected advertising and marketing conversation because it brings the real picture of a product to the buyer (Marchand, 2015).

Sales promotion is described as a totally specific interim offer or incentive that is used to initiate trial or purchase of products by clients (Casielles, 2015). Income advertising can be defined as an attractive initiative used by entrepreneurs and various groups to steer exceptional channel contributors to buy a product or service (Shimp, 2013). Kotler (2006)

indicated that, Sales promotion is an interim tactic planned to be used to impact the procurement of a product as most customers get to know of a product after sales promotion.

Direct marketing entails conveying of information about a product, service reminder, special offer, announcement of sale, or any other communication type to a person at an electronic address or street (Berry & Wilson, 2014). It covers a broad range of marketing resources such as catalogues, online marketing, postcards, social media and sales letters. Unlike several advertisements, direct marketing creates a platform for one-on-one communication through internet marketing, hence increasing the chances of reaching the targeted customer (Wilson, 2014). When it comes to direct resources organizations employs high level of control over the recipient of the message, when delivery of message occurs and the number of customers that are targeted by the message.

Public Relations Society of America (2015) defines public relations as a strategic message process that leads to creation of relationships that are mutually beneficial between the public and the organizations. The essence of public relations in many organizations is seemingly widening. According to Winston (2015), almost all big organizations either outsource their public relations needs to a company or they have a public relations department within the organization. Public relation is vital for the organizations to maintain their image and effectively communicate their message to its customers, the public and investors. When the public and customers have a positive impression of an organization can increase its sales and grow the earnings and reduce

costs. Public relation is one tool to achieve increase and maintain market share of organizations (James & Rajendran 2013). Public relations are responsible for constructing and promoting the information and news that will be issued for public and consumer consumption. Understanding how public relations act is essential in preparing the evidence, in calculation to how the editors present it to the readers.

1.1.2 Organizations Performance

Jenatabadi (2015) defined organizational performance as organizations ability to attain its objectives such as increased profit, large market share, quality product, good financial performance, and surviving predetermined time employing strategies that are relevant for action. Through performance an organization can assess their progress towards predefined objectives, identifying areas of weakness and strength deciding on the future initiatives aiming at initiating performance improvement (Vanweele, 2006). Rowley (2011) indicated that performance can be measured using both non-financial and financial indicators. The financial indicators termed as sales growth in simple terms were a percentage growth in sales and percentage profit margin termed as profitability. They used goodwill and public image, quality of services and efficiency of operations as the non-financial indicators.

Organizational performance entails a series of activities that aid in defining the organization goals and monitoring the progress made towards meeting set targets (Johnson et al., 2006). Companies' inability to attain the planned results even when the company employees are hard-working and competently executing their tasks. The desired

results are mostly attained due to good fortune and sometimes because of unexpected events resulted by the efforts of the employees. Nevertheless, for any organization to prosper, it must have defined obligation. Organizations must develop strategies planned from the available skills that would improve organization performance.

Organizational performance is affected by several factors such as: the communication channel and the command connecting these individuals, the nature of the task these individuals are facing, what this individual can access in terms of resources and information (Richard et al., 2009). In the modern age of stiff competition and fierce negotiations with buyers, companies need to use the promotional mix fully to yield the Organization performance as tactical selling approaches simply do not work anymore (Parmenter, 2009).

1.1.3 Organization Characteristics

Asgari, Silong, Ahmad and Samah (2008) define organizational characteristics as guidelines and actions reputable to deal with organizational problems. Rahman, Abdullah, Ulib and Mohamedc (2014) defined organizational characteristics as features emanating from the model the organization's management has adopted, through its strategy or structure and from the organization culture epitomize in the nature of its relationships and membership. This organizations in a broad sense can be referred to as organizational influences.

An organization's characteristics includes physical sources of a company, group of workers, control competencies, stakeholders' pursuits, and rules (Duncan, 2016).

Williams (2009), emphasizes that the inner surroundings of any organization consist of company-related elements that impact its capacity to perform set cause which sooner or later contributes to its employer performance (Ghazali, 2013).

Organization Characteristic encompass the potential and abilities rooted among employees of the company which cannot be without difficulty duplicated by the opponents, for the reason that it's far rooted in the management competencies and experience of a company which ends up in profitability (Lazear, 2009). Firms that target improving its physical resources inclusive of statistics era improve through innovation studies and improvement generate above common performance due to the fact they believe in gaining of latest technology for; product improvement, research and growth which allows the firm to supply distinct merchandise which might be hard to duplicate, (Paladino, 2015). The study focused on physical resources which are concrete assets which the organization to create value offering and value proposition to its employees and customers,

According to Lozano (2015), key stakeholders such as employees and customers determine the endurance of the company because they fully comprehend the strengths, weaknesses, opportunities, and threats that the organization faces, and they can translate weaknesses and threats to strengths and opportunities due to their firsthand knowledge of the organization. Employees and customers provide the organization with crucial resources needed for organization's success.

1.1.4 Supermarkets in Nairobi City County

A supermarket can be referred to marketing intermediary or a self-service shop that is selling to the eventual customers for their own consumption. Supermarkets create value for customers, that is, being in a position to satisfy consumer needs and value that an enterprise adds to goods and services making it easier to access them or beneficial to consumers (Shankar, 2016). The presence of Supermarkets in Kenya is felt from rich suburbs who are upper income earners in big cities to the poor and middle-class consumer markets. Apart from supermarkets rapidly penetrating urban food retailing, they have also changed fundamentally the products on offer, and they are now penetrating food markets of lower-income groups spreading beyond their initial tiny market niche (Kiumbura, 2016). Having made inroads in staple and processed foods earlier as compared to fresh foods, supermarkets have also started making gains in other categories including vegetables and fresh fruits. The vital fluctuations that have been presented in the procurement structure of most supermarkets have brought significant challenges and opportunities for farmers practicing small scale farming and have impact for programs and policies for rural development (Neven, 2015).

In order to position themselves differently in the competitive market, supermarkets in Kenya are moving to creation of brand differentiators, introduction of loyalty cards, introducing 24 hours shopping concept and ensuring prices are uniform across all their branches rather than focusing on in-store activities and individual product categories (Briesch et al. 2013).

The detailed report produced by local suppliers indicated that retailers they are owed approximately \$400 million of debt surpassing the usual terms of payment of 60 days stipulated in the payment agreement. The retailers have been reluctant to disseminate information regarding the magnitude of the debt instead. Supermarkets have received numerous complaints from suppliers regarding retailers practicing unfair trade practices “due to lack of balance in the bargaining power between the suppliers and retailers”.

1.2 Statement of the Problem

The market share of leading supermarkets in Kenya like Uchumi have gone down from 70% to 35% by 2016, the share of Uchumi supplies have also gone down from 40% to 10% by 2016 this has shown a great decline in the market share. Due to the high competition in the market supermarkets such as Ukwala and Nakumatt have closed down most of their branches. Ukwala for instance was involved in illegal merger procedure with Tuskys because it could not withstand the existing stiff competition; this has seen Ukwala close down completely (Munyoki, 1997).

Kenyan retailers are facing a competitive and a very dynamic retail environment. With increasing market saturation, globalization and competition through mergers and acquisitions. These retailers have opted to use database management to manage customer relations in a more effective way, hence having a competitive advantage. Business organizations cannot continue to depend on historical trends in decision making without environment observation, evaluation and analysis of issues that are emerging. This

sounds like a new concept but is key for organizations seeking competitive advantage through improving relationships with customers (Cherono, 2016).

Retail chain Nakumatt and Uchumi Supermarkets due to cash flow challenges they have been facing challenges in paying suppliers and stocking most of their outlets well. Nakumatt which is the largest retailer in the region, said that the current problems are as due to tough operational environment which triggered the challenges they are undergoing. These challenges range from higher operating costs, a dejected economy, increased competition, and peripheral factors (Shah, 2016). Thou, Nakumatt and Uchumi are the most affected supermarkets others such as Naivas and Tuskys are facing extraordinary moments in servicing debt and experiencing stiff competition by new entrants in the market.

Previous research done by Langat (2015) on marketing communication mix effect on Supermarkets performance noted that marketing communication mix had significant effect on Organization performance. The study was limited when it came to offering guidelines on how the findings can be integrated in a marketing perspective due to factors like competitive environment and economic status. In a study done by (Hossein, 2017), on the effect of promotion mix tools on sales of cosmetics industry, the outcome of the study indicated that promotion mix was found to be major factor that boosted sales of products.

1.3. Objectives of the Study

1.3.1 General Objective

To establish the effect of promotional mix tools on performance of supermarket in Nairobi City County.

1.3.2 Specific Objectives of the Study

The specific objectives of this study were:

- i. To determine the effects of advertising on performance of supermarkets in Nairobi City County.
- ii. To determine the effects of sales promotion on performance of supermarkets in Nairobi City County.
- iii. To establish the effects of public relation on performance of supermarkets in Nairobi City County.
- iv. To examine the effects of direct marketing on performance of supermarkets in Nairobi City County.
- v. To establish the moderating effect of organization characteristics on the relationship between promotional mix tools on performance of supermarkets in Nairobi City County.

1.4 Research Hypotheses

The study sought to test the following research hypothesis:

H₀₁: Advertising has no significant effect on performance of supermarket in Nairobi City County.

H₀₂: Sales Promotion has no significant effect on performance of supermarket in Nairobi City County.

H₀₃: Public Relation has no significant effect on performance of supermarket in Nairobi City County.

H₀₄: Direct Marketing has no significant effect on performance of supermarket in Nairobi City County.

H₀₅: Organization Characteristics has no significant moderating effect on the relationship between promotional mix tools and supermarket performance in Nairobi City County.

1.5 Significance of the Study

The study results are useful in managing supermarkets as it enabled the management of supermarkets to reconsider their promotional strategies by investing in promotional tool such as direct advertising and marketing as an important strategic and tactical element of the general advertising technique to be competitive and significant in the market. That management should consider modern techniques such as telemarketing in product communication and Websites in product brand identity.

The research findings are helpful to the government in formulating advertising strategies for operative organization and determinative of the industry. The study provided a useful reference document on promotional mix tools to policy makers and regulators Authority that was relevant in ensuring that regulations are set in place for the retail market industry. For example, the advertising regulations a company should adopt before advertising.

The study provided related data of other researchers or scholars who would like to establish more on promotional mix tools and performance of supermarkets in Nairobi and on potential impact of emerging technologies on performance of supermarkets in Kenya. The findings also provided secondary material for a student in marketing and encouraged and motivated them on diverse issues on promotional tools and performance.

1.6 Scope of the Study

The survey was based on selected supermarkets in Nairobi. It was guided by four independent variables namely: sales promotions, advertising, direct marketing and public relation. Organization performance was used as the dependent variable while organization characteristics was the moderating variable. Data was collected from marketing, inventory and stores managers of the selected three tiers of supermarkets in Nairobi City. The research used explanatory research design. The branch manager and one sales and marketing representative with the experience on how promotional mix tools affect performance of supermarkets were purposively sampled from each of the 102 supermarkets in Nairobi totaling to 204 respondents.

The study chose Nairobi County for the study since around 50% of the entire population of supermarkets operating in Kenya are located within Nairobi and its environs hence a good depiction of the entire country.

1.7 Limitation of the Study

The delay of respondents to submit their feedback on the filled questionnaires was one of the challenges experienced, owing to the fact that Supermarkets employees' staff worked

under restricted work programs and deadline hence limited time was available to get comprehensive data; the researcher had a written letter placing appointment to the managers early enough for easy scheduling of interviews.

During the collection of data, as expected, some respondents were not cooperating in terms of availability during data collection sessions. To deal with this limitation, the study asked branch managers of the selected supermarkets for permission and presenting research permit obtained from NACOSTI.

1.8 Organization of the Study

The study was categorized into chapter one to five. Chapter one entailed the background, problem statement, study objectives, research hypotheses, significance, scope, and limitations. Included in chapter two is review of theoretical and empirical literature, conceptual framework, and literature summary. Chapter three entails research design, target population, sample size and sampling procedures, collection and analysis and presentation of data. Chapter four captures analysis of data interpretation and discussion while findings summary, conclusions, and recommendations were captured in Chapter five.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section explored related theoretical and empirical literature of this study. It presented both theoretical and empirical review of literature, literature summary and research gaps.

2.2 Theoretical Literature Review

The research was embedded on the following theories: push and pull theory, response hierarchy theory, institutional and expectancy theories.

2.2.1 Push and Pull Theory

Pull and Push Theory was advanced by Taylor in 1911. The organizations started focusing on how to become more efficient than their competitors by employing the ideas of Pull and Push Theory. This helped organizations to easily determine the wants of the target customers and pushing out solutions to those customers (Taylor, 1911). Market pushing solutions can either be overlooked by customers or sometimes seen as intrusive as this solution can easily get lost due to overload of information. Most organizations are migrating from a pull theory to the push theory by providing both information and solutions in a manner that is accessible and allow customers to determine what suits them (Ramu, 2015).

According to Donnelly (2016), on-line marketing is generally the effect of combining push and pull communications flows. The sender refers to the improvement of posters

and buttons, whilst the latter originate from the course of the receiver who surfs the internet looking for communications and statistics by way of clicking on posters or buttons. Push strategies regularly are used collectively with pull strategies; those include newspapers advertising and marketing and income. Push processes are used via manufacturers and vendors in the wish of persuading more shops to sell a agency's products while growing purchaser demand for products, pushing merchandise in the direction of outlets and shops pushing merchandise to customers (Kishor, 2014). The chance of the usage of overall pull marketing method is that the corporation is predicated on supplying the clients with the solution which may result to low ratio among sales and productiveness on account that solution will be supplied to many exclusive clients, (Guolla, 2011). This is a key process in sales promotion and advertisement variables which improves sales. For the survival of any retail business sales improvement is very essential due to it is direct link to consumers.

2.2.2 Response Hierarchy Theory

This theory was advanced in the year 1961 by theorist Lavidge and Steiner. It explains the response of a customer at six different steps from lack of product awareness to purchasing of a product. The advertiser influences the customers to go through the six steps to the level of acquiring the goods. The six stages comprised of: Awareness, Knowledge, Liking, Preference, Conviction and Purchasing of a product. We term this as a hierarchy experiencing some effect from one level to another in the sense that wide varieties of clients reduce from one level to another indicating that must fight hard to get

quite a few customers to the very last level of purchasing. This will depend on how the product message is conveyed to the consumer.

Reaction hierarchy theory assumes that the client is going through the three stages; cognitive, affective and behavioral. First stage that is cognitive is where through advertisement and sales merchandising the consumer becomes aware of a product or brand. The Second stage is Affective stage; this is where after the consumer understands the benefits of a product and learns how well the product fits into his lifestyle the consumer develops some interest. The high-quality promotional tool to be used right here is private promoting and direct advertising to create a desire in the consumer to own the product. The very last level is behavioral degree; at this stage, the consumer decides and buys the advertised product. The first-class promotional mix device to be used at this level is to provide an after-sale service to make the consumer purchase the product once more (Kotler, 2009). The public relations and direct marketing variables are anchored on this theory.

2.2.3 Institutional Theory

This theory was introduced by Meyer in 1981. Proponents of this theory argue that the development of formal structures in an organization can strongly be influenced by the institutional environment more than pressures in the market. Institutional idea is more on the resistant issue of employer traits (Scott, 2008). There are informal policies, consisting of norms, conduct and customs, and there are formal policies, together with written legal guidelines, regulations, and standards. Employees in organizations performance in line

with the guidelines set (Robescu and Lancu, 2016). Edwards (2021) indicated how corporations endure and prosper through the similarity between an enterprise and the expectations from both internal and outside environments. Institutional theorists emphasize that the institutional surroundings intensely affect improvement of formal systems in business enterprise than market pressures can. The institutional surroundings consist of Organization policies, control skills and values of stakeholders (clients, buyers, authorities, and collaborating organizations) which directly influence the overall performance of the business enterprise.

The Institutional View argues that agencies want their stakeholders to lawfully accept them. Lawfulness is described as the general perception that employers' actions and sports are appropriate and proper in regard to norms and values and belief of the organizations (Frese, 2015). Organizations can hire actions which might be less inspired by means of self-fascinated behavior through acting on that are 'apparent' and 'proper' specifically when external norms or practices acquire the popularity of a social reality. Organization needs to practice social responsibility and should conduct its commercial enterprise in an ethical way to avoid colluding with the stakeholders (DiMaggio, 2015). The formal regulations of environmental institutions relate to environmental legislations, agency guidelines, control abilities and numerous bodily sources of the employee (Hukkinen, 2016). Institutional theory is beneficial in describing how employer traits may additionally come to make contributions to sustainability and environmental reporting due to its recognition on the method through which those sports emerge as

rooted in institutions or regularly occurring practices. The organization characteristics variable is anchored on this theory.

2.2.4 Expectancy Theory

Expectancy theory was advanced in 1964 by Victor Vroom. This concept is primarily on speculation of employees adjusting their demeanor within the company at the idea of anticipating satisfying the goals set through their usage. Employees may also modify their behavior in this form of way that it influences their set goals as a result improve performance. This brings about the idea of overall performance manipulate due to the believe that performance of employees is influenced through way of the expectancies regarding future activities set with the aid of the business employer, (Salaman, 2015). Expectancy concept is applied almost in almost all sorts of agencies. This is mainly utilized in all components of employee relationship with the focus of improving usual performance. Utility of expectancy concept is seen in organizational strategies is also used to scrutinize the final results of agency schooling and abilities of employee average overall performance as in step with organizational rules and dreams (Hillman & Dalziel, 2013)

Overall performance of a personnel is always being related to organizational expectancies regarding success of diagnosed goals in future (Herman, 2016). The inducement that affects a worker to act in a certain way against other styles of behavior is termed as their expectancy (Oliver, 2014). Expectancy is determined with the resource of character perception that overall performance will really help the individual worker in carrying out

preferred average performance desires, because of this, this permits people in figuring out in the event that they have the desired ability sets for engaging in a piece efficiently. but, at the same time as performance dreams are past the success, the corresponding motivation also declines. The idea relates to the technique of worthwhile the top notch preferred overall performance outcome. The try the employees will located to talk the promotional mix gear will decide the outcome of agency basic overall performance (Billsberry, 2015). This theory explains the dependent variable Supermarket performance.

2.3 Empirical Literature Review

2.3.1 Advertising and Performance

Njawa (2015) did research on how advertisement affected organizational performance of Tigo Telecommunications Network. The employees of Tigo Telecommunications Network were the target population. The study found that, brand loyalty, equity and awareness significantly impacted organization performance. The study also found that when organizations employ well-defined advertising techniques, they are likely to improve performance of the organization. Founded on the level of the study responses ratio of male to female specifies that there is no gender balance in Tigo Telecommunications Network.

Chauvin and Hirschey (2017) maintain that advertising is a key strategic factor contributing to market leadership and may be essential to building market worth. White and Miles (2016) also specify that advertising is a strategic asset in the organization's

stock or intangible assets, forthcoming cash flows, and market value. Empirical evidence on advertising influence on firm performance, however, is largely mixed and in definite (Chauvin and Hirschey 2017).

Okyere and Nyarku (2011) conducted study at Ghana Telecom (Vodafone) on how sales Performance is affected by marketing communications mix. From the study findings advertisement budgets, sales promotion significantly affected total sales of the organization which improved overall performance of the organization. However, the study found an indirect relationship between TV advertisements and sales performance. Jebungei (2014) conducted research on advertising effects on organizational performance of organizations manufacturing cosmetics. The study found that advertisement is the means through which the organization can make customers aware of the goods and services offered and that advertisement is key in promotion of goods and services' brand images on offer at the potential markets. The study found that organizations in this industry through advertising they can create good image and promote repeated purchasing goods or service, leading to development of large markets through creation of large market segment, reduce customer complaints and develop a good working relationship with potential customers.

Performance of cosmetic companies is influenced by advertising as it persuades consumers to purchase more products of the organization, increase sales volume and increase organization profits. The study was applied to a Telecommunication industry in a foreign country set up and hence the conclusions of this study may not be related in a

local set up and specially in retail and fast goods industry. The study also chose to concentrate on advertising budgets and TV advertisements which is just one medium of channeling the right message on a product to the consumers ignoring other most accessible mediums used by potential consumers such as Radio, newspapers, and Billboards.

2.3.2 Sales Promotion and Performance

Ailawadi and Neslin (2013) indicated that sales promotions had a significant influence on sales performance since promotions influence customers to consider changing brands and buying products in huge quantities. This will lead to growth in income and in the long run increase profitability leading to improving the overall performance of the organization. Conducting a study on how sales promotion affects organization performance. The study should have advantage by developing an efficient and effective campaign promotion which could have increased consumer awareness of their products leading to bulk purchasing. Unfortunately, the study failed to do so.

Odunlami and Ogunsiji (2011) found that sales promotion had significant impact on sales volume and performance of organization. The study concluded that when sales promotional tools are implemented effectively it leads to increasing volume of sales. The study recommended that the organization should take advantage of festive period to come up with a competent and actual sales promotion strategy that can lead to increase in sales by making consumers aware of the existing products and services. The study focused on one promotional tool which sales promotion ignoring other promotional tools.

The study conducted by Ndubisi (2016) in Malaysia observed that shops or producers need to employ sales promotion methods to motivate their customers and create awareness to the consumers. Malaysian customers' purchasing patterns are influenced by sales promotion strategies such as coupon, bonus packs and loose samples (De Run and Jee, 2014). The study was applied to a shop or producer in a foreign country set up and hence the findings of this study may not be applicable to local supermarkets which are huge as compared to shops in the study. The study concentrated on sales promotion which is just one medium of channeling the right message on a product to the consumers ignoring other most accessible mediums used by potential consumers.

Ogunsiji (2013) undertook a study on the impact of sales advertising tools on organizational performance. The research found that sales promotion affects organizational performance. Concluding that implementing sales promotional tools results in increased sales leading to higher income generation by organizations. The study focused on one promotional mix tool.

Hosseini and Navaie (2011) conducted a study on how increasing sales of cosmetics and beauty products is influenced by promotional mix tools. The study found that promotional mix tools such as advertising and sales promotion were significant in boosting sales of beauty and cosmetics products. However, the study found direct marketing insignificantly affected the increase of sales of the products in the organization. The study focused on the cosmetics industry which may not be applicable in other areas such as home appliances and perishable consumer goods.

Hsieh and Kai (2008) conducted a study on how moderating effect of brand Image impacted the connection between customer loyalty and public relations. The study found that sales promotions have remarkable effect on sales volumes and profitability of the organization. The study further indicated that sales promotion had even a greater impact on performance of the organization as it persuades consumers to purchase products in large quantities, the consumer loyalty. The research omitted to explain the effect of consumer loyalty on performance.

2.3.3 Public Relation and Performance

Public relations are termed as one of the functions of management which examines the attitude of the public towards the organization, takes note of strategies and processes of a specific or organization factoring the interest of the public, and executing an elaborate action plan to enable the public to understand and accept the product and services offered by the organization (Seitel, 2017).

Okyere (2018) undertook research on how sales performance of Ghana telecom is influenced by marketing communication. The study found significant connection between marketing communication tools such as public relations and sales performance; firms can access potential, target and current customers influencing them to purchase their products by the help of marketing communication tools. The study focused on one aspect of performance only that is sales performance.

Raweh Mohamed Shamsan and Otieno (2015) a survey on effects of Public Relations strategy on Organization Performance. The study aimed at examining how organization

performance is affected by strategic public relations. The study found that strategic public relations had significant effect on organization performance. Based on the level of the study responses ratio of male to female indicates that there is no gender balance in Red Cross Society.

Hanze and Farsani (2011) conducted a study on how consumer loyalty is affected by brand image and perceived public relation. The study found that perceived public relations had significant effect on the consumer loyalty. The study also found that if organizations can manage the brand image and establish public relations with customers, they can create consumer loyalty hence affecting organization performance. The study further state that the activities of public relations can be instrumental to the organization when it comes to creation of a satisfactory image of the product and building confidence among consumers hence influencing their attitude and perception.

Ismail, Hussain, Shah and Hussain (2012) conducted a study on effect of marketing communication tools such as public relations on sales performance of multinational companies finding that marketing communication tools significantly affected sales performance of Proctor and gamble Company. The study focused on non-financial aspect of measuring performance of the organization.

2.3.4 Direct Marketing and Performance

Mangweni (2015) examined impact of direct marketing on performance of organization. The research selected Confectionery and Bakery Industry as area of study. Different stakeholders were given opportunity to give their opinions on direct marketing practice

based on different direct marketing channels that were considered in the study. The study targets 104 respondents and descriptive and explorative research designs were employed to obtain more data relating to the success of this study. The study used interview and questionnaires for data collection from Bakers Inn employees. The study findings indicated that direct marketing significantly affected the performance of the company. Direct marketing helps companies to improve their return on investment by building customer relationships. The study focused on the Confectionery and Bakery Industry which may not be applicable in other areas such as home appliances and perishable consumer goods.

Schibrowsky, (2005) found that direct advertising and marketing is an important strategic element of the general advertising technique of U.S. Fundraisers. for this reason, evidence shows that direct advertising and marketing can be an amazing device for achieving lengthy-term organizational targets and performance. However, direct marketing studies have furnished constrained guidance in deciding on relevant media to convey information and implementing direct advertising and marketing packages in non-profit making industries.

Kamande and Maina (2019) conducted a study on how performance of credit co-operative societies is affected by direct marketing strategies in Nairobi City. The study targeted 40 registered Co-operative Societies. The findings indicated that direct selling, social media marketing, email marketing significantly affected market performance of organizations under the study. The study focused on the credit co-operative societies

Industry which may not be applicable in other areas such as home appliances and perishable consumer goods.

2.3.5 Organization Characteristics' and Performance

Yu,Xiao and Bo (2018) did research on the effect of dimensions of organizational character on performance of organizations in Chinese context. The study used multi-ordered logit regression analysis. The study targeted 205 Chinese enterprises. The study found that the organizational character had significant effect on organizations' performance as well as the potential to grow. The study was conducted on a Chinese context which may not be applicable in the local context.

Okafor (2007) undertook research on organizational characteristics and performance in Nigeria listed Companies. The study found that organizational characteristics significantly affected organization performance. The findings specified that style, skills, staff and collective values has substantial effect on organizational performance. The study recommended that Nigerian organizations should look for ways of making these variables more performance enhancing due to their positive relationship. The study was conducted on a Nigeria context which may not be applicable in the local context.

Otto, Nick and Stott (2006) conducted an online survey study using 64 corporations as target population to establish the scopes of operational atmosphere in that study. The study found that organizational characteristics should meet the expectations of shareholders, suppliers, employees, and customers regarding organizational performance. The focus of the study was on the state corporations which may not be

applicable in the other areas such as home appliances and products that are sold quickly to consumer.

2.4 Summary of Literature Review and Knowledge Gaps

In the review of the empirical studies, this section as indicated in Table 2.1 presented the critique of literature and research gaps.

Table 2.1: Summary of Literature Review and Knowledge Gaps-

Author/Year	Focus of the Study	Findings	Gaps	Current study Focus
Raweh Mohamed Shamsan and Otieno (2015)	Effects of Strategic Public Relations on Organization Performance at Kenya Red Cross Society.	The study found that strategic public relations significantly affected organization performance.	Based on the level of the study responses ratio of male to female indicates that there is no gender balance in Red Cross Society.	The study was gender balanced thus ensuring that all genders participated equally.
Njawa (2015)	The effect of advertisement on organizational performance of Tigo Telecommunications Network.	The study also found that when organizations employ well-defined advertising techniques, they are likely to improve performance of the organization.	The study focused on the cosmetics industry which may not be applicable in other areas such as home appliances and perishable consumer goods.	The current Study focused on the supermarket industry.

Jebungei (2014)	How advertising influenced performance of cosmetic manufacturing firms in Kenya.	Advertising affected performance of this organizations by enabling the organizations to increase sales volumes, profit and increase the volume organization products purchased by the consumers and organization relationship with its customers.	The focus of the study was on the cosmetics industry which may not be applicable in the other areas such as home appliances and products that are sold quickly to consumer.	The current Study focused on the supermarket industry.
Ailawadi and Neslin (2013)	Effect of sales promotion on sales performance of an organization.	The study found that sales promotions had significant effect on sales performance and that Sales promotions persuade consumers to buy products in bulk and change brands.	The study should have advantage by developing an efficient and effective campaign promotion which could have increased consumer awareness of their products leading to bulk purchasing. Unfortunately, the study failed to do so.	The current study focused on all the elements of promotional mix which made the scope of the study broader.
Ogunsiji (2013)	The impact of sales advertising tool on organization performance.	The research found that sales promotion affects organizational performance.	The study focused on one Promotional Tool.	The current study focused on Four Promotional tools including Advertisement.

Hossein and Navaie (2011)	The effect of sales of cosmetics and beauty products on promotional mix tools	The study found that promotion mix tools such as advertising and sales promotion were significant in boosting sales of beauty and cosmetics products.	The study focused on the cosmetics industry which may not be applicable in other areas such as home appliances and perishable consumer goods.	The current Study focused on the supermarket industry.
Okyere and Nyarku (2011)	How marketing communication influenced performance of sales at Ghana telecom.	The study found marketing communication tools had significant effect on sales performance and that using marketing communication tools can assist organizations to target potential and current consumers and convince them to buy their goods.	The study was applied to a Telecommunication industry in a foreign country set up and hence the findings of this study may not be applicable in a local set up and specially in retail and fast goods industry. The study also choose to concentrate on advertising budgets and TV advertisements which is just one medium of channeling the right message on a product to the consumers ignoring other most accessible mediums used by potential consumers such as Radio, newspapers and Billboards.	The current study was conducted in a supermarket industry within a local setting that is in Nairobi. The study also focused on Advertising as a promotional mix tool in general without breaking down Advertisements to only budgets and means of advertisement.

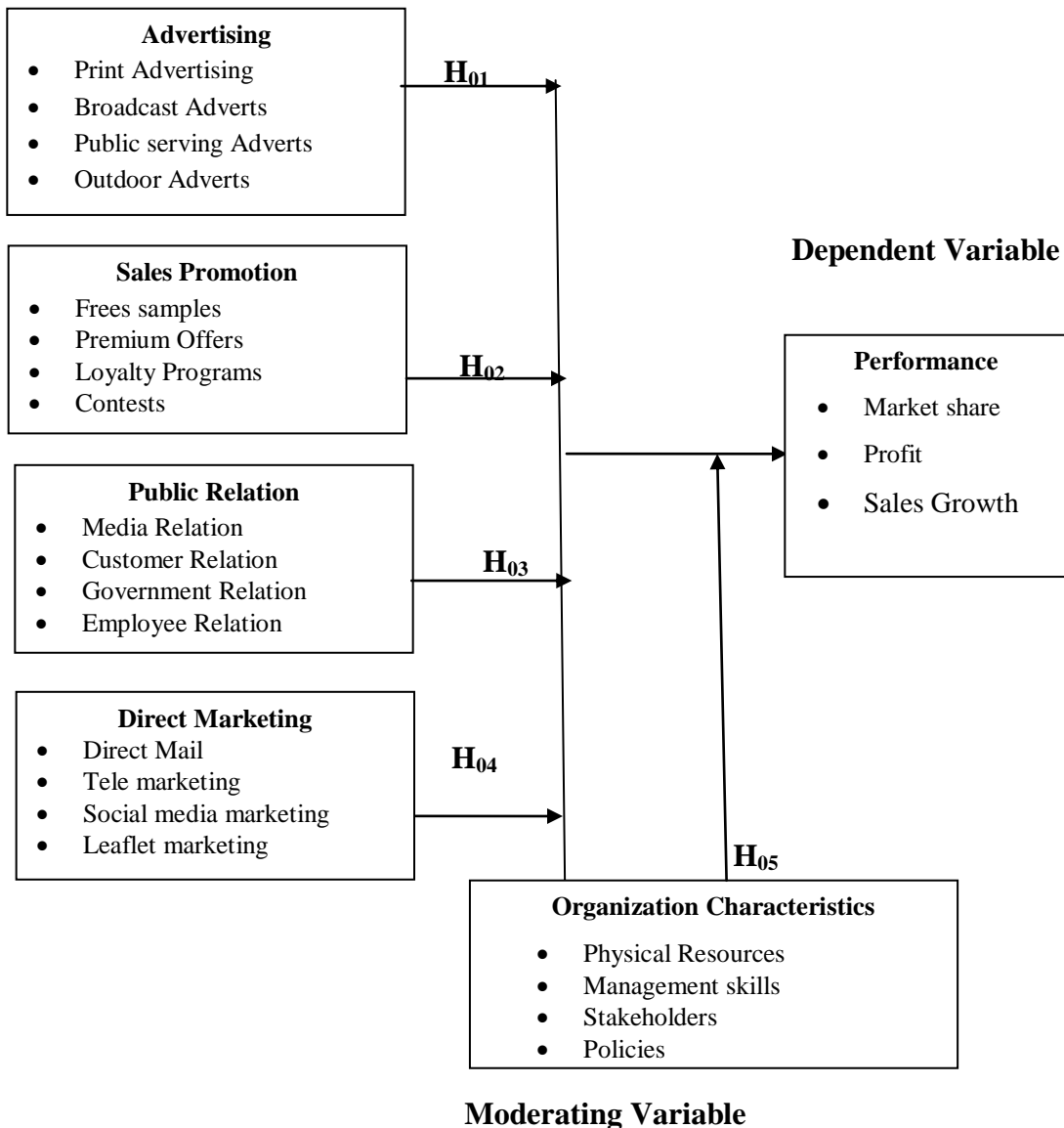
Hoq and Chauhan (2011)	Effects of organizational characteristics on organization performance.	The study findings indicated that performance is significantly affected by organizational characteristics.	The study looked at organization characteristics as a dependent variable rather than. indicator of mediating variable.	The study used Organization characteristics as a moderating variable.
Okyere (2011)	The effect of marketing communication on sales performance of Ghana telecom.	The study found significant connection between marketing communication tools such as public relations and sales performance; firms can access potential, target and current customers persuading them to buy their products by the help of marketing communication tools.	The study focused on one aspect of performance only that is sales performance.	The current study will measure performance based on Market share, profitability and sales growth.
Hsieh and Kai (2015)	The moderating effect of brand Image on public relations perception and customer loyalty.	The study found that sales promotions had significant impact on the sales and profit of the organization.	The study did not explain the effect of consumer loyalty on performance.	The current study went into detail to show how the promotional mix tools affected performance.

Source: Author 2022

2.5 Conceptual Framework

A concept framework guides research through giving a visual depiction of the variables and underlying theories. Atkinson (2006) defined conceptual framework as a model explaining the relationship between various variables.

Independent Variable Promotional Mix Tools



Source: Author 2022

Figure 2.1: Conceptual Framework

The study hypothesized that sales promotion, advertising, public relation and direct marketing were independent variables affecting performance of supermarkets which was the dependent variable and organization characteristics as the moderating variable. The dependent variable was measured using market share, profit and sales growth suggested by Parmenter (2009) in his book 'the key performance indicators (KPIs).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section highlights, research design, data collection instruments, target population, sample design and analysis of data and the ethical consideration of the study. The section involves an outline for collection, measurement, and analysis of data.

3.2 Research Philosophy

Saunders (2006) defined research philosophy is a principle in which information encompassing a phenomenon ought to be collected and examined. The philosophies discussed in literature includes interpretive, functionalist, pragmatism, subjectivism, objectivism, realism, and positivism. However, their applicability depends on the research approach (Polit & Beck, 2008). Steen and Roberts (2011) allude that for quantitative approach, positivism should be the preferred philosophy.

Positivism is associated with the theoretical position of the ordinary scientist. It involves working with a clear social certainty where results are ultimately generalized (Maylor & Blackmon, 2005). A debate still rages as to which philosophy is for natural science or social sciences. This study adopted positivism as the most preferable philosophy. This is because by its nature, the investigation was directed to the impact of promotional tool mix and performance of supermarkets in Nairobi County area. Deductive approach was employed as the study calls for testing of the hypotheses and proving the exiting theory pertaining the phenomena (Robson, 2002).

3.3 Research Design

This study used explanatory research design as is appropriate to address subsidiary and central questions of this study. According to Creswell (2003) explanatory research design emphasis on examining a problem or a situation to ascertain whether one event causes another or to explains relationship between variables. Grey (2014) indicated that explanatory research design is carried with an aim of discovering and reporting some existing relationships among various features of the phenomenon under study. It looks for possible causes, reasons and provides evidence to either refute or support a prediction or an explanation.

3.4 Empirical Model

The Multiple Linear Regression was adopted to determine how independent variables are affected by the dependent variable. On the analysis of how the relationship between independent and dependent variables are affected by moderating variables the study opted to use step-by-step method as suggested by MacKinnon (2002) and Muli, (2014). The overall equation on how independent variables affected organization performance is as shown below:

$$OP = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \dots \dots \dots \text{(Model 3.1)}$$

Where OP: - Organizational Performance

X_1 - Sales Promotion

X_2 - Advertising

X_3 - Public Relation

X₄- Direct Marketing

ε- Error Term

β₁-β₄-Coefficients

3.4.1 Testing for Moderation

The first Model 3.1 was useful in establishing the connection between the independent and dependent variables.

In step 1 promotional mix tools were regressed on performance of supermarkets using

Model (3.1).

Model (3.2) as the second model entailed Organization Characteristics as the moderating variable was estimated.

$$Y_e = \beta_0 + \beta_1 X + \beta_3 OC + \epsilon \dots\dots\dots \text{(Model 3.2)}$$

In step 2, the composite index of the promotional mix tools was regressed on organization characteristics using **model (3.2)** above.

Where;

Y = Performance of Supermarkets

X= Promotional Mix

OC= Organization Characteristic

Model (3.3) used as an estimate giving the effect and direction of the moderating variable on the independent and dependent variables.

$$Y = \beta_0 + \beta_1 X + \beta_2 X + \beta_5 X.OC + e \dots\dots\dots \text{(Model 3.3)}$$

In step 3 there was a simultaneous regression of Performance of supermarkets on promotional mix tools and organizational characteristics as indicated by Model (3.3) above.

Where,

Y= Performance of Supermarkets

X= Promotional Mix

OC=Organizational Characteristics

Table 3.1: Decision Making Criteria

Model 3.2	Model 3.3	Total Effect	Conclusion
β_5 is not significant ($p > 0.05$)	-	-	No overall effect to moderate
β_5 is significant ($p < 0.05$)	β_8 is not significant ($p > 0.05$)	-	Moderating variable is an explanatory variable
β_5 is significant ($p < 0.05$)	β_8 is significant ($p < 0.05$)	β_3	Moderation variable has a moderating effect

Source: (Whisman and MacClelland, 2005)

3.5 Operationalization and Measurement of Study Variables

The research revolved around the concept of promotional mix and performance of supermarkets. Promotional mix tools (direct marketing, sales promotion, advertising, public relations) were the dependent variables while performance of supermarkets was used as independent variable.

Table 3.2: Operationalization and Measurement of Variables

Category	Variables	Indicators	Operationalization	Measurement
Dependent Variable	Organization Performance	Market Share	Ability to increase customer base.	Aggregated index of 1-5 point scale
		Profit	Revenues generated from sales operations.	
		Sales Growth	Total number of net sales	
Independent variables	Advertisings	Print Adverts	Leverage credibility	
		Broadcast Adverts	Development of larger markets	
		Public Serving Advert	Targets a larger segment of population	
		Outdoor Advert	Helps in building brand of the organization	
	Sales Promotion	Free samples	To communicate the benefits products	
		Premium offers	Expansion of market share	
		Loyalty Programs	Increases customer Loyalty	
		Contests	Enables organization to engage the audience	
	Public Relation	Media Relation	Enhances Organization image	
		Customer Relation	Helps in building customer relationship	
		Government Relation	Increases awareness of organization legal requirements	
		Employee Relation	Helps in employee satisfaction	
Direct Marketing	Direct mail	Enhanced product communication		
	Tele marketing	increase market share		
	Social media marketing	Increases Market Share		
	Leaflets	Improves publicity		
Moderating Variable	Organization Characteristics	Management Skills	Improves improve on product and services	Aggregated index of 1–5-point scale
		Physical resources	Helps in evaluating organization performance	
		Stake holders	Increases customer relationship	
		Policies	Provide framework for consistent decision making	

(Source: Author, 2022)

3.6 Target Population of the Study

Target population is the members of a real or theoretical set of events, or people, objects the researcher wishes to generalize the results of the research (Mugenda & Mugenda, 2003). The study population consisted of 102 supermarkets in Nairobi County as per the Kenya business directory listings, 2016 (Appendix III). According to Nairobi County statistics (2017), the Supermarkets in Nairobi are categorized into Tier One, Tier Two and Tier Three. The study chose Nairobi County for the study since around 50% of the total population of supermarkets operating in Kenya are located within Nairobi and its environs hence a good representation of the entire country.

3.7 Sampling Procedures and Techniques

Kothari (2012) defined a sample as the designated objects picked as a representation of the entire population. The study selected a branch manager and one sales and marketing representative from each of the 102 supermarkets using purposive sampling technique. Sampling can be explained as the activity of choosing a predetermined number of observations from the whole population for study in a manner that selected individuals are a representative of the whole population (Scheaffer, Mendenhall, Ott & Gerow, 2012).

Table 3.3: Sample Size

	Number	Number of Supermarkets	Total sample size
Branch Manager	1	102	102
Sales and Marketing Rep	1	102	102
Total	2		204

(Source: Author, 2022)

3.8 Data Collection

The study used primary data sources to produce information that was used to answer the research questions from the primary sources. Self-administered questionnaires was used as the research instrument in this study, involving both structured and unstructured question items. Primary data was employed as it provided firsthand information hence, portraying originality and minimal to no errors (Cooper & Schindler, 2008). To be successful, the questionnaires were short and simple (Kothari *et al.*, 2004).

The Questionnaire contained both open and closed ended questions which aligned with the study objectives. For closed ended questions the study used a five-point Likert scale. The Questionnaires was categorized into two sections each. The first one sought to determine the demographic data while the second one sought respondents' input on the effect of promotional mix tools on performance of supermarkets. The data collection process began immediately upon receiving a notification letter from the university. The questionnaires were dropped and picked up later. A period of one month was allocated for the data collection process.

3.9 Data Analysis and Presentation

The study employed both descriptive and inferential statistics in data analysis. The study used administered questionnaires to measure, summarize and relate study variables. Quantitative data was collected for analysis. Rearrangement of collected data was first done to bring some systematic handling or order and then editing was done to eliminate irrelevant information, classified based on comparability and then presented using tables

and charts. Qualitative data was analyzed using content analysis. The study employed SPSS software version 25 in measuring the population sample.

Table 3.4: Test of Hypothesis Table

Objectives	Hypothesis	Statistical Approach	Research Question	Interpretation
To determine the effects of advertising and performance of supermarkets in Nairobi City County.	Advertising has no significant effect on performance.	$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$ Where $X_1 = \text{Advertising}$	Section C	R2 Adjusted R2 t-Value F-Value Significant Level of 0.05 P<0.05 reject null hypotheses
To assess the effects of Sales Promotion and performance of supermarkets in Nairobi City County.	Sales Promotion has no significant effect on performance	$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$ Where $X_2 = \text{Sales Promotion}$	Section D	R2 Adjusted R2 t-Value F-Value Significant Level of 0.05 P<0.05 reject null hypotheses
To evaluate the effects of Public Relation and performance of supermarkets in Nairobi City County	Public Relation has no significant effect on performance	$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$ Where $X_3 = \text{Public relation}$	Section E	R2 Adjusted R2 t-Value F-Value Significant Level of 0.05 P<0.05 reject null hypotheses

To examine the effects of Direct Marketing and performance of supermarkets in Nairobi City County	Direct Marketing has no significant effect on performance	$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$ <p>Where $X_4 = \text{Direct Marketing}$</p>	Section F	R2 Adjusted R2 t-Value F-Value Significant Level of 0.05 P<0.05 reject null hypotheses
To establish the moderating effect of Organization Characteristics on the relationship between Promotional mix tools and performance of Supermarkets in Nairobi City County	There is no moderating effect of Organization characteristics on the relationship between promotional mix tools and performance	$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 OE + \epsilon$	Section G	R2 Adjusted R2 t-Value F-Value Significant Level of 0.05 P<0.05 reject null hypotheses

(Source: Author, 2022)

3.10 Diagnostic Test

The study conducted three diagnostic tests consisting of multi-collinearity, normality and autocorrelation test as presented in the sections that follow.

3.10.1 Normality Tests

According to (Field, 2009), the normality assumption is very essential as it helps the researcher to make precise statistical interpretations from the testing of hypothesis. This study tested for normality using the Q-Q plot output. The expectation of the study was that if the data is normally distributed it should be closer to the diagonal line.

3.10.2 Autocorrelation Test

The study used SPSS software to run for the autocorrelation test through the Durbin Watson's statistic test to determine whether there was serial correlation among variables. According to Durbin-Watson test, the decision rule we can therefore conclude that values greater than 1.5 and less than 2.5 are suggesting no serial correlation problems as they are between the two critical values.

3.10.3 Multicollinearity

The assumptions of linear regression model can be violated by presence of multicollinearity leading to distortion of the regression coefficients as result of large standard errors (Thompson, Kim, Aloe and Becker, 2017). Variance Inflation Factor (VIF) was used to test multicollinearity. Severe multicollinearity commonly uses a cut-off point of ten hence this study adopted a VIF value of ten (O'Brien, 2007).

3.10.4 Test of Hypotheses

Hypotheses was tested to determine how independent variables influences dependent variable. If the value of $p < 0.05$, then null hypotheses might be rejected and vice-versa. Table below summarized the research objectives, the hypothesis, and the interpretation of the hypothesis.

3.11 Ethical Considerations

The study took various measures in ensuring that all research ethical standards were adhered to. First, approval to collect data was granted by Kenyatta University Graduate School after which the researcher sought and was granted research permit by NACOSTI. Thereafter, the study sought authorization from the management of each supermarket before issuing questionnaires to individuals targeted.

The researcher got authority from the University to proceed to the field to collect data. The authority was through a letter addressed to the head of the organization to allow the researcher administer the research instrument and this gave an assurance that their confidentiality was guaranteed. The questionnaire was designed in a manner that no sensitive or personal questions were asked from respondents only the information directly related to the research questions. The questionnaires did not contain any language that is discriminating or an unacceptable that could offend any members of the sample group.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 Introduction

This chapter deals with study analysis, interpretation, and discussion of the findings obtained from the study. The study results analysis was conducted using descriptive and inferential statistics with the intent of documenting the findings.

4.2 Response Rate

A total of 121 respondents out of targeted sample size of 204 filled and returned the questionnaires which is 60% response rate. The 121 responses were received from at least 72 supermarkets out of the 102 targeted with 72 responses from sales and marketing representatives and 49 Managers. For analysis and reporting the 60% response was satisfactory. A study is conclusive for analysis and reporting if the response rate is 50%; if the rate of response is 60% the study is good and if the study response rate is 70% and above, we can conclude that the study is excellent for analysis and reporting (Mugenda and Mugenda, 2003). According to the findings, the response rate of this study was good.

Table 4.1: Response Rate

	Response size	Sample Size	Response rate (%)
Branch Manager	49	204	25
Sales and Marketing Rep	72	204	35
Total	121	204	60

(Source: Author, 2022)

4.3 Background Information

4.3.1 Level of Education

The response of respondents' education level is as shown in table 4.2

Table 4.2: The Level of Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	K.C.S.E Certificate	22	18.2	18.2	18.2
	Diploma	50	41.3	41.3	59.5
	Bachelor's degree	43	35.5	35.5	95.0
	Master's Degree	6	5.0	5.0	100.0
	Total	121	100.0	100.0	

(Source: Author, 2022)

The results illustrated in Table 4.2 postulates that it is only small number of respondents who have attained a second degree as shown by the 5.0% of respondents who had masters degree, 35.5% of the respondents had University Education, 41.3% of the respondents who formed the largest number were holders of Tertiary Education, 18.2% had attained secondary Education. This indicates that the higher number of respondents had minimum level of education to participate in this study.

4.3.2 Age of Respondents

The age responses of the respondents were as shown in table 4.3

Table 4.3: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 25 years	16	13.2	13.2	13.2
	25-30 Years	19	15.7	15.7	28.9
	30-35 Years	44	36.4	36.4	65.3
	More than 35 Years	42	34.7	34.7	100.0
	Total	121	100.0	100.0	

(Source: Author, 2022)

Findings shown in Table 4.3 found that below the age of 25 years there were 13.2% of the respondents, 15.7% were aged between 25-30 years, 36.4% were aged between 30-35 years, and 34.7% were aged above 35 years. As specified, out of the 121 respondents, 79 respondents were aged between 35 years and below. They formed majority part of the responses. The supermarkets under study have a young workforce with capabilities of promoting and steering the existence of the desired performance at the supermarkets. Also, a young workforce is not resistant to change, and they are focused on career development and performance oriented. There is a possibility of a very competitive work environment at the supermarkets under study. Adopting new working methods and constant change is characterized by this age group. It was then predictable that the varied age groups will bid different and effective interpretations about the promotional mix tools and how they affect performance of supermarkets in Nairobi.

4.3.3 Experience of the Respondents

The Table 4.4 below tabulates the respondents experience in the organization as shown in table 4.4:

Table 4.4: Work Experience of the Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 Year	17	14.0	14.0	14.0
	1-5 Years	52	43.0	43.0	57.0
	5-10 Years	44	36.4	36.4	93.4
	Over 10 Years	8	6.6	6.6	100.0
Total		121	100.0	100.0	

(Source: Author, 2022)

The findings in Table 4.4 indicated that work experience of 14% of the respondents was below 1 Year, 52% had worked for between 1 to 5 years forming the majority, while 44% had a working experience of between 5-10 years at the supermarket. Minority of respondents at 8% indicated they have worked for the Supermarkets for more than 10. With such a distribution, the respondents had enough experience to answer questions related to promotional tools and performance of the supermarkets.

4.4 Descriptive Statistics

This section comprised of both dependent and independent variables' descriptive findings as used in the study. The study adopted Likert-type scale scores where 5=strongly agree, 4=Agree, 3=Not sure, 2=Disagree and 1=strongly disagree.

4.4.1 Advertising

Advertising was rated on a scale of 1 to 5 as tabulated in table 4.5:

Table 4.5: Advertising

	N	Mean	Std. Dev
Use of print adverts promotes purchase of products	121	3.352	1.331
Broadcast helps in development of larger markets	121	3.799	1.372
Public Serving targets a large segment of population	121	3.744	1.084
Outdoors adverts help to boost organization performance	121	3.571	1.068
Aggregate score	121	3.617	1.215

(Source: Author, 2022)

The findings shown in Table 4.5 indicate the mean stands at 3.617 for this section and 1.331 standard deviation. This postulates that on average the respondents agreed that Advertising as a promotional mix tool was used by the supermarkets and influenced the performance of the supermarkets in Nairobi. This supported the statement suggesting that Broadcast helps in development of larger markets with a mean of 3.799 and a standard deviation of 1.372 which was the highest mean. Use of print adverts promotes purchase of products had relatively low mean of 3.352 with 1.334 standard deviation.

This study findings support the argument by Jebungei (2014) that advertising in the cosmetic industry enables organizations to build a good reputation and persuade consumers to repeatedly purchase products or services, create large market segment, create good working relationship with targeted customers and reduce consumer complaints leading to improved organization performance. The findings also support the assertion by Njawa (2015) that well employed advertising techniques are very vital in

performance of an organization. The study is also consistent with Okyere and Nyarku (2011) who found that advertising budgets had significant effect on total sales which in return affected organization performance.

4.4.2 Sales Promotion

Sales Promotion was rated on a scale of 1 to 5 as tabulated in table 4.6:

Table 4.6: Sales promotion

	N	Mean	Std. Dev
Use of free sample helps to communicate product benefits	121	3.651	1.334
The use of loyalty programs helps to encourage more purchase	121	4.347	1.175
Premium offers to promote customer awareness	121	4.033	1.336
Contests encourage more marketing activities.	121	4.093	1.133
Aggregate score	121	4.031	1.245

Source: Author, 2022)

The results in Table 4.6 shows the mean was 4.031 with standard deviation of 1. 334. This postulates that averagely the respondents agreed that Sales promotion as a promotional mix tool was used by the supermarkets and had an effect on supermarkets performance in Nairobi. The use of loyalty programs helps to encourage more purchase statement had a mean score of 4.347 which was the highest in the section while the standard deviation stood at 1.175 The statement whether the use of free sample helps to communicate product benefits had a mean of 3.651 being the lowest and a standard deviation of 1.334 indicating that the free samples production comes with costs and may not reach the target group.

The findings support the argument by Ailawadi and Neslin (2013) that sales promotions significantly affected sales performance because promotions influenced buyers to consider new brands and to purchase existing products in bulk quantities. This was also in agreement with Odunlami and Ogunsiji (2011) who found that sales promotion had significant effect on organizational performance. The findings agree also with the findings of Hsieh and Kai (2008) who found that sales promotions had significant impact on the sales and profit of the organization.

4.4.3 Public Relations

Public relation was rated on a scale of 1 to 5 as tabulated in table 4.7:

Table 4.7: Public relations.

	N	Mean	Std. Dev
Employee relation enhances the Organization performance	121	3.556	1.334
Customer relations significantly enhance customer relationship	121	4.262	0.808
Government relation helps in coping with competition	121	4.299	0.984
Media relation helps Collecting market information on need	121	4.373	1.058
Aggregate score	121	4.123	1.046

(Source: Author, 2022)

From the findings in Table 4.7, computed mean stands at 4.123 with a 1.046 standard deviation. This shows that averagely the respondents agreed that public relations as a promotional mix tool was used by the supermarkets. The statement that Media relation helps Collecting market information had a mean score of 4.373 which was the highest in this section while the standard deviation stood at 1.175 The statement whether

Employee relation enhances the Organization performance had a mean of 3.556 and 1.334 standard deviation which was the lowest implying that Supermarkets are mostly engaged in building customer and government relations more than building employee relation to improve performance.

These conclusions are in dependable with the study of Okyere (2011) who found that marketing communication tools such as public relations significantly affected sales performance. Raweh, Mohamed, Shamsan and Otieno (2015) agreed with this finding by indicating that strategic public relations had a significant effect on organization performance. The studies of Hanzaee and Farsani (2011) and Ismail, Hussain, Shah and Hussain (2012) were all in agreement that public relations had significant effect on performance.

4.4.4 Direct Marketing

Direct Marketing was rated on a scale of 1 to 5 as tabulated in table 4.8:

Table 4.8: Direct Marketing.

	N	Mean	Std. Dev
Telemarketing helps organization in product communication	121	4.252	1.280
Social media helps in increasing market share	121	3.925	1.336
Websites helps in product brand identity	121	3.681	0.766
Newsletters helps to improves publicity	121	4.097	1.244
Aggregate score	121	3.989	1.157

(Source: Author, 2022)

The findings in Table 4.8 indicated computed mean of 3.989 with 1.157 standard deviation. This postulates that averagely the respondents agreed that Direct marketing as a promotional mix tool was used by the supermarkets and influenced the performance of the supermarkets in Nairobi. The statement that Telemarketing helps organization in product communication had the mean score of 4.252 which was the highest while the standard deviation stood at 1.1280 The statement whether the Websites helps in product brand identity had the mean of 3.681 being the lowest with a standard deviation of 0.766 suggesting that the supermarkets have not utilized their websites in product branding.

The findings concur with Mangweni (2015) who found that direct marketing has an effect on performance of company. Schibrowsky, (2005) and Arnold and Tapp (2001) were also in agreement that direct marketing influences performance.

4.4.5 Organization Characteristics

Organization Characteristics was rated on a scale of 1 to 5 as tabulated in table 4.9:

Table 4.9: Organization Characteristics

	N	Mean	Std. Dev
Physical resources like IT systems helps to evaluate performance	121	3.932	0.814
Management skills helps to improve products and services	121	4.313	1.012
Good relationship with stakeholders increases customer relationship	121	3.511	1.379
Policies helps organization in fair competition	121	3.631	0.746
Aggregate score	121	3.847	0.988

(Source: Author, 2022)

The findings shown in Table 4.9 the computed mean score stands at 4.313 with a 1.379 standard deviation. Implying that averagely the respondents agreed that organization characteristics had effect on performance of supermarkets. The statement that Management skills helps to improve goods and services had a mean score of 4.313 which was the highest while the standard deviation stood at 1.012 The statement whether the good relationship with stakeholders increases customer relationship had a mean of 3.511 which was the lowest and a standard deviation of 1.379.

The findings of Yu,Xiao and Bo (2018) that organizational character directly improved the performance of the organizations as well as their potential growth agree with the current findings. The findings also agree with Okafor (2007) who indicated that organizational characteristics had significant effect on organization performance. Otto, Nick and Stott (2006) also indicted that organizational character should reflect what suppliers, shareholders, customers and employees expect in regard to performance of the organization.

4.4.6 Organization Performance

Organization Performance was rated on a scale of 1 to 5 as tabulated in table 4.10:

Table 4.10: Organization Performance

	N	Mean	Std. Dev
The Organization has increased its market share through the objectives	121	4.012	1.221
Availability of physical resources has help to increase the organization profits	121	4.032	0.741
The organization has achieved its object of increasing the sales growth	121	3.862	1.012
Aggregate score	121	3.967	0.991

(Source: Author, 2022)

Results in Table 4.10 the total average mean is at 3.967 with a corresponding standard deviation of 1.221. Indicating, on average the respondents agreed that promotional mix tool had effect on performance of the supermarkets in Nairobi.

4.5 Diagnostic Tests

This section presented diagnostic tests that were undertaken in this study. The diagnostic tests undertaken include reliability test, autocorrelation test, multicollinearity, and homoscedasticity tests.

4.5.1 Tests for Multicollinearity

The study used VIF to ensure that multicollinearity assumption is satisfied. Hair *et al.*, (1995) postulated that to ascertain multicollinearity the study needed to use of the Variance Inflation Factor (VIF). The VIF should range between 1 and 10 for acceptable levels.

Table 4.11: Test for Multicollinearity

Direct relationship: Independent variable and dependent variable		
Collinearity Statistics		
	Tolerance	VIF
Sales promotion	Tolerance	VIF
Advertising	.110	9.115
Direct Marketing	.211	4.732
Public relation	.106	9.451
Moderator relationship: Moderating variable and dependent variable		
Organizational Characteristics	1.000	1.000
Moderated relationship: Independent, Moderating, and dependent variable		
Sales promotion	.696	1.439
Advertising	.119	8.436
Direct Marketing	.715	1.400
Public relation	.914	1.096
Organizational Characteristics	.112	8.917

(Source: Author, 2022)

Table 4.11 shows that the reported hypotheses tests are not influenced by multicollinearity.

4.5.2 Autocorrelation Test

The study used the Durbin-Watson statistic test to determine autocorrelation between the variables. There was no evidence of autocorrelation since the Durbin-Watson statistic $d = 1.980$, falls between two critical values of $1.5 < d < 2.5$.

Table 4.12: Testing Autocorrelation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.541 ^a	.293	.268	.26428	1.980

(Source: Author, 2022)

4.5.3 Homoscedasticity Tests

The study used Q-Q plot to test for Homoscedasticity and the findings are as shown in

Figure 4.1:

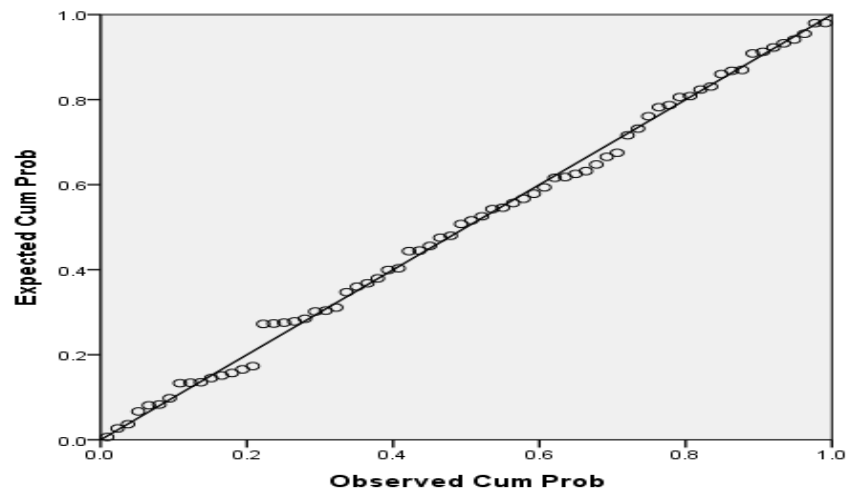


Figure 4.1: Normal Q-Q Plot

Based on the findings in Figure 4.1, the study concluded that the data used was distributed normally.

4.6 Inferential Statistics

Inferential analysis was conducted to generate correlation results, model of fitness, and analysis of the variance and regression coefficients.

4.6.1 Regression Analysis

In statistical modeling, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables when the focus is on the relationship between a dependent variable and one or more independent variables. The study employed multiple linear regression analysis. The findings on regression coefficients and ANOVA is as indicated.

Table 4.13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.541 ^a	.293	.268	.26428

(Source: Author, 2022)

Table 4.14: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.355	4	.839	12.008	.000 ^b
	Residual	8.102	116	.070		
	Total	11.456	120			

(Source: Author, 2022)

Table 4.15: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.489	.191		13.013	.000
	Sales Promotion	.185	.091	.478	2.029	.045
	Advertising	.238	.108	.372	2.192	.030
	Direct Marketing	-.086	.091	-.226	-.942	.348
	Public relations	.342	.117	.528	2.912	.004

(Source: Author, 2022)

The results in Table 4.13 indicates that adjusted R-Squared is 0.293 implying that independent variables used in this study jointly explains 29.3% of dependent variables' variations while the remaining percentage is explained by other factors not considered in the study. The F statistic is 12.008 with a P-value of 0.0000 implying that independent variables significantly affected the dependent variable; ($P < 0.05$), hence rejecting the null hypothesis.

Further, coefficient for Sales Promotion is 0.185 with a corresponding p-value < 0.05 ; coefficient for Advertising is 0.238 with a corresponding p-value < 0 and the coefficient for public relations is 0.342 with a corresponding p-value < 0.05 . The result implies that each of the three independent variables are positively related to performance of supermarkets in Nairobi. A unit increase in Sales Promotion, Advertising and public relations resulted in proportionate increase in performance of the Supermarkets in Nairobi. However, coefficient for Direct Marketing is -0.086 with a corresponding p-value > 0.05 implying that it was negatively related to performance of supermarkets in Nairobi.

We can, therefore, reliably test the significance of the coefficients using t statistics and p-values in the model with the regression equation obtained as follows:

$$Y = 2.489 + 0.185 X_1 + .238 X_2 - 0.086 X_3 + 0.342 X_4 + e \dots\dots\dots \text{(Model 3.1)}$$

Whereby: X_1 = Sales promotion X_2 = Advertising X_3 = Direct Marketing X_4 = Public relations

β_0 = constant term, e = error term $\beta_{1,2,3,4}$ = coefficient terms of Sales promotion, advertising, direct marketing, public relations, respectively.

4.7 Hypothesis Testing

Hypothesis were tested by using multiple linear regression (table 4.15).

4.7.1 Sales Promotion has no Significant Effect on Performance of Supermarket.

Research hypothesis one sought to determine the effect of sales promotion on performance of supermarkets. The findings in Table 4.15 postulates that sales promotion coefficient is 0.185. The advertising beta coefficient is 0.185. This shows that increasing sales promotion by one-unit results to an increase in supermarket performance by 18.5%. The t-statistic was 2.029 with a p-value of 0.045. Thus, at level of significance $P < 0.045$ the null hypothesis is rejected indicating that sales promotion significantly affected performance of supermarket. Therefore, the study found that sales promotion significantly affected performance of supermarket.

The research findings support the argument by Ailawadi and Neslin (2013) that sales promotions had a statistically significant effect on sales because promotions influenced

consumers to consider new brands and to purchase existing products in bulk quantities. This was also in agreement with Odunlami and Ogunsiji (2011) who found that sales promotion significantly affected organizational performance. The findings also support the findings of Hsieh and Kai (2008) who found that sales promotions had significant impact on the sales and profit of the organization.

4.7.2 Advertising has no Significant Effect on Performance of Supermarkets.

Research hypothesis two sought to establish the effect of advertising on performance of supermarkets. The findings in Table 4.15 show that advertising had a beta coefficient of 0.238. Postulating that increasing advertising by a unit it leads to increasing Supermarket performance by 23.8%. The t-statistic value was 2.192 with a p-value of 0.030. Thus, the null hypothesis is rejected at $P < 0.030$ level of significance indicating that advertising had significant effect on performance of supermarkets. Based on these statistics, the research finds significant positive relationship between advertising and performance of supermarkets.

The findings supported the argument by Jebungei (2014) that advertising in the cosmetic industry enables organizations to build a good image and persuade consumers to repeatedly purchase products or services, create large market segment, develop a good working relationship with potential and targeted customers and reduce consumer complaints leading to improved organization performance. The findings also support the assertion by Njawa (2015) that well-defined advertising techniques are vital in an organization performance. The study is also consistent with Okyere and Nyarku (2011)

who found that advertising budgets had significant effect on total sales which in return affected organization performance.

4.7.3 Direct Marketing has no Significant Effect on Performance of Supermarket.

Research hypothesis three sought to establish the effect of direct marketing on performance of supermarkets. The findings in Table 4.15 indicates that direct marketing had a coefficient of -.086. The beta coefficient for direct marketing is -.086. This shows that one unit increase in direct marketing leads to decrease of supermarket performance by -8.6%. The t-statistic was -.942 with a p-value of 0.348. Thus, we Accepted the null hypothesis at $P < 0.348$ level of significance indicating that direct marketing has no significant effect on performance of supermarkets. Based on these statistics, the research found that direct marketing had insignificant negative relationship on performance of supermarkets.

The findings concur with Mangweni (2015) who found that direct marketing positively influenced the company performance. Schibrowsky, (2005) and Arnold and Tapp (2001) were also in agreement that direct marketing influences performance.

4.7.4 Public Relation has no Significant Effect on Performance of Supermarket

Research hypothesis four sought to establish the effect of public relation on performance of supermarkets. The findings in Table 4.15 postulates that public relation had a coefficient of 0.342 with a 0.528 beta coefficient. This implies that increase public relation by one-unit results in increase of supermarket performance by 34.2%. The t-statistic was 2.912 with a 0.004 p-value. Hence, we reject the null hypothesis at $P < 0.004$

level of significance indicating that public relation has significant effect on performance of supermarkets. Based on these statistics, the study finds a significant positive relationship between public relation and performance of supermarkets.

These findings are in consistent with the study of Okyere (2011) who found that marketing communication tools such as public relations had significant effect on sales performance. Raweh, Mohamed, Shamsan and Otieno (2015) agreed with this finding by indicating that organization performance was significantly affected by strategic public relations. The studies of Hanzaae and Farsani (2011) and Ismail, Hussain, Shah and Hussain (2012) were all in agreement that public relations had significant effect on sales performance.

4.7.5 Testing for Moderating Variable on Performance of Supermarket.

The fifth objective sought to determine whether Organizational characteristics moderating effect on the relationship between promotion mix tools and performance of supermarkets in Nairobi City County. The study used the MacKinnon (2002) and Muli, (2014) three step approach in testing this hypothesis. The first step involved in testing the relationship between promotional mix tools and performance of supermarkets which was statistically significant:

Step 1: The composite index of the product mix tools was regressed on performance of supermarkets in step one.

Table 4.16: Regression of Promotional Mix Tools on Performance

Model Summary ^b						
		R		Std. Error of the		
Model	R	Square	Adjusted R Square	Estimate		
1	.541 ^a	.293	.269	.27158		
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.339	.224		10.448	.000
	Promotional Mix Tools	.130	.098	.792	5.359	.000

Source: (Author, 2022)

In step 1 regression of promotional tools on performance of supermarkets resulted in adjusted R² of 0.269 and a significant beta coefficient for Promotional mix tools of 0.130 (p<0.000) as shown in the Table 4:17. Therefore 26.9% of regression model variation for step 1 is explained by Promotional mix tools.

The regression model was:

$$Y = 2.339 + 0.130PMT + e \dots\dots\dots \text{(Model 3.2)}$$

Where: **PMT** = composite index of Advertising, public relations, sales promotion and direct marketing.

β_5 = coefficient of the moderated variable.

Y = performance of supermarkets **e** = error term.

Step 2: In step 2, the composite index of the promotional mix tools and organization characteristics.

Table 4.17: Regression of the Promotional Mix Tools on Organizational Characteristics

Model Summary ^b						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	.0736 ^a	.542	.534		.75330	
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.294	.513		6.344	.000
	Promotional mix tools	.117	.145	.084	1.812	.000

Source: (Author, 2022)

Regression of Organization characteristics on Promotional mix tools in the second Step, had adjusted R² of 0.534 and 0.117 (p<0.000) beta coefficient for promotional tools therefore promotional mix tools explain 26.9% of the variation in the regression model for step 2.

$$Y = 2.294 + 0.117PMT + e \dots \dots \dots \text{(Model 3.3)}$$

Whereby:

PMT = composite index of Advertising, public relations, sales promotion, and direct marketing

Y = Performance

$B_{5,7}$ =Coefficient terms

Step 3: In step 3, the composite index of the promotional mix tools and organization characteristics regressed on Performance of Supermarkets.

Table 4.18: Regression of Promotional Mix Tools and Organization Characteristics on Performance

Model Summary ^b						
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate	
1	. 0.724 ^a	.524	.516		.24696	

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.283	.145		11.725	.000
	Promotional mix tools	.100	.048	.149	2.093	.038
	Organization Characteristics	.257	.030	.608	8.539	.000

Source: (Author,2022)

In step 3 the simultaneous regression of Performance of supermarkets on promotional mix tools and organizational characteristics resulted in adjusted R^2 of 0.516 (Table 4.17) and significantly beta coefficient of Promotional mix tools ($\beta = 0.100$, $P < 0.038$) and Organizational Characteristics ($\beta = 0.257$, $P < 0.000$). In step 3, Promotional Mix tools and Organizational Characteristics explain 51.6% of the variation in the performance of supermarkets as compared to 26.9% by Promotional mix tools alone in step 1. The linear regression model was:

$$Y = 2.283 + 0.100PMT + 0.257OC + e \dots \dots \dots \text{(Model 3.4)}$$

Whereby: **PMT** = composite index of Advertising, public relations, sales promotion, and direct marketing **Y** = Performance **OC**= Organization characteristics factor **B_{5,7}** =

The results of regression model in step 1 indicate that Promotional tools significantly affect performance of supermarkets. The findings of regression model step 2 indicate that promotional tools have significant effect on the mediating variable Organizational Characteristics. The model for step 3 suggests that Organizational Characteristics significantly affect the relationship between Promotional mix tools and Performance of Supermarkets.

The adjusted R-square value in the mediated regression model increases by 23.1% indicating that the explanatory power of promotional mix tools on the variability of performance of supermarkets rises. Hence, the relationship between promotional mix tools and performance of supermarkets is affected by organizational characteristics. The null hypothesis was therefore rejected, and the study found that Organizational characteristics mediate the relationship between promotional mix tools and performance of supermarkets in Nairobi.

Therefore, the criteria for making decision confirms that Organizational characteristics partially intermediate the relationship between promotional tools and performance of supermarkets in Nairobi. The findings agreed with argument by Okafor (2007) that organizational characteristics were positively related to performance in Nigeria Quoted Companies. The study was also in agreement with the study of Otto, Nick and Stott

(2006) who found that found that organizational character should meet the prospects of stakeholders, in relation to organizational performance.

Table 4.19: Summary of Regression Analysis

Objectives	Hypotheses	B	T	Sig.	Conclusion
Sales Promotion	H₀₁	2.489	2.029	.045	Reject H₀₁ , there was evidence that Sales Promotion significantly affected performance of supermarket
Advertising	H₀₂	.185	2.192	.030	Reject H₀₂ , there was evidence that Advertising significantly affected performance of supermarket
Direct Marketing	H₀₃	.238	-.942	.348	Accept H₀₃ , there was evidence that Direct Marketing significantly affected performance of supermarket.
Public relations	H₀₄	-.086	2.912	.004	Reject H₀₄ , there was evidence that that public relation significantly affected performance of supermarket.

Source: (Author, 2022)

Table 4.20: Regression Results Summary for the Mediating Effect

Parameter	Step 1	Step 2	Step 3	Change	Conclusion
Adjusted R ²	0.269	0.534	0.524	0.255	Reject H ₀₅ , there was evidence of partial statistical mediation
R ²	0.293	0.542	0.516	0.223	
B Constant	2.339	2.294	2.283	-0.056	
PMT	0.130	0.117	0.100	-0.03	
ORG CHR	-	-	0.257	0.257	

Source: (Author, 2022)

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section provides the research findings description and summary, the conclusions and recommendations for improvement to relevant stakeholders and suggestions for further studies.

5.2 Summary of the Findings

This research sought to find the effect of promotion tools mix on performance of supermarkets in Nairobi City County. Five objectives guided the study. The result implied that Sales Promotion, Advertising, and public relations variables were related positively to performance of supermarkets in Nairobi. A unit increase in Sales Promotion, Advertising and public relations resulted in proportionate increase in performance of the Supermarkets in Nairobi. However Direct Marketing was negatively related to performance of supermarkets in Nairobi.

The study found that sales promotion had significant effect on performance of supermarket in Nairobi City County. This implied that on average the respondents agreed that Sales promotion as a promotional mix tool was used by the supermarkets and significantly affected their performance. The statement that the use of loyalty programs helps to encourage more purchase had the highest mean score. The statement whether the use of free sample helps to communicate product benefits had the lowest mean score implying that the free samples production comes with costs and may not reach the target

groups.

The study further found a positive relationship between Advertising and performance of supermarkets. As a outcome, we accepted the alternate hypothesis and finding that Advertising had significantly affected on performance of supermarkets. This suggests that on regular the respondents agreed that Advertising as a promotional mix tool was used by the supermarkets and significantly affected their performance. This supported the statement suggesting that Broadcast helps in development of larger markets with the highest mean score and that outdoor adverts helps to boost organization performance. One of the items ‘‘use of print adverts promotes purchase of products’’ scored relatively low. This may be explained by the fact that use of print adverts comes with a substantial cost.

The study found that Direct Marketing had a negative relationship on performance of supermarkets that is not statistically significant. Thus, we failed to reject the null hypothesis and not accept the alternate hypothesis and found that Direct Marketing insignificantly affected on performance of supermarket in Nairobi City County. Based on the overall mean score for this section implied that on average the respondents were in agreement that Direct marketing as a promotional mix tool was used by the supermarkets. The statement that Telemarketing helps organization in product communication had the highest mean score. The statement whether the Websites helps in product brand identity had the lowest mean score implying that the supermarkets have not utilized their websites in product branding.

The study also found strong positive relationship between public relations and performance of supermarkets that is statistically significant. As a result, we accepted the alternate hypothesis and found that public relations had substantial effect on performance of supermarket in Nairobi. Based on the overall mean score for public relation statements, it implied that on average the respondents were in agreement that public relations as a promotional mix tool was used by the supermarkets and had effect on the performance of the supermarkets in Nairobi. The statement that Media relation helps Collecting market information had the highest mean score. The statement whether Employee relation enhances the Organization performance had the lowest mean implying that the Supermarkets are mostly involved in building customer and government relations more than the building employee relation to enhance performance.

The study found that the relationship between promotional mix tools and performance of supermarkets relies on the organizational characteristics. The study found that Organizational characteristics is a mediating factor in the relationship between promotional mix tools and performance of supermarkets in Nairobi. The study also found that physical resources like IT systems helps to evaluate performance as management skills help improve products and services and that good relationship with stakeholder's increases customer relationship and policies put in place by supermarkets help in fair competition.

5.3 Conclusion

The study concludes that there was a positive connection between promotion mix and performance of supermarkets that is statistically significant, supermarkets should employ more promotional mix so that supermarket in Nairobi can withstand the stiff competition.

The study also concludes that Advertising and Performance of supermarkets have a positive relationship that is statistically significant, and that Advertising significantly affected performance of supermarket in Nairobi. The study further concludes that Public Serving targets a large segment of the population and use of print adverts promotes purchase of products. Broadcast helps in development of larger markets and that outdoor advert helps to boost organization performance

The study also concludes that relationship between Direct Marketing and performance of supermarkets was negative, and that direct Marketing had no significant effect on performance of supermarket in Nairobi. The study also concludes that Telemarketing helps supermarkets in product communication; social media helps in increasing market share; websites help in product brand identity and newsletter helps to improve publicity.

The study also concluded that there was a positive relationship between public relations and performance of supermarkets and that public relations had significant effect on performance of supermarket in Nairobi. The study further concluded that: Media relation helps collecting market information on need, customer relations significantly enhance customer relationship and employee relation enhances the Organization performance and Government relation helps in coping with competition.

In conclusion organizational characteristic factors had a moderating outcome on the relationship between product mix tools and performance of supermarkets. The study also concluded that physical resources like IT systems helps to evaluate performance as management skills help improve products and services and that good relationship with stakeholders increases customer relationship and policies put in place by supermarkets help in fair competition.

5.4 Recommendations

The study recommends Supermarkets to make use of loyalty programs to help encourage more purchase of their products and services with a view to increase sales growth and increasing market share. The study also recommends the supermarkets to utilize sales promotion by using premium offers to promote customer awareness and loyalty programs which helps to encourage more purchases improving performance of the supermarkets.

The study recommends Supermarkets in Nairobi to invest more resources in in public relations with focus on employee, customer, and government relation as they are helpful in improving performance of the Supermarkets. The study further recommends the Supermarkets to invest in media relations as it helps in collecting market information on need basis.

The study recommends the supermarkets to ensure that they focus on the basic function of advertising by positioning the supermarkets and their brands in the mind of the consumers. The supermarkets are recommended to use broadcasting to increase large markets and exploit out-of-doors adverts to enhance their performance and utilize the

print adverts to promote purchase of products. The supermarkets should also capitalize more in websites as they are valuable in product brand identity.

It is also recommended that Supermarkets should make use of Telemarketing to help in product communication as well as social media to increase market share and newsletter helps to improve publicity. The supermarkets should invest in physical resources like IT systems which will be useful in evaluating performance as management skills help improve products and services.

5.5 Contribution of the Study to Knowledge

The findings of this study will have a substantial impact on the body of marketing knowledge. Although previous research has suggested that direct marketing have a significant impact on supermarket performance patterns, this study found that direct marketing has only a minor impact on supermarket performance in Kenyan supermarkets. Furthermore, the findings of this study backed up the theoretical lenses that support the relationship between Promotional tools and performance of supermarkets in Nairobi. The findings established a regression model indicating that promotional tools have significant effect on the mediating variable Organizational Characteristics and that a regression model asserts that Organizational Characteristics significantly affect the relationship between Promotional mix tools and Performance of Supermarkets. The resulting models will be expected to provide knowledge to marketing professionals, researchers, students and policy makers involved in marketing of various products and services with a

structured and efficient promotional mix tools that can have major impact on customer purchase patterns in Kenyan supermarkets and other industries.

The empirical evidence resulting from the current study indicates a positive interrelationship between promotional tools and performance of supermarkets in Nairobi. The findings of the study contribute much to a renewed research concerns in Marketing promotional mix tools, firm growth and performance. The study also contributes to theory building and enhances conceptual modelling in marketing discipline. The research results therefore add to promotional mix tool theory and firm performance body of knowledge both theoretical and empirically.

5.6 Areas for Further Study

Research should be further undertaken on the moderating effect of emerging technologies on the relationship between promotional mix tools and performance of supermarkets with a view of helping in assessment of how emerging technologies have affected product promotions in these supermarkets since most of the supermarkets have been in existence for more than ten years using different technologies.

Finally, the study only included four promotional mix variables ignoring other variables that might have been of value in reaching a more meaningful conclusion of the study. Based on this assertion a study can be conducted to incorporate all other product mix tools to form a more comprehensive conclusion on the matter. Also, the study did not capture measures of organizational characteristics for assessment of the role it would

play. Therefore, variables of organizational characteristics factors can be examined to establish how they affect performance of supermarkets.

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APPENDICES

Appendix I: Researcher's Introduction Letter

Lindah Onyango

P.O.BOX 43505

00100

Nairobi.

Dear Sir/Madam,

Re: Collection of Survey Data.

I am a Master of Science degree Marketing Option student at Kenyatta University, School of Business. Undertaking research study is part of the requirements of this degree program.

My thesis Research topic is **Promotional Mix Tools on Organization Performance of Supermarkets in Nairobi County**. Referring to the subject above, I am requesting for your permission to collect data from your organization using the attached questionnaire.

The information provided will be used purposely for academics and as such confidentiality will be guaranteed.

Your co-operation will be highly appreciated.

Lindah Onyango

Appendix II: Questionnaire

SECTION A: PERSONAL INFORMATION

1. What is your position in the organization?

.....

2. What is your highest level of education?

High school certificate []

Diploma []

Bachelors degree []

Masters degree []

Others specify _____

3. How long have you been working at the organization? (Please tick one)

Less than a years []

1-5 years []

5-10 years []

Over 10 years []

4. Age of respondents

Less than 25 years []

25- 30 years []

30- 35 years []

Above 35 years []

SECTION B: EFFECTIVENESS OF ADVERTISING ON ORGANIZATION PERFORMANCE

Please indicate to what extent you agree or disagree with statements below on Advertising (Tick appropriate: Strongly Agree =5, Agree, =4 Neutral=3, Disagree =2 Strongly Disagree =1)

	Statements	5	4	3	2	1
5	Use of print adverts promotes purchase of products					
6	Broadcast helps in development of larger markets					
7	Public Serving targets a large segment of population					
8	Outdoors adverts helps to boost organization performance					

9. How can Supermarkets improve their advertising to improve on the Organization Performance?

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SECTION C: EFFECTIVENESS OF SALES PROMOTION ON ORGANIZATION PERFORMANCE. Please indicate to what extent you agree or disagree with statements below on sales promotion (Tick appropriate: Strongly Agree =5, Agree, =4 Neutral=3, Disagree =2 Strongly Disagree =1))

	Statements	5	4	3	2	1
10	Use of free sample helps to communicate product benefits					
11	The use of loyalty programs helps to encourage more purchase					
12	Premium offers to promote customer awareness					
13	Contests encourage more marketing activities.					

14. What are the major challenges in doing Sales Promotion in supermarkets?

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SECTION D: EFFECTIVENESS OF PUBLIC RELATION ON ORGANIZATION

PERFORMANCE. Please indicate to what extent you agree or disagree with statements below (Tick appropriate: Strongly Agree =5, Agree, =4 Neutral=3, Disagree =2 Strongly Disagree =1))

	Statement	5	4	3	2	1
15	Employee relation enhances the Organization performance					
16	Customer relations significantly enhance customer relationship					
17	Government relation helps in coping with competition					
18	Media relation helps Collecting market information on need					

19 Suggest other methods Supermarkets in Nairobi County can use to improve on Public Relation to Increase Organization Performance

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SECTION E: EFFECTIVENESS OF DIRECT MARKETING ON ORGANIZATION PERFORMANCE. Please indicate to what extent you agree or disagree with statements below (Tick appropriate: Strongly Agree =5, Agree, =4 Neutral=3, Disagree =2 Strongly Disagree =1)

	Roles of Direct Marketing	5	4	3	2	1
20	Telemarketing helps organization in product communication					
21	Social media helps in increasing market share					
22	Websites helps in product brand identity					
23	Newsletters helps to improves publicity					

24. What do you think should be done to improve on Direct Marketing to increase the Organization Performance?

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SECTION F: EFFECTIVENESS OF ORGANIZATIONAL CHARACTERISTICS

ON ORGANIZATION PERFORMANCE. Please indicate to what extent you agree or disagree with statements below (Tick appropriate: Strongly Agree =5, Agree, =4 Neutral=3, Disagree =2 Strongly Disagree =1)

	Statements	5	4	3	2	1
25	Physical resources like IT systems helps to evaluate performance					
26	Management skills helps to improve products and services					
27	Good relationship with stakeholders increases customer relationship					
28	Policies helps organization in fair competition					

29 Which other organization can be used by supermarkets to improve their productivity and organization growth?

.....

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.....

SECTION G: ORGANIZATION PERFORMANCE

Please indicate to what extent you agree or disagree with statements below (Tick appropriate: Strongly Agree =5, Agree, =4 Neutral=3, Disagree =2 Strongly Disagree =1)

	Statements	5	4	3	2	1
30	The Organization has increased its market share through the objectives					
31	Availability of physical resources has help to increase the organization profits					
32	The organization has achieved its object of increasing the sales growth					

Thank you for your participation

Appendix III: List of Supermarkets in Nairobi

1. Eastmatt Supermarket, Nairobi
2. Tumaini Supermarket, Nairobi
3. Quickmart Supermarket, Nairobi
4. Kamindi Self Ridges, Nairobi
5. Tuskys Supermarket OTC Branch, Nairobi
6. Jowinka Supermarket
7. Elipa Supermarket, Nairobi
8. Nakumatt Highridge, Nairobi
9. Naivas Ltd, Nairobi
10. Horyal Supermarket, Nairobi
11. Cosby Supermarket, Nairobi
12. Marketways supermarket, Nairobi
13. DnD Supermarket-Innercore Branch, Umoja., Nairobi
14. Bluemart supermarket, Nairobi
15. North view supermarket, Nairobi
16. Ukwala supermarket, Nairobi
17. Happy view supermarket
18. Woolmatt Ltd, Ronald Ngala Street, Nairobi
19. Muhindi Mweusi Supermarket
20. Naks Supermarket
21. Vantage Supermarket Ltd, Nairobi
22. Uncle Jim's Supermarket, Nairobi
23. Ukwala Supermarket, Nairobi

24. Uchumi Supermarkets Ltd, Adams Arcade, Nairobi
25. Tusker Mattresses Ltd, Mfangano Street, Nairobi
26. Trolleys and Baskets, Nairobi
27. Tesco Corporation Ltd, Nairobi
28. Superbargains Cash and Carry Ltd, Nairobi
29. Sunshine Supermarket, Nairobi
30. Stagen Enterprises Ltd, Nairobi
31. Spring Valley Supermarket (1979), Nairobi
32. Shoppers Paradise, Nairobi
33. Savannah Selfridge Supermarket, Nairobi
34. Satellite Supermarket Ltd, Nairobi
35. Safeway Hypermarkets Ltd, Nairobi
36. Rosjam Supermarket, Nairobi
37. Rikana Supermarkets, Nairobi
38. Raken Supermarket Ltd, Nairobi
39. Portway Stores Ltd, Nairobi
40. Parklands Pricerite Ltd, Nairobi
41. New Westland Stores Ltd, Nairobi
42. Nakumatt Holdings Ltd, Enterprise Road, Nairobi
43. Naivasha Supermarkets Ltd, Nairobi
44. Naivasha Self Service Stores, Nairobi
45. Muthaiga Mini Market, Nairobi
46. Mustard Supermarket, Nairobi
47. Mulika Mini Market, Nairobi

48. Midas Touch Supermarket Ltd, Nairobi
49. Metro Cash and Carry (K) Ltd, Nairobi
50. Mesora Supermarket Ltd, Nairobi
51. Marketway Ltd, Nairobi
52. Kenton Supermarket, Nairobi
53. Kaymambunguba Supermarket, Nairobi
54. Karen Supermarket, Nairobi
55. Kalumos Trading Company Ltd, Nairobi
56. Kaka Self Services Ltd, Nairobi
57. Kaaga Mini Market Ltd, Nairobi
58. K and A Self Selection Store Ltd, Nairobi
59. Juja Road Fancy Store Ltd, Nairobi
60. Joster Mini Market, Nairobi
61. Jopampa Provision Store, Nairobi
62. Jey Supermarket , Nairobi
63. Jeska Supermarket Ltd, Nairobi
64. Jawa's Supermarket Ltd, Nairobi
65. Janamu Supermarket, Nairobi
66. Jack and Jill Supermarket Ltd, Nairobi
67. Jack and Jill Extravaganza Ltd, Nairobi
68. Homechoice Supermarket, Nairobi
69. Happy Valley Supermarket Ltd, Nairobi
70. Guestcare Ideal Homes Ltd, Nairobi
71. Fairdeal Shop and Save Ltd, Nairobi

72. Esajo Supermarket, Nairobi
73. Ebrahim and Company Ltd, Nairobi
74. Eastleigh Mattresses Ltd, Nairobi
75. Eagles Supermarket, Nairobi
76. Deepak Cash and Carry Ltd, Nairobi
77. Country Mattresses Ltd, Nairobi
78. Continental Supermarket Ltd, Nairobi 65
79. Clean Way Ltd, Nairobi
80. City Mattresses Ltd, Nairobi
81. Chandarana Supermarkets Ltd, Nairobi
82. Centaling Supermarket, Nairobi
83. Centaline Supermarket, Nairobi
84. Cash and Carry Ltd, Nairobi
85. Buru Buru Mini Market, Nairobi
86. Builders Supermarket Ltd, Nairobi
87. Broadway Supermarket, Nairobi
88. Betccam Savers Supermarket, Nairobi
89. Armed Forces Canteen Organization, Nairobi
90. Amal Supermarket Ltd, Nairobi
91. African Grocers Ltd, Nairobi
92. Aflose Supermarket Ltd, Nairobi
93. Karrymatt Supermarket
94. Gmart Supermarket
95. Maathai Supermarket

96. Cleanshelf Supermarket

97. Mesora Supermarket

98. Kassmart Supermarket

99. Jaharis Supermarket

100. Mesora Supermarket

101. Easymart Supermarket

102. Eastmatt Supermarket

Source: (Kenya Business Directory, 2016)

Appendix IV: Letter from the University



KENYATTA UNIVERSITY
GRADUATE SCHOOL

4.

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

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 020-8704150

Website: www.ku.ac.ke

Our Ref: D58/CTY/PT/33611/2015

DATE: 15th November, 2019

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

Dear Sir/Madam,


**RE: RESEARCH AUTHORIZATION FOR MS. LINDAH OYUGI ONYANGO –
REG. NO. D58/CTY/PT/33611/2015**

I write to introduce Ms. Lindah Oyugi Onyango who is a Postgraduate Student of this University. She is registered for M.Sc. degree programme in the **Department of Business Administration**.

Ms. Onyango intends to conduct research for a M.Sc. thesis Proposal entitled, **"Promotional Mix Tools and Performance of Supermarkets in Nairobi City County, Kenya."**

Any assistance given will be highly appreciated.

Yours faithfully,


PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL

ED/DAW

Appendix V: Research Permit

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
RefNo: 843011	Date of Issue: 06/February/2020
RESEARCH LICENSE	
	
<p>This is to Certify that Ms. LINDAH OYUGI ONYANGO of Kenyatta University, has been licensed to conduct research in Nairobi on the topic: PROMOTIONAL MIX TOOLS AND PERFORMANCE OF SUPERMARKET IN NAIROBI CITY COUNTY, KENYA for the period ending : 06/February/2021.</p>	
License No: NACOSTIP/20/3788	
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