AN ANALYSIS OF MARKETING STRATEGIES EMPLOYED BY PARASTATALS:
A CASE OF GRAIN MARKETING BOARD -SILO BRANDS
(2009-2012)

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DECLARATION

I, .................................................., do hereby declare that this dissertation is a result of my own investigation and research, except to the extent indicated in the Acknowledgements, References and comments included in the body of the report, and that it has not been submitted in part or in full for any other degree to any other university.

........................................... ...........................................
Student Signature Date

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Supervisor Signature Date
ACKNOWLEDGEMENTS

Firstly I would like to thank my family for the support they gave me as I undertook my MBA programme especially my husband Fortunate Chiturumani and sons (Mduduzi and Lenon).

I also give my appreciation to Dr Maravanyika for the guidance he offered in producing this dissertation. His supervision was pleasant and motivating with such focus and brilliance. My gratitude goes to the Grain Marketing Board staff for the contribution they gave especially the respondents who managed to spare their time to respond to the interviews.

Lastly but not least my gratitude extends to the Graduate School of Management lecturers and staff for the knowledge I gained during my studies.
ABSTRACT

Literature indicated that effective marketing strategies result in increase in sales, increase in market share, increase in profits and assists organizations in focusing their concentration on resource utilization to win over their rivals. Though there is a lot of literature on marketing strategies it is important to note that the available literature on effectiveness of marketing strategies relates to experiences mainly in the developed world. Also research on the effectiveness of marketing strategies employed by parastatals has been neglected hence there is an information gap. This research aims to fill the gap through analyzing the effectiveness of marketing strategies of Zimbabwean parastatals. A single case study design of Grain Marketing Board was used. The research study is meant to benefit the country, corporate world and the academic community.

Data was obtained through face to face interviews with the executive management, senior managers as well as branch managers of some supermarket which sell silo products. In depth information was obtained through the use of unstructured questions. A qualitative research philosophy was used. Data from the research was presented through data display tables which were then explained.

The study indicated that marketing strategies in Grain Marketing Board are not effective due to poor formulation and implementation. Management is failing to have a clear marketing strategy plan and the organisation ends up employing casual strategies. Implementation of the employed strategies is affected by the unavailability of resources, negative organizational culture and the government policies. From the findings it is clear that Grain Marketing Board should have a clear marketing strategy which is flexible.

The Grain Marketing Board is supposed to segment its market, have a clear strategic marketing document, have change management training workshops, conduct a lot of promotional and advertising activities and the government should consider privatizing the organisation.
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LIST OF ABBREVIATIONS

ARC    Agricultural Research Council
ARDA   Agricultural Authority Development Authority
CSC    Cold Storage Company
DGM    Deputy General Manager
GAMAS  GrainMed Agricultural Medical Aid Society
GDP    Gross Domestic Product
GM     General Manager
GMB    Grain Marketing Board
NRZ    National Railways of Zimbabwe
PIB    Pig Industry Board
SAP    Systems Application Product
SQAO   Senior Quality Assurance Officer
TIMB   Tobacco Industry and Marketing Board
TRB    Tobacco Research Board
ZINWA  Zimbabwe National Water Authority
ZESA   Zimbabwe Electricity Supply authority
CHAPTER ONE

1.0 INTRODUCTION

According to literature an organization should conceptualize, plan and implement various strategies so as to achieve its goals and objectives (Gronroos, 2006). The strategies can be company, business or functional strategies. Marketing strategies make up the functional strategies which can be used by organizations to enhance performance.

Marketing strategies assist organizations in focusing their concentration on resource utilization to increase sales and win over their rivals (Lancaster and Reynolds, 2005). Every organization applies some kind of marketing strategies to retain existing customers, draw potential customers and also to keep and to improve their reputation in the market (Baker, 2012). Each of the strategies has some expected results because when a particular strategy is chosen at a particular time its outcome becomes the goal of that particular level. It could be deadly for organizations not to consider the importance of marketing (Kohn, Thompson and Frank, 2006). Kotler (2003) stressed the importance of marketing and highlighted that, in the future, marketing has the main liability for attaining profitable revenue growth of organizations.

Baker (2008) highlighted that formulating an effective strategy is a difficult task for any management team and implementing it throughout the organization is even more complicated. A number of factors can affect the process by which strategies are converted into organizational action.

The above literature on marketing strategies relates to experiences mainly in the developed world. The researcher has not come across any literature on an African or Zimbabwean background. Research on marketing strategies employed by Parastatals is also neglected hence there is an information gap. The study would look at the effectiveness of marketing strategies employed by Parastatals in Zimbabwe with particular reference to Grain Marketing Board’s Silo brand.
1.2 BACKGROUND OF THE STUDY
Organizational success depends on the ability to notice and adjust to change in the marketing environment. Every organization needs to have an environmental monitoring scheme that continually tracks the changing environment (Paula, 2010). The macro environment can be divided into five major components namely: Political, Economic, Legal, Socio-Economic and Technology.

1.2.1 Macro Environment
The macro environment in Zimbabwe has been complicated and dynamic. From the year 2000 to December 2007, the national economy shrunk by as much as 40%, inflation jumped to over 66,000%, and there was scarcity of hard currency, fuel, medicine, and food. Gross Domestic product per capita plunged by 40%, agricultural output fell by 51% and industrial production slumped by 47% (World Bank Group, October 2012). After a long lasting period of economic and political crisis, Zimbabwe’s economic stabilisation and recuperation began with the end of hyperinflation in 2009. The recovery was supported by a coalition government, a conducive external environment, the adoption of a multicurrency system, and the discontinuation of quasi-fiscal activities by the Reserve Bank of Zimbabwe (IMF report, June 2012). Components of the macro environment affect industries in different ways. An explanation on how the macro environment affect industries is given below.

1.2.1.1 Political Factors
The political climate has an influence on legislation and that can affect corporate expenses or tariffs on goods and services. Political factors can have a positive effect or can affect negatively on corporates. (Pearce and Robinson, 1985). Zimbabwe's economy has constantly shrunk since 2000 due to political turmoil, capital flight and mismanagement. Zimbabwe's economic and food crisis was described by others as a result of government’s policies like price controls and farm confiscations. According to IMF Report on Zimbabwe (2011) the political situation in the country was very uncertain and this could influence investor confidence in Zimbabwe.
1.2.1.2  Economic factors

According to Simpson (2008) the Zimbabwean economic crisis has resulted in a decline in demand due to both falling real incomes and shrinking markets for producers and consumer.

The launch of the multi- currency in 2009 brought stability as hyperinflation ended and facilitated normal forms of business. If a country maintains a single digit inflation rate this will ensure a stable economy. In a stable economic environment performance of industries is likely to improve. The economy has a significant influence on the feasibility of corporate strategy. The fall of the economy has resulted in the falling of parastatals and the nation as a whole. Industries like the motor industry collapsed as witnessed by the Mazda Motor Industry. Other agro processing companies like Olivine, Victoria foods and Blue Ribbon also downsized their operations.

1.2.1.3  Social factors

The poor working conditions, poor health deliveries and low incomes have resulted in brain drain in Zimbabwe. The high rate of HIV/AIDS has resulted in low productivity due to loss of skilled human capital. According to the National AIDS Council report (2012) a total of 2000 lives are lost every month. Loss of skilled labor has a direct impact on the performance of organizations. According to the UNDP report (2012) there is high unemployment in Zimbabwe - 94%, and low disposable income which influence negatively on demand of agricultural inputs. Ministry of Health and child welfare (2012) highlighted that the decline in the economy had a negative impact on the wellbeing of the population. The Zimbabwean population was directly affected by the economic downturn as this meant less revenue generation by the government hence reduced funding of most Government programmes like public health expenditures. At the same time people are now watching their diet strictly therefore the industry should be able to offer products and services that aim to complement and benefit people’s lifestyles and behavior.

1.2.1.4  Technological factors

Technological factors are the scientific developments which affect the competitive position of organizations. Maintaining alertness of new technologies reduces the probability of becoming obsolete and innovation is supported (Kay, 2000). Kay further explains that
developments in technology may affect the performances of organizations in many ways. Technological infrastructure such as internet, social networking sites and telephones are driving business in Zimbabwe e.g. e-marketing and e-commerce. Though there are such developments major parastatals in Zimbabwe like Grain Marketing Board (GMB), Agricultural and Rural Development Authority (ARDA) and National Railways of Zimbabwe (NRZ) are still off-line since there is no data integrity in Systems Applications Product (SAP). Most assets and equipment of parastatals are fairly old and are not automated and this has a strong influence on the service delivery. There is very little automation whilst service needs to be done speedily and also has to be extensively integrated. Obsolete equipment and poor technology have seen a high tendency of inefficiencies in service delivery by institutes like Electricity supply Authority (ZESA), Zimbabwe National Water Authority (ZINWA) and National Railway of Zimbabwe (NRZ).

1.2.1.5 Legal factors
In Zimbabwe the recently introduced indigenization bill has caused strong debate and may affect investor confidence. Taxation levels are high and getting an operating license in Zimbabwe requires one to undergo a very long process. The long registration process has resulted in a lot of briefcase companies which therefore pose unfair competition in industries. However the deregulation of most industries has unlocked doors for most businesses and operations such that companies are gradually improving.

1.2.2 Sector Analysis
A parastatal is a government owned organization and a legal entity formed by government to undertake commercial activities on its behalf. Parastatals are regulated by national laws and the majority of the parastatal are fully funded or subsidized by the government.

The Ministry of Agriculture has a number of parastatals under it. These include the Pig Industry Board (PIB), Tobacco Research Board (TRB), Cold Storage Company (CSC), Agricultural Research Council (ARC), Tobacco Industry and Marketing Board (TIMB), GMB and ARDA. Most of these parastatals are underperforming despite their importance in the economy (January, 2012 Monetary Policy Review). For the last decade (2000 to 2010), parastatals have been incurring losses and a liability to the fiscus as they heavily
survived on government subsidies despite the fact that they have been considered key to economic recovery, growth and development of the country. The Ministry of State Enterprises and Parastatal emphasized that parastatals should be self-sufficient through engaging in income generating projects and commercializing their operations (Zimbabwe Independent, September 2012).

The Cold Storage Company is operating at less than 10 percent capacity and the company accumulated a net loss of US$6.2 million in 2010 (CSC annual report, 2011). Several state-run institutions such as Grain Marketing Board (GMB), Agribank, Agricultural and Rural Development Authority (ARDA), Cold Storage Commission have been in intensive care for the past decade (Zimbabwe Independent, November 2012).

1.2.3 Background to the Case Study: Grain Marketing Board

The Grain Marketing Board is the country’s leading grain trade and marketing company, which was established under the Maize Control Act of 1931. Its key responsibilities are to give producers their fair share of the local and export markets, present them with a definite market for their surplus agricultural grain products, and to guarantee the availability of adequate supplies of food for the local consumers either from internal production or from imports.

GMB reports to the government through a Board of Directors who in turn appoint the General Manager, to oversee all GMB activities. The organization has 84 depots throughout the country. Every district has at least one depot while highly productive districts have more than one depot. Among these depots only 13 are silo depots while the rest are bag depots.
The Mission statement for Grain Marketing Board is to ensure the mission is to ensure food security at household level through agricultural production support, marketing, logistics and value-addition.

The organization’s vision is to transform GMB into a dominant player in the provision of food and agricultural services in the region. The values for GMB are team work, integrity, transparency, commitment, and customer care.

1.2.3.1 Functions of the Grain Marketing Board

The following are the functions of the Grain marketing Board according to the GMB manual (2011);

- Store and maintain strategic grain reserves for the government in line with government policy.
Marketing of agricultural grain produce. GMB buys grain from farmers, stores the grain for future use or sell it locally or through exports as it may consider necessary.

Provide storage, handling and processing facilities. The organization has good infrastructure for grain storage therefore it provides storage and handling facilities. Grain is stored in warehouses and Silos.

Processing and packaging of grain. The organization is also involved in the processing of grains like maize into mealie meal. The processed grains are packed and distributed as grain products under the brand name ‘Silo’.

The brand “Silo” was developed in 2004. The brand intended to market finished products which include rice, salt, beans, samp, groundnuts, mealie-meal, nyimo and bread. This was initiated with the intention of adding value to the grains and this ensured GMB’s self-sustenance. The designed business model aimed to capitalize on the GMB’s geographical dispersion and use of the available infrastructure to get to all parts of Zimbabwe including drought stricken areas of the country. The agro processing meant to add value to the grains and commodity trading meant to be an integral part that aims to provide a one stop shop where one would get all basic items from processed grains. However GMB used to be a monopoly on the purchase of maize and wheat but it is now a buyer of last resort. (Deregulation of the Grain Act, Fiscal policy, 2009).

GMB has been underperforming just like other parastatals since dollarization. This is indicated by the summary of financial statements indicated below.

Table 1.0 : Summary of Financial Statements

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>MARCH 2011 (USD)</th>
<th>MARCH 2010 (USD)</th>
<th>MARCH 2009 (USD)</th>
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<tr>
<td>ACCUMULATED LOSS</td>
<td>(25 745 656)</td>
<td>(19 535 472)</td>
<td>(826 189)</td>
</tr>
<tr>
<td>TOTALS</td>
<td>(25 745 656)</td>
<td>(19 535 472)</td>
<td>(826 189)</td>
</tr>
</tbody>
</table>

Source: GMB Financial Statements 2011
Losses which are being suffered may justify the fact that management is ignoring the commercial activities in GMB. Commercial activities bring in profits to the company if backed up by intensive and extensive marketing strategies.

1.2.3.2 S.W.O.T Analysis of GMB

The researcher found it necessary to do SWOT analysis for GMB. SWOT is an acronym which stands for Strengths, Weaknesses, Opportunities and Threats involved in an organization. A SWOT analysis is a means for sizing up an organizational resource capabilities and deficiencies, market opportunities, and the external threats to its future comfort (Strickland et al., 2009). A SWOT analysis is a useful tool for planning and marketing strategy. Below is the GMB SWOT analysis:

**Strengths**

- The organization has good infrastructure for grain storage which is found countrywide. The infrastructure ranges from warehouse, outdoor storage stacks and silos.
- Considering that GMB is a well-established organization which is well known in Southern Africa and in the international grain industry therefore it has an advantage of having a thorough knowledge of the local and external market.
- The organization operated as a monopoly for long and this has resulted in GMB being the only company with the expertise in grain handling.

**Weaknesses**

- The finance base for Grain Marketing Board is very poor and the situation worsened when the government stopped to offer subsidies to some of the organizational activities. The poor finance base has resulted in the failure by GMB to maintain its infrastructure and assets.
- Lack of technological advancement i.e. SAP connectivity. The organization is lagging behind in terms of technology. Most of the depots are offline. In this world of technology an organization will only be competitive when it is up to date with information Communication technology.
• Lack of consistent product quality and service quality (Silo brand). Due to obsolete equipment the quality of Silo products is not consistence. Also because of the bureaucracy quality of service delivery is poor as it is very slow.

• Operations in GMB are Centralized. They are controlled from the Head office and this has resulted in lot of inefficiencies.

Opportunities
• Stability is slowly returning in the business environment. After a decade of economic crises in the country the disposal income for consumers has slightly improved and business opportunities are improving.

• Food shortages especially in West Africa creating a greater market for maize. The food shortages as a result of war present a good opportunity for the organization.

• Peoples’ attitudes are changing towards their diet and health so GMB have an opportunity to offer products and services that aim to complement and benefit people’s lifestyles and behavior.

Threats
• The unavailability of funding and expensive lines of credit is a threat to the organization as it needs some funds to revamp its commercial lines.

• HIV and AIDS is a chronic illness which has resulted in loss of skilled labor to the nation, GMB is also not spared from the impact of this disease. Productivity has reduced due to chronic illness or loss of lives.

• Liberalization of Agricultural Commodities translating to stiff competition for GMB, hence the need to improve on the quality of products and services.

• Generally the Zimbabwean population has low disposable income which will impact on commodity demand.

• Technology advancement is rapid whilst GMB continue to lag behind. This scenario poses a greatest threat to the operations of the organization.
1.3.0 STATEMENT OF THE PROBLEM

From prior literature (section 1.0) it is clear that companies employ different marketing strategies with the aim of getting profits and to gain competitive advantage over rivals through increases in sales and market share. The background of the case study indicates that GMB is not enjoying the benefits of marketing strategies as cited in the literature. However the parastatal is yet to realize any significant increases in sales, profits and its market share is declining. The prevailing conditions leaves one to wonder whether GMB has any meaningful marketing strategies and one would also question whether GMB is implementing these marketing strategies properly. The research problem is then to establish the marketing strategies employed by GMB and what GMB should do to ensure effective marketing strategies.

1.4.0 OBJECTIVES

The overall objective of the study is to investigate the effectiveness of marketing strategies employed by GMB.

The objectives are as follows:

1. To establish whether GMB follows a careful market segmentation.
2. To determine the organizational position and brand position relative to competitors
3. To assess marketing strategies employed by GMB.
4. To establish whether GMB employees challenge the conventional wisdom
5. To identify challenges faced by the organization in implementing the strategies
6. To make necessary recommendations in line with the study’s findings.

1.5.0 RESEARCH QUESTIONS

1. Does GMB follow any careful marketing segmentation?
2. What position does the organization occupy in the market?
3. Which marketing strategies are being employed by GMB?
4. How innovative is the organization?

5. What is the conducive environment for successful implementation of effective marketing strategies in GMB?

1.6.0 RESEARCH PROPOSITION

The research proposition is:-

The marketing strategies employed by GMB have been ineffective due to the absence of clear marketing strategies and lack of the required managerial support.

1.7.0 SIGNIFICANCE OF THE STUDY

Grain Marketing Board.

The study will add to the body of information that already exists regarding marketing strategies of the organization. Recommendations made will assist GMB management, board, staff, and government to improve in the formulation and implementation of effective marketing strategies.

Parastatal.

The study will be a basis for comparison with other organizations in the same industry. It will also form a basis for comparison of effective marketing strategies for parastatals in Zimbabwe.

Academic community.

The study will set a stage for future researchers in marketing strategy studies. The study findings will prove valuable in providing researchers and scholars a practical view to the study of marketing strategies.

1.8.0 SCOPE OF STUDY

Richard (2006), defined scope as the domain of the scientific inquiry, the coverage and the reach of the project. The focus of the study is to explore the effectiveness of marketing strategies in GMB. The study will mainly concentrate at the Head office, Depots in Harare (Cleveland Dam and Spindale). The study will also concentrate on Executive managers, Senior Managers and Branch Managers of some selected supermarkets.
1.9 STRUCTURE OF THE DISSERTATION

Chapter 1: The chapter covers the general overview of the project. This comprises of the background information, research objectives, research questions, justification, and scope.

Chapter 2: This chapter focuses on literature review. Literature review highlights previous researches and theories from other writers. It reveals studies that have been done before, various approaches by different writers, analysis and criticisms of some theories.

Chapter 3: The methodology that will be employed to carry out the research work is summarized in this chapter. This chapter outlines the analytical structure of the research design chosen, the explanation for a single case study approach, the groundwork for data collection, the main sources of data, and the data collection process and data analysis.

Chapter 4: The chapter looks at data analysis and discussion on the findings. The theoretical framework from Chapter 2 is applied to the case study. An analysis on how the selected theory explains the obtained findings is done. The research questions in chapter 1 will be answered. Discussion of the findings is also done in this chapter.

Chapter 5: The chapter concludes the project, and gives recommendations to the project.
CHAPTER TWO

2.0 INTRODUCTION

Literature review is a systematic, explicit and reproducible method for identifying, evaluating and synthesising the existing body of completed and recorded work produced by researchers, scholars and practitioners (Arlene, 2005). According to Chris (2005) literature review is the collection of information which relates to a particular topic. The information can be ideas, data and evidence given to prove some particular objectives on the topic then an analysis and evaluation of the gathered information is done.

According to Paula (2010) the major benefit of literature review is that it ensures the research ability of a topic before proper research commences. Reviewing the available literature assists the researcher in understating the topic and even develop it further and by so doing existing gaps are identified (Forxall, 2003). Literature review is also being used to defend some of the professional practices (Arlene, 2005).

This chapter will look at the generic marketing strategies which are employable by organisations so as to gain competitive advantage. Literature on the market position of an organisation is looked at as it has a bearing on the strategies to be followed by the organisation. Strategy implementation also determines the effectiveness of a strategy. Literature on implementation and evaluation is included with the aim to deduce the effectiveness of marketing strategies.

2.1 MARKETING STRATEGIES

Strategic marketing is whereby the strategist carefully outlines markets to compete in and the course of action to be taken (Gronroos, 2006). Marketing strategy is more about how to conduct operational marketing in long term (Kotler, 2003). Marketing strategies determines the strength, direction and interaction of the marketing mix elements and the environment (Craven and David, 2004). A company’s marketing strategy should not be done in separation as it is supposed to be linked to the background of the organisation as well as to the overall corporate plan therefore the marketing strategy cascades from the marketing plan which cascaded from the corporate strategy (Ries and Trout, 2007).
2.2 GENERIC STRATEGIES

Building a strategy which is compatible with the available resources, capabilities and opportunities is difficult though it is a source of competitive advantage. Competitive advantage is a process of recognizing and capitalizing on unique characteristics so as to out compete competitors (Berry, 2007). Porter (1998) highlighted that competition in an industry is determined by the bargaining power of suppliers, the bargaining power of customers, the threat of new entrants to the industry, the threat of substitute products or services and the rivalry among current competitors. He further explained that these factors determine the generic strategy to be followed which could be overall cost leadership, differentiation and focusing.

![Figure 2.0: Porter's Generic Strategies](image)

Source: Porter (1998)

1 2.2.1 Overall Cost Leadership

Being the lowest cost producer is a source of competitive advantage which can be pursued by industries. When an organization pursues this strategy it will be focusing on minimizing production costs as well as expenses in distribution and this will result in setting prices which are lower than competitors (Stanton, 2002). Lowest cost producer can be achieved through economies of scale, minimizing costs, global sourcing and use of technology to improve efficiency in production (Cravens and David, 2004).
According to Baker (2008) for a company to be a cost leader there is need to have a strict, consistent measures in all departments which include engineering purchasing, manufacturing, distribution and marketing.

**Potential benefits of a low cost leader**

A low cost leader has a higher profit margin (Stanton, 2002). According to Mohan (2005) if an organisation incurred minimal costs and also have competitive pricing its profit are greater than companies that put more into manufacturing of exactly the same products. A cost leader definitely gets more profits from their products than competitors with higher operational costs.

Increase in customer demand and market share are realised when an organisation capitalize on cost leadership (Dixon, Donald and Roger, 2005). Organisations that offer lower prices tend to create demand from clients who are strict with their budgets. Consumers tend to rush for products of lower prices than products of the same quality with higher prices. Another advantage is that a low cost leader is in a position to manage in the long run and they have a better chance of surviving especially in a turbulent environment (Mohan, 2005).

According to Finney, Noel and Powel (2005) another major benefit of low cost leadership is that they have a large capital base which can be used to fund other projects or be used in investments e.g. if operating costs are minimal then some money can be channelled towards research and development, expanding other business units and it can also be used to move into other market segments which are not being served.

**Disadvantages of being a low cost leader**

The major disadvantage of being a cost leader is the problems of lower customer loyalty especially with those consumers who are price sensitive as they tend to switch to other cheaper substitutes as soon as these substitutes are available on the market (Forxall, 2005). Also cost leadership may be associated with products of lower quality and this may make it difficult for a firm to rebrand itself or its products especially when it chooses to shift to a differentiation strategy in future (Steiner, 1997).
Dixon et al. (2005) highlighted that when there is an increase in inputs from suppliers the price advantage of low cost leaders is reduced and this usually resulted in the failure to be sustainable in the long run.

### Table 2.0 Summary of Benefits and Disadvantages of Low Cost leaders

<table>
<thead>
<tr>
<th>Ways to achieve the strategy</th>
<th>Benefits</th>
<th>Possible problems</th>
<th>When to use it</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Size and economies of scale</td>
<td>- outperform rivals</td>
<td>- vulnerability to even lower cost operators</td>
<td>in a price driven market or in order to gain leadership from a complacent and a high cost competitor</td>
</tr>
<tr>
<td>Globalization</td>
<td>- Erect barriers to entry</td>
<td></td>
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<tr>
<td>- Relocating to low-cost parts of the world</td>
<td>- Resist the five forces</td>
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<td>- Modification/simplification of designs</td>
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<tr>
<td>- Greater labour effectiveness</td>
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<td>- Greater operating effectiveness</td>
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<tr>
<td>- Strategic alliances</td>
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<tr>
<td>- New sources of supply</td>
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<td>- Cost linkages</td>
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<td>- Integration</td>
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<tr>
<td>- Timing</td>
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<tr>
<td>- Advanced technology</td>
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<tr>
<td>- Smart buying</td>
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</table>


### 2.2.2 Differentiation

In differentiation an organization focuses on separating its products and marketing programmes from those of competitors. By producing unique products and marketing programmes the organisation can then be regarded as a class leader in the industry (Charles and Gareth, 2008). Kotler and Keller (2012) suggests that when a company concentrates on differentiation, the organization focuses on a particular marketing mix which provides a strong platform for competitive advantage. The marketing mix should be easily recognised by consumers. Differentiation is not easy in some industries, but innovative organisations have indicated that any market can be differentiated (Steiner, 1997).
Product Differentiation

A company can add features which make any physical products unique though some companies offer highly standardized products that allow little variation like chicken, steel and aspirin. Some of the products are easily differentiated like cars commercial buildings and furniture. Also differentiation can be in the form of performance whereby some products perform much better than others Kotler (2003).

Services Differentiation

According to Hooley, Saunders, Piercy and Nicouland (2008) differentiation can be in the form of services which are delivered along with some products. Services differentiation can be in the form of speedy of delivery and reliability of the service being delivered. This differentiation strategy of timeous deliveries is common with fast food outlets.

Personnel Differentiation

The quality of personnel in an organisation can be a basis of differentiation. Personnel of high quality can give organisations a strong competitive advantage and this can be done through hiring and training better personnel. Personnel differentiation involves selecting the key contact people and training them well (Kotler, 2003). In personnel differentiation the key personnel should be competent and should have the relevant skills and knowledge. They should be courteous, friendly and respectful. Competent personnel serve customers with consistency and they should understand how to handle customers of various behaviours. Quick responses to customer request and problems are not an exceptional (Cravens and David, 2004).

Image, Differentiation

Stanton (2002) explains that even when everything on a product seem to be the same, consumers may consider differences on who produced it and differences in the brand images hence companies strive to have different images that differentiates them from competitors. A brand image should give distinctive information regarding the benefits of the products. The message should position the product on the mind of the consumer. When differentiating products basing on image there is need of high creativity especially on designing signs and logos. The signs and logos should be attractive and meaningful. (Dixon
The chosen symbols should indicate the quality of products as well as other attributes. Advertising is then used to communicate these symbols.

Table 2.1  Summary of Advantages and Disadvantages of differentiation

<table>
<thead>
<tr>
<th>Ways to achieve the strategy</th>
<th>Benefits</th>
<th>Possible problems</th>
<th>When to use it</th>
</tr>
</thead>
<tbody>
<tr>
<td>-The creation of strong brand identities</td>
<td>-A distancing from others in the market</td>
<td>-The difficulties of sustaining the base for differentiation</td>
<td>-In crowded markets where points of difference are often small, differentiation must be based on factors that competitors see to be important.</td>
</tr>
<tr>
<td>-The consistent pursuit of those factors which customers perceive to be important</td>
<td>-The creation of a major competitive advantage</td>
<td>-Possibly higher costs</td>
<td></td>
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<tr>
<td>-The achievement of cost parity or cost proximity relative to its competitor in all areas that do not affect differentiation</td>
<td>-Flexibility</td>
<td>-The difficulty of achieving true and meaningful differentiation</td>
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<tr>
<td>-Additional features</td>
<td></td>
<td>-Creating differences that customers do not value</td>
<td></td>
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<tr>
<td>-Packaging innovation</td>
<td></td>
<td>-Focusing too much on the core product in developing bases for differentiation</td>
<td></td>
</tr>
<tr>
<td>-Distribution innovation</td>
<td></td>
<td>-Differentiating on dimensions that become less important to customers over time</td>
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<tr>
<td>-Speed of distribution</td>
<td></td>
<td>-Losing competitive cost proximity</td>
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<tr>
<td>-Higher service levels</td>
<td></td>
<td>-Failing to develop barriers to deter imitation and customer switching</td>
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<tr>
<td>-Better after sales service</td>
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<tr>
<td>-Superior financing deals</td>
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<td>-Greater flexibility</td>
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<tr>
<td>-Focused relationship building</td>
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2.2.3 Focus

The third generic strategy identified by Porter (1998) involves concentrating efforts on one or two segments instead of concentrating on a broader-based strategy. Stanton (2002) explains that when a firm focuses on one or two segments then it is able to have in-depth knowledge of each of the segments. The high degree of specialisation will act as barriers to entry (Berry, 2007).

Organisations that practice focusing have one major problem in the long run when they outgrow the market and lose close contact with their market. A strong contact is required if the organisation is to serve the segment effectively. Therefore focusing strategy is best for smaller firms as smaller firm can quickly respond to special request from the small segments. (Wilson and Gilligan 2009).

Table 2.2 Advantages and Disadvantages of Focusing

<table>
<thead>
<tr>
<th>Ways to achieve the strategy</th>
<th>Benefits</th>
<th>Possible problems</th>
<th>When to use it</th>
</tr>
</thead>
</table>
| Concentrating on one or a small number of segments | -A detailed understanding of segments  
-The creation of barriers to entry  
-A reputation for specialization  
-The ability to concentrate efforts | -Limited opportunities for sector growth  
-The possibility of outgrowing the market  
The decline of specialization which ultimately inhibits growth and development into other sectors | When you are new to a market or have a small market share |

2.2.4 Advantages and Disadvantages of Porters Generic Strategies

Wilson and Gilligan (2009) indicates that although Porter believes strategy needs to be thought about in terms of the three generic approaches, there has been criticism of these generic strategies in recent years. Table 4 summarizes the Advantages and Disadvantages of the approach.

Table 2.3 Advantages and disadvantages of Generic Strategies

<table>
<thead>
<tr>
<th>Advantages of Porters Approach</th>
<th>Disadvantages of Porters Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>- The model highlights the significance of competitive advantage as the basis for competitive success.</td>
<td>- The idea of lowest cost been invalidated by the pace of change. The notion that economies of scale represent the basis for a is now no longer seen to be realistic.</td>
</tr>
<tr>
<td>- The idea of three generic strategies gives recognition to the way in which, regardless of the wide variety of variables and industry situations faced by managers, there are in practice only a limited number of meaningful strategic options.</td>
<td>- The thinking that underpins the model is essentially manufacturer asset-driven rather than being based on an understanding of markets and customers. Since then, a considerable amount of power has shifted from the manufacturer to the consumer.</td>
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<td></td>
<td>- The basis for market success was assumed to rest on the idea that the principal strategic challenge was that of out-manoeuvring competitors. Today, far more recognition need to be given to the power and role of the distributor and to the way in which retailers and end-users are able to leverage their position.</td>
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<td></td>
<td>- The model is essentially superficial and provides little real insight to the forms of competitive advantage that determine organizational performance.</td>
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</table>

2.3 STRATEGIES FOR LEADERS, FOLLOWERS, CHALLENGERS AND NICHERS

2.3.1 Market Leader.

Kotler (2003) defines a market leader as a firm which has a large market share and determines the pace of competition of other companies in the industry. The position is achieved through outstanding strategies in pricing, adverts intensity, rate of product development and distribution of its products. As a result a market leader is highly recognised in the industry. A market leader is a spear header of all promotional mix strategies like changes in prices, promotions, introduction of new products and coverage (Berry, 2007). Some Followers may or may not emulate a market leader and some firms simply accept the status quo. However leading firms would always want to remain as leaders whilst other companies would be eyeing the position as well therefore leading firms has to consider defending their position.

Firstly market leaders should expand through increasing demand. Secondly they should also target expanding their market share even if they fail to expand the size. Thirdly a leader might need to be a cost leader to maintain its strong position in the market. Fourthly, there is need to protect the market share through defensive and offensive actions (Browersox, Donald, Cooper and Bixby, 2002).

2.3.1.1 Expanding the total market

West, Ford and Ibrahim (2010) explained that strategist can expand their market through identifying new users, new uses for a particular product and encouraging their users to use more than they used to.

New users. In every market there are potentially new buyers who are yet to use the product or who will be unaware of the product. Other than awareness, in a market there are some new users who were avoiding the product because of its price or image. These new users should be targeted as they may want to try the product
New uses. A market can be expanded through introducing and promoting new uses for the product.

More usage. Market expansion may be done through convincing people to use the product more than they were doing before.

2.3.1.2 Increasing the Market Share
Leaders in market can further increase their market share as a small increase in market share would usually result in huge increases in sales (Drummond and Ensor, 2004). Expansion can be done through gaining customers who were loyal to competitors. Competitor’s customers may be through promotions and price reductions. However this strategy of reducing prices and use of promotions is expensive (Forxall, 2003).

Expansion of the market share can also be done through winning of the competitor. Hill and Gareth (2008) explained that some market leaders find it easier to win competitors than customers of the competitor. When a company win competitors customers then its market share also increases. However, gains in market share will only realise gains in profits if the cost of producing a unit decreases with the increase in market share or when the premium prices caters for the price of providing goods of high quality (Drummond and Ensor, 2004).

2.3.1.3 Defending the Position
Sandhusen (2007) highlighted that companies should not forget to defend their positions when they expand their total market. Leaders are easily challenged because of their size and coverage therefore leaders should know how to position themselves and how to deal with such challenges. Wilson and Gilligan (2009) supported this through highlighting the strategies for defending current positions:

Mobile defence. In mobile defence the strategist focuses on market development and diversification with the aim to cover new territories.
Flanking defence
Market leader should identify and guard its weaker points as competitors normally attack the weakest points of the rival in order to gain competitive advantage. In flanking defence, a company should know its flanks and protect the ones which are likely to be attacked.

Contraction defence
When a company faces a strong attack in which it has little hope of overcoming then it can withdraw from the area or segments in which it is more vulnerable and concentrates in the ones in which it has more potential of competing successfully (Baker, 2008).

Pre-emptive defence
According to Govindarajan (2006) market leaders have the ability to make the first move in the face of a potential attack. When there is a looming attack leaders can take action well before the attack with the assumption that avoiding the attack is better than curing the damages. Companies have realised that position defences and contraction defences have limitations so they are moving towards pre-emptive strikes whereby they make use of information intelligence to gather information about potential attacks and then capitalizing upon their strengths so that they attack first.

Counter-offensive defence
Counter –offensive defence is only done when an attack has been done already. These are done when there is a reduction of prices by the competitor, a new product has been introduction and an increase in advertising. A market leader has to react to such attacks so as to reduce the extent of the damage (Kotler, Wong and Saunders, 2008). A company can respond in any of the three ways which are:
1. Face the attack head-on
2. Attack the attacker’s weak points
3. Destroy the attacker’s operational base.
Most market leaders make an error of failing to invest in low technology products as well as in products which has low profit margins. Products with low technology and low profit margins usually attract new customers and ignoring them usually lead to the decline of leaders (Malcolm, 2008). Instead of closing the existing gap these companies move further
upmarket thereby creating a gap for new competitors who will then change the trade patterns in the sector.

**Position defence**
Different companies have different views regarding their positions. Some firms with smaller market share prefer to move towards gaining some market share which can be done through attacking other firms as well as the market leaders. Smaller firms may avoid attacking leaders and accepts their position as followers hence accepting what they are and they simply follow the leaders quo (West and Ford, 2010). There are three ways of defending a position of the firm.

**Reconfiguration.**
This is when a challenger differentiates its operations in such a way to out compete rivals. The new ways should be in such a way to reduce costs or speeding up processes. When a firm changes its ways of operating then competitors will not be in a position to suddenly change their ways of operating.

**Redefining the market.**
This can be done either geographically and or through the product.

**High spending.**
To defend its position a company may choose to spend a lot through establishing technological infrastructure, advertising and promotion and even rebranding. This is costly and it is a risk approach to defend a firm’s position (Cravens and David, 2004)

Defence strategies can be summarized by a diagram in figure 2.0 which is shown below.
2.3.2 Market Challengers

Market challengers are organizations which are ranked second or third in a particular industry. Market challengers can attack their market leaders with the aim of gaining a market share or they may avoid any confrontation and accept their status quo (Kotler, 2003). Whenever a challenger attacks, then it has to consider who to attack. If a market leader is to be attacked, then it can be an insult to the marketing leader. An attack can be on a company of a similar size or it can be on smaller companies which are usually large in numbers (Hill and Gareth, 2008). Before launching an attack, the strategist has to consider the likely response of the leader and they should also consider their resource base which is needed to launch an effective attack as well as the gains which will be realised thereafter (Cravens and David, 2004). The choice of the challenger on who to attack is also driven by organisational objectives. If the objective of the challenger is to become a market leader, then the challenger may attack the market leader and if it is to simply gain market share, it can attack its followers (Ries and Trout, 2007).
According to Baker (2008) it was established that market challengers do not have to depend on one strategy. Several strategies have to be used to form a basis for competitive advantage and the most common strategies include price discounts, distribution innovation, intense advertising, market development, a clear meaningful positioning, product development and value addition (Malcolm, 2008)

**Frontal attacks**
West and Ford (2010) explained that in a frontal attack, the challenger ensures that the product of the competitor matches their product in terms of price, advertising and distribution. An attack on the competitor’s strengths is done and results are determined by the strength and endurance of each player. Frontal attacks are not undertaken by a challenger who has fewer resources (Sandhusen, 2007)

**Flank attacks**
Flanking attack is an attack on the leader’s weak points or on segments which are not receiving enough attention (Baker, 2008). Technological flanking is a major form of flanking attacks which are being used by companies. Before engaging on a flanking attack the attacker has to concentrate its resources on its weaker points so as to avoid a counter attack (Hill and Gareth, 2008). Flank attacks are more appropriate for a company which has little resources as compared to resources of competitors. Flanking attacks can also be done through occupying the gaps in the industry.

**Encirclement attacks**
In encirclement attack, several attacks are launched from many fronts so as to put the rival under intense pressure such that defending its position will be very difficult (Proctor, 2000). However encirclement attacks are an expensive strategy to undertake such that short term losses are definitely incurred. Baker (2008) highlighted that encirclement attacks are impressive if they are executed properly. The encirclement strategy is proper for a challenger who is confident and have superior resources such that they can quickly shift the balance in the market.
Bypass attacks
A bypass attack is the most indirect attack as it avoids aggressive move against the competitor (Proctor, 2000). In this attack the strategist focuses on developing the company by concentrating on unrelated products (Drummond and Graeme, 2001). The strategy may involve moving into new segments or capitalizing on new technology to replace existing products. Technological leap frogging is mainly used in high technology industries (Proctor, 2000).

Guerrilla attacks and ambush marketing
According to Kotler ,(2003) a guerrilla attack is strategy which comprises continuous hit and run moves which are meant to demoralize the rival and by doing this the rival will end up being off balance. The attacks can be in the form of sudden short term price cuts, sudden advertising, and damaging public relations activity, poaching a competitor’s key personnel and taking legislative moves (Wilson and Gilligan 2009). This type of attack is mainly used by smaller firms when they attack larger firms. However Hill and Gareth ( 2008) pointed out that the smaller firms should be careful as the continuous guerrilla attacks may be expensive and sometimes they are followed by a much stronger attack especially when the rival decides to beat the attacker(Malcolm, 2008).

The attack strategies are summarised in figure 2.1 below.
2.3.3 Strategies for Market Followers

According to Hill and Gareth (2008) many organisations prefer to take a passive position and follows what others will be doing. Hill and Gareth (2008) further emphasised that if an organisation decides to successfully challenge a leader then it is suppose to have a very strong basis for completion otherwise the attack will definitely fail. Forxal and Gordon (2001) indicates that most of the market followers accept their position as market followers and avoids direct confrontation with their market leaders. Followers simply follow in the footsteps of market leaders. Hooley et al. (2008) pointed out that followers’ tend to show some common features outlined below.
1. They practice careful market segmentation so that they can compete in segments where they are much stronger.

2. They efficiently make use of Research and development. Though research and development is limited with market followers, they ensure that research and development is only done for potential segments which will only give greatest payoffs. Also, research and development is done only for innovative products.

3. They focus more on profitability than on growth of sales and market share. They also give more focus on specialization than on diversification and on quality rather than quantity.

4. The organisations think outside the box such that they can challenge the wisdom of their leaders.

Wilson and Gilligan (2009) explain that market followers follow their leaders in three ways as explained below:

**Follow closely.** This is when activities of a follower are so close to those of the leaders. There will be close similarities in the marketing mix strategies, product development and segmentation.

**Following at a distance.** When a firm follows at a distance, there will be some similarities in some aspects but not in everything.

**Following selectively.** Following in product and marketing terms is done selectively in order to avoid direct competition.

It is important to note that a follower has to appreciate the importance of positioning so as to maintain its customer base. However, as they change their prices, they should also ensure that sales increase are in line with rates of market growth to avoid exposing themselves to more violent and predatory market challengers (Wilson and Gilligan, 2009).

### 2.3.4 Strategies for Market Nichers

A market nicher is a smaller organization that exists to serve a small section of the market that is not likely to attract bigger firms due to their small sizes. The section which they serve are not attractive to larger firms (Proctor, 2000). These small firms tend to survive in the industry where larger firms exist and the small firms eventually prosper through specializing in the chosen segments. (Charles and Gareth, 2008). Since the target segment is
very small a market nicher ends up knowing the target customer group so well such that it can satisfy their needs much better than by larger organisations. A nicher may end up charging a significant mark-up because of the added value which will also lead to huge profits. A mass marketer achieves high volumes the nicher achieves high margins (Browersox and Cooper, 2002)

Parry (2002) explains factors to be considered when choosing a niche.

1. It should be of a reasonable size and should profitable.
2. Occupying it should increase market growth.
3. Competitors should not get easily attracted to the niche.
4. The firm should have enough resources and capabilities to serve the niche.
5. The firm should be able to defend itself through creating strong customer loyalty.

The key factor when considering niching is specialization. Firms should specialize in its services to the customers, product development, and marketing mix (West and Ford 2010). Wilson and Gilligan (2009) suggest several specialist roles open to a market nicher:

**End use specialisation**. The firm focuses on one type of end-use customer.

**Customer specialization**. The firm focuses on trading mainly with small customers who were neglected by the big companies

**Specific customer specialization**. The firm limits its selling to one or a few large customers.

**Geographical specialization.** The firm sells only in some selected areas of the region or the world.

**Product or feature specialist.** Specialization is done for certain products and product line.

**Service specialist.** An organisation may decide to offer special services which are not offered by other companies.

Specialization may be unsafe when there are changes in the market which could be due to increased competition or an economic downturn which may leave the nicher exposed (Proctor, 2000). Another risk is when the niche dries up or when it is attached. To avoid risks of drying up, companies may use multiple niching. A company with two or more niches have higher chances of survival in case of changes in the market (Stanton, 2002).
2.4 PRODUCT LIFE CYCLE STRATEGIES

Kotler (2008) defines the stages that a product undergoes in terms of sales and profits. Understanding the stages in a product life cycle helps organisations to know when to introduce or withdraw a product from the market. Also, when product life cycle stages are known, one is able to compare performance of the product in relation to its competitors as well as tracking the success of the product in relation to competitors (Groroos, 2006). A product undergoes through five stages which are product development, introductory phase, growth phase, maturity, and decline stages. It is important to note that each stage is associated with various marketing strategies (Sandhusen, 2007).

Product Development Stage
This stage starts when an organisation decides to start on a new product and then develop the idea. During product development ideas are gathered and are incorporated into a new product. A lot of expenses are associated with this stage as the product has to be tested in test markets (Drummond, 2001). After going through the test markets, the product is then introduced into a real market hence the commencing of the introductory phase (Seth and Sisodia, 2006).

Introduction Phase
At this stage, the product is introduced into the market and the marketer has to create and develop the market. Identification of market requirements is done and the desired features of products should be considered (Govindarajan, 2007). When a desired product is ready for the market, there is a need to create demand so as to have sales. A new product can be introduced into the market through market penetration and market skimming strategies. In market penetration, prices are set so low at the introductory stage then they are gradually increased. At this stage, profits are not really considered as focus is on creation of awareness. The strategy is ideal when there are many players who control a bigger portion of the market (West and Ford, 2010). A skimming strategy can also be used whereby new products are introduced with relatively high prices. If a skimming price is offered, prices will be higher than products of competitors but the prices are gradually
decreased such that profits are only higher at the beginning. However there are high risks associated with this strategy as people may avoid paying for these high prices (Baker, 2008).

**Growth phases**

In the growth stage market growth is realised as well as increase in sales and competitors start to get attracted to the market. At this stage increases in sales volume are realised as well as profits (Joshi, 2005). However Kashani and Horovitz (2005) suggests the opposite. The major marketing strategies at this stage involves the full establishment of the brands, expanding distribution channels and differentiating the product. Increase in promotions, advertising and brand positioning should also be done at this stage (Browersox and Cooper, 2002).

**Maturity Phase**

The stage is characterized by high returns (Govindarajan, 2007). Baker (2008) highlights that at this stage new brands can be introduced to compete with the existing brands and changes in business models are more frequent. West and Ford (2010) also highlights that product life can be extended. Strategies in pricing are also changed along with competition. Promotion and advertising should shift from getting new customers and focuses on product differentiation in terms of quality and reliability.

**Decline**

Recognising this stage may not be easy but this stage is mainly characterised with a decline in market sales (Govindarajan, 2007). At this stage withdrawal of some weak products is done. However the prices must be kept competitive and promotions should be reduced at a rate that will enable products to remain visible and retain customer loyalty (Drummond, 2001). Distribution should be directed to some specific segments and the chosen distribution channel should be more efficient (Browersox and Cooper, 2002)
Table 2.4  Summary of Product life Cycle Strategies

<table>
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<th>INTRODUCTION</th>
<th>GROWTH</th>
<th>MATURITY</th>
<th>DECLINE</th>
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<tr>
<td><strong>Characteristics</strong></td>
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</tr>
<tr>
<td><strong>Sales</strong></td>
<td>Low sales</td>
<td>Rapidly rising sales</td>
<td>Peak sales</td>
<td>Declining sales</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td>High cost per customer</td>
<td>Average cost per customer</td>
<td>Low cost per customer</td>
<td>Low cost per Customer</td>
</tr>
<tr>
<td><strong>Profits</strong></td>
<td>Negative</td>
<td>Rising profits</td>
<td>High profits</td>
<td>Declining profits Laggards</td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td>Innovators</td>
<td>Early adopters</td>
<td>Middle majority</td>
<td>Laggards</td>
</tr>
<tr>
<td><strong>Competitors</strong></td>
<td>Few</td>
<td>Growing number</td>
<td>Stable number beginning to decline</td>
<td>Declining number</td>
</tr>
<tr>
<td><strong>Marketing objectives</strong></td>
<td>Create product awareness and trial</td>
<td>Maximize market share</td>
<td>Maximize profit while defending market share</td>
<td>Reduce expenditure and milk the brand</td>
</tr>
<tr>
<td><strong>Strategies</strong></td>
<td>Offer a basic product</td>
<td>Offer product extensions, service, warranty</td>
<td>Diversify brand and models</td>
<td>Phase out weak items</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>Use cost-plus</td>
<td>Price to penetrate market</td>
<td>price to match or beat</td>
<td>Cut price</td>
</tr>
<tr>
<td></td>
<td>Distribution</td>
<td>Advertising</td>
<td>Sales promotion</td>
<td>competitors</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------------------</td>
<td>------------------------------</td>
<td>---------------------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Build selective distribution</td>
<td>Build product awareness</td>
<td>Use heavy sales promotion to</td>
<td>Go selective: phase our unprofitable outlet</td>
</tr>
<tr>
<td></td>
<td>Build intensive distribution</td>
<td>and interest in the mass</td>
<td>entice trial</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Build more intensive</td>
<td>market</td>
<td>Reduce to take advantage of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>distribution</td>
<td></td>
<td>heavy consumer demand</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Increase to encourage brand</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>switching</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reduce to</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>minimal level</td>
<td></td>
</tr>
</tbody>
</table>

Table 2.5: Summary of Competitive Strategies for Leaders, Challengers and Followers In Relation To Stages of Industry Development

<table>
<thead>
<tr>
<th>Strategic position of the firm</th>
<th>Growth</th>
<th>Maturity</th>
<th>Decline</th>
</tr>
</thead>
</table>
| Leader                        | - Keep ahead of the field  
|                               | - Discourage other possible entrants  
|                               | - Raise entry barriers  | Hit back at challengers  
|                               |                               | Manage costs aggressively  
|                               |                               | Raise entry barriers  
|                               |                               | Increase differentiation  | Redefine scope  
|                               |                               |                               | Divest peripherals  
|                               | - Develop a strong selling proposition  
|                               | ‘Lock in’ distributors  
|                               | - Build loyalty  
|                               | Advertise extensively  | Encourage greater usage  
|                               |                               | Search for new uses  
|                               |                               | Harass competitors  
|                               |                               | Develop new markets  
|                               |                               | Develop new products and product variations  
|                               |                               | Tighten distribution  | Minimize costs  
|                               |                               |                               | Increase profit margins  |
| Challenger                    | - Enter early  
|                               | - Price aggressively  
|                               | - Search for the leader’s weaknesses  
|                               | - Constantly challenge the leader  
|                               | - Identify possible new segments  
|                               | - Advertise aggressively  
|                               | - Harass the leader and followers  | Exploit the weaknesses of leaders and followers  
|                               |                               | Leapfrog technologically  
|                               |                               | Maintain high levels of advertising  
|                               |                               | Price aggressively  
|                               |                               | short-term promotions  
|                               |                               | use alternative distributors  
|                               |                               | Take over smaller companies  | If the challenging strategy has not been successful, manage the withdrawal in the least costly way to you but in the most costly way to others  |
| Follower                      | Imitate at lower cost if possible  
|                               | Search for joint ventures  | Search for possible competitive advantages in the form of focus or  | Search for opportunities created by the withdrawal of others  |
Maintain vigilance and guard against competitive attacks. Look for unexploited opportunities.

differentiation
Manage costs aggressively
Look for unexploited opportunities
Monitor product and market developments.

<table>
<thead>
<tr>
<th>Maintain vigilance and guard against competitive attacks</th>
<th>Look for unexploited opportunities</th>
<th>Manage costs aggressively Prepare to withdraw</th>
</tr>
</thead>
</table>


2.5 GROWTH STRATEGIES

A clear growth strategy is a requisite for every organisation which aims to achieve revenue targets and profits. (Kashani and Horovitz, 2005). Ansoff came up with four growth strategies which can be used by organisations. These strategies are market penetration, product development, market development and diversification (Drummond and Graeme 2001).

Existing products

<table>
<thead>
<tr>
<th>Existing market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market penetration</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market development</td>
</tr>
<tr>
<td>diversification</td>
</tr>
</tbody>
</table>

new products

<table>
<thead>
<tr>
<th>Existing products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product development</td>
</tr>
</tbody>
</table>

Figure 2.2: Growth Strategies

Source: Ansoff (1988)
Diversification (New Products/New Market)

A company can use diversification as a strategy. In this strategy the company will be aiming to increase profits through increase of sales through new products and new markets. Diversification can be done at business unit level or at organisational level. When diversification is done at business unit level the unit will focus on expanding into a new segment but when it is done at corporate level then the organisation will be moving towards a new promising business which will be outside the scope of the existing business unit (Sandhusen, 2007).

Market Development (Existing Products/New Market)

This is done when a firm finds a new market for the existing products and services. The new market can be a foreign market or it will be domestic market which was never considered before (Mcdonald, 2006). This is done by changing the product image and increasing the distribution channels. The knowledge on the existing market is important and should not be discarded as this will enable strategist to fill the market gaps (Finney, Noel and Powel, 2005)

Product Development (New Products/Existing Market)

According to Sandhusen (2007) product development is a strategy which focuses on new products in existing markets. Rather than getting into a new market with existing products one can introduce a new product into a familiar market. Small firms which usually operate in such environment are more comfortable with this strategy of introducing a new product into a familiar market as they will be fully aware of the prevailing market conditions. The major challenge in product development is that there is need to develop new abilities and continuously change the products to suit the market until success is realised.

Market Penetration (Existing Products/Existing Markets)

When an organisation has existing products which are already in some markets then it can grow its market share through penetration strategies. This is when the organisation tries to
gain competitive advantage through pricing and marketing activities (William and McCarthy, 2007). Marketing penetration can be effected through the use of promotional programmes as well as the issuing of incentives which will then result in increase of sales.

2.6 IMPLEMENTATION AND CONTROL

Implementation is turning a plan into action (Allio, 2005). Cravens (2008) defines implementation as an activity which requires hands-on on operations coupled with an orientation of human behavior which is managed by executive and managerial leadership. Implementation is done only after a clear strategy has been laid down (Akan, Allen, Helms and Spralls, 2006).

Implementation will only be successful when everyone in the organization appreciate the strategy and understand how the set strategy is to be achieved. West and Ford (2010) explain that a strategy can be well formulated but if it is poorly executed then there will be problems. Akan et al. (2006) gives the five S’s of implementation as structure, systems, staff, scene, and sharing . Implementation is the most difficult stage of strategic management and it is even more time consuming compared to the formulation part *ibid*.

**Structure.**

The organizational structure is the major obstacle in implementation (Drummond and Ensor, 2004). The structure of the organization and the avenues of communication should be flexible enough to support marketing strategies. Sometimes there is need to redesign the structure and allocating some tasks to certain departments or sections. Organizational restructuring during implementation will also influence some behavioral change and actions which are required in the successful implementation of strategies (NagasimhaKanagal. 2006).

**Systems.**

Rules and procedures are supposed to be in place before implementation is effected. Systems should support the new strategy and the potential opportunities presented by the
new strategy. The organizational budget should be in support of the strategy and the organization should be prepared to spend in support of the new strategy. Govindarajan (2008) suggests that firms should consider the three administrative mechanisms that have an influence on implementation. The three factors are highlighted as the design of organizational structure (decentralization), nature of the control system (budget evaluative style) and identification of managers (locus of control).

Staff.

The nature of the employees in an organization has an influence in implementation. Skilled workforce might be required as well as the new skills as these give competitive advantage. Employee training is not an exceptional in implementation (Pearce and Robinson, 2008). Usually implementation of strategy fails if there is no support and commitment by staff members and middle management. This is usually the case especially when they are not involved during the development phase (Steiner, 2007). All staff members should continuously be involved throughout the implementation process and their participation will be likely to increase as well as their commitment in the implementation process.

Culture.

Every organization has a unique culture with certain values and beliefs. The organizational style may involve how they execute their work and the atmosphere they create in the organization. Culture in an organization may be weak, strong or coherent (Pearce and Robinson, 2008).

Sharing.

Implementation of marketing strategy may call for internal and external support which involves resource sharing as well as joint research with the aim to create competitive advantage. However though everyone has to participate whilst there is sharing of ideas and resources there is need of a strong leader. The leader should be committed in his duty and should be able to control and direct. Gatignon and Bowman, (2009) suggests that a higher level in total organizational involvement during strategy implementation has positive effects on the level of implementation success, firm profits and overall firm success.
2.7 CRITIQUES ON MARKETING STRATEGIES LITERATURE.

Literature on strategic marketing is silent about strategies which should be used in recession. In this chapter no information about marketing strategies in recession was obtained therefore there is need for further studies to look at marketing strategies in recession from different perspectives.

Also from literature, Porter highlights three generic strategies which include differentiation and cost leader and focusing but Mintzberg argues that Porter’s low-cost strategy is actually a differentiation strategy based on low price. Authors have conflicting ideas on strategies used regarding pricing at growth stages of a product. While some authors prescribe to increase sales-force efforts and expenses (Joshi, 2005) during the growth phases of a product others has found the sales force expenses to be avoided (Kashani and Horovitz, 2005). However there is a consensus in the literature selected regarding distribution strategies at the introduction stage of a product. Distribution should be selective or exclusive and in the case of industrial goods it should be sold directly (Joshi, 2005).

2.8 CHAPTER SUMMARY

This chapter focused at literature on marketing strategies. It is has been gathered that all companies need clear marketing strategies to be competitive in the changing markets. No one strategy is best for all companies. Each company must find the best strategies considering the environment it operates in, opportunities, objectives and resources. In this chapter we have seen that every company should follow at least any of the Porter’s generic strategies for it to be competitive. Organisations that fail to pursue one of these generic strategies will be out competed. Literature has also revealed that organisations occupy different positions in markets. Some are Leaders, Challengers, followers or Nichers. The market position of an organisation determines the strategy it has to follow. The success of a strategy depends on implementation as discussed in the chapter.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION

Research is defined by Saunders, Lewis and Thornhill (2003) as a process whereby one engages in a process of gathering information systematically with the aim of increasing personal knowledge. White (2000) defined it as an orderly investigation to find answers to a problem. This chapter examines the methodologies carried out, defines the population of this study, the sampling techniques employed, and explains the development of the research instruments and how data was collected for interpretation and analysis.

In order to select the most proper research method for this study the researcher took into account the various approaches that were previously used by researchers. A review of the available research methodologies was done considering the advantages and disadvantages of each method. Methodologies adopted for this study are outlined and the reasons why they were adopted are given in the chapter.

3.1 RESEARCH DESIGN

According to Converse and Presser (2006), a research design or method is an orderly approach taken towards the collection of data so that information can be obtained from those data. In this research, a descriptive case study was used. Robison (2003) explains case study as collection of detailed information from a particular unit or section to enable analysis and evaluations. Borg and Gall (2006) highlights that case studies are used to give detailed explanations of an event so as to come out with a justification of a phenomenon. The method for case studies allows one to view through the researchers eyes and have an independent view of the whole scenario.

The researcher chose the use of a single case study because it gives detailed analysis. Yin (2003) highlighted that the rational for a single case is that it is a representative of a typical. In this case the Grain Marketing Board is a representative of Zimbabwean Parastatals. The result from the study shall be applicable to other Parastatals or organizations operating in the same industry. The interview respondents were selected from executive management and senior management. In this research the researcher relied on primary data.
3.2 RESEARCH PHILOSOPHY

White (2000) highlighted that research can be done using two approaches which could be quantitative or qualitative. These two approaches can be used concurrently in one research (Silverman, 2000).

3.2.1 Positivism/Quantitative Research Approach

Saunders et al., (2003) state that quantitative research refers to a type of research that includes numerical data or data that can be valid to answer some research questions. Positivist research deals with specific facts with the aim to understand the world through scientific research. According to Denzin and Lincoln (1994) quantitative research focuses on investigation and measurement of important relationships among variables rather than processes. Positivism works with a traceable and reliable information such that at the end of the research deductions of law can be done just like the ones which are produced by scientists (Wegner, 2003). According to White (2000) positivism approach aims to remain objective through gathering and use of statistical data. It is more important in clarifying and backing up qualitative data from an experimental survey.

3.2.2 Phenomenological/Qualitative Research Approach

Qualitative research is a method that makes use of a small number of respondents who provide narrative information about their impressions which are not easily shown by the whole population (Dillow et al., 1993). Phenomenological/qualitative approach is more detailed than positivism research. It was developed in the social sciences to help researchers to study societal and cultural phenomena (Myers, 2009).

The study made use of a qualitative approach in case studies research. Information was gathered through the use of interviews. Qualitative analysis was used to ascertain the opinion of various stakeholders on the effectiveness of marketing strategies in Grain Marketing Board.
3.3 RESEARCH STRATEGY

Research can be conducted in several ways which include case studies, experiments, surveys, history and analysis of archival material (Yin, 2003). Each strategy has its advantages and disadvantages depending on the conditions below:

1. The type of research question
2. The ability of the researcher to influence behavior
3. The focus on existing facts as opposed to historical facts

In this research, the researcher shall make use of “how” and “why” questions for contemporary set of events over which the researcher has little or no control. Table 3.1 gives relevant situations for different research strategies.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Experiment</th>
<th>Survey</th>
<th>Archival Analysis</th>
<th>History</th>
<th>Case Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form of research question</td>
<td>How and why</td>
<td>Who, what, where, how many, how much?</td>
<td>Who, what, where, how many, how much?</td>
<td>How and why</td>
<td>How and why?</td>
</tr>
<tr>
<td>Requires control of behavioral events</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Focuses on contemporary events</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes/no</td>
<td>no</td>
<td>yes</td>
</tr>
</tbody>
</table>

Source: Yin, 2003

In this research, a case study was identified to be the most suitable strategy as the use of how and why questions were asked on contemporary events. The following are some of the research strategies outlined by Yin (2003).
3.3.1 Survey
A survey is an orderly gathering of primary data through the use of structured questionnaires and communication. It involves a reasonably large number and highly representative sample of respondents (Wong, 1999). Survey research is usually used to gather information on one’s view, opinions and feelings. A survey is done through a set of prearranged questions that is administered to respondents. The most critical stage of a survey is the selection of a sample the sample should not be biased and the sample should be a representative of the population from which it is drawn.

3.3.2 Experimentation
Experimentation is research whereby a set of variables are manipulated under supervision and this will enable the researcher to gather data which indicates the effects of various variables (Howard and Sharp, 2003). These experiments are conducted in laboratories or in a natural setting which is systematic. Conducting research in field offers advantage that it will be in a real situation and the draw backs of a laboratory environment are avoided. This method gives results that are factual and valid. Experimentation is very expensive and takes a long time to be completed (Alan and Nadeen, 2005). This strategy was considered inappropriate by virtue of its nature.

3.3.3 Archival Analysis
Archival analysis is a strategy which uses questions like who, what, where, how many and how much (Yin, 2003). Archival strategies explains the occurrence of a phenomenon.

3.3.4 History
The strategy made use of how and why questions. The strategy does not concentrate on existing events hence the researcher has no control or has little control of past events (Wegner, 2003). When the researcher has no access or control of events then use of history is preferred. This strategy is also very important when the key persons are no alive. In such a situation use of primary documents, secondary data, cultural and physical artifacts is done.
3.4 CASE STUDY STRATEGY

A case study gives descriptive information and detailed analysis of information gathered from a limited number of individuals. It is a good source of ideas of individuals under study (Howard and Sharp, 2003). A case study takes a long period to be complete, it is costly and there is a possibility of having some drop outs if the study is carried over a long period of time. Chances of bias are high as data is collected by only one person and also the very same person does the interpretations (Best, 2004). This strategy was used in this research in order to get detailed information on the topic.

According to Yin (2003) case study uses how and why question for contemporary events which the researcher has no control over. A case study research can be qualitative or quantitative. The researcher then uses interpretive approach to data analysis and there is need for the researcher to study the responses which are given by respondents so as to derive a logical meaning from the responses (Howard and Sharp, 2003).

This strategy helped the researcher in getting in depth information about the effectiveness of marketing strategies employed by Grain Marketing Board.

3.4.1 Critiques on the case study strategy

Case studies are highly criticized for their lack of consistency (Yin, 2003). Lack of consistency is not common with other strategies because of the availability of numerous methodological texts that have specific procedures which can used by researchers *ibid*.

Also Case studies have been criticized for their little basis for scientific generalization. However case studies are generalized to theoretical propositions and not to population or universes (Burn, 2004). Another shortfall for case studies is that case studies do not represent a sample but it aims on expanding and generalizing theories (Wegner, 2003)
3.5 DATA COLLECTION

3.5.1 Population

Frankel and Wallen (2006) highlighted that a study population is made up targeted individuals whom the researcher targets to get information from and results will be generalized from the given information. A population is simply defined as a group of individuals of importance to the researcher’s investigation (Yin, 2003). The target population in this research is made up of executive management, senior managers and external branch managers of supermarkets. This population enabled the researcher to conduct a qualitative research.

Table 3.1: Population Composition

<table>
<thead>
<tr>
<th>Population composition</th>
<th>Target Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy General Managers</td>
<td>4</td>
</tr>
<tr>
<td>Senior Managers</td>
<td>3</td>
</tr>
<tr>
<td>Branch managers</td>
<td>3</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10</td>
</tr>
</tbody>
</table>

3.5.2 SAMPLING PROCEDURE

3.5.2.1 Sample selection and size determination

A sample is subgroup of the total population which is chosen to represent the population (Burn, 2004). Use of the entire population is not possible in research hence the choosing of a reasonable sample size is vital. When a sample is big enough then the results will be as close as possible to the characteristics of the population hence an improvement on validity and reliability of results.
3.5.2.2 Sampling and sampling Techniques

GMB has 12 Executive managers and 45 senior managers (HR Report, November, 2012). It was not possible to interview all the executive managers and senior managers therefore selection of some selected individual in Executive management as well as senior management was done. Also it was not possible to interview all the branch managers of supermarkets which sell Silo products such that only three of the branch managers were selected. The researcher only focused on executive management and senior management as they are the key personnel in the strategy formulation. Some of the senior managers also play a role in implementation. External branch managers were selected as respondents as the researcher thought that they would give a better perspective of the organization in comparison with competitors.

According to Wegner (2003) the two major ways which are used in selection of a sample is probability and judgmental (non-probability) sampling. Qualitative research methods use non probability type of sampling which are convenience sampling, judgmental sampling and quota sampling.

Wegner (2003) highlighted the four methods of random sampling as simple random sampling, systematic random sampling, stratified random sampling and cluster sampling.

3.5.2.3 Non-Probability Sampling

3.5.2.3.1 Convenience Sampling

Participates in the research are selected basis on the convenience of the researcher. The participants are mainly selected on the basis of availability (Denzin and Lincoln, 2005). The major shortfall with this method is that there are chances of bias and the sample may not be a true representative of the population.

3.5.2.3.2 Judgmental Sampling

This method involves grouping of the selected participates according to a particular criteria which is suitable with the research being undertaken. In this research Executive management and senior managers were chosen because of their role in strategy formulation and implementation (Denzin and Lincoln, 2005).
3.5.2.3.3 Quota Sampling

The researcher decides on the required characteristics of participates (Benard, 1995). The characteristics may include age, experience, gender, profession and industry. The researcher then chooses participates who are likely to have knowledge on the research topic.

3.6 DATA SOURCES

These are items or tools which are used to get relevant data from the research project. The information obtained can be primary data or secondary data (Howard and Sharp, 2003).

Primary Data is data originally obtained through the direct efforts of the researcher through surveys, interviews and direct observation (Burn, 2004). Information gathered from primary sources may not represent the entire population. In collection of primary data the flexibility of the method used may result in unclear results. The researcher may be biased to reinforce a particular view. Wegner (1999) explains interviews and questionnaire as methods of data gathering.

3.6.1 Questionnaire

A questionnaire is a research tool which comprises of a series of questions and other prompts in order to gather information from respondents (Best, 2004). A questionnaire is described as a list of questions which are given to respondents so that they complete in written form and return the questionnaire to the researcher. According to Wisniewski (2004), a questionnaire is an instrument used in raw data collection and is made up of a set of questions which are meant to address specific objectives. In general, questionnaires are the most efficient mechanisms for efficient collection of certain kind of information. However questionnaires are not a precise means of evaluation therefore researchers should only use them to compliment other procedures (Robson, 2003). Questionnaires can be completed in a very short space of time.

The advantages of questionnaires are that the responses are gathered in a standardized way, so questionnaires are more objective. Also it is relatively quick to collect information using
a questionnaire and information can be collected from a large portion of a group (Best, 2004).

The disadvantages of questionnaires are that they are standardized therefore explaining any point which might be wrongly interpreted is not possible (Burn, 2004). Robson (2003) highlighted that at times respondents give casual answers and they may not be willing to answer the questions. According to Cooper and Schindler (2001) questionnaires are associated with low response rate due to the inability and limitation to probe. As a result sometimes there is no clarity with questionnaires. Concluding the process of gathering information through questionnaires is long and vital information may not be revealed. There is no guarantee that the targeted respondent is the one who answers the questionnaire. Non-verbal communication cannot be noted with the use of questionnaires. This method was not considered in this research due to limited time.

**Reliability of Questionnaire**
Questionnaires are supposed to be reliable. According to William and Trochim (2006) reliability is a measure of consistency and or repeatability of a measurement. Consistency is important as it is explained as being clear and distinct so that respondents will not get confused. Repeatability means that if researchers have findings from a group they should be able to repeat the survey and get exactly the same results.

**Validity of the Questionnaire**
According to William and Trochim (2006) validity is in several forms. It can be in the form of content validity, criterion validity, discriminate validity and internal or external validity among others. Content validity measures the correctness with which an instrument focuses on the significant aspect of its purpose and this research mainly employed content validity. According to Dillow (1993) pre-testing is a process whereby a researcher defines the suitability of a group of responses. Pre-testing enables the researcher to ascertain the validity of questions and the subsequent reliability of the data, (Saunders, 2003). The validity of a questionnaire is important as this ensures a good questionnaire and a successful research. Pre-testing helps to improve on questions which might not be clear.
3.6.2 Interviews

An interview is a discussion between an interviewer and an interviewee, which reveals data in a face-to-face interaction Borg and Gall (1995). There are two major types of interviews which can be conducted in marketing research which are structured and unstructured interviews.

Unstructured interviews are not monitored by a set of specific questions. The interviewer is led by some listed issues. When conducted properly, unstructured interviews should give the researcher a precise feel for the subject to be investigated (Robson, 2003). Usually a structured interview follows a particular questionnaire. Most quantitative surveys are based on this instrument (Cooper and Schindler, 2001). The questionnaire should be structured and the specific questions should be asked in a manner which avoids variation between interviews. Respondents’ answers are recorded on a questionnaire form during the interview process. Usually the form has pre-specified response formats, and the completed questionnaires are analyzed quantitatively (Cooper and Schindler, 2001). Structured interview will not give the interviewer a chance to add or remove questions even the chance to change their sequence or alter the direction of questions.

The advantages of interviews is that they are user friendly are a flexible method that gives room for probing further. Body language and non-verbal clues can also be picked up using this method. This method was used whereby a structure interview guide was used to gather information from the selected respondents.

According to Wegnier (2003) the advantages of interviews may be summarized as below;

- High response rate,
- allows for further probing and clarifications,
- Data collection is direct and accurate and
- Ability to observe nonverbal reactions.

The disadvantages of interviews include

- The process is lengthy,
• When there is need of training the interviewers the method will become more expensive,
• Not many interviews are conducted due to the cost and time constraints and
• The interviewer may present some influence.

The researcher used this method as there was need to get detailed and technical information from the respondents. Interviews were done with the executive management and senior management as they are responsible with formulation and implementation of strategies. Branch managers from supermarkets were also interviewed with the aim of getting information from a consumer point of view. An interview guide was designed with structured and unstructured questions. The interview guide was given to the interviewee a week before the day of the actual interview.

**Conducting an interview**

The researcher made appointments with the executive and senior management in marketing department a week in advance. On making an appointment a structured questionnaire was given to the respondents so that on the day of the interview the interviewee will be aware of the questions to be asked.

### 3.7 DATA ANALYSIS PROCEDURE

No standard format is there for data analysis of a qualitative research (Wegner, 2003). Data from the research was presented through data display tables. The researcher interpreted findings from the respondents through use of detailed descriptive tables. The researcher decided on the meaning attributed to the words and their implications to the topic. The data was analyzed by going through the entire question and establishing common themes, patterns and relationships. Tables are the simplest forms of summarizing the data. Specific values can easily be read from a table (Saunders et-al, 2003).

### 3.8 RESEARCH LIMITATIONS

The research methodology selected had the following limitations:

- There was very limited time for data collection since the research was part time and preparations were mostly done after work and during weekends.
3.9 CHAPTER SUMMARY

This chapter outlined how the research was conducted. The researcher used a research design of a case study. The research instruments used were interviews. Ten interviewees were selected from the executive management and senior managers as well as from branch managers of selected supermarkets.
CHAPTER 4

RESULTS AND DISCUSSION

4.0 INTRODUCTION

In this chapter the researcher focuses on the information gathered from face to face in depth interviews. The findings are presented and analyzed through the use of content analytic tables. A detailed description of the tables is explained and a discussion which relates the outcome to literature is done. The chapter is divided into three sections that summarize the interview responses from Deputy General Managers, Senior Managers and Supermarket Managers.

4.1 RESPONSE RATE

4.1.1 Responses from Interviews

Face to face interviews were done with executive management, and senior management and branch managers.

Table 4.0 : Responses from Interviews

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Total interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deputy General Managers</td>
<td>4</td>
</tr>
<tr>
<td>Senior Managers</td>
<td>3</td>
</tr>
<tr>
<td>Supermarket Managers</td>
<td>3</td>
</tr>
</tbody>
</table>

All the ten managers who were approached responded. The General Manager could not be interviewed because he indicated that he had a tight schedule.
4.2 SECTION A: KEY RESPONDENTS -DEPUTY GENERAL MANAGERS

A detailed face to face interviews were done with the Deputy General Managers (DGMs). Deputy General Managers are part of executive management which is responsible for formulation of strategies. Interview questions were divided into six parts.

1 Demographics Information.
2 Market Segmentation, Targeting and positioning.
3 Strategies for market followers and challengers.
4 Marketing Mix Strategies.
5 Organizational Growth.
6 Implementation of marketing strategies

4.2.1 Part 1: Demographics for Deputy General Managers

The demographic information of Deputy General Managers is summarized in Table 4.3.

Table 4.1: Demographics of Deputy General Managers

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Professional qualification</th>
<th>Number of years in GMB</th>
<th>Number of years in current position</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercial</td>
<td>Marketing</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>DGM-operations</td>
<td>Agronomist</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>DGM-finance</td>
<td>Accounts</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>Human Resources Management</td>
<td>15</td>
<td>6</td>
</tr>
</tbody>
</table>

Deputy General Manager Operations, Finance and Human Resources have more than five years in the organization hence they have enough information on the organizational marketing strategies. The DGM -Commercial has only two years in the organization. The DGM was considered as one of the respondents despite the fact that he has only two years in the organization since he is responsible for formulation of all marketing strategies. Also
there is a general trend that employees at strategic positions have a tendency of making changes as soon as they are appointed therefore considering him as a respondent was a noble idea. Respondents were from various professional disciplines and this enriches the information gathered (Baker, 1999). The respondents were drawn from employees of the organization under study and this goes along with literature. Bernadin (2003) highlighted that employees of organizations are the most important source of information about the organization and the challenges that it faces in achieving its objectives. Three external clients were interviewed as well to gather data on how they view the marketing strategies of GMB.

4.2.2 Part 2: Market Segmentation, Targeting and positioning.

Segmentation

Table 4.2: Segmentation in the Organisation

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-commercials</td>
<td>Segmentation is not being done</td>
</tr>
<tr>
<td>DGM-operations</td>
<td>No segmentation is taking place.</td>
</tr>
<tr>
<td>DGM-financials</td>
<td>Little segmentation is being done.</td>
</tr>
<tr>
<td>DGM-Human resources</td>
<td>No market segmentation.</td>
</tr>
</tbody>
</table>

DGM-Commercial indicated that no segmentation is being done. He elaborated that the idea of segmenting is there but not well developed and implemented. He further explained that at one time GMB tried to segment the markets by providing a premium brand of rice and refined mealie meal but this did not work as the premium brand failed to compete with premium brands from competitors.

DGM-Operations echoed the same sentiments with the DGM-Commercial and he highlighted that the failure to segment markets has resulted in quality deterioration of processed goods which would have overstayed in wrong markets. Huge tonnages of expired refined mealie meal were returned from Rushinga, Kachuta and Kotwa as consumers from those areas preferred Silo Upfu which has the traditional texture and
colour compared to Silo refined meal. The Deputy General Manager Human Resources also agreed with the DGM-Operations.

The deputy General Manager Financials indicated that there is little segmentation in the organisation. The different view could have been due to the fact that she is not really aware of the operations in the marketing department.

There is no segmentation in Grain Marketing board and this is in contrast with literature. A company cannot devise a marketing strategy without market segmentation (Stanton, 2002). Companies which ignore splitting the market do not know whom they should target and what they have to offer hence segmentation is the best way to increase focusing on targets.

**Markets Covered By the Organisation**

Table 4.3: Markets covered by the organisation

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercials</td>
<td>90% of products are found in all markets</td>
</tr>
<tr>
<td></td>
<td>Uniform quality across all markets</td>
</tr>
<tr>
<td></td>
<td>Same price across all markets</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>All markets have Silo products</td>
</tr>
<tr>
<td></td>
<td>Same quality and price.</td>
</tr>
<tr>
<td>DGM-financials</td>
<td>all markets have Silo products</td>
</tr>
<tr>
<td>DGM-Human resources</td>
<td>all markets have Silo products</td>
</tr>
</tbody>
</table>

The DGM-Commercial indicated that 90% of the products are found in all markets. He pointed out that the organisation distributed a full range of products to all markets since the products are mainly basic products which are required by Zimbabwean consumers. He further elaborated that there is uniform quality across markets as well as prices. However though the DGM-Commercial indicated that the Silo brand is found in all markets it is clear that some of the markets are not adequately served with these products such that most of the goods are in short supply.
DGM- Operations indicated that the Silo brand is found in all markets, in urban areas, rural areas low density areas as well as high density areas. It is found in the same form as well as same quality. He explained that the availability of the product is erratic especially in his home area of Mandara and the surrounding suburbs of highlands, Chisipite and Greendale. The availability of the products is not certain even in some potential markets.

DGM-Financials and DGM –Human Resources concurred on the observation that the silo brand is found in all markets but it is always in short supply in low density areas. The DGM –Finance highlighted that the unavailability in low densities could be a result of the failure by the organisation to provide the required quality.

**Silo’s Competitive advantage**

Table 4.4: Bases for the Positioning of Silo Brand.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-commercials</td>
<td>The unique natural taste of the products</td>
</tr>
<tr>
<td></td>
<td>Established brand name</td>
</tr>
<tr>
<td></td>
<td>low prices and high depot network</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>The product is of fair quality.</td>
</tr>
<tr>
<td></td>
<td>Low prices</td>
</tr>
<tr>
<td>DGM-financials</td>
<td>Affordability</td>
</tr>
<tr>
<td></td>
<td>Established brand</td>
</tr>
<tr>
<td></td>
<td>high depot network ensures</td>
</tr>
<tr>
<td>DGM-Human resources</td>
<td>Affordability</td>
</tr>
</tbody>
</table>

The deputy General Manager –Commercial highlighted that the Silo brand has been in the market for long such that consumer are aware of it and this gives it competitive advantage. Consumers are more comfortable when they buy more established brands than new brands. He pointed out that there is a natural taste which is associated with Silo products like the refined mealie meal. Silo refined maintains the natural taste as opposed to refined mealie meal from other companies which is too fine. He pointed out that the Silo brand is associated with low prices and most consumers can afford it. The low prices associated with the Silo brand are a result of cheap raw materials as the organisation gets its supplies.
directly from the farmers hence a cheap product at the end. High depot network was also explained by the DGM-Commercial as a competitive advantage for Silo products. The organisation has eighty four depots countrywide and each depot is a selling point for silo products. Though the DGM –Commercial cited high depot network it is important that some of the depots he considers as active are actually inactive they were not properly sighted. The DGM-Commercial did not mention anything on image though literature say image give a brand competitive advantage. A company or brand image should convey a singular and distinctive message that communicates the product's main benefits and positioning (Charles and Gareth, 2008).

The DGM –Operations indicated that the brand has a fair quality which gives it competitive advantage. The quality of Silo products is fair though it cannot be termed perfect. The DGM-Operations concurred with the DGM-Commercial that Silo products are lowly priced and that give them competitive advantage. He also indicated that the low prices are a result of cheap supplies of grain from farmers and there are no intermediaries.

The Deputy General Manager -Financials agreed with other respondents in that the Silo products are very affordable compared to products of competitors. She also indicated that high depot network gives the brand competitive advantage. DGM Human Resources highlight affordability as the only competitive advantage.

**Positioning of Silo Brand versus Competitors**

<table>
<thead>
<tr>
<th><strong>Respondent</strong></th>
<th><strong>Responses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercials</td>
<td>Fairly positioned</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>At the bottom</td>
</tr>
<tr>
<td>DGM-financials</td>
<td>Fairly positioned.</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>At the bottom.</td>
</tr>
</tbody>
</table>

DGM-commercial positioned the brand fairly basing on the good and fair quality and the low prices associated with the Silo brand. The brand is also fairly known. The DGM-Operations explained that though quality of silo products is ranked fair to good there seem
to be a lot inconsistencies in the quality standards. If quality standards are consistence then the brand can even become one of the top brands. The DGM also stated that the position of the brand is also being affected by availability. Some of the big retail shops go for some months without the products and this affect the position of the brand as compared to products of competitors. Speed of delivery of the products undermines the position of the brand.

DGM –Operations indicated that Silo products are lowly positioned as compared to competitor’s products. He explained that consumers cannot fairly position the product if the organization fails to position the products on the consumers mind through advertisements and promotions. The packaging and labeling of the Silo brand is not attractive and that contributes to its lower position on the market.

From the respondents it is clear that the quality of Silo brand is fairly good but it is not consistent. The DGM –Operations cited that inconsistency in quality pulls the Silo brand to a lower position. He supported his argument by giving an example of pagoda rice which is a premium brand but sometimes its quality matches that of silo rice which is an economy brand. The inconsistence in quality contradicts with what literature says. Cravens and David (2004) highlighted that offering quality products and services are offered to satisfy the needs and preferences of customer’s this results in gaining an edge over competitors. Expects say only organizations with outstanding quality will thrive (Wilson and Gilligan, 2009).

The DGM –Financials positions the brand fairly compared to other brands. The reason being that prices for the Silo brand are lower than competitors. She pointed out that due to low cost of production, Silo products are lowly priced as the raw materials are bought from the farmers directly which is cheaper compared to competitors who tend to rely on buying from Grain Marketing Board or importing. However though brand prices seem to be lowly priced, the prices are in line with the market prices. The DGM -Finance ranked the brand basing on prices which is in contrast with literature. Kotler (2003) highlighted that the best method is not to have low prices instead the organizations should differentiate the marketing offer so as to fetch a higher price.
The DGM-Human Resources ranked the Silo brand basing on differentiation or uniqueness of the product. She pointed out that Silo products are not unique in any way. She explained that a unique product is well positioned in consumer minds than an undifferentiated product. What is happening in GMB is in contradiction with literature. Literature highlights that if an organization does not differentiate its products the products will be the same with those of competitors and it will be forced to strive on price (Cravens and David, 2004).

There are different views regarding the position of the product on the market this could be due to the differences on the variables considered in to ranking the products.

4.2.3 Part 3: Strategies for Market Followers and Challengers

Table 4.6 Analysis of Competitors

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercials</td>
<td>Studying competitor strategies, activities, market coverage, trend of sales, reactions when attached</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>Traced though their annual reports and published information. Observing reactions when attached</td>
</tr>
<tr>
<td>DGM-Finance</td>
<td>Reading from secondary sources and hearsay. Learning from the past behavior.</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>Studying financial statements, annual reports and their salary scales</td>
</tr>
</tbody>
</table>

The DGM-commercial indicated that analysis of the strengths and weaknesses is done through use of published sources, watching activities of the competitor and hearsay. The DGM-commercial indicated that the organization does not have a research and development department therefore they gather information on the performance of competitors from the press and other public documents like the financial statements. Other than the use of public information the organization makes use of observations whereby they observe the behavior of the competitor in terms of product development, market development and diversification. Observing these trends help in establishing whether the competitor is doing better than GMB or whether it is struggling. The way GMB analyses its competitors seem to be in line with literature as Cravens and David (2004) highlighted that
competitor position can be determined through establishing the competitor’s goals and tactics, their merits and demerits and their reaction patterns. However though competitor analysis is been done there is need of a proper market research as these casual methods can be misleading.

The DGM-Operations indicated that the past reactions of competitors especially when attacked help in positioning and analyzing competitors. Published information is also used as a source for ranking competitors.

The DGM-Finance highlighted that competitor analysis is being done through analysis of the audited financial statement. These indicates the profits and losses of the competitor. By analyzing these trends one can predict the most likely moves of the competitor.

The DGM Human Resources also concurred with other DGMs that competitor analysis is done through published information, observation of the activities being undertaken and through hearsay. She pointed out that salary scales of competitors can indicate their performance and rank in the market. No market research is being done in GMB therefore casual methods are being used.

Position of the Organization in the Market.

Table 4.7: Position of the Organization in the Market

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercials</td>
<td>A market challenger</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>A market follower</td>
</tr>
<tr>
<td>DGM-Finance</td>
<td>A market challenger</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>A market follower</td>
</tr>
</tbody>
</table>

The Deputy General Manager –Commercial highlighted that GMB is a market challenger since it has a high market share which resulted from the high depot network. The DGM-Commercial also pointed National foods as the only leader ahead of GMB.

The Deputy General Manager –Operations had a view that the organization is a market follower considering the profits which are being realized, the market coverage, the brand
establishment and sales. He pointed out that the sales of mealie meal which were done by National Foods by the end of December 2012 were double the sales which were done by GMB. He also emphasized that a market challenger defends the organizational position and at the same time attack the leaders but GMB does not have any attack strategies therefore cannot be ranked as a challenger.

The DGM-Financials concurred with the DGM–Commercial. She emphasized that some of the market leaders were since been overtaken by GMB. Organizations like Blue Ribbon and Victoria foods are no longer competitive in Agro processing therefore this elevated the position of GMB.

The Deputy General Manager –Human Resources pointed out that GMB is a market follower as the market is led by National foods and Probrands.

There seem to be confusion on the position of GMB in the market, executive management has different views on the market position of the organization. However the researcher positions the organization as a market follower. GMB cannot be a market challenger basing on the profits it realizes from Silo products. The profits are far less compared to those being made by National foods and Probrands. Also the market covered by the organization is much smaller than that covered by companies like Probrands and a lot of other smaller companies. The high depot network cited by the DGM-Commercial and DGM- Finance cannot be considered as some of the depots are not doing much in terms of sales. Also there are no strategies which are being undertaken by Grain Marketing Board which can justify it to be positioned as a market Challenger. Wilson and Gilligan (2009) identified three positions of market followers. He indicated that they follow closely, at a distance and selectively.
Defense and Attack Strategies of the Organization

Table 4.8: Defense and attack strategies of the organization

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercials</td>
<td>Attack through reduced prices</td>
</tr>
<tr>
<td></td>
<td>Defend through diversification</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>Frontal attack as it matches the leaders’ products and prices.</td>
</tr>
<tr>
<td>DGM-Finance</td>
<td>No clear strategies</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>No strategy</td>
</tr>
</tbody>
</table>

DGM –operations pointed out that the organization has not being using any attack strategies except frontal attack. Frontal attack was done through reducing prices of some selected goods so as to draw attention of consumers as well as increasing sales. He further explained that for the organization to defend its position it resorted to diversification. The organization has diversified into stock feed manufacturing, manufacturing of grain bags and banana production.

The DGM –Operations indicated that frontal attack is the only attack strategies which are being used by the organization. In this strategy GMB matches its products and prices with those of competitor or leaders. When new products are introduced the organization also try to introduce new product as well. He elaborated this point with an example: When leaders reduce their prices the organization also reduces its prices as well. Although GMB seem to be using only frontal attacks and diversification strategy as in literature, there are a number of attack and defense strategies which can be used by GMB. These include frontal, flanking, guerrilla encirclement and bypass attacks (Wilson and Gilligan, 2009). Cravens and David (2004) further highlighted that there are a number of defense strategies which include position defense, flanking, preemptive, counteroffensive and constructional defenses.

The deputy General Manager Finance and Human resources concurred that there are no marketing strategies which are being used by the organization. Their point of view shows
that they are not really aware of the attack and defense strategies which are being employed by the organization.

**4.2.4 Part 4: Marketing Mix Strategies**

**Pricing Strategies**

Table 4.9 : Pricing Strategies

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercials</td>
<td>Market prices, market penetration, premium prices, by product pricing and discounts</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>Premium pricing, economy pricing, penetration pricing.</td>
</tr>
<tr>
<td>DGM-Finance</td>
<td>Promotional pricing, trade discounts, market penetration</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>Cost plus pricing, Promotional pricing, trade discounts, market penetration</td>
</tr>
</tbody>
</table>

The DGM-Commercials pointed out that the prices of Silo products are along with the market prices and they use a cost plus pricing strategy where by a top up profit is added to the production cost. He also indicated that when they introduce new products they usually start by charging low prices which is market penetration. He indicated that sometimes they also charge higher prices when the product is of higher quality like the case of Pagoda rice and refined mealie meal. The DGM highlighted that trade discounts are offered to clients who exceed certain quantities or volumes. The DGM-Commercial also pointed out that they do by product pricing whereby by products are sold with no fixed price as they just want to get a small fee for disposing the byproduct as it may not have very little economic value. By product pricing is done with pollards as well as groundnuts residues.

The Deputy General Manager- Operations highlighted that promotional pricing, trade discounts and penetration pricing are the pricing strategies. Promotional pricing is done when some selected items are priced lowly as they will be on promotion. He elaborated his point by giving an example of Silo rice and Silo Roller which were currently on promotion in TN supermarkets and in OKMart only.
The Deputy General Manager –Financials concurred with the DGM-Commercial in that the organization use promotional pricing, trade discounts and market penetration pricing. The Deputy General Manager Human Resources also agreed with others on the pricing strategy.

The pricing strategies which are being used by the organization are in line with literature. Cravens and David (2004) highlights four product pricing strategies as the premium pricing, economy pricing, market skimming and good value strategy. Trade discounts and promotional strategies are explained by (Wilson and Gilligan, 2009) as price amendments strategies. By product strategies, trade discounts and promotional pricing are product mix pricing strategies. GMB is using quite a range of pricing strategies which are highlighted in literature.

**Promotional Strategies**

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercials</td>
<td>Road show ,funny days and promotions of selected goods</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>No promotions</td>
</tr>
<tr>
<td>DGM-Finance</td>
<td>No advertisements and promotions</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>No promotions</td>
</tr>
</tbody>
</table>

The DGM-Commercial pointed out that the organization has not being doing any form of promotions lately. The organization only stated to have some few promotional activities during the last festive season (2012). The only promotional activities which were done are road shows and funny day’s. The DGM highlighted that more promotions are now on the schedule as they help in the positioning of the brand.

The DGM- Operations indicated that no promotional activities or advertisements are being undertaken by the organization. He further explained that the failure to do these promotional activities is destroying the Silo brand.
The DGM -Finance and DGM -Human Resources also agreed with the DGM-Operations that no advertisements or promotional activities are being done.

The failure by the organization to advertise or to carry out promotional activities is in contrast with literature. Companies must advise consumers about the advantages of a particular product or service and carefully position these in consumers’ minds (Stanton, 2002).

**Product Differentiation and Branding Strategies**

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercials</td>
<td>No differentiation</td>
</tr>
<tr>
<td></td>
<td>Brand extensions</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>No product differentiation</td>
</tr>
<tr>
<td>DGM-Finance</td>
<td>There is no differentiation.</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>No product differentiation is noticeable.</td>
</tr>
</tbody>
</table>

The DGM-Commercial indicated that there is no product differentiation in GMB. Silo products are not unique in any way as compared to products of competitors. There is need to differentiate Silo products in terms of image and labeling. The old packaging material is no longer attractive the DGM –Commercial indicated. The branding strategy used is the line extensions were by more products are introduced using the same brand name. The DGM pointed out that rebranding is no longer an option and they have already started to work on rebranding.

DGM-Operations pointed out that there is no product differentiation in the organization. He emphasized that Silo products have to be differentiated in some way. The DGM -Finance and DGM -Human Resources agreed with other DGMs that no product differentiation is being done.
GMB seem to be emphasizing on line extensions. Charles and Gareth (2008) indicated that a company has four choices when it comes to brand strategy. It can introduce line extensions, brand extensions, multi brands or new brands. Respondents highlighted that packaging material of Silo products is now old and unattractive. This situation is in contrast with literature. Kotler (2003) indicated that in today's fast changing environment, most organizations must change their packaging every two or three years.

**Distribution of Products.**

Table 4.12 : Distribution of Products

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercials</td>
<td>Too slow and uncompetitive.</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>Speed of delivery is slow</td>
</tr>
<tr>
<td>DGM-financials</td>
<td>Speed of deliveries is slow</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>Poor distribution channel</td>
</tr>
</tbody>
</table>

Deputy General Manager –Commercial explained distribution as the major drawback in marketing. The speed of delivery is too slow to satisfy all orders in time. He highlighted that the organization does not have its own delivery vehicles hence it relies on hired trucks. However he further explained that hiring of trucks has proved to be unreliable and unsustainable as clients have failed to get their orders on time.

The DGMs Operations, Human Resources and Finance concurred with the DGM-commercial on slow speed of delivery. The failure by the organization to have a clear fast distribution channel is in contrast with literature. How goods and services are brought to customers for final usage or utilization can make a difference to how consumers perceive the quality and value of the overall offering (Charles and Gareth, 2008). Speed of delivery, assured supply, accessibility, convenience to shoppers can enhance buyer-seller relationships and increase customer satisfaction (Kotler, 2003).
4.2.5 Part 5: Organisational Growth

Organizational Focus on Market Growth, Sales and Profitability.

Table 4.13: Organizational Focus on Market Growth, Sales and Profitability.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercials</td>
<td>Great focus on profitability, sales growth and increase in market share.</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>great focus on profitability, sales growth and increase in market share</td>
</tr>
<tr>
<td>DGM-Finance</td>
<td>Great focus on profitability and market coverage</td>
</tr>
<tr>
<td></td>
<td>GMB is no longer receiving any subsidies from the government such that it</td>
</tr>
<tr>
<td></td>
<td>has to look for ways to get revenue for it to survive. The organization</td>
</tr>
<tr>
<td></td>
<td>has increased its market coverage by introducing three more depots in year</td>
</tr>
<tr>
<td></td>
<td>2012.</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>Great focus on profitability, sales growth and increase in market share.</td>
</tr>
</tbody>
</table>

The DGM-Commercial indicated that great focus is on profitability, increase in sales and increase in market coverage. He pointed out that since the organization commercialized great focus was shifted towards profitability. The organization used to be getting some subsidies from the government which is now a thing of the past hence the organization has to be profitable if it is to survive. The DGM-pointed out that profitability can only be increased when more products are in various markets therefore profitability goes along with increase in sales as well as increase in market coverage.

The DGM Operations, Financials and Human Resources agreed with the DGM – Commercials. However the DGM operations highlighted that two more depots were opened in Chimanimani to increase market share and sales representatives were given targets of sales volume per weeks.
Organizational Growth Strategies

Table 4.14: Organizational Growth Strategies

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercial</td>
<td>All growth strategies are being pursued. Market development, product</td>
</tr>
<tr>
<td></td>
<td>development and diversification</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>All growth strategies are being pursued.</td>
</tr>
<tr>
<td>DGM-Finance</td>
<td>All growth strategies are being pursued.</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>All the three strategies are being pursued.</td>
</tr>
</tbody>
</table>

The DGM commercial indicated that the stated growth strategies were being pursued by the organization. Market development is seen when some temporary mobile shops were opened in areas where there are no GMB depots. Also two more depots were opened in Chimanimani and in Checheche where there were no GMB depots. Product development is indicated by the introduction of Silo jam and Silo soya mince. He also pointed out that more products are also in the pipeline. The DGM explained that the organization is also diversifying.

The DGM-Operations indicated that all the growth strategies are being pursued. Diversification is seen with the moving in to banana production in Guruve, Grain Bag manufacturing and the construction of the stock feed plant in Norton.

The DGM-Finance and Human Resources agreed with what the DGM-Operations and Commercial highlighted. This is also in line with literature as literature indicate three growth strategies as: product development, market development and diversification (Proctor, 2000)
4.2.6 Part 6: Implementation of Strategies

Obstacles in implementing marketing strategies

Table 4.15: Obstacles in implementing marketing strategies

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>DGM-Commercial</td>
<td>unavailability of resources, lack of funds, government policies determines who to do business with</td>
</tr>
<tr>
<td>DGM-Operations</td>
<td>Lack of resources, unclear market plan, lack of funds, and lack of culture for change.</td>
</tr>
<tr>
<td>DGM-Finance</td>
<td>Lack of resource, unavailability of funds, lack of commitment and unavailability of a clear marketing plan. By the organization to implement strategies and unavailability of a clear marketing strategy plan.</td>
</tr>
<tr>
<td>DGM-Human Resources</td>
<td>A negative attitude and lack of resources. By staff members which is termed the parastatal mentality and lack of resources.</td>
</tr>
</tbody>
</table>

The DGM commercial explained the unavailability of resources, funds, government policies and culture as the major obstacles in implementation. He pointed out that the department is in need of resources like delivery trucks, vehicles for marketing personnel and Commercial milling plants. The unavailability of commercial milling plants out compete GMB as the plants fail to produce enough. The unavailability of delivery trucks disturbs the whole delivery channels. Marketing officers need vehicles to respond to orders, client complaints as well as establishing relationship marketing.

The DGM -Operations agreed with DGM -Commercial but he also think that the unavailability of a clear marketing plan is a major contribution to the failure to implement effective marketing strategies. There is need of a clear marketing document to be in place. He also pointed out the there is need for change by some of our employees who have a
parastatal mentality. Parastatals mentality is whereby employees think parastatals are not supposed to make profits. Employees are resistant to change they prefer doing things the old way and avoid thinking outside the box.

The DGM-Finance and Human Resources agreed with the DGM-Commercial as well as DGM-Operations. The DGM Human Resources indicated that there is need for a culture change.

The DGMs highlighted that the unavailability of funds, the parastatals mentality and the unavailability of clear marketing strategies affects the implementation of effective marketing strategies. Kotler (2003) indicated that a clear marketing scheme is a necessity for implementation as well as an accommodating organizational structure. The issue of motivation and incentives is also raised by Charles and Gareth (2008).

4.3 SECTION B: KEY RESPONDENTS- SENIOR MANAGERS

Detailed Face to face interviews with Senior Managers from all departments were done. The selected Senior Managers who were interviewed are also in the audit committee which analyzes some strategic decisions. Questions for the interview were divided into six parts.

A. Demographics Information
B. Market Segmentation, Targeting and positioning
C. Strategies for market followers and challengers
D. Marketing Mix Strategies
E. Organizational Growth
F. Implementation of marketing strategies

4.3.1 Part 1: Demographics Information

The demographic information of senior managers who were interviewed is summarized in Table 4.18.
Table 4.16 : Demographic of Senior Managers

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Professional qualification</th>
<th>Number of years in GMB</th>
<th>Number of years in current position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Manager-Processed Grains</td>
<td>Marketing</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Marketing manager - Production</td>
<td>Marketing</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>Senior Quality Assurance Officer.</td>
<td>Food Technology</td>
<td>8</td>
<td>3</td>
</tr>
</tbody>
</table>

The respondents were from marketing and quality Assurance Department. These respondents were chosen on the merit that they are the ones who ensure implementations of the formulated strategies. The Senior Quality Assurance Officer (SQAO) work closely with the marketing department hence he was chosen as a respondent. All respondents have been in the organization for more than six years which is long enough for any manager to gather information regarding marketing strategies.

4.3.2 Part2 : Market Segmentation, Targeting and Positioning.

Table 4.17 Organizational Segmentation, Targeting and Positioning

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Manager-Processed Grains</td>
<td>Little segmentation.</td>
</tr>
<tr>
<td>Marketing Manager - Production</td>
<td>No segmentation</td>
</tr>
<tr>
<td>Senior Quality Assurance Officer.</td>
<td>No segmentation</td>
</tr>
</tbody>
</table>

The Marketing Manager- Processed Grains indicated that there is little segmentation in GMB though segmentation helps to have a better focus on a particular segment. As a department they have already started to segment some markets like the market for mealie
meal. He explained that refined mealie meal used to be distributed to every market but starting from November 2012 Silo refined mealie is was for the urban markets only however though they are yet to figure out how they further segment the market.

The Marketing Manager - Production indicated that there is no segmentation at all in the organization. He explained that Segmentation helps in focusing but little attention is being given to it. Pagoda rice was meant to serve as a premium brand but due to inconsistencies in quality it failed to serve as a premium brand which resulted in serving it as an economy brand. This was also seen with the silo coffee which is in short supply on the market. The unavailability of some products is also mentioned as a hindrance to effective segmentation.

The SQAO and the logistics manager agreed with the Marketing managers in that no segmentation is being done. The (SQAO elaborated that consumers have different needs and wants therefore segmentation is required but it is not being considered seriously. The SQAO highlighted that the failure to segment was as a result of the inconsistencies in product quality. The inconsistencies in quality have hindered the idea of segmentation. The scenario in GMB is in contrast with literature. Effective segmentation is the base of marketing strategies, and has effects on everything else that follows in the strategy-making process (Wilson and Gilligan, 2009). It is important to note that many organizations are moving away from mass marketing and are focusing on segmented marketing Kotler (2003).

**Market coverage**

Table 4.18 : Market coverage

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Manager-Processed Grains</td>
<td>Found in all markets, established name, low prices.</td>
</tr>
<tr>
<td>Marketing manager -Production</td>
<td>The low price, the natural taste associated with it and available in all markets.</td>
</tr>
<tr>
<td>Senior Quality Assurance Officer.</td>
<td>Found in all markets, Good product quality established brand</td>
</tr>
</tbody>
</table>
The Marketing Manager - Processed Grains indicated that Silo products are found in all markets. The availability of the products in all markets is facilitated by the high depot network which is in GMB. The silo brand gets competitive advantages from the established brand name. Consumers have trust in an established brand name which they would have tried and tested. He further explained that the Silo brand is associated with low prices and that gives it competitive advantage.

The production manager concurred with the marketing manager for processed grains in that competitive advantage is derived from the low prices associated with the brand as well as an established brand name. The Senior Quality Assurance officer added that a fair product quality is also an added advantage.

4.3.3 Part 3: Strategies for Market Followers and Challengers

Competitor analysis and the Position of the Organization in the Market

Table 4.19 Position of the Organization in the Market

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Manager - Processed Grains</td>
<td>-A challenger</td>
</tr>
<tr>
<td></td>
<td>-Analysis is done through</td>
</tr>
<tr>
<td></td>
<td>-Published information</td>
</tr>
<tr>
<td></td>
<td>-Tracking performance and activities</td>
</tr>
<tr>
<td>Marketing manager - Production</td>
<td>-Challenger</td>
</tr>
<tr>
<td></td>
<td>-Analysis is done through</td>
</tr>
<tr>
<td></td>
<td>-Financial statements, hearsay</td>
</tr>
<tr>
<td>Senior Quality Assurance Officer</td>
<td>-A follower</td>
</tr>
<tr>
<td></td>
<td>-Analysis is done through their past behaviour, activities being undertaken, rate of product development, product range, profits and market share.</td>
</tr>
</tbody>
</table>
The Marketing Manager - Processed Grains indicated that GMB is a market challenger due to its wide market coverage and there seem to be only one leader in the market which is National Foods. He emphasized that it used to be a follower when Blue Ribbon and Victoria Foods were operating in full capacity. He explained that competitors were analyzed through various ways which include information from published material, tracking competitor performance and activities. He pointed out that the organization does not do market research therefore marketing department does its own ranking which is subjective. However he pointed that the information gathered from the press is used to derive some conclusions. He further explained that how the competitors behave in some social and corporate activities may be used to deduce conclusions.

The Marketing Manager – Production agreed with the Marketing Manager – Processed grains in that GMB is a market challenger. Marketing Manager – Production highlighted that Competitors are ranked after doing a trend analysis of published financial statements and gathering information through hearsay.

The Senior Quality Assurance Officer had a different view regarding the position of the organization. He ranked GMB as a market follower because of the little profit margin realized in the organization. He also pointed out that he could not relate high depot network to market coverage as some depots have very little activity in terms of selling of Silo products. On analysis of competitors the SQAO indicated that the product range of competitors can tell how an organization is performing. He also indicated that position of competitors can also be indicated by the market share.

Different views are given by respondents on the position of GMB on the market. The researcher ranks GMB as a market follower considering its small profit margin and reduced market share.
4.3.4 Part 4: Marketing Mix Strategies

Pricing and Promotional strategies.

Table 4.20 Pricing and Promotional strategies.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Manager-Processed Grains</td>
<td>Pricing-Premium pricing, penetration pricing, and trade discounts</td>
</tr>
<tr>
<td></td>
<td>Advertising and Promotions- no advertising, road shows and funny days</td>
</tr>
<tr>
<td>Marketing manager - Production</td>
<td>Pricing - Cost plus pricing, penetration pricing, and trade discounts</td>
</tr>
<tr>
<td>Senior Quality Assurance Officer</td>
<td>Pricing-cost plus and market penetration</td>
</tr>
<tr>
<td></td>
<td>Advertising and Promotions - No sales promotions and advertising</td>
</tr>
</tbody>
</table>

The Marketing Manager - Processing indicated that the pricing strategies being used in GMB include penetration pricing for new products and new market. The premium pricing is for high quality products like refined mealie meal and Pagoda rice which is a premium product. Trade discounts are affected when clients order products which exceed a certain quantity. The Marketing Manager – Processing grains pointed out that on promotional activities only funny days and road shows are being done as promotional activities.

The Marketing Manager - Production agreed with what the Marketing Manager – Processed Grains indicated but he added that the department is fully aware of the importance of advertising such that plans to make some adverts are at an advanced stage as well as increasing promotional activities.

The SQAO highlighted that the organization use a number of strategies which include cost plus pricing, penetration pricing, premium pricing and trade discounts. They also aired the same sentiments that advertising and promotion are lagging behind though they are critical. The pricing strategies are in line with literature. There is need to improve on advertising and promotion as literature emphasize on these.
### Effectiveness of marketing strategies

Table 4.21: **Effectiveness of marketing strategies**

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Manager-Processed Grains</td>
<td>Not effective</td>
</tr>
<tr>
<td>Marketing manager -Production</td>
<td>Not effective</td>
</tr>
<tr>
<td>Senior Quality Assurance Officer.</td>
<td>Not effective</td>
</tr>
</tbody>
</table>

The marketing manager processing indicated that that marketing strategies are not effective because they are done in isolation and they are not timeously executed. He explained his point by giving an example whereby the organization reduced its price of mealie meal but no sales increases were realized. He explained the low response rate was because consumers were not aware of the decrease in prices. The reduction in prices should have been coupled by advertisements and promotions.

Marketing Manager –Production also agreed that most of the marketing strategies are not effective because they are not being done regularly for a recognizable period. He pointed out that when promotional strategies are being done they are just done for a very short space of time like a month instead of two to three months. He also gave an example of the road shows which were done in December 2012 they were only done for two weeks and that was all for the festive season and the promotions were only done in high density areas of Harare.

The SQAO indicated that the strategies are not being effective as they seem to be applying the wrong strategies at a particular time. When National foods reduced the price of mealie meal GMB followed by setting prices which were much lower and by doing this GMB was attacking a market leader which obviously reacted by further reducing its prices as well. He elaborated that a wrong strategy was applied as an attack of a leader is only done when you are sufficiently equipped.
4.3.5 Part 5: Organizational Growth

Focus on market growth, sales and profitability

Table 4.22 : Focus on market growth, sales and profitability.

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Manager- Processed Grains</td>
<td>Focuses on market growth, sales and profitability</td>
</tr>
<tr>
<td>Marketing manager - Production</td>
<td>Great focus on market growth and sales.</td>
</tr>
<tr>
<td>Senior Quality Assurance Officer.</td>
<td>Organization has a great focus on profitability, sales growth and market growth</td>
</tr>
</tbody>
</table>

The Marketing Manager -Processed Grains highlighted that the organization focuses on market growth, sales and profitability. He indicated that profitability is one of the objectives of the commercial department and increase in sales is one of the targeted activities which are a move towards profitability.

The Marketing Manager –Production echoed the same sentiments that the organization is focusing on profitability as indicated by the objectives of the commercial department. Market growth is also emphasized and it is indicated in the organizational Vision and Mission.

The SQAO is in agreement with marketing managers that the organization focuses on market development and profitability. What is happening in GMB in line with literature as (Proctor, 2000) indicated that many researches have indicated that organizations focus to expand their market shares as to improve on their profitability. GMB seem to be following the same strategy. Stanton (2002) indicates that market followers focus more on profitability rather than sales growth and market growth.
Organizational Growth strategies

Table 4.23: Organizational Growth strategies

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Manager - Processed Grains</td>
<td>Market development</td>
</tr>
<tr>
<td></td>
<td>Product development</td>
</tr>
<tr>
<td></td>
<td>Diversification</td>
</tr>
<tr>
<td>Marketing manager - Production</td>
<td>Product development</td>
</tr>
<tr>
<td>Senior Quality Assurance Officer.</td>
<td>Market development</td>
</tr>
<tr>
<td></td>
<td>Product development</td>
</tr>
<tr>
<td></td>
<td>Diversification</td>
</tr>
</tbody>
</table>

Marketing Manager Processed grains highlighted that all three strategies are being pursued. He explained that Market development is done through opening new depots in Chimanimani, Buhera and in Chivi. Product development is seen in the introduction of the silo jam and silo soya mince. Diversification is being pursued with the coming in of a stock feed plant, GrainMed Agricultural Medical Aid Society (GAMAS) and Knee Bow grain bags manufacturing.

Marketing Manager –Production indicated that product development is being emphasized more than diversification and market development. He also explained that though there is high depot network there is need to ensure that the Silo products are found in every depot and they are marketed.

The SQAO was in agreement with the Marketing Manager Processed Grains but he observed that though diversification is being done no positive results are being realized since the projects are not due to lack of funds. Unfinished projects lock in money as there will be no returns on investment.
4.3.6 Part 6: Implementation of Strategies

Obstacles in implementing marketing strategies

Table 4.24 Obstacles in implementing marketing strategies

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Manager - Processed Grains</td>
<td>The parastatal mentality</td>
</tr>
<tr>
<td></td>
<td>Departmentalization</td>
</tr>
<tr>
<td></td>
<td>Unavailability of Resources</td>
</tr>
<tr>
<td></td>
<td>Unavailability of funds</td>
</tr>
<tr>
<td>Marketing manager - Production</td>
<td>Departmentalization</td>
</tr>
<tr>
<td></td>
<td>Unavailability of Resources</td>
</tr>
<tr>
<td></td>
<td>Unavailability of funds</td>
</tr>
<tr>
<td></td>
<td>Most employees are disgruntled and unmotivated</td>
</tr>
<tr>
<td>Senior Quality Assurance Officer.</td>
<td>Unavailability of funds</td>
</tr>
<tr>
<td></td>
<td>Culture change, a bad attitude towards marketing</td>
</tr>
<tr>
<td></td>
<td>Government policies</td>
</tr>
<tr>
<td></td>
<td>Unclear marketing plans.</td>
</tr>
<tr>
<td></td>
<td>lack of commitment by the strategist</td>
</tr>
</tbody>
</table>

Marketing Manager - Processed Grains pointed out four obstacles to implementation which include the Parastatals mentality, departmentalization, unavailability of resources and unavailability of funds. On the parastatal mentality he explained that most of the junior staff still think that parastatals are not profit making organizations therefore they are reluctant to implement some strategies. He explained departmentalization as the idea of leaving all marketing activities to the marketing department. The unavailability of funds has resulted in the abandonment of some marketing activities. He concluded by citing the unavailability of resources as a major blow to the department as it is in need of delivery.
trucks. The Marking Manager –Production was in agreement with the Marketing Manager-
Processed Grains

The Senior Quality Assurance Officer echoed the same sentiments with the marking
managers but he added two more obstacles. He added that government policies are an
obstacle as they determine who to trade with what to export and to import. He also
highlighted that there is need for a culture change as the organization is not accepting some
changes being undertaken by marketing department.

4.4 SECTION C: MANAGERS OF SUPERMARKETS

Detailed Face to face interviews with Branch Managers of some selected supermarkets
which are supplied by GMB were done. Questions for the interview were divided into four
parts.

A. Demographics Information

B. Market Segmentation, Targeting and Positioning

C. Strategies for market followers and challengers

D. Marketing Mix Strategies

4.4.1 Demographic information

Table 4.25 Demographic information for External Branch Managers

<table>
<thead>
<tr>
<th>Respondent</th>
<th>professional qualification</th>
<th>Age</th>
<th>Number of years as a branch manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ok Branch Manager- Kuwadzana</td>
<td>Marketing</td>
<td>48</td>
<td>6</td>
</tr>
<tr>
<td>Bon Marche Branch Manager-Mt pleasant</td>
<td>Marketing</td>
<td>53</td>
<td>5</td>
</tr>
<tr>
<td>TM Branch Manager- Sam Levy</td>
<td>Business Studies</td>
<td>39</td>
<td>7</td>
</tr>
</tbody>
</table>
Respondents were selected from the major supermarkets in Harare which sell Silo products. The chosen branch managers have more than five years at managerial position. Having more than five years at managerial position is sufficient enough to give relevant information regarding suppliers. The respondent’s ages were above 35 years which implies they are old enough to give reliable and professional information. One branch was selected from high density area, medium density suburbs and from the low density suburbs. Due to limited time interviews with some branches in the rural areas were not done. All the respondents have a marketing qualification which means they all understand the marketing principals.

4.4.2 The position of GMB in the market

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ok Branch Manager- Kuwadzana</td>
<td>A follower</td>
</tr>
<tr>
<td>Bon Marche Branch Manager-Fife Avenue</td>
<td>A follower</td>
</tr>
<tr>
<td>TM Branch Manager- Sam Levy</td>
<td>A follower</td>
</tr>
</tbody>
</table>

The branch manager for Ok ranked GMB as a follower after National foods and Probrands. He explained that the sales for National foods and Probrands are thrice than the sales for Silo products. He also pointed out that the market share for Probrands is now bigger than that of GMB. Grain Marketing Board has lost some market share to a lot of other layers which are now in the market.

The branch Manager for Bon Marche also ranked GMB as a market follower because of the strategies it use. He pointed out that GMB is not initiative and it is very slow in imitating others. He highlighted that sales for Silo products are very low and the silo brand has been out competed by other players in the market.

Branch manager for TM also concurred with the other branch managers that GMB is a market follower. He also cited that the sales for silo products are very little in comparison with other small players.
**Product Quality and Differentiation**

Table 4.27  Product Quality and Differentiation

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ok Branch Manager- Kuwadzana</td>
<td>Fair quality and no differentiation</td>
</tr>
<tr>
<td>Bon Marche Branch Manager-Fife Avenue</td>
<td>Inconsistence and no differentiation</td>
</tr>
<tr>
<td>TM Branch Manager- Sam Levy</td>
<td>Poor quality and no differentiation</td>
</tr>
</tbody>
</table>

The Branch Manager for Ok indicated that product quality was fair compared to other products from competitors. He explained that no complaints were received from the consumers. However he emphasized that there is no product differentiation as the product is just the same with products from other companies. Also the manager pointed out that the packaging material for the Silo products is no longer attractive as compared to what is on the market.

The Branch Manager for Bon Marche indicated that the product quality for Silo products is not consistent especially with premium brands. Sometimes the quality of premium products like Pagoda rice and refined mealie meal would be far below the economy brands. The inconsistence tarnishes the image of the brand and this is shown by the reduced sales.

TM branch manager labeled the Silo brand as a poor quality brand. He explained that his clients avoid buying silo products due to poor quality. The branch manager complained on the packaging of Silo products as it easily breaks. He indicated that the packaging is not convenient as it breaks easily.

From the respondents it is clear that product differentiation is not being done which is in contrast with literature. Also the importance of segmenting is revealed here as it is observed that the quality which is being referred as good in high density areas is being referred to as poor quality in low density areas.
4.4.3 Product prices and Distribution

Table 4.28 Product Distribution

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ok Branch Manager- Kuwadzana</td>
<td>Low prices and delivery speed is slow</td>
</tr>
<tr>
<td>Bon Marche Branch Manager-Fife Avenue</td>
<td>Low prices and delivery speed is very slow</td>
</tr>
<tr>
<td>TM Branch Manager- Sam Levy</td>
<td>Low prices and poor speed of deliveries</td>
</tr>
</tbody>
</table>

Branch manager Ok pointed out that the prices for Silo products are very low compared to competitors but the rate at which orders are delivered is very slow. The branch manager for TM and Bon Mache agreed with the OK Branch Manager. Branch Manager for Ok suggested that GMB should improve their delivery system as their orders are mostly cancelled and are given to other suppliers. He also suggested that GMB should have its own fleet of delivery vehicles.

4.4.4 Advertising and Promotions

Table 4.29: Advertising and Promotions

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ok Branch Manager- Kuwadzana</td>
<td>Little promotional activities</td>
</tr>
<tr>
<td>Bon Marche Branch Manager-Fife Avenue</td>
<td>No advertising and promotions</td>
</tr>
<tr>
<td>TM Branch Manager- Sam Levy</td>
<td>No advertising and promotions</td>
</tr>
</tbody>
</table>

The Branch Manager for Ok indicated that GMB did very few promotional activities as compared to its competitors. The Branch manager explained that Probrands was having promotions regularly and they were having a lot of advertisements through the press, television and billboards. All these activities are not seen with Silo products of GMB.
The Branch Manager of Bon Marche pointed out that the failure of GMB to advertise makes it incompetent. He also pointed out that no promotional activities were being done at his branch which is different with Probrands and National Foods. The failure to advertise makes the brand unfamiliar.

The Branch Manager for TM echoed the same sentiments as the branch manager for Bon Marche. He pointed out that some of his consumers are not aware of the silo brand because it is not being advertised and promoted.

4.5 SUMMARY OF FINDINGS

4.5.1 Market Segmentation, Targeting and positioning.

There is no market segmentation in GMB. The failure to segment the market has resulted in mass marketing in GMB. Since segmentation is the basis of all marketing strategies then targeting and positioning is also not being done.

4.5.2 Strategies for Market Followers and Challengers

The different views on the market position of Grain Marketing Board indicates that management is not clear on the position of GMB on the market hence GMB is not really aware of the position of its competitors as well. When companies know their positions they can find areas of potential competitive advantage and disadvantages hence effective marketing campaigns against competitors can be launched. However GMB should appreciate that it is a marketing follower and start implementing strategies for marketing followers.

4.5.3 Marketing Mix strategies

Pricing strategies being employed by GMB include cost pricing, penetration pricing and discounts. Respondents indicated that GMB is a low cost leader which is a source of competitive advantage. Silo products are not differentiated from products of competitors. The distribution strategies of GMB are poor as distribution is not done on time.

4.5.4 Growth Strategies

GMB is pursuing all growth strategies which include product development, market development and diversification. Diversification is being done but no positive results are
yet to be realised from the investments as the projects are not yet in full operation due to unavailability of funds.

4.5.5 Implementation of strategies
Respondents highlighted lack of resources, lack of funds, unclear marketing plan, and lack of commitment by management and Government policies. Piercy (2008) highlighted a series of broadly similar obstacles including the lack of stakeholder commitment, too few resources, The factors which were highlighted seem to be having a great impact on performance of the organisation.

4.6 CONCLUSION
This chapter mainly focused on reporting and discussing of the research findings. The findings were related to literature. The following chapter covers the conclusions, recommendations, the study limitations and areas for further research.
CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION

In this chapter the researcher present findings of the research and make conclusions on them. Recommendations and areas of further study will also be given in this chapter.

5.1 CONCLUSIONS

5.1.1 Basis for segmentation

Findings reveal that there is no market segmentation in Grain Marketing Board. Literature highlights that segmentation is the basis of all marketing strategies. Unavailability of segments also has a bearing on the positioning of products and targeting of markets.

5.1.2 Limited marketing strategies

One of the major findings from this research is that no effective marketing strategies are being employed by GMB. The only marketing strategies which are being used in GMB are the pricing and growth strategies. No clear marketing strategies are being done to promote the Silo Brand, to distribute the product, to differentiate the product or to segment the market. Literature emphasizes that for a company to be competitive it has to use various marketing strategies which include segmentation, pricing, promotional, distribution and growth strategies.

5.1.3 The positioning of the organization and the brand on the market

There is confusion regarding the position of the organization on the market. Findings indicate that some managers position GMB as a market follower and some position it as a market challenger. However GMB is indeed a market follower considering its revenue base and its reduced market share.
5.1.4 Obstacles to successful implementation of effective marketing strategies

The Grain Marketing Board failed to successfully implement some of the marketing strategies due to a number of factors which include unavailability of resources, inappropriate corporate culture, poor marketing planning and government policies.

5.1.4.1 Unavailability of resources.

The organization has very limited resources to fully implement the planned marketing strategies. The unavailability of delivery vehicles has paralyzed distribution of Silo products. The unavailability of automated commercial milling plants has affected consistence in product quality. Sales personnel have no vehicles to establish relationship marketing and to monitor some marketing activities. Lack of funds has also affected advertising and promotions.

5.1.4.2 Inappropriate Corporate culture

Employees within the organization are ignorant about commercialization of the organization and the importance of marketing strategies. Commercialization was introduced to enable GMB to become profitable and to be self-sustainable but the findings indicate that employees are yet to understand the need to change towards profit making hence they are relaxed when it comes to implementation of some marketing strategies.

5.1.4.3 Poor planning and communication.

Findings from the research indicate that some of the strategies are poorly planned as indicated by the unavailability of a document which clearly indicates the objectives, action plan and strategies of the marketing department. Also research findings indicate that despite the unavailability of a clear document there is no communication on the intentions of the marketing department.

5.1.4.5 Government policies

Parastatals are owned by government. Some of the decisions have to be approved by the government. Examples of decisions that need approval include who to trade with, what to import and what to export.
5.2 TESTING THE RESEARCH PROPOSITION

To a large extend the study confirms that GMB has failed to implement appropriate marketing strategies in respond to the increased competition in the agro processing industry.

5.3 RECOMMENDATIONS

5.3.1 Planning of marketing strategies

Grain Marketing Board should have a clear and flexible strategic marketing plan. The failure by the organization to apply some of the marketing strategies is because there is no plan which indicates what course of action to take and when to act. This failure to plan accordingly also has contributed to the delays in the unveiling of funds to support the activities. The marketing plan should be flexible such that it can be manipulated to suite changes in the environment.

5.3.2 Appreciation of the Market Position

Management in the organization should appreciate that the organization is a market follower. By appreciating that GMB is a market follower then they will be in a position to follow strategies of marketing followers.

5.3.3 Advertising and Promotions

The organization should position its brand properly through an integrated communications programme. In this environment where competition is now turf and consumers now have a wide range of products at their disposal a brand will only be well positioned through a

Multi platform communication campaign. Promotions should also be intensified as a way of defending the organizational position.

5.3.4 Change management

Management should undertake change management to ensure that every employee work towards a common goal. Culture change can be initiated through conducting workshops and in house training which will enhance a strong culture change in the organization.
Employees have to understand the rational of commercialization and the role of every employee in marketing.

5.3.5 Market Research

The confusion on the positioning of the organization in the market, the positioning of the brand on market and the inappropriate marketing strategies shows that there is no research within the organization. The organization should do research on competitor analysis and the market trends.

5.4 STUDY LIMITATIONS AND AREAS OF FURTHER RESEARCH

The major limitation was the limited time frame in which the research had to be carried out. Getting some of the confidential information was also another limitation as some respondents avoided some questions in fear of revealing confidential information.

Focus was on Grain Marketing Board only which is a single case study analysis. By analyzing GMB only and make inferences to other Parastatals may not be proper as the findings may not be conclusive. An analysis of three or more Parastatals would have been proper to come out with solid inferences.

The research has indicated that there are a number of factors which affect the effectiveness of marketing strategies. Though there are a number of factors which determine the effectiveness of marketing strategies, literature on the marketing strategies of Parastatals is very limited especially in a Zimbabwean set up. There is need for more research on the impact of these factors on effectiveness of marketing strategies.


APPENDIX 1

INTERVIEW GUIDE FOR DEPUTY GENERAL MANAGERS

SECTION A: BACKGROUND OF RESPONDENT

a) State our position in the organisation
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b) State your age
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c) How long have you been on that position?
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SECTION B: SEGMENTATION

a) Do we have any careful market segmentation in Grain Marketing Board? If so explain how some markets are segmented?
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b) Which markets are covered by the organisation?
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c) What gives the Silo Brand competitive advantage
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d) How do you position the silo brand in relative to competitor’s products?
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SECTION C: Strategies for market followers and challengers

a  how does GMB analyze its competitors
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b  what is the market position of GMB
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c  which strategies are being used to attack competitors or to defend the organizational position
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SECTION D: Organizational Growth.

a  Explain the pricing strategies being used in GMB
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b  Explain the promotional strategies being used in GMB
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c  How is product differentiation and branding strategies are done
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d. How efficient is distribution in the organisation

SECTION E: ORGANISATIONAL GROWTH

a. does the organisation focus on profitability, increase in sales or market growth

b. which growth strategies are used in GMB. Explain giving example.

SECTION F: IMPLEMENTATION OF MARKETING STRATEGIES

a. May you please state and explain the obstacles in implementing marketing strategies

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APPENDIX 2

INTERVIEW GUIDE QUESTIONS FOR SENIOR MANAGEMENT

SECTION A: BACKGROUND OF RESPONDENT

a State our position in the organisation
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b state your age
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c How long have you been on that position
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SECTION B: SEGMENTATION

a) Do we have any careful market segmentation in Grain Marketing Board? If so explain how some markets are segmented.
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b) which markets are covered by the organisation
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SECTION C: STRATEGIES FOR MARKET FOLLOWERS AND CHALLENGERS

a how does GMB analyze its competitors
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b what is the market position of GMB
SECTION D: MARKETING MIX STRATEGIES
a explain the pricing and promotional strategies which are being used in GMB

b How effective are the marketing strategies of GMB

SECTION E: ORGANISATIONAL GROWTH
a explain the growth strategies which are used in GMB

SECTION F: IMPLEMENTATION OF MARKETING STRATEGIES
a May you please state and explain the obstacles in implementing marketing strategies

b …
APPENDIX 3

INTERVIEW GUIDE QUESTIONS FOR BRANCH MANAGERS

SECTION A. Demographics Information

1. State our position in the organisation

2. State your age

3. How long have you been on that position

SECTION B. MARKET SEGMENTATION, TARGETING AND POSITIONING

1. How do you position Grain Marketing Board on the market

2. How do you rank the Silo brand in comparison to other products

3. Compare the product quality and differentiation of Silo products and products of competitors
SECTION C. PRICES AND DISTRIBUTION

1. How do you compare the prices of Silo products to prices of the same products from competitors?

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2. Explain how distribution of silo products resembles or differs with distribution of other products

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SECTION D. MARKETING MIX STRATEGIES

1. Compare the advertising and promotional activities of GMB as compared to other Agro processing companies

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2. How often does GMB carry its promotional and advertising activities

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