FACTORS AFFECTING SALES PERFORMANCE AMONG RETAIL BUSINESSES IN KENYA; A CASE OF TUSKER MATTRESSES LTD.

MWOLOLI JAMES

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF DEGREE IN BUSINESS MANAGEMENT AND LEADERSHIP TO THE MANAGEMENT UNIVERSITY OF AFRICA.

SEPTEMBER 2018
DECLARATION

Declaration by the Student
This research project is my original work and has not been submitted to any other university for academic award.

Signature.................Date 14\textsuperscript{th} August 2018

Name: James Mwololo
Admission No. BML/12/00438/3/2015

This research project has been submitted with my approval as the University supervisor.

Signature...............Date............
Name: SAMUEL THIONGÓ

The Management University of Africa
DEDICATION

This research project is dedicated to my family specifically my wife Queen, my sons Trevor, Trevis, my beloved Aunt Peninah, friends and all those who supported me during this period.
ACKNOWLEDGEMENT

This research study is a result of support from several sources; first I would like to give praise and honor to the Almighty God for giving me enough grace and power to write this project. I would also like to thank my supervisor Mr. Samuel Thiong’o whose comments and advice were very useful to me, to my friends for their encouragement and support too. May God bless them in every way I say thank you. They all gave me the motivation that was key to my achievements in writing this proposal. Lastly, I would like to acknowledge the entire MUA for the good and conducive learning environment during my study period thanks a lot and God bless you.
ABSTRACT

This research study aimed at factors affecting sales performance among retail businesses in Kenya: a case of Tusker Mattresses Ltd. The specific objectives of the study were to determine the effects of promotion on sales performance in retail business, pricing, competition and to also establish the effects of customer loyalty. This study was significant to the organization’s management of Tuskys, future researchers and other retail Organizations. The study covered a population of 60 persons in the organization who formed the sample size. The researcher used descriptive research design. The findings from the study were presented on the table and chats for easy decoding and analyzing to present the results from the study. The findings on promotion indicated it affecting sales performance according to 87% of respondents and rated average on affecting sales performance. Pricing was determined at 82% of respondents on affecting sales performance and was low though sometimes average. Competition findings was determined to affect sales performance by 83% of the respondents and rated effectively fair. Then the findings on customer loyalty was determined by 73% of respondents and rated at low extent though sometimes average. The conclusion from the study postulated that promotion affects the sales performance among retail businesses and promotion affecting the performance of sales among retail businesses was an average extent. On pricing, the study indicated that pricing affects the sales performance among the retail businesses and that the extent at which performance of sales among retail business being affected by pricing was not clear since great extent and average extent were alternating therefore no specific position on this. On the effectiveness on how competition affecting sales performance among retail businesses, it was not so explicit on how effective it affects it. It was very evident that customer loyalty affects the sales performance of the retail business. The study recommended more to be explored on the factors that affect the sales performance among retail businesses in respect to promotion so as to assist business have clearer picture of how positive or negative sales performance is affected. The study should explore the ways in which pricing affects sales performance and the effects on the survival of retail business. The impact realized on how competition affecting sales performance should be determined so that the retail
businesses can have a strategy on how to carb negatives ones and statically implement the positive ones for good productivity.

TABLE OF CONTENT

DECLARATION .................................................................................................................................................. ii
DEDICATION .................................................................................................................................................. iii
ACKNOWLEDGEMENT .................................................................................................................................. iv
ABSTRACT ...................................................................................................................................................... v
TABLE OF CONTENTS .................................................................................................................................... vi
LIST OF TABLES ........................................................................................................................................... viii
LIST OF FIGURES .......................................................................................................................................... ix
ACRONYMS AND ABBREVIATIONS .............................................................................................................. x
OPERATIONAL DEFINITION OF TERMS .................................................................................................... xi
CHAPTER ONE .................................................................................................................................................. 12
INTRODUCTION OF STUDY .......................................................................................................................... 12
  1.0 Introduction .............................................................................................................................................. 12
  1.1 Background of the Study .......................................................................................................................... 12
  1.2 Statement of the Problem ....................................................................................................................... 14
  1.3 Objectives of the Study ............................................................................................................................ 14
  1.4 Research Questions ............................................................................................................................... 15
  1.5 Significance of the Study ....................................................................................................................... 15
  1.6 Scope of the Study .................................................................................................................................. 16
  1.7 Chapter Summary .................................................................................................................................... 17
CHAPTER TWO .................................................................................................................................................. 17
LITERATURE REVIEW .................................................................................................................................... 17
  2.0 Introduction .............................................................................................................................................. 17
  2.1 Theoretical Review .................................................................................................................................... 17
    2.1.1 The Wheel of Retailing Theory ....................................................................................................... 17
    2.1.2 AIDA Model ....................................................................................................................................... 18
  2.2 Empirical Literature Review ................................................................................................................... 19
    2.2.1 Promotion and Sales Performance ................................................................................................. 19
    2.2.2 Pricing and Sales Performance ..................................................................................................... 21
    2.2.3 Competition and Sales Performance ............................................................................................ 23
    2.2.4 Customer Loyalty and Sales performance .................................................................................... 24
2.3 Summary and Research Gaps ............................................................................................................. 25
2.4 Conceptual Framework ......................................................................................................................... 26
2.5 Operationalization of Variables ............................................................................................................ 27
2.6 Chapter Summary ............................................................................................................................... 28

CHAPTER THREE ...................................................................................................................................... 29
RESEARCH DESIGN AND METHODOLOGY ......................................................................................... 29
3.0 Introduction ........................................................................................................................................... 29
3.1 Research Design .................................................................................................................................. 29
3.2 Target Population ................................................................................................................................. 30
3.3 Sample and sampling technique ........................................................................................................... 30
3.4 Instruments of Data Collection .............................................................................................................. 31
3.5 Pilot Study ............................................................................................................................................ 32
  3.5.1 Validity ........................................................................................................................................ 32
  3.5.2 Reliability ..................................................................................................................................... 32
3.6 Data collection procedure ....................................................................................................................... 32
3.7 Data Analysis and Presentation of Findings .......................................................................................... 33
3.8 Ethical Considerations ......................................................................................................................... 33
3.9 Chapter Summary ............................................................................................................................... 33

CHAPTER FOUR ...................................................................................................................................... 34
RESEARCH FINDINGS AND DISCUSSION ............................................................................................ 34
4.0 Introduction ........................................................................................................................................... 34
4.1 Presentation of Research Findings ......................................................................................................... 34
4.2 Limitation of the Study ......................................................................................................................... 49
4.3 Chapter Summary ............................................................................................................................... 49

CHAPTER FIVE ....................................................................................................................................... 50
SUMMARY, RECOMMENDATIONS AND CONCLUSIONS ..................................................................... 50
5.0 Introduction ........................................................................................................................................... 50
5.1 Summary of Findings ............................................................................................................................ 50
5.2 Recommendations ............................................................................................................................... 52
5.3 Conclusion .......................................................................................................................................... 53
5.4 Suggestion for further studies ............................................................................................................... 53

REFERENCES ............................................................................................................................................. 54
APPENDIX I: QUESTIONNAIRE ............................................................................................................... 58
LIST OF TABLES

Table 4.1: Gender of the Respondents ................................................................. 35
Table 4.2: Management Level .............................................................................. 35
Table 4.3: Years worked in the company ............................................................. 36
Table 4.4: Highest Level of Education ................................................................. 38
Table 4.5: Promotion affecting Sales performance ............................................ 39
Table 4.6: The extent of Promotion affecting Sales performance .................... 40
Table 4.7: Rating the effects promotion on sales performance ......................... 41
Table 4.8: Pricing Affecting Sales Promotion .................................................... 42
Table 4.9: The extent of pricing affecting sales performance ........................... 43
Table 4.10: Competition Affecting Sales Performance ....................................... 45
Table 4.11: The Extent Completion Affects Sales Performance ....................... 45
Table 4.12: Customer Loyalty affecting sales performance .............................. 47
Table 4.13: The extent customer loyalty affects sales performance .................. 48
LIST OF FIGURES

Figure 4.1: Gender of the Respondents .................................................................35
Figure 4.2: Management Level .................................................................................36
Figure 4.3: Years worked in the company .................................................................37
Figure 4.4: Highest Level of Education .................................................................39
Figure 4.5: Promotion affecting Sales performance .................................................40
Figure 4.6: The extent of Promotion affecting Sales performance .........................41
Figure 4.7: Rating the effects promotion on sales performance .........................42
Figure 4.8: Pricing Affecting Sales Promotion .........................................................43
Figure 4.9: The extent of pricing affecting sales performance .................................44
Figure 4.10: Competition Affecting Sales Performance ........................................45
Figure 4.11: The Extent Completion Affects Sales Performance .........................46
Figure 4.12: Customer Loyalty affecting sales performance ....................................47
Figure 4.13: The extent customer loyalty affects sales performance .....................49
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MUA</td>
<td>The Management university of Africa</td>
</tr>
<tr>
<td>FMCG</td>
<td>Fast moving consumer goods</td>
</tr>
<tr>
<td>ROI</td>
<td>Return on Investment</td>
</tr>
</tbody>
</table>
OPERATIONAL DEFINITION OF TERMS

**Competition**
The act of seeking, or endeavoring to gain, what another is endeavoring to gain at the same time; common strife for the same object.

**Promotion**
The act of publicizing a product, institution/Organization or venture to increase sales or public awareness.

**Pricing**
The process of attaching value to a product by setting the amount the product should be sold at by a firm which is the price. The price of a product is determined by various factors including production cost, perceived value of the product by customers and even competitor prices.

**Customer Loyalty**
This is the act of customers making preference in purchase of one product or brand consistently over an extended period.
CHAPTER ONE
INTRODUCTION OF STUDY

1.0 Introduction

This chapter introduces the study; it contains the background of the study, statement of the problem, objectives of the study, research questions, and significance of the study and limitations of the study.

1.1 Background of the Study

A retail business is defined as a company that buys products from a supplier and resells them for a profit. To earn a profit, a retail business must employ some measure of mark-up in the products it sells. Most products sold in retail stores were purchased for less than the marked price. A retail business owner must know what competition exists and how much they are charging for the same products to remain competitive. Global consultancy Oxford Business Group (OBG) stated Kenya’s formal retail region accounts for among 30 and forty consistent with cent of the marketplace, at the back of South Africa which has a penetration price of 60 in step with cent. OBG brought that since 2011 Kenya has recorded the quickest increase in average purchaser spending on the continent. “Over the past 5 years, OBG reports, the average price of purchaser spending has risen by as a good deal as 67 in line with cent, making Kenya and Africa’s fastest-growing retail market.

Initially, local kiosks and whole sellers dominated retail until later when departmental stores were introduced and supermarkets which served as both a shopping experience and enhanced customer satisfaction by providing variety of products. Proximity is a factor to consider when thinking of a retail business location here in Kenya (Robert, 2017). You must consider whether your target market segments reside from within or whether they frequent regularly and if the store is easily accessible whether the environment of operation is localized or a lone retailer. Pricing is another aspect of consideration and whether you’d want to opt for premium pricing like in cosmetics or economy pricing like its popular with many Kenyan retailers. The retail sector has one of the lowest profit margins and it’s technically the easiest business.
Supply is a factor to take into consideration. The issue of infrastructure development, modernizing warehouses achieving consistency between supplier and retailer is still a big issue to address and a good relationship with suppliers would be well achieved if retailers would pay them on delivery.

Efficiency is also a consideration to put in place. Some of the problems Kenyans encounter in supermarkets are congested aisles because line staff must man the shelves against pilferage. In this time and era, retailers should be making good use of CCTV surveillance. Markets according to Robert (2017), is the last aspect that most retail businesses have failed in. Incorporating data collection and analytics in forecasting can help in proper planning.

One of the biggest retail nightmares is the Pilferage rate which in its definition can be referred to as the pace or speed of stealing small quantities of products that happens in most retail stores across the country. Video Surveillance systems are devices that enable an embedded image capture capability that allows images or extracted information to be stored or transmitted over communication networks or digital data link. Digital video surveillance systems are used for any type of monitoring. Security cameras not only allow you to check on your customers/employees, they also provide an obvious visual deterrent to would-be shoplifters. In this case, discreet cameras are not really the best choice. Make sure the camera is obviously a camera and big enough to see clearly. These cameras are especially effective when paired with a monitor that is placed in a public space where people can see themselves on-camera. Retail businesses in Kenya could be defined as the firms that sell their goods to individual customers. In most instances, the goods sold are purposely meant for final consumption.

1.1.1 Profile of Tusker Mattresses Ltd

Tuskys is a retail chain of supermarkets operating in various towns/ cities of the country with forty-seven branches countrywide. The business has over the years grown to generate revenue sales of five Billion monthly and over six thousand employees. It was established in the early 1990’s as a family business and still runs as such. It started with one small store that operated from Nakuru town before moving to Nairobi and was then known as Tusker Mattresses. Tuskys has since grown to be the market leader in the retail industry through expansions and offering
variety and quality products at real value. The retail chain has also witnessed introduction of its Tuskys private label products that are meant to cover needs of the price sensitive customers.

1.2 Statement of the Problem

For all business organizations, profit is a determinant factor for their existence in the ever-changing environment. The primary objective of a business undertaking is to earn profit which is needed not only for its existence but also for expansion and diversification. Keeping other things constant, the profitability of an organization depends on its sales volume. A study conducted on the area of model development of supply chain management system by Nielsen (2010), shows that the company hasn’t been utilizing its capacity although it’s one of the largest retail chains in Kenya.

Therefore, the detail examination of factors affecting its sales volume becomes crucial because it can at least tell us something about the past and current sales trend and the overall profitability of the company. One thing that can be mentioned here is that, according to sales data of the company (2010 – 2017), there is a fluctuation of sales figures over the past eight years.

Some of the challenges experienced in the retail industry include cash flow mismanagement, poor reporting structures, poor payment planning of the suppliers and pilferage by staff and customers. These challenges have seen giants in the retail industry like Nakumatt and Uchumi supermarkets close almost all their branches. It’s evident that the challenges in question have a great impact on profitability of the retail business. If all these factors are taken into consideration, it would be a great milestone for the business profitability. Therefore, this is a crucial issue that demands attention and further investigation to help curb a similar occurrence to the company. Hence this study aimed to investigate the factors that affect sales performance among retail businesses in Kenya with a specific case study of Tusker Mattresses Limited as a retail chain.

1.3 Objectives of the Study

1.3.1 General Objective
The aim of this study was to assess the factors affecting sales performance among retail businesses in Kenya with reference to Tusker Mattresses Ltd.

1.3.2 Specific Objectives

i. To study how promotion affect sales performance in retail businesses in Tusker Mattresses Limited.

ii. To assess what extend pricing affect sales performance in retail businesses in Tusker Mattresses Limited.

iii. To examine how competition affects sales performance in retail businesses in Tusker Mattresses Limited.

iv. To ascertain how customer loyalty affects sales performance in retail businesses in Tusker Mattresses Limited.

1.4 Research Questions

i. How does promotion affect sales performance in retail businesses in Tusker Mattresses Limited?

ii. To what extent does pricing affect sales performance in retail businesses in Tusker Mattresses Limited?

iii. To what extent does competition affect sales performance in retail businesses in Tusker Mattresses Limited?

iv. How does customer loyalty affect sales performance in retail businesses in Tusker Mattresses Limited?

1.5 Significance of the Study

1.5.1 Management of Tusker Mattresses Ltd

The fact that no studies have been conducted in the company regarding this issue made it worth conducting this study. The research outcome could be an important input to the company to
make the necessary adjustments and improvements based on the recommendation of the study. The research could open the door for other researchers who want to study further on this area or other similar issues.

1.5.2 Other Retail Firms
The research study gave other retail businesses a better sight into what affects sales performance and help them formulate policies which would remedy this, giving a competitive edge over other competitors who do not know what affect sales performance in retail.

1.5.3 Other Researchers
The research could open the door for other researchers who want to study further on this area or other similar issues. The study would act as a reference point for future studies on same or similar studies. Acting as a reference, it may also stimulate the interest among academicians and thereby encourage further researches about the problems and solutions hence leading to better sales performance.

1.6 Scope of the Study
The study was carried out to determine factors affecting sales performance among retail businesses in Kenya with reference to Tusker Mattresses Ltd, Nairobi. The study covered customers / shoppers in one of the Tuskys store which is located at T-mall along Langata Road while interviews with Tuskys Marketing manager and the CEO was carried out at Tuskys Head Office along Mombasa Road near Eastern Bypass close to JKIA. The research study was carried out within a period of three months May 2018 to July 2018 with a target population of 60 employees.
1.7 Chapter Summary

This chapter assessed the factors affecting sales performance among retail businesses, the objectives the researcher intended to realize at the end of the study, the challenges likely to be encountered and the beneficiaries of this piece of study.

CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

This chapter covers the theoretical view and the empirical review. It also presents the conceptual framework, summary of the reviewed literature and knowledge gap of the study.

2.1 Theoretical Review

2.1.1 The Wheel of Retailing Theory

The theory illustrates the forces that shape retail developments as espoused by McNair (2008). It details how new retail developments start off with crude facilities, little prestige and a reputation of cutting prices and margins. As they grow and mature in business, they acquire more expensive spaces with more elaborate services that force them to impose higher margins on offerings until they reach high level in price scale resulting into uncompetitive offerings. The wheel of retailing revolves when new retailers emerge as low-status, low-price and low-margin making the original institutions vulnerable to new competition. Replacement of institutions’ founders by second generation management who are less cost conscious and concerned more with stores' appearance and image create upward pressure on costs and prices thereby compounding the stores' competitiveness (Findley & Sparks, 2012).
The theory explains the decline of certain types of retailers and introduction of others through the life cycle of shopping centres (Abrudan&Dabija, 2009) and is applicable to the current study in aiding understanding of how sales performance affects retail business in a given environment. Survival of companies in sales performance environments therefore requires adaptation without which they risk failure. Though informative, the theory is criticized for not being applicable to all economies but more in developed and growing economies (Brown, 2011). Moreover, convenience stores, planned shopping malls and specialty stores do not follow the pattern and enter into the market with high margins and high cost but remain competitive in sales. Despite the critique, the theory serves as a useful reminder that organizations that operate in dynamic and sales performance environments must adapt to changes and increasingly anticipate change or run the risk of inevitable sales decline (Abrudan&Dabija, 2009).

2.1.2 AIDA Model

AIDA is a communication model applied by firms to facilitate them to sell their products and services. The AIDA model was an early effort to explain how advertising’s potential audience might go through several steps, with attention being the first and most important one. It was developed by Elias St. Elmo Lewis in 1925 who was an advertising and sales pioneer and believed if an advertisement contained the four qualities, then it is effective. Palmer (2015) hypothesizes that the message is offered according to an easy model which is: encourage the attention of your prospect; interest your prospect in the product; prompt your prospect to desire the product and entail action from the prospect.

The model has four stages; attention, interest, desire and action. First marketing communication mix is advertising strategy which is very effective in the attention and interest stages, somehow effective in building up a desire but cannot be guaranteed in conveying the consumers action into the buying decisions. Second is the public relations strategy which is very effective in creating attention, the interest and the desire towards a product or service however it is not effective in the action to purchase the product or services. The third strategy of sales promotions is somewhat effective in generating attention and interest but moreover it is very effective in leading to desire and as a result it is somehow effective in bringing action. Fourth is personal selling strategy
which somewhat creates attention, and effectively bring about interest, desire and actions to purchase a product or service (Kelley & Hyde, 2012). According to Kelley and Hyde (2012), when a product is introduced the first aim is to grab attention. The technique used to get attention will depend on the product; choices comprise hospitality events, sponsorship and huge promotion campaigns. The next goal is to hold people’s interest. This is completed by promoting goods attributes and visibly stating the advantage the product has to offer. The goal at this phase is to offer the consumer with information. Desire is a third stage, where at this stage marketers desire the information (interest) consumers have about the products to generate a desire to have their products. A distinctive selling point will reduce consumers’ desires over competitor’s products. The last stage is the purchase which is Action; if a company has been prosperous with its AIDA strategy then customers will purchase its products. The duty at this stage is to facilitate the purchase action by making it easy. This process is key in promoting sales performance that is very critical in the survival of the retail business since it is linked to consumers more directly.

2.2 Empirical Literature Review

This section provides the review of the studies done in the past that are related to the current study so that the gaps identified in the related studies can be addressed by this study.

2.2.1 Promotion and Sales Performance

Vecchio et al. (2009) record the consequences of a study which tested the effect of sales promotion on emblem choice via meta-analysis. Results of 51 research had been included. The study determined that sales promotions do not affect submit merchandising brand options in preferred. But depending upon characteristics of income promotion and the promoted product, advertising can either increase or lower preference for a brand. Also, Ndubisi, (2015) in their observe evaluated the effect of income promotional equipment, particularly coupon, charge discount, free sample, bonus %, and in-shop show, on product trial and repurchase behaviour of customers. The moderation function of worry of dropping face on the connection among the income promotional gear and product trial turned into also tested. The consequences of have a look at show that price reductions, free samples, bonus packs, and in-store show are related to product trial. Coupon but does no longer have any tremendous effect on product trial. The study additionally revealed that trial determines repurchase behaviour and additionally mediates inside the courting among sales promotions and repurchase.
Moreover, Anderson et al. (2014) investigated how the depth of a present-day price advertising have an effect on future buying of first time and hooked up customers primarily based on 3 massive scale area experiments on durable goods sold through a junk mail catalogue. The findings revealed special impact for first-time and set up customers. Deeper charge reductions in the modern-day duration expanded destiny purchases through the primary time customers (a fine lengthy-run impact) however reduced destiny purchases by mounted customers (a bad long-run impact). Within the identical vein, Dawes (2014) mentioned the result of his look at on the impact of a hugely a success price merchandising in a consumer goods category. Specifically, he sought to decide if this massive price merchandising had any long-term effect on emblem price; brief-time period impact on total class extent for the store; brief-term effect on competing shops; and long-time period impact on category sales for the store who runs the promotion. Results of the look at showed that a completely successful merchandising did now not have any longer-term effect on the logo (effective or negative), but it did enlarge the total category for the store, though quickly. Income dropped barely for one competing store on the time of promotion out of the three devices studied. It became found that the merchandising become accompanied by using a decline inside the general class quantity for the store, suggesting some diploma of purchase acceleration or stockpiling through consumers, Longer-term negative effect on class cancelled out approximately 0.33 of the benefit of the rate advertising to the store

Smith et al. (2010) examined the connection among exceptional styles of promotions (directly charge advertising, greater-product or quantity promoting and combined merchandising) across four grocery store product classes controlling one at a time for the effect of two category-primarily based moderating factors viz. Product inventory-up traits and price level. Results showed that most customers preferred mixed promotions; type of promotions does affect keep desire (with rate and volume promotions having the greatest influence). Consumers typically favored charge promotion for higher priced product categories and they preferred extent promotions for low-cost categories. Also,Feame et al. (2009) studied the impact of promotions on the demand for spirits category inside the UK marketplace. The outcomes of an econometric evaluation of weekly pass-sectional save facts and cluster evaluation of customer panel facts cautioned that promotions have had a mild superb impact on the extent of sales, over the
seasonally essential Christmas period. Some promotions, specifically multi-buys, praise in large part loyal customers, doing little for both quantity and economic growth of the spirit class.

A study done by Lavage and Steiner (2011) argue that the impacts of advertising are intended to be lasting, yet, something is occurring in the short run, and therefore, it can be considered. Lately there are several forms of advertising, and so a lot of factors that influence the end results of marketing efforts (Pickton& Broderick, 2011). It includes a variety of activities and techniques such as discounts, demonstrations, coupons, refunds, prizes, contests and more to the communications mix and, hence, is capable to target customers better than traditional types of advertising (Pickton& Broderick, 2011). The growing awareness of the strategic promotional importance of the sales promotion is leading to a more incorporated methodology to its management and their role in the marketing mix. Baker (2008) says the responses which promotion is likely to generate, include encouraging the customer to accelerate their buying of a product, select a brand for their initial purchase, switch brands, replace a consumer durable, overcome their original image to a product and sample it, and gather information about brand. Hardy (2009) says promotions help to secure intermediary's support and can help to reduce inventories. A study by Aliata et al. (2012) established a statistically important connection between sales promotion and performance. They confirmed that sales promotion improved brand preference, which then improve brand performance thus high profits or performance. Despite this, studies did not point out how sales promotion strategies can evidently improve sales performance.

2.2.2 Pricing and Sales Performance

Hutt (2015); Menon, Bhardwaj, Adidam and Edison (2009); Malshe and Sohi (2009) suggested that to enhance verbal exchange among the advertising and income, sound pricing approach need to be installed area. However, poor overall performance of brewery industry may also persist if the marketing and sales aren't speaking well enough about the essential factors of pricing approach. The advertising and marketing and income functions are basically accountable for production employer performance via more advantageous revenue generation. In specific, pricing method ought to be considered for an aggressive pressures and client alternatives whilst setting up the revenue per unit for a company’s products and services?
Homburg, Jensen and Hahn (2012); Lancioni and Gattorna (2013) in their study affirmed that pricing strategy has a positive relationship with the initiation and implementation of an advertisement and sales strategies that is expected to improve performance whenever there is a synergy between marketing and sales duty and more so, the organization benefits. But when chaos occurs between these two functional areas, it posts inverse influence on the organization and as a result hampered their overall performance (Crepedes& Piercy, 2009; Strahle, Spiro &Acito, 2009; Dewsnup& Jobber 2010). Therefore, pricing strategy is concluded to be a marketing strategy (Varadarajan 2010).

Yeoman and McMahon-Beattie (2014) found that during an actual marketplace the essential manner of product optimization is pricing. Furthermore, pricing is one of the elements of the advertising blend that complements revenue era for an industry via sales, pricing decisions which ends up to rate modifications may be implemented notably quickly and be tailored effortlessly to the conditions surrounding an organization's inner or outside surroundings because it's far the most bendy element of the mix. Diamantopoulos (2011) in his examine asserted that organization’s objectives and features are usually multifaceted in this kind of way that the viability and sustainability of organizations are resolutely at the aggregate of various pricing structures. These goals are bendy and alternate through the years due to environmental or organizational conditions. Thus, pricing objectives can be either supportive or destructive. Myers, Cavusgil and Diamantopoulos (2002) referred to that there are objectives that are compatible with every different. For instance, marketplace proportion increase and sales increase, at the contrary, sales maximizations as opposed to income maximization are opposing goals.

In Paul, Ivo & Van (2013) study, related price strategies and price setting methods was done using survey designed technique and testing hypothesis on 95 respondents, the result showed that price strategies and price setting are related because strategies are implemented through price setting methods. Howard and James (2013) based their study on the effect of decision context on perceived risk in pricing strategies and attribution theory where more than 100 business managers were used, and findings suggest that when pricing are dominated by an uncontrollable environmental factor, managers themselves tend to select pricing strategies with external orientations to avoid risk.
When the domains of pricing and sales force behavior have been connected, it has been through the choice of whether an organization should centralize pricing decisions or delegate those decisions to the sales force (Lal, 2009; Stephenson, Cron, & Frazier, 2009; Weinberg, 2015). However, the norm within the literature is that the goals of the pricing strategy are set by the marketing department and sales force decision-making is limited to determining the degree to which prices may be negotiated (Lal, 2009; Mishra & Prasad, 2014, 2015).

The price delegation literature assumes the firm has a profit maximizing goal, and in order to award any authority, the sales force must be compensated on realized gross margins to ward off any suboptimal trade-off between effort and price (Joseph, 2011; Weinberg, 2015). Prior literature has suggested that the information asymmetry concern on which the delegation decision was founded may be resolved through effective contracts between the sales force and the firm, thereby negating the need for a delegation decision (Hansen, Joseph, & Krafft, 2008; Mishra et al., 2014, 2015; Stephenson et al., 2009). Although the price delegation literature explores relevant managerial issues and offers an initial connection between pricing and the sales force, to date the domain has neglected addressing pricing strategy as a marketing strategy with multiple business unit level components and ramifications. Further, the price delegation literature deems only one sales force compensation method to be optimal and does not consider the multiple possible objectives of the sales force compensation strategy.

2.2.3 Competition and Sales Performance
Cheah et al., (2008), examine confirmed that competitive performance is again and again measured by way of the business extent that includes sales and income. A have a look at by using Cheng et al, (2010) and Saari, (2011) indicated that performance in commercial enterprise turned into measured via sales boom, income, gross earnings and net income as a trademark with success through the years. Kalayci (2015) and Alpkan (2013) found that the identical monetary measures desired by using the researchers who carried out their studies in manufacturing industries in Turkey. It became referred to that the main indicator used for commercial enterprise performance turned into profitability. Research had been carried out on competitive strategies across exclusive sectors in Kenya. Mutunga and Minja (2014) did research on competitive strategies on income overall performance that firms adopt in the Kenya’s beverage industries. 56
in line with cent of the company’s commonplace paired strategies of price management and
differentiation concurrently and 24. nine according to cent had been on fee leadership even as
18.8 per cent had been exclusively using differentiation.
There were some of studies carried out both globally and domestically on aggressive strategies
on income and have yielded mixed and inconclusive consequences which creates a gap to be
stuffed. As an instance Okumus (2011) studied the role of competitive techniques in
organizational improvement and strategy implementation framework involving hypotheses
checking out to study the power of dating among the variables being investigated. The records-
collection technique become a self- administered, near-ended questionnaire. The look at most
effective focused on strategy formulation and its hyperlinks with organizational effects with little
attention to the each familiar and an off competitive technique which are considered on this look
at. Meme (2008) studied a strategic version of Kenyan Public employer Self-sustainability. The
study targeted on Kenyan neighborhood government in Jap province adopting an exploratory
layout. A semi-established survey questionnaire became used to collect records which changed
into analyzed the usage of descriptive and inferential facts. He located that seventy-eight% of the
Kenyan public corporations were unable to self-maintain their operations because of internal
inefficiencies that required pragmatic restructuring on income and advertising and marketing. He
especially affiliated anomalies to terrible paintings ethics, rigidity in control, misallocation of
assets, and structural inefficiencies however didn't take in to account the aggressive strategies
carried out and additionally centered in Kenyan nation companies which the current observe
diverts to manufacturing companies to fill the distance that may be current in the enterprise

2.2.4 Customer Loyalty and Sales performance
Hawkins et al (2011) in their studies listed five key elements of relationship marketing;
developing a core service or product around which to build a customer relationship, customizing
the relationship to the individual customer, augmenting the core service or product with extra
benefits, pricing in a manner to encourage loyalty, and marketing to employees so that they will
perform for customers. The primary goal of relationship marketing is to build and maintains a
base of committed customers who are profitable for the organization. Relationship marketing
recognizes that it is more profitable to retain and grow business with existing customers than to
keep winning new ones and therefore has customer retention as its main objective. To build
customer loyalty, companies try to improve customer satisfaction, which strengthens bonds by adding more value to the core product (the product quality is improved; supporting services are included into the offering and so on.).

Gronroos (2010) in the study on customer satisfaction, it was identified as one of the most important criteria for customer loyalty. Customer satisfaction indicates how well a product use experience compares to the buyer’s value expectations and the value expectations of competitors. Customer loyalty through one on one-customer relationships is one of the most important real assets with measurable long-term value for both large and small companies. According to Hawkins et al (2011) committed customers, in a retail setting are developed by understanding customer’s desires at every stage of the shopping process, from retail advertisement through to disposition of the products. At every stage the retailer through sales process needs to move customers beyond satisfaction through delight and to affection. In a study conducted by Gabarino and Johnson (2009), in a consumer environment in which customers receive highly similar services, like in the banking sector, the future intentions of low relational customers was found to be driven by overall satisfaction, whereas the future intensions of the highly relational customers was found to be driven by trust and commitment.

In today’s hypercompetitive environment decision makers must understand the various aspects of relationship marketing as they are imperative for the effective relationship development between the firm and the customer, and for implementing effective relationship marketing strategies (Musa 2009). Jamal and Nasser (2012) points out that an increase in a retail bank’s quality service results in an increased customer loyalty and retention. Both product and service quality are essential for customer satisfaction and retention. Their study of retail banking sector in UAE found that service quality dimensions are important drivers for customer satisfaction, where core and relational dimensions of service quality are causal antecedents of customer satisfaction.

2.3 Summary and Research Gaps

Promotion denotes the whole set of events which communicate the product, brand or service to the user. The impression is to make people aware, entice and persuade them to buy the product in preference over others (Ndubisi, 2015). The study was not clear on how promotion affects sales
performance among retail businesses in Kenya and therefore conducting a study on the same will be ideal to establish ambiguities.

Diamantopoulos (2011), demonstrated that pricing is key for companies use to set value to their products and services. Almost all companies large or small base the price of their products and services on production, labor and advertising expenses and then add on a certain percentage so they can make a profit. Pricing is very critical and, in most cases, determines the revenue of a company. There was no clear link on how price affects sales performance and hence the need to bridge the gap.

Competition is a factor which according to the review influenced sales performance. Competition causes action reaction patterns which may result into competing organizations deciding to produce a product/service that can achieve competitive advantage whether locally or globally (Okumus, 2011). Gabarino and Johnson (2009), determined that customer loyalty enhances commitment to the brand or approach to the brand through proper sales. Therefore, Loyalty raises the expectation of a customer to continue a relationship with a brand. The organization has built a loyalty program that enables customers to earn and redeem points on their shopping and is able to conduct survey on shopper trends based on the loyalty data.

2.4 Conceptual Framework

Conceptual framework is the researcher’s understanding of how the particular variables in his study connect with each other. Thus, it identifies the variables required in the research investigation. It is the researcher’s “map” in pursuing the investigation.

Figure 2.1: Conceptual Framework

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>Sales Performance factors on retail</td>
</tr>
<tr>
<td>Pricing</td>
<td></td>
</tr>
</tbody>
</table>
2.5 Operationalization of Variables

2.5.1 Promotion

Sales promotions are comparatively easy to apply and are likely to have abrupt and considerable effect on the volume of sales (Hanssens, Parsons and Schultz 2011). Sales promotions can also be ineffective as they make consumers more promotion prone, resulting in market share losses in the long run.

2.5.2 Pricing

The domains of pricing and sales force behavior has a connection, it has been through the choice of whether an organization should centralize pricing decisions or delegate those decisions to the sales force (Lal, 2009; Stephenson, Cron, & Frazier, 2009). However, the norm within the literature is that the goals of the pricing strategy are set by the marketing department and sales force decision-making is limited to determining the degree to which prices may be negotiated.

2.5.3 Competition

Thompson and Strickland (2010) posit that competition need a strategy to deal with management’s plans for competing in an industry and providing superior and unmatched value to
customers through effective sales. Further, competition strategy should entail performing activities differently or performing activities that are different from competitors to deliver a unique combination of value. The primary role therefore for developing a competition strategy through sales is to cope with the competition and relate a firm to its external and internal environment.

2.5.4 Customer Loyalty

Oliver (2009) has described loyalty as a deeply held commitment to rebuy or patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. Customer loyalty expresses an intended behavior related to the service or the company. This includes the likelihood of future renewal of service contracts, how likely it is that the customer changes patronage, how likely the customer is to provide positive word-of-mouth, or the likelihood of customers providing voice.

2.6 Chapter Summary

The chapter focused on the reviewing of the existing related literature to the study. The theoretical literature reviewed the Wheel of Retailing Theory and AIDA model and how they are related to the study. The empirical literature review focused on the studies related to the variables under study. The chapter also identified the gaps and then operationalized the variables.
CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction
This chapter covered the research design of the study highlighting the strategy adopted. It also presented the target population and the relationship between the researcher and the target population and finally it defined and selected the sampling technique for data collection and analysis which the researcher deemed appropriate to adopt in this study.

3.1 Research Design
According to Trochim (2005), research design "provides the glue that holds the research project together. A design is used to structure the research, to show how all the major parts of the research project work together to try to address the central research questions. The chosen design in this study was descriptive research design. The design was preferred because it is concerned with answering questions such as who, what, which, how, when and how much. A descriptive study is carefully designed to ensure complete description of the situation, making sure that there is minimum bias in the collection of data and to reduce errors in interpreting the data collected.
3.2 Target Population

The researcher’s target population in this study was retail businesses in Kenya. The reason as to why the researcher chose this specific type of population was because, he had worked in the industry for five years and had vast knowledge on the challenges that face the same and can easily develop mechanics of curbing these challenges. On relating to the chosen target population, the researcher put into consideration general characteristics portrayed across and appreciated them when choosing his study population. For example, retail stores in Kenya set competitive prices, define their own target market and have similar approaches towards promotions. In this case, the researcher put all these factors into consideration during choosing of a study population in which these aspects were represented. The study population was mainly of Tuskys staff at the Tuskys Head Office in Nairobi, Kenya. The researcher used study target population of 120 persons.

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Middle Management</td>
<td>50</td>
<td>42</td>
</tr>
<tr>
<td>Support Staff</td>
<td>60</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.3 Sample and sampling technique

The researcher chose Simple random sampling. A simple random sample is chosen in such a way that every set of individuals has an equal chance to be in the selected sample. There are many ways to obtain a simple random sample. One way would be the lottery method. Each of the \( N \) population members is assigned a unique number. The numbers are placed in a bowl and thoroughly mixed. Then, a blind-folded researcher selects \( n \) numbers. Population members
having the selected numbers are included in the sample. In the research study on retail businesses in Kenya, this method was highly relevant in selecting the retail stores in Tuskys (the population study) that was included in the sample.

Zamboni (2018), defines sample size as a count of individual samples or observations in any statistical setting, such as a scientific experiment or a public opinion survey. A sample is also defined as a selection of respondents chosen in such a way that they represent the total population as good as possible. In the researcher’s case, he chose one Tuskys outlet in every region of the country that would give a picture of overall retail behaviour on sales performance. Statistically, in order for generalization to take place, the study sampled 50% of the respondents for reduction of sampling errors (Cooper and Schindler, 2003).

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Sample Sizes</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>10</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>Middle Management</td>
<td>50</td>
<td>25</td>
<td>42</td>
</tr>
<tr>
<td>Support Staff</td>
<td>60</td>
<td>30</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.4 Instruments of Data Collection

Kothari (2004), defines a questionnaire as a method for elicitation, recording, and collecting of information. The researcher chose the self-administered questionnaire method for all correspondents as it is inexpensive and allowed the respondents to complete the questionnaire at a convenient time. A questionnaire is a printed form containing a set of questions for gathering information administered by the researcher or his or her assistants or self-administered under
supervision or unsupervised. The questionnaires were answered by each of the individual respondents independently.

3.5 Pilot Study

This study pretested the questionnaires to establish their reliability and validity. As such, the test involved involve 10 employees drawn from the Tusker Mattresses Limited who could not be involved in the main study to avoid bias.

3.5.1 Validity

Validity refers to a measurement devices ability to vary directly with a measure of the same construct or indirectly with a measure of an opposite construct. It allows showing that the test is valid by comparing it with an already valid test. Content validity is concerned with a tests ability to include or represent all the content of a construct.

According to Frankel and Wallen (2000), validity relates to the quality attributed to the degree to which they conform to establish knowledge or truth. It refers to the extent to which an instrument can measure, or, ought to have measured. The validity of the instruments was done by designing the questionnaires and consulting the supervisors of the contents. Adjustments will be made according to the advice of the supervisor.

3.5.2 Reliability

Reliability refers to the consistency or rather the soundness of the scores obtained from tests and assessment procedures. Mugenda and Mugenda (2003) argue that reliability may be a live of the degree to that a researchers’ instrument yields consistent results or information on recurrent trials. To ensure reliability, Charles (1995), postulates that consistency with that form or look at things are answered, or people scores stay comparatively identical was determined through the test-retest methodology at two totally different times. This method involved administering the questionnaire at an interval of one week as a pilot test to the same group and then comparing the two scores. Comments that were made by the pre-testing respondents were used to adjust and improve the instrument.

3.6 Data collection procedure
Since Tuskys operations are central from their Head Quarters, the researcher had to obtain an official permit which was presented to the respective branches of study to enable him to conduct the research without any interferences. To attain this permit, it was necessary to know which department was responsible for approving the same and through the proper chain of command understand the right procedure to acquire the same. Upon getting the permit which was in form of a written memo, it was presented to the relevant authority to get started with the exercise.

3.7 Data Analysis and Presentation of Findings

In this section the results of the data analysis were presented. The data was collected and then processed in response to the problems posed in chapter one of this study. This involved qualitative and quantitative analysis. The data collected by use of various instruments was first edited to get the relevant data for the study. The edited data was coded for easy classification to facilitate tabulation. The tabulated data was then analyzed by calculating various percentages where possible. Data collected was calculated by use of statistical inference such as mean and mode where applicable. Presentation of data was in form of pie-charts and bar-graphs where it provided successful interpretation of the findings. Descriptive data was provided in form of explanatory notes.

3.8 Ethical Considerations

Ethical considerations in research are critical. According to Mazur (2007), ethics are the norms or standards for conduct that distinguish between right and wrong. They help to determine the difference between acceptable and unacceptable behaviour. The integrity, reliability and validity of the research findings rely heavily on adherence to ethical principles. Readers and the public in general want to be assured that the researcher followed the proper procedures for issues such as human rights, conflicts of interest, safety, health standards and so on. The handling of these ethical issues greatly influences the integrity of the research project and can affect whether the project receives funding or not.

Descriptive research designs have benefits over experimental research designs in terms of ethical issues. This is so because it primarily studies participants and test subjects in their natural atmosphere with no manipulation of any variables. Regardless of the research type, the researcher should take into consideration both general research principles and those that are more
specific to the type of research. In general, ethical values prevent against such things as fabrication or misrepresenting data and hence promote the pursuit of knowledge and truth which is the primary goal of research. In descriptive, ethical principles are primarily centered on defending research participants and the guiding foundation of do no harm.

3.9 Chapter Summary

The chapter focused on assessing the research design as well as the target population which was ideal for the data collection. Sampling techniques, instruments of data collection and data collection procedures were also discussed in the study. An analysis of data and presentation of findings was also elaborated while taking a keen attention on ethical considerations.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

The chapter focused on the sections that were relevant for operationalization of the research study which involved the research design, target population, research instruments, and study pretest, the procedures of data collection and then analysis and presentation of the research data.

4.1 Presentation of Research Findings

The data obtained from the field was tabulated and presented on the table and figures and then the literature done to complement the tables and figures.

4.1.1 Personal Information

4.1.1.1 Gender of the respondents

This was to find out the gender of the respondents in the study to determine the dominant gender and their input in the study.
Table 4.1: Gender of the Respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>22</td>
<td>37</td>
</tr>
<tr>
<td>Female</td>
<td>38</td>
<td>63</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.1: Gender of the Respondents

The findings noted that female was majority at 63% while male was at 3% in the study on the factors affecting sales performance among retail businesses in Kenya.

4.1.1.2 Management level

The study explored the level in the management that the respondents held so as to know the kind experience and expertise on hand.

Table 4.2: Management Level

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
</table>

35
The study indicated that senior management was at 21%, middle management was at 38% and then support staff was at 41% in the study on the factors affecting sales performance among retail businesses in Kenya.

4.1.1.3 Years worked in the company

The aim was to find out the duration at which the respondents had worked at the organization to know the experience and the knowledge they have on sales performance.

Table 4.3: Years worked in the company

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior management</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>Middle management</td>
<td>18</td>
<td>30</td>
</tr>
<tr>
<td>Support staff</td>
<td>42</td>
<td>53</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Figure 4. 3: Years worked in the company

The findings showed that those who had worked at the company for less than 1 year were at 7%, 2-4 years were at 25%, those between 5-7 years were at 50%, 8-10 years were at 13% and then those above 10 years were 5% in the study on the factors affecting sales performance among retail businesses in Kenya.

4.1.1.4 Highest Education Level
This was to find out the education level of the respondents to determine the level of knowledge regarding the information being sought.

Table 4.4: Highest Level of Education

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Secondary</td>
<td>10</td>
<td>17</td>
</tr>
<tr>
<td>Tertiary</td>
<td>36</td>
<td>60</td>
</tr>
<tr>
<td>University</td>
<td>13</td>
<td>21</td>
</tr>
</tbody>
</table>

**Total** 60 100
The findings from the study showed that those with primary level of education were 2%, secondary was 17%, tertiary was 60% and then university level was 21% in the study on the factors affecting sales performance among retail businesses in Kenya.

4.1.2 Promotion

4.1.2.1 Promotion affecting Sales performance

This was to determine if promotion affects the performance of sales among the retail businesses and the results were presented on the table.

Table 4. 5: Promotion affecting Sales performance

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>52</td>
<td>87</td>
</tr>
<tr>
<td>No</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>
Figure 4.5: Promotion affecting Sales performance

The findings established that Promotion affect sales performance among retail businesses according to 87% of the respondents while the remaining 13% did not affirm to it.

4.1.2.2 The extent of Promotion affecting Sales performance

The purpose was to find out the extent at which promotion affects sales performance among retail businesses.

Table 4.6: The extent of Promotion affecting Sales performance

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Great extent</td>
<td>18</td>
<td>30</td>
</tr>
<tr>
<td>Average extent</td>
<td>30</td>
<td>50</td>
</tr>
<tr>
<td>Low extent</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>
The study determined that Promotion affect sales performance among retail businesses to a very great extent according to 15% of the respondents, great extent at 30%, average extent at 50% and low extent at 5%.

4.1.2.3 Rating the effects promotion on sales performance

The researcher wanted to rate of effects of Promotion on sales performance among retail businesses.

Table 4.7: Rating the effects promotion on sales performance

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above average</td>
<td>20</td>
<td>33</td>
</tr>
<tr>
<td>On average</td>
<td>33</td>
<td>55</td>
</tr>
<tr>
<td>Below average</td>
<td>7</td>
<td>12</td>
</tr>
</tbody>
</table>
The study showed that the effect of Promotion on sales performance among retail businesses was rated above average according to 33% of the respondents, on average at 55% and then below average at 12%.

4.1.3 Pricing

4.1.3.1 Pricing Affecting Sales Promotion

This was to find out if Pricing affect sales performance among retail businesses and the results presented on the table and figure.

Table 4. 8: Pricing Affecting Sales Promotion

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>49</td>
<td>82</td>
</tr>
<tr>
<td>No</td>
<td>11</td>
<td>18</td>
</tr>
</tbody>
</table>
The findings indicated that pricing affect sales performance among retail businesses according 82% of the respondents while 18% did not affirm to it.

4.1.3.1 The extent of pricing affecting sales performance

The study sought to establish the extent at which pricing affect sales performance among retail businesses.

Table 4. 9: The extent of pricing affecting sales performance

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Great extent</td>
<td>18</td>
<td>30</td>
</tr>
</tbody>
</table>
Average extent  22  37
Low extent  5  8
No effect  3  5
Total  60  100

Figure 4. 9: The extent of pricing affecting sales performance.

The results indicated that pricing affects sales performance among retail businesses to a very great extent at 20%, great extent at 30%, average extent at 37%, low extent at 8% and then no effect at 5%.

4.1.4. Competition

4.1.4.1 Competition Affecting Sales Performance

The study sought to establish if competition affects sales performance among retail businesses and the results presented on the table.
The results showed that competition affects sales performance among retail businesses according to 83% of the respondents while 17% did not agree to it.

4.1.4.2 The Extent Competition Affects Sales Performance

This was to find out if competition affect sales performance among retail businesses and the results were presented on the table and figure.

Table 4. 11: The Extent Completion Affects Sales Performance
<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very effective</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Effective</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>fair</td>
<td>23</td>
<td>38</td>
</tr>
<tr>
<td>Less effective</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Poor</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

**Figure 4.11: The Extent Completion Affects Sales Performance**

The findings postulated that competition affect sales performance among retail businesses very effective at 25%, effective at 22%, fair at 38%, less effective at 10% and poor at 5%.

**4.1.5 Customer Loyalty**
4.1.5.1 Customer Loyalty affecting sales performance

This was to find out if Customer loyalty affect sales performance among retail businesses and the findings presented on the table.

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>44</td>
<td>73</td>
</tr>
<tr>
<td>No</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4. 12: Customer Loyalty affecting sales performance.
The study indicated that customer loyalty affects sales performance among retail businesses according to 73% of the respondents while 27% did not affirm to it.

4.15.2 The extent customer loyalty affects sales performance.

The researcher wanted to establish the extent at which customer loyalty affect sales performance among retail businesses.

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>12</td>
<td>20</td>
</tr>
<tr>
<td>Great extent</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Average extent</td>
<td>15</td>
<td>25</td>
</tr>
<tr>
<td>Low extent</td>
<td>20</td>
<td>33</td>
</tr>
<tr>
<td>Not at all</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
The findings showed that Customer loyalty affects sales performance among retail businesses to a very great extent according to 20%, great extent at 18%, average extent at 25%, low extent at 33% and then 4% for not at all.

4.2 Limitation of the Study

In pursuit of this study, several limitations were encountered. Some customers did not answer all the questions in the questionnaire. Some customers felt like it was a waste of their precious time while others perceive it as nagging and this affected their willingness to fill all the questions honestly. This was solved by creating a better approach and only focusing energy on the friendly customers.

Tuskys limits activities that can interfere with the smooth running of the business at its stores to offer their customers a pleasant and peaceful shopping experience. The researcher overcame the limitations by clearly explaining the purpose of the study and how it would be beneficial to them. Confidentiality of the information obtained was also emphasized.

4.3 Chapter Summary
The study focused on the findings from the field by presenting data from each variable in different sub-heading to make specific explorations. The data was presented in well labeled tables and graphs from which an interpretation was made, and some statement made to make clear the findings for easy analysis in the next chapter.

CHAPTER FIVE
SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction
The chapter presents the summary of findings obtained from chapter according the variables under study. The summary then is concluded and then recommendations done based on the variables to answer the research question in the study.

5.1 Summary of Findings
5.1.1 Personal Information
The findings noted that female was majority at 63% while male was at 3% in the study on the factors affecting sales performance among retail businesses in Kenya. The study indicated that
senior management was at 21%, middle management was at 38% and then support staff was at 41% in the study on the factors affecting sales performance among retail businesses in Kenya. The findings showed that those who had worked at the company for less than 1 year were at 7%, 2-4 years were at 25%, those between 5-7 years were at 50%, 8-10 years were at 13% and then those above 10 years were 5% in the study on the factors affecting sales performance among retail businesses in Kenya. The findings from the study showed that those with primary level of education were 2%, secondary was 17%, tertiary was 60% and then university level were 21% in the study on the factors affecting sales performance among retail businesses in Kenya.

5.1.2 Promotion on sales performance in retail businesses.

The findings established that Promotion affect sales performance among retail businesses according to 87% of the respondents while the remaining 13% did not affirm to it. The study determined that Promotion affect sales performance among retail businesses to a very great extent according to 15% of the respondents, great extent at 30%, average extent at 50% and low extent at 5%. The study showed that the effect of Promotion on sales performance among retail businesses was rated above average according to 33% of the respondents, on average at 55% and then below average at 12%. The study therefore determined the how promotion affects performance of sales under different premises.

5.1.3 Pricing on sales performance in retail businesses.

This was to ascertain the extent at which pricing affects the performance of sales in the retail business and the results obtained as indicated. The findings indicated that pricing affect sales performance among retail businesses according 82% of the respondents while 18% did not affirm to it. The results indicated that pricing affects sales performance among retail businesses to a very great extent at 20%, great extent at 30%, average extent at 37%, low extent at 8% and then no effect at 5% as a dependable factor on how sales performance is affected among retail businesses.

5.1.4 Competition on sales performance in retail businesses.
The study aimed at determining how competition affects the performance of sales in the retail businesses and the presented findings postulated as indicated. The results showed that competition affects sales performance among retail businesses according to 83% of the respondents while 17% did not agree to it. The findings postulated that competition affect sales performance among retail businesses very effective at 25%, effective at 22%, fair at 38%, less effective at 10% and poor at 5%. This indicated competition as a considerable factor on the effects of sales performance in the retail businesses in Kenya.

### 5.1.5 Customer loyalty on sales performance in retail businesses.

The study sort how to examine the customer loyalty on its effects on the performance of sales in the retail business and the results determined. The study indicated that customer loyalty affects sales performance among retail businesses according to 73% of the respondents while 27% did not affirm to it. The findings showed that Customer loyalty affects sales performance among retail businesses to a very great extent according to 20%, great extent at 18%, average extent at 25%, low extent at 33% and then 4% for not at all. The customer loyalty factor was noted to be dependable on affecting the performance of sales in the retail businesses in Kenya.

### 5.2 Recommendations

#### 5.2.1 Promotion

There is need to explore more on the factors that affect the sales performance among retail businesses in respect to promotion to assist business have clearer picture of how positive or negative sales performance is affected. The effects of promotion on sales performance among retail businesses was rated to be average therefore raising the need find out the reasons as to why this rating cannot be above average and the implications this average rating have on the retail businesses.

#### 5.2.2 Pricing
The study concluded that pricing affects the sales performance among the retail business, but the study did not indicate how pricing affects sales performance and the effects this could have on the survival of retail business. Therefore, more to be explored to establish more on this item for the better of the retail businesses. The extent at which performance of sales among retail business being affected by pricing not clear require more investigation to identify the specific extent at which this is affected to give retail businesses a clear position that is necessary for operation.

5.2.3 Competition

The impact realized on how competition affecting sales performance should be determined so that the retail businesses can have a strategy on how to carb negatives ones and statically implement the positive ones for good productivity. The effectiveness of how competition affects sales performance among retail businesses not clear require further exploration to know the reasons why effectiveness is not determined and the way forward on it.

5.2.4 Customer Loyalty

The study confirmed customer loyalty affecting sales performance among retail businesses but specific ways in which this affects sales performance was not determined and therefore it is important that such factors are identified and analyzed for better operation of retail businesses regarding their loyal customers. The rate of extent at which customer loyalty affects sales performance in retail businesses should be determined and on how low extent is on the higher side.

5.3 Conclusion

The study concluded that promotion affects the sales performance among retail businesses. It was noted that promotion affecting the performance of sales among retail businesses was an average extent. The rate of the effects of promotion on sales performance among the retail businesses was on average. This therefore showed that promotion as a factor on the sales performance of retail businesses has an impact that require attention for effective operation of the businesses.

It was very clear from the findings that pricing affects the sales performance among the retail businesses. The extent at which performance of sales among retail business being affected by
pricing was not clear since great extent and average extent were alternating therefore no specific position on this. Therefore, pricing determines the performance of sales in the retail businesses in whatever perspective it’s viewed.

On competition affecting the sales performance among retail businesses, it was noted to be surely affecting it. On the effectiveness on how competition affecting sales performance among retail businesses, it was not so explicit on how effective it affects though effective was higher but none of the premises was even half percentage to take a clear position.

It was very evident that customer loyalty affects the sales performance of the retail business in Kenya. On the extent at which customer loyalty affects the sales performance among the retail business, there was no clear indication on the specific rate of extent that could be settled on due to low percentage on each premise though low extent was higher as a premise.

**5.4 Suggestions for Further Studies**

The study explored the factors affecting sales performance among retail businesses with variables under study being promotion, pricing, competition and customer loyalty where the study made conclusions and recommendations. It was therefore clear from the study that competition cut across all the variables in determining the sales performance of retail businesses. The study therefore suggested further study on the factors influencing competitive advantage among retail businesses in Kenya.

**REFERENCES**


APPENDIX I: QUESTIONNAIRE

Dear respondent this questionnaire aims to collect information related to the factors affecting Sales performance among retail businesses in Kenya. The information given is for academic purpose only and will be treated as very confidential. Please fill the question according to the instructions given.
SECTION A: PERSONAL INFORMATION

1. Gender
   Male ☐
   Female ☐

2. Which is your level in the management?
   Senior Management ☐
   Middle Management ☐
   Support Staff ☐

3. Years worked in the company
   Less than 5 years ☐
   5-8 years ☐
   9-13 years ☐
   14-18 years ☐
   Above 18 years ☐

4. Highest Education level
   Primary ☐
   Secondary ☐
   Tertiary ☐
   University Level ☐
   Others ☐

 Specify: ................................................................................................................
..........................................................................................................................
..........................................................................................................................
.............

SECTION B: PROMOTION

5 a) Does Promotion affect sales performance among retail businesses in Kenya?
   Yes ☐
b) Explain

................................................................................................................................................................
................................................................................................................................................................
................................................................................................................................................................
c) To what extent does a Promotion affect sales performance among retail businesses in Kenya?

☐ Very great extent

☐ Great extent

☐ Average extent

☐ Low extent

d) How would you rate the effect of Promotion on sales performance among retail businesses in Kenya?

On average ☐

Above average ☐

Below average ☐

SECTION C: PRICING

6 a) Does Pricing affect sales performance among retail businesses in Kenya?

Yes ☐

No ☐

b) Explain
c) To what extent does pricing affect sales performance among retail businesses in Kenya?

- [ ] Very great
- [ ] Great
- [ ] Average
- [ ] Low
- [ ] No effect

(d) How would you rate the effect of Pricing on sales performance among retail businesses in Kenya?

- On average
- Above average
- Below average

SECTION D: COMPETITION

7 a) Does Competition affect sales performance among retail businesses in Kenya?

- Yes
- No

b) Explain

..................................................................................................................................................
c) To what extent does competition affect sales performance among retail businesses in Kenya?

☐ Very effective

☐ Effective

☐ Fair

☐ Less effective

☐ Poor

SECTION E: CUSTOMER LOYALTY

8 a) Does Customer loyalty affect sales performance among retail businesses in Kenya?

Yes ☐

No ☐

b) Explain

...........................................................................................................................................................
...........................................................................................................................................................
...........................................................................................................................................................
..............................................................................

c) To what extent does Customer loyalty affect sales performance among retail businesses in Kenya?

☐ Very great extent

☐ Great extent

☐ Average extent

☐ Low extent
☐ Not at all

Thank you for taking your precious time and completing the form.