

**EFFECTS OF COMPETITIVE MARKETING STRATEGIES ON SMEs
PERFORMANCE: A CASE OF MOBILE TELEPHONE OUTLETS IN
ELDORET TOWN**

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ABSTRACT

Many businesses are started but after a short while they are closed. They often start off on a high note but after a few months they begin losing customers. The sales volume decline, profits dwindle, and retrenchment begins. Various factors are attributed to the high failure rate of the businesses in Kenya. Some of these factors include: competition, poor management, and lack of capital, among others. The study aimed at identifying the competitive marketing strategies used by SMEs in mobile phone outlets, establishing whether these strategies affected performance, assessing the operator's knowledge about the mobile telephone market and coming up with policy recommendations to help spur growth in the mobile telephone sector. The study employed a descriptive survey targeting SMEs operating mobile phone outlets in Eldoret town. The units of analysis for this study were managers and employees working in the industry. The total target population constituted 375 registered mobile phone outlets within the central business district of Eldoret town. The study selected 40% of the target population forming 150 respondents. Questionnaires were the main instruments for data collection. Data was analyzed using descriptive methods. The results from the study showed that 64% of the respondents applied the knowledge of competitive marketing strategies in their businesses. It was also acknowledged by the same percentage of respondents that competitive marketing strategies affected the performance of their businesses. 76.6% of the respondents had an understanding of the mobile phone market after acknowledging employment of market survey techniques. Findings were presented in the form of distribution tables, graphs and pie charts. It is hoped that from this study entrepreneurs will be able to add to their existing knowledge the various competitive forces the SMEs utilize. Mobile phone operators will take their own initiative and take up creativity and innovation in their businesses in order to remain competitive. Mobile phone operators will improve on their management skills so that they can deal competently with their customers. Infrastructure will be improved in order for the mobile phone operators to operate in a conducive working environment.