ROLE OF CREATIVE AND INNOVATIVE STRATEGIES IN SERVICES MARKETING:
A CASE STUDY OF DELOITTE KENYA

BY

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UNITED STATES INTERNATIONAL UNIVERSITY

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ALICE N. NGONE

A Research Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters of Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY

SUMMER 2014
DECLARATION PAGE

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

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This research report has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________  Date: ___________________________
Prof. Peter Lewa

Signed: ___________________________  Date: ___________________________
Dean, Chandaria School of Business
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ABSTRACT

The general objective of the study was to explore the role of creative and innovative strategies in services marketing. This research focused on three key areas as provided by the following research questions:

i. What are the creative and innovative strategies required to be adopted by a service marketing firm to remain competitive in the market?

ii. How does the culture and leadership of the company affect the adoption of creative and innovative strategies?

iii. How do creative and innovative strategies affect the organization’s ability to market its services?

The study in general took the form of a descriptive survey approach. The descriptive study was selected since it enabled the researcher to study the relationship between creative and innovative strategies, and services marketing. The target population in focus constituted the employees of Deloitte Kenya Ltd. The target population was four hundred and nineteen (419). The sampling technique employed in this study was probability sampling which generated a sample size of 87 respondents. The selected technique was used to ensure fair representation of the general population.

Data for the study was collected using self-administered questionnaires. This approach provided the respondents’ the ease and flexibility to answer questions at their own convenient time. The use of questionnaires also enabled the researcher to collect reliable and current information. Quantitative methods were used for data analysis. Statistical Package for Social Science (SPSS) Student Version 16.0, a unified and comprehensive package, was used to analyze the collected data thoroughly and conveniently.

The organization has placed high importance on making incremental improvements on the human resource management system, process and quality management system as well as the overall organization structure indicating that these are key strategies required by service marketing firms to become competitive in the market.

The study also portrays an empirically grounded research on the impact of organizational culture on innovation adoption. It has shown that vision, organizational structure compound, support mechanisms, leadership and innovation stimulators can enable
employees to become more innovative and creative or destroy their capabilities. In short they will either activate or inhibit creativity and innovation within the organization.

It is also portrayed from the study that support and commitment from leadership contributed to the overall organization’s success in generating new service offerings to the market. The firm’s leadership placed great importance to the creation of new ideas and incorporation of breakthrough ideas within the current system by supporting the adoption of creativity and embracing innovation. This demonstrates a deliberate effort by the organization to remain competitive in the market through its market innovation activities.

The study recommended that the organization adopts an approach that combines the latest thinking in innovation leadership with customization to the strategic context in order to drive change. It recommended that organizations have one or more executive champions who actively challenge the status quo and pilot successful projects by inculcating key elements of creativity and innovation within the organization.
ACKNOWLEDGEMENT

I would like to gratefully and sincerely thank Prof. Peter Lewa for his guidance, understanding, and patience during my research study at United States International University. His support was paramount in enabling me complete the study.

My greatest debt of gratitude also goes to Prof. Francis Wambalaba who guided and supported me to develop the research proposal. His scholarly guidance and patience during my period of proposal development encouraged me to believe in myself and the possibility of completing my research.

I am indebted to the library staff at USIU, who provided textbooks, journals and other sources of information that were used in the compilation of this study. I would like to thank the University for providing me with the needed resources for completing this project.

I remain solely responsible for all errors and omissions, views and interpretations related to this research.
DEDICATION
I dedicate this project to God almighty for giving me life, health and resources while carrying out this research.

While it is not possible to give acknowledgements to all those who assisted me, I have to give special thanks to my parents Mr. and Mrs. Ngone whose prayers, financial and moral support enabled me to successfully pursue my postgraduate studies.

I also dedicate this research project to my beloved sister Lydia Ngone. I sincerely hope I am an inspiration to her to work harder and surpass my current academic achievements.
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LIST OF ACRONYMS

AMA: American Marketing Association
CEO: Chief Executive Officer
DGO: Deloitte Global Office
DTTL: Deloitte Touche Tohmatsu Limited
HR: Human Resource
IFAC: International Federation of Accountants
NSE: Nairobi Stock Exchange
PSPs: Professional Service Providers
R&D: Research and Development
SPSS: Statistical Package for Social Science
UK: United Kingdom
US: United States
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The collective term ‘creativity and innovation’ is routinely used, and the individual words ‘creativity’ and ‘innovation’ are often used synonymously, the two words actually refer to two distinct activities in the organization (Florida and Goodnight, 2005). ‘Creativity’ is about the generation and sharing of ideas and ‘innovation’ is the process whereby creative ideas are implemented (Hennessey and Amabile, 2010). People who are creative and people who are innovative may have very different perspectives. For example, it may be that an innovative person does not have the good ‘customer intelligence’ to identify a new market potential, but does have sound, pragmatic expertise in relevant applications that could be exploited to introduce incremental improvements to products/services or to turn an idea into a new product/service (Assink, 2006). There are a great many opportunities for organizations to find innovative solutions to their ideas, such as joint working with other organizations that have appropriate technology and capability (Florida and Goodnight, 2005; Janssen, 2003).

Research into innovation (Mahmoud-Jouini and Charue-Duboc, 2008; Jaruzelski et al., 2012; Kanter, 1998; Jaskyte, 2008) has resulted in a new, broader perspective about the nature of innovation: radical technological inventions are no more seen as the only types of innovations, and research and development (R&D) systems as not the only way in which innovations can be created (Jaruzelski et al., 2012). Also incremental and less tangible improvements are nowadays counted among innovations, and the role of everyday business as an important arena for the creation of innovations has been acknowledged (Lundvall, 1992; Schienstock, 1999; Schienstock and Hamalainen, 2001). While these new thoughts are important for all kinds of innovations, they are highlighted in the service context. Based on them, the capability to understand service innovation has essentially improved.

According to Assink (2006), creativity is defined as relating to or involving the use of the imagination or original ideas to create something. He defines innovation as the application of new solutions that meet new requirements, inarticulate needs, or existing market needs. This is achieved through the production of improved goods, service provision, processes, generation of new ideas, improved technologies that are always
accessible to the society and the business world. Innovation can simply be defined as an original and new idea/something that hits the business market and the society (Chen and Kaufmann, 2008). One usually associates to new phenomena that are important in some way.

The term creativity is used in different ways and the definition is formulated in different respects. Creativity has many synonyms, such as productive thinking, divergent thinking, originality, imagination and brainstorming (Chen and Kaufmann, 2008). Creativity has recently become increasingly present within current managerial discourse: it is described as a crucial competence not only within creative industries but also for all departments and almost everywhere. It has become a managerial fashion (Florida and Goodnight, 2005).

According to George (2008) creativity has traditionally been a multidisciplinary field of interest and has recently spread into the managerial domain as a result of its growing strategic importance in sustaining innovation as a source of competitive advantage. In today’s rapidly changing environments, the complexity of problems requires solutions that combine knowledge, efforts and abilities of people with diverse perspectives (Brown and Eisenhardt, 1998). Employees do not always have the knowledge and individual skills to generate creative solutions on their own. Moments of collective creativity become necessary to produce creative outcomes (George, 2008). The current complexity of the competitive arena and the level of sophistication of new services suggest that creative activity is increasingly conceived as the outcome of collective processes that normally take place within teams specifically created for that purpose (Hargadon and Bechky, 2006).

Services have long been regarded as secondary from the viewpoint of innovation. They were thought to be mainly consumers of innovations, occasionally imitators of or facilitators to innovations of manufacturing firms (Gallouj, 2002b). Along with the ‘servicisation’ of society, this kind of argumentation has, however, become all the more untenable because it implies that the scarcity of genuine innovation would characterize the majority of economy (Howells, 2000; Miles, 1993).
Despite the acknowledgement that service innovation is not limited to changes in service products, research on service innovation is still weak in capturing the varieties that surround service innovation. Following Sundbo and Gallouj (1998), there is an assumption that an innovation is ‘a change of business by the addition of a new element or a new combination of old elements in the Schumpeterian meaning’, more precisely, the hypothesis that service innovation results from the creation of new combinations of knowledge (Anand, Gardner, & Morris, 2007; Miles, 2005).

As elaborated by Redmond, Mumford and Teach (1993) professional services is defined as an industry of technical or unique functions performed by independent contractors or consultants whose occupation is the rendering of such services. Examples of professional services include those of: accountants, actuaries, appraisers, architects, attorneys, business consultants, business development managers, copywriters, engineers, funeral directors, law firms, public relations professionals, recruiters, researchers, real estate brokers, translators and medical centres.

Companies are competing strategically through service quality for greater differentiation in today’s competitive marketplace (Zeithaml and Bitner, 2001). Successful companies focus on the services-dominant paradigm with investment in people, technology, human resources policies, and compensation linked to service performance of employees (Hoffman & Bateson, 2001; Grönroos, 2000). This is important because contact employees’ attitudes and behaviours significantly influence the quality of service. They present the “face and voice” of their organizations to customers.

Recent studies (Gallouj, 2002a, 2002b; Preissl, 2000) open up some of the unique characteristics that are associated to service innovation. They point out that service innovations do not rely on R&D and neither are they a result of some deliberate action or activity, they state that the art of R&D actually does not exist in service innovation. They articulate the emergence of service innovation to the provision of services based on the needs of the clients and these innovations are recognized as innovations only a posteriori. Secondly, they note that one cannot classify services in terms of innovations, process and products simply because services are products and at the same time processes. Sundbo and Gallouj (2000) also note that there is no clear-cut method of identifying service
innovations since its reliance on provision makes it hard to identify improvement as compared to products where one can detect a new product in the market.

Identifying innovation in service firms is also difficult for the organizations since they cannot differentiate the results and thus underestimate their innovations since every service provision act can be unique in its own way. Service providing firms also do not rely on terms like innovation, but are rather focused on improvement of quality and customer satisfaction (Gallouj, 2002a, 2002b; Preissl, 2000; Sundbo and Gallouj, 2000).

“Deloitte” is the brand under which tens of thousands of dedicated professionals in independent firms throughout the world collaborate to provide audit, consulting, financial advisory and tax to selected clients. These firms are members of Deloitte Touche Tohmatsu Limited (DTTL), a United Kingdom (UK) private company limited by guarantee. Each member firm provides services in a particular geographic area and is subject to the laws and professional regulations of the particular country or countries in which it operates (Deloitte Review, 2012).

Deloitte’s overarching vision is, ‘To be the Standard of Excellence’. The firm aims to be the first choice of the most coveted talent and the first choice of the most sought-after clients in the market. Deloitte East Africa’s strategy is geared towards achieving dominance and market leadership in all of its geographical locations. The four pillars that underpin this strategy include; talent agenda, client agenda, partnership agenda and brand agenda. The talent agenda focuses on recruiting the best talent available in the market, developing the capabilities of its current employees and retaining talented personnel. The client agenda focuses on creating a quality-driven and risk sensitive organizational culture to enable provision of quality services. The agenda also focuses on creating a pool of quality clients that provide Deloitte with strategic opportunities. The partnership agenda emphasizes on growth in quality of service delivery, growth in earnings and strengthening of one-firm culture and behaviours. The brand agenda concentrates on enhancing the organization’s brand and achieving operational excellence in service delivery (Deloitte East Africa Strategy, 2011).

Deloitte East Africa is one of the largest professional services firms in the region. Dedicated since 1907 to the needs of its clients, the company has grown with the
economy and aspirations of the region into a large and experienced firm supplying the
very best in accounting, taxation and business solutions to some of East Africa’s most
prominent organizations. The firm consists of 16 partners and over 500 staff providing
services from offices in Nairobi, Mombasa, Dar es Salaam, Kampala and Kigali. The East
African firm possesses experience and in-depth expertise in providing advisory services
to the public and private sectors (Deloitte Review, 2012).

Deloitte in Kenya is one of the longest established professional firms of accountants in
Kenya. Its history begins in 1907 with the formation of Ramsay and Gill. In 1915, the
firm became Gill & Johnson and today, with 11 partners and about 300 employees in
offices in Nairobi and Mombasa, Deloitte is among the largest accounting firms in Kenya.
Its clients range from the largest and most prestigious organizations in the country,
including nearly 30% of the companies quoted on the Nairobi Stock Exchange (NSE), to
sole traders. The company’s clients come from a wide variety of local and international
organizations, including manufacturing, financial, distribution, service, agricultural,
governmental and charitable bodies, representing the complete spectrum of the private
sector, development agencies, non-governmental organizations and parastatals (Deloitte

The organization takes great pride in its ability to provide quality services – whether they
are owner managed businesses or a large multinational corporation. The organization has
multi-skilled, multi-disciplined firms and offers its clients a wide range of industry-
focused business solutions. The organization recruits the brightest and the best employees
- whatever their specialism. Deloitte staff combines the dynamism and fluid-thinking of
the young graduate, with the business knowledge and insight of the seasoned executive.
Investing in its employees means its clients get world-class expertise to solve their

1.2 Problem Statement
By intuition, one would expect businesses that excel in marketing also to thrive at
innovation. However, management research has shown that this is not necessarily the case
(Christensen and Bower, 1996). The tyranny of the served market (Christensen, 1997;
Christensen and Bower, 1996) demonstrates that: market leaders can face a systematic
handicap on markets, while outsiders can innovate simply because they can ignore established market standards in a turbulent environment.

This counterintuitive phenomenon can be explained by taking a close look at the role of marketing and innovation in business life (Schumpeter, 1934). According to the American Marketing Association, “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA 2007). Core activities of marketing are market research and customer relationship management, identifying valuable market offerings, developing a market-strategy and designing policies for creating, delivering and communicating the value. Within the business, marketing is responsible for sales and thereby is in charge for the top-line of the earnings report of a business (Kotler, 2012).

Innovation on the other hand is according to Schumpeter “The introduction of new goods/services, new methods of production, the opening of new markets, the conquest of new sources of supply and the carrying out of a new organization of any industry” (Schumpeter, 1934). Ultimately, only new products and services that generate customer value thrive in the market.

The question of innovation, however, is also crucial to the organization. Innovation is crucial to an organization’s ability to retain competitive advantage, especially when faced with the economic pressures of today. The consulting industry as well as other professional service offering was born out of this belief and continues to be a source of support for organizations looking for that expertise. The literature on service innovation suggests capturing the diversity of these dimensions by referring to product innovation (den Hertog, 2000; Howells & Tether, 2004; Kuusisto & Meyer, 2003), process innovation (Salter & Tether, 2006; Sundbo & Gallouj, 1998; Tether et al., 2002), delivery innovation (den Hertog, 2000; Kuusisto & Meyer, 2003; Tether et al., 2002), strategic innovation, managerial innovation and marketing innovation (Howells & Tether, 2004; OECD, 2006; Sundbo & Gallouj, 1998; Tether et al., 2002). However, there is very little research on how the experts in this field develop their products and services to ensure they stay at the cutting edge of innovative and creative practices (O’Mahoney, 2010).
An increasing number of scholars claim that traditional concepts developed for manufacturing organizations cannot be transferred directly to services. This is because service firms usually do not organize innovation activities in conventional Research and Development (R&D) departments like manufacturing firms (Miles, 2007). They innovate differently (Camacho & Rodríguez, 2008; Jiménez-Zarco et al., 2006), such as implementing innovation in projects and on-the-job (Miles, 2008). Therefore, measurement tools and definitions applied to evaluate innovation activities in the manufacturing sector may not be appropriate for the service sector (Dolfsma, 2004; Camacho & Rodríguez, 2008).

From the above analysis it can be inferred that creative and innovative strategies are fundamental to a company that needs to have a competitive edge in the market. In professional services specifically, there seems to be less adoption of creativity and innovative strategies more so at the local domain. The tendency appears to heavily rely on the set methodologies and standards as a guide to service delivery. However, there no studies that have been carried on in Kenya on the significance of incorporating creativity and innovation in the work place and thus the need for this study to explore the role of creative and innovative strategies in services marketing with a focus on Deloitte Kenya Limited.

1.3 Purpose of the Study
The general objective of the study was to explore the role of creative and innovative strategies in services marketing.

1.4 Research Questions
This research focused on three key areas as illustrated by the following research questions:

1.4.1 What are the creative and innovative strategies required to be adopted by a service marketing firm to remain competitive in the market?

1.4.2 How does the culture and leadership of the company affect the adoption of creative and innovative strategies?

1.4.3 How do creative and innovative strategies affect the organization’s ability to market its services?
1.5 Significance of the Study
The significance of this research was to demonstrate the importance of integrating creative and innovative strategies in business operations for professional service firms. This study is therefore of importance to:

1.5.1 Deloitte Kenya
The study focused on Deloitte Kenya Limited and thus the organization may benefit from the case study results as it has illustrated the significance of adopting creative and innovative strategies and the factors that affect the effective adoption of these strategies in the firm. The organization can benefit from the recommendations that have been provided in the study.

1.5.2 Professional Service Providers
The results of the study will be of importance to Professional Service Providers (PSPs). The results not only show the importance of having a creative and innovative environment in organizations but also identify other organizational aspects that affect the implementation of the strategy. Thus, enabling PSPs to learn and adopt improved approaches of implementing organizational strategy.

1.5.3 Future Researchers
This study will contribute to the current pool of research and knowledge that focuses on innovative and creative strategies for service marketing. The study forms a strong base for future researchers who would be interested in exploring the same arena.

1.6 Scope of the Study
This research was a case study of Deloitte Kenya Limited. The study was limited to the Nairobi office. The population in focus for the study included the employees of Deloitte Kenya Limited across various departments of Consulting, Audit, Tax, Enterprise Risk, Corporate Financial Advisory, Internal Services and Secretarial. The time period for conducting the research was ten months and it concluded in December 2013.
1.7 Definition of Terms

1.7.1 Professional Services
The International Federation of Accountants (IFAC) issued a Code that defines professional services as those services requiring accountancy or related skills performed by a professional accountant including accounting, auditing, taxation, management consulting and financial management services (Hennessey and Amabile, 2010).

1.7.2 Creativity
Creativity also known as productive thinking, divergent thinking, originality, imagination and brainstorming can be defined as relating to or involving the use of the imagination or original ideas to create something (Assink, 2006; Chen and Kaufmann, 2008).

1.7.3 Innovation
Innovation can be defined as the introduction of new goods/services, new methods of production, the opening of new markets, the conquest of new sources of supply and the carrying out of a new organization of any industry (Schumpeter, 1934).

1.7.4 Creative Strategies
A creative strategy defines the important strategic choices required to develop a marketing message. The creative strategy defines what an organization states about its product or service. It explains how the organization needs its consumers to think about its brand (George, 2008).

1.7.5 Innovative Strategies
An innovative strategy is a plan made by an organization to encourage advancements in technology or services, usually by investing in research and development activities. The innovation strategy developed may entail the use of new management approach, procedures and the invention of systems not previously used by competitors (Agbor, 2008).

1.8 Chapter Summary
As demonstrated in this chapter, creative and innovative practices cannot be ignored by firms if they wish to have a competitive edge in the market. These types of strategies have overtime proved to be valuable to companies across many industries. This research seeks
to provide an understanding of service marketing, identify the creative and innovative strategies required by an organization to compete effectively in the market, the factors that affect their adoption and the role of culture and leadership in institutionalizing them. The second chapter details the literature review of the study; the third chapter discusses the methodology adopted. The fourth chapter presents the study’s results and findings; and the fifth chapter gives the study’s conclusion and offers recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter provides the literature review of the study by looking at previous work done on the topic. The chapter has been divided in various sections: section 2.2 discusses the nature and scope of services marketing; section 2.3 discusses the creative and innovative strategies required by service marketing firms; section 2.4 discusses the culture and leadership effects on adoption of creative and innovative strategies in organizations; section 2.5 discusses the effect of creative and innovative strategies on the marketing of services; and section 2.6 gives the chapter summary.

2.2 Creative and Innovative Strategies required by Service Marketing Firms

Services are problematic to define because of their nature. Complications arise from the fact that service creation and delivery to customers is a process that, more often than not, becomes difficult to comprehend. This results from the fact that service inputs and outputs are intangible (Hoffman and Bateson, 2010). Most people have little difficulty creating simple definitions of manufacturing (physical inputs are processed or assembled in a factory to create goods) or agriculture (live plants are grown and then harvested for use as food or other purposes), but defining service can elude them (Kapoor, 2011).

According to Shanker (2002) there are two approaches that capture the essence of service marketing. He starts by defining a service as something offered by one party to the other. He also notes that the process of service may include a product or good, but the process of offering is intangible and it does not lead to any form of ownership of the production factors. According to Grönroos (2000), services are economic factors that provide customers with creative and add value to them at specific times that they need and from specific places, consequently bringing out the anticipated adjustment on behalf of the recipient. More amusingly, services have also been described as ‘something which can be bought and sold, but which you cannot drop on your foot’ (Shanker, 2002).

2.2.1 Nature of Services

Skålén (2010) states that it is vital to study the unique features of services, since acknowledging these special and unique factors offer great perception on issues of service innovation and management. One reason for the poor quality of service levels across
different service industries is that managers often tend to solve service marketing problems with tools and techniques that are essentially meant for tangible products (Shanker, 2002; Hogg and Gabbott, 1998). Grönroos (2000) states that these matters arise since people do not have the in-depth understanding of the characteristics and nature of services. He further states that as the understanding of service characteristics grow, the ability of understanding services from the marketing and economic viewpoint also grows. Services differ from products due to the characteristics that are attributed to them.

2.2.1.1 Intangibility

The most common and globally known characteristic of services is intangibility given the fact that services are processes/actions and not products and hence cannot be felt using the common senses of feel, taste, see and touch as people can do while dealing with products (Zeithaml and Bitner, 2001). When people travel by a plane, the benefit which they are deriving is a service (transportation) but, it has some tangible aspects such as the particular plane in which they fly - Boeing, Avro, Concorde - and the food and drink which are served (Kapoor, 2011).

The wide and comprehensive definition of services that denotes intangibility as the primary characteristic of services enables one to determine whether something is a service or a good (Hoffman and Bateson, 2010). It is known that there are some products that are completely tangible and those that are completely intangible, but, services remain completely intangible when compared to goods and products and vice-versa (Shanker, 2002).

There are quite a number of challenges that arise from the intangibility aspect of services. Foremost is that due to the intangibility aspect of services, it means that they cannot be put on an inventory, thus, it becomes challenging to determine the demand due to fluctuations and hence managing the same (Hogg and Gabbott, 1998). Intangibility also means that new concepts of service can be emulated by other persons since one cannot patent legally the provision of services (Skålén, 2010). Intangibility also means that services cannot be displayed or communicated to consumers and thus makes it difficult for consumers to determine or judge the quality (Hoffman and Bateson, 2001). Finally, the intangibility also means that ‘per-unit’ pricing becomes a challenge since one cannot determine the quantity of service leading to a complex pricing relationship.
2.2.1.2 Inseparability

In most cases where a service is involved, one cannot separate the provider from the service itself (Friday and Cotts, 1995). A service is provided by a person who possesses a particular skill for example a singer or a doctor, by using equipment to handle a tangible product (dry cleaning) or by allowing access to or use of a physical infrastructure (hotel, train). Services are normally consumed during production (Gronroos, 2007). The relationship that exists between the production and consumption of services, therefore, commands that the production of services and its marketing have become extremely integrated processes. For example telephone companies produce calling service at the same time when a customer is consuming it through a phone call. A plumber must always be present during service provision as well as a beautician while providing a massage. This means that the service provider and the service consumer/customer are, more often than not, present in person during the consumption process (Gronroos, 2000).

In the case of goods, the production process is completed and the sale follows. In the case of services, the sale usually precedes the consumption given the fact that production and consumption are simultaneous (Gronroos, 2007). Sawczuk (2009) perceived that services can neither be stored nor transported by firms since distribution occurs directly, and this limits the market coverage of service marketing firms. Goods/products have to ensure that they target the ‘right time and place’ mantra, while for services, an additional aspect of ‘right way’ has to be observed as well (Hoffman and Bateson, 2010). Another outcome of simultaneous production and consumption is that service producers find themselves playing a role as part of the product itself and as an essential ingredient in the service experience for the consumer (Gronroos, 2007).

The issue if inseparability means that services cannot be produces in large quantities (Sawczuk, 2009). According to Friday and Cotts (1995) and Gronroos (2007), customer satisfaction and service quality are greatly dependent on the actions of the service providers and their level of interaction with the customers. For services, it is impossible to gain competitive advantage through centralization. Service operations have to be decentralized to facilitate the provision of services directly to customers at their most convenient locations. The fact that customers are directly involved during the service
provision process, this highly affects the service transaction outcome either positively or negatively (Hoffman and Bateson, 2001).

2.2.1.3 Heterogeneity

Since services are performances, frequently produced by human beings, no two services will be precisely alike (Friday and Cotts, 1995). The fact that human beings are responsible for service provision; it makes it very difficult to attain standardization in services. For example the way a doctor attends to one patient differs completely when handling another. The difference in bank tellers especially dealing with a new one changes the service provision of the same task in terms of efficiency. This still occurs even though there is standardization in terms of laid down rules and procedures of handling customers, since the human element is involved changing the efficiency in service provision (Brown et al., 1991; Sawczuk, 2009; Hogg and Gabbott, 1998; Hoffman and Bateson, 2001). Even though there is a lot of computerized systems in airports and hotels, lessening the human contact, upon arrival, customers are met with people (human employees) at the reception to offer directions and answer any queries. This leads to interaction between provider and customers and thus will lead to determining the consumers’ perception of the service provided to them by the providing firm (Friday and Cotts, 1995; Gronroos, 2007). In this instance, the facilities provided may be up and above the expected standards, but the overall perception of the service provider will still depend on the employees interacting with the customers (Sawczuk, 2009). Heterogeneity is also facilitated by the fact that no two customers are alike and their demands and personal experience differ in their own unique way and thus will judge service provision differently. Thus, the heterogeneity connected with services is largely the result of human interaction (between and among employees and customers) and all of the vagaries that accompany it (Hogg and Gabbott, 1998; Kapoor, 2011).

Levitt (2008) states that service production cannot be viewed as heterogeneous because service provision has been industrialized. Productivity in the service area has received an attempt of improvement with the introduction of technology. Uniformity has been argued that it can be introduced by replacing machinery with labor. Hostage (2001) observes that by training providers to react to consumer needs appropriately, service firms can ensure there is a reduction in inconsistency. Service firms can also improve on customer
satisfaction through a constant and efficient monitoring system that measures satisfaction and relies on feedback to correct poor service provision.

The nature of services in terms of heterogeneous makes it difficult to achieve consistency in delivery and quality. Service quality is greatly dependent upon factors that are beyond the control of the provider, such as proper communication from the customer about their needs, the ability of the provider to willingly satisfy the customers’ needs, the demand level for the services needed by consumers (Brown et al., 1991; Sawczuk, 2009; Hostage, 2001). The above mentioned factors lead to the inability of the service provider to ascertain that service delivery is carried out consistently to the planned and structured manner that had been laid down (Levitt, 2008).

2.2.1.4 Perishability
Perishability is another characteristic of services that denotes the inability of a service to be stored, resold, returned or be saved (Kaiser and Ringlstetter, 2010) and this results from the fact that service provision and consumption are simultaneous (Gronroos, 2007), they will expire only when there is lack of consumption. When looking at goods, there is the option of them being stored and sold later if customers are not present, but this is not the case with services. The absence of consumption of services leads to service wastage (Kaiser and Ringlstetter, 2010). When one misses a booked flight, reservation, or bandwidth not used, these things cannot be resold to another customer at another time nor can they be reclaimed by the customer.

The challenge faced by marketers as a result of the perishability aspect of services is the fact that they cannot keep an inventory. Demand forecasting and creative planning for capacity utilization are, therefore, important and challenging decision areas (Hoffman and Bateson, 2010). The inabilities to reclaim resale or return a service creates a need for marketing personnel to come-up with strong strategies that will enable them recover in-cases where they lack consumption.

Kurtz and Boone (2011) note that the functions of services are short-term and thus, they cannot be mass produced and stored to wait for their peak times. When the demand for service is high and stable, the perishability of services does not become a disadvantage and this makes it easier for providers to prepare in advance. High fluctuations in demand
call for service providers to ensure their systems are flexible enough to deal with high productions or handle the idle productive capacity (Kaiser and Ringlstetter, 2010; Hoffman and Bateson, 2010). Sasser et al., (1978) states that for businesses to create a best-fit strategy for demand and supply, organizations can employ the use of differential pricing where they can offer complementary during non-peak days. During the high-peak season, organizations can determine to use casual part-time employees to ensure that customers are completely satisfied.

2.2.1.5 No Transfer of Ownership
With the purchase of a product for example car, house, pen and book, the buyer owns the purchased good, a case that does not apply to the service. Users/ consumers of services will pay for the service but they cannot own the service (Sawczuk, 2009). Service payments facilitate the use of the required service and not the ownership and thus, the transfer of ownership does not take place (Hostage, 2001; Kaiser and Ringlstetter, 2010; Kurtz and Boone, 2011).

This feature of service makes it unique which in turn ensures that marketers give services distinct treatment. There is general agreement that inherent differences between goods and services exist and that they result in unique, or at least different, management challenges for service businesses and for manufacturers that offer services as a core offering (Kapoor, 2011).

2.2.2 The Creative and Innovative Strategies in Service Firms
Strategies that are creative and innovative facilitate the necessary growth strategies that provide organizations with new products and services as well as new business models that have a significant impact in the market through the value-creation for customers/consumers and the organization (Agbor, 2008; Chen and Kaufmann, 2008). Innovative strategies do not follow the norm, but rather takes the less travelled path by challenging the firms to move and focus on models that are beyond the already established boundaries and to do so with an open perspective and reach out to explore the possibilities’ realm (Agbor, 2008).

George (2008) states that, innovative strategy extends from questioning the norm and encouraging creative inspiration that starts-off from the unknown, blurred vision through
a detailed execution of successful strategies that lead to a positive change in the business arena. He further states that, innovative strategy does not rely on mundane increase in service additions or the following of other business models through benchmarking. He states that simple creativity and new idea brainstorming sessions are not enough for facilitate innovative strategies and neither is it supported by traditional strategic plans and linear business philosophies that infer from the past experiences so as to predict the future.

Agbor (2008) states that, strategic innovation requires a holistic approach in its operations and it acts across the board and on compound levels. It fuses the traditional approaches with the new business approaches in its strategies and it makes use of “Consumer/ Customer Insight,” “Industry Foresight” and “Strategic Alignment” in its execution augmenting this with conventional business models and approaches. George (2008) notes that innovative strategies combine two mindsets that are ostensibly enigmatic, expansive, visionary thinking that imaginatively explores long-term possibilities; and pragmatic, down-to-earth implementation activities that lead to short-term, measurable business impact.

According to Innovation 1000 Study (2012), there are three fundamental innovative strategies that companies use to manage the innovation process in relation to customers and markets. These strategies can be categorized into the following key areas; Need Seekers, Market Readers and Technology Drivers. Need Seekers, like Apple and Procter and Gamble, engage their customers using direct channels in order to generate new ideas. Need Seekers will thus develop their products and adjust their service provision from the end-user consideration, their goal lies in determining the spoken and non-spoken needs and finally seek to launch their new products in the market before their competition (Christensen, 1997).

Market Readers, for example Hyundai and Caterpillar, employ a different strategy. They have various strategies of generating new ideas. They start by monitoring the market diligently by observing consumers and competitors and end up creating value for their customers by increasing their product and service innovation. This approach is guarded and calls for the user to be a “fast follower” within the business world (Hargadon and Bechky, 2006).
Technology Drivers like Google and Bosch rely on their capability in terms of technology for the production of innovative services and products. These organizations rely on R&D to and invest a lot in R&D to come up with innovative products and services with the hope that their innovations will meet and satisfy the needs of their customers (Global Innovation 1000 Study, 2012).

According to the survey of Global Innovation 1000 (2012), innovators that retain their success in all industries do have various strategies that are consistent and have manageable ideation which are also aligned to their strategic innovations. These organizations also rely on pre-set principles and processes that are consistent during their adoption of strategies at the development stage.

2.2.2.1 Growth Factors

There seems to be a consensus that innovation is central to company competitiveness, particularly to achieve growth and productivity (Janssen, van de Vliert and West, 2004). However, it is also agreed that we do not fully understand all the factors that affect innovation. The United States (US) Advisory Committee on Measuring Innovation, for instance, in its mission document of 2008 specifically states that “Measurement of innovation is in its infancy” and that it “remains extremely rudimentary”. For instance, the annual ranking of the most innovative companies in the world published by Business Week and The Boston Consulting Group gives 80% of the overall weighting of the ranking to responses to public opinion surveys, and the remaining 20% is divided into 10% for stock returns, 5% for three year revenue, and 5% for margin growth. So, as observed there seem to be no specific metrics to evaluate what constitutes an innovative company (Vilanova and Dettoni, 2011).

Ultimately, innovation has been generally about generating profits for the firm, while today there seems to be a tendency to understand innovation as the effective application of new processes and products designed to benefit the company as well as its stakeholders. The difference may seem mild, but it takes innovation from a process designed to generate profits for the firm, to a process focused on generating value for both the public and the firm. That is, innovation must generate some sort of public value beyond the sole satisfaction of the customers (Hargadon and Bechky, 2006).
innovation drivers are very important because there is some evidence that the manner in which the firm innovates determines what the firm innovates. In other words, a firm that uses exploration throughout its ranks understands that the basic unit of innovation is not a department, but rather a network which aims to generate public and private good (Vilanova and Dettoni, 2011).

2.2.2.2 The Vision Factor
Being sustainable is not a cost, but rather a key strategic asset where innovation is the central process to be able to stay competitive. Sustainable competitiveness vision is innovative in itself. Very successful companies often tend to stay immobile because the opportunity cost of trying new things is too great (Yuan and Woodman, 2010). This is a well-documented phenomenon, where successful companies unwillingly fall into a rut and just concentrate on what they do. Innovative companies do not fall into this trap. They are usually quite flexible and dynamic, and open to new ideas. In other words, they stay on their toes in regards to innovation (Vilanova and Dettoni, 2011).

It is vital to keep in mind the fact that organizations can ominously out-do their competitors in the business market in spite of the strategies they select among the three provided. The most critical aspect that affects success is the implementation of the innovation strategy selected; they will have to identify how well aligned is the strategy when compared to their business strategy. These organizations need to determine the support strategy that has been developed to facilitate the innovation capabilities; they will also have to put into consideration the corporate culture and its impact on the strategy adopted; they have to consider their tools and processes also to determine whether they yield better ideas and whether they are consistent with their selected innovation model. According to Global Innovation 1000 Study (2012), organizations that have aligned all these aspects and innovation processes logically, and have also ensured that they have executed them effectively and efficiently, will always bare the advantage in terms of having new ideas, services and products.

2.2.2.3 Appropriate Structure
Organizational structure is influenced by the nature of the tasks performed within the organization. Formalization and control systems constrain innovation, while a decentralized structure with informal work practices enables the organization to be
flexible and respond to uncertain environments through innovation (Andriopoulos, 2001). Once creative ideas are generated, however, a degree of centralization is required for the idea implementation, and thus innovation. The team-based organization is a possible resolution. The extent of team-based working in organizations appears to be a good predictor of innovation in firms (Martins and Terblanche, 2003).

2.2.2.4 Training and Development of Employees
Recruitment and selection of the appropriate people for the team and team task play a key role in the success of an innovation strategy. Creative skills and problem solving abilities are possessed by all employees. A high involvement organization is successful because it utilizes individual’s abilities and ideas (Keashly and Harvey, 2005).

High-performance organizations demonstrate their commitment to employee training and development, equipping employees with the skills to take on broader roles within the organization. Such commitment will be demonstrated through the company’s training policy. Training and development empowers individuals to take on additional responsibility and to demonstrate more initiative at work (Chen and Kaufmann, 2008).

2.2.2.5 Innovation Champions
A key individual (or possibly a group) who is prepared to champion the innovation process can become a source of energy, motivation and enthusiasm to drive innovation through the organizational system. Key figures can play several roles. They may be a source of technical knowledge, fully appreciating the technology behind the innovation and have the ability to solve emerging technical problems (Lopez, Peon and Ordas, 2004). An individual in this role may provide inspiration and motivation to the rest of the team as they are able to resolve problems and remove technical barriers to the innovation.

The role of organizational sponsor is also significant in the development of an innovation to market. Such sponsors need to believe in the project and convince others in the organization of its potential, thus enabling support in terms of resources and time for the innovation (Andriopoulos, 2001). Provision of the necessary resources is vital for innovation and must be sufficient for the task. And the role of the business innovator is to recognize perspectives and needs, ensuring the success of the innovation within the organization (Andriopoulos and Lowe, 2000).
2.3 Culture and Leadership Effects on Adoption of Creative and Innovative Strategies

Literature on organizational creativity has grown in recent years, covering numerous dimensions and offering results that managers may find useful. A first stream of research (Damanpour, 1988; Andriopoulos and Lowe, 2000; Christensen, 1997; Andriopoulos, 2001) concerns organizational design and aim to identify the relation between organizational context, job design and creative performance (Dorenbosch, van Engen and Verhagen, 2005). Organizational creativity is affected by five most issues, these include: organizational environment, leadership style, organizational awareness, resources and structure and how the organization works (Andreopaulos, 2001).

2.3.1 Organizational Culture

Deshpandé and Webster define organizational culture (1989) as the sequences of shared beliefs that enable persons understand rules required by a company and how it functions. The concept about this culture is similar to the view that culture is and behavior in an organization and demonstrated by the shared beliefs of the members (Hofstede, 1998; Trice and Beyer, 1993). Furnham and Gunter (1993) review the functions of organizational culture as internal amalgamation. Literature indicates the functions of culture in an organization determines the level of internal integration and this can be portrayed from the level at which new members in the organization bond with existing ones. Organizational culture also determines the boundaries set for its members and is also responsible for creating employee commitment to the organization as well as giving employees the feeling of identity. Organizational culture plays the coordinating role. This facilitates the creation of an organization’s competitive edge, and it ensures the environment from which employees work makes sense and determines the acceptable behaviors and social system within the organization that facilitates stability. This can be defined as the social glue that binds the various organizational groups together (Martins, 2000).

After studying innovation among 759 companies based in 17 major markets, researchers Gerard et al. (2008) found that corporate culture was a much more important driver of radical innovation than labor, capital, government or national culture. Schein (2004) defines an organizational culture as employees’ shared assumptions and beliefs about the
organization and its environment. Lopez, Peon and Ordas (2004) define a collaborative culture as one that values teamwork, communication, respect and empowerment, and leverages the knowledge of individuals resulting in organizational learning.

According to Tushman and O’Reilly (1997), organizational innovation helps improve the culture of the organization. The key features that enhance organizational culture (shared values and behavior an organization expects of members of its members) making a difference through socialization procedures in corporations; people get to learn how they should work and what is expected of them. Most of the companies’ rules are made by the people in the organization in accordance to their shared values and how the organization operates (Chatman (1991) and Louis (1980) both cited in Tesluk et al., 1997).

Martins and Terblanche (2003) categorizes strategy, support mechanisms, behavior that leads to open communication that helps determine the culture of organizational which encourages innovation. Values and beliefs play a role in creativity and innovation and can either support or impede creativity depending on how the behavior of the group is influenced. Most importantly organizational culture helps fill the gap between what is formally publicized and what actually takes place (Martins, 2000). Martins explain the scopes of the culture cover mission and vision, external setting, ways of achieving the goals, how the organization is represented, management procedures, employee goals and interpersonal relationships.

The primary assumptions and beliefs become endorsed in well-known forms of behaviors and activity and are revealed as structures, practices, management practices and processes. These structures have a direct impact on innovation at their workplace, one illustration, would be to help develop ideas to support the system (Tesluk et al., 1997). In this way persons in corporations distinguish what is considered valuable and how they should behave at work.

2.3.2 Leadership Factor

Very creative organizations do not exist accidentally. They need leaders who will help drive, control and deliberate variations in culture and procedures in order to change them into creative and effective ones (Florida and Goodnight, 2005). When leadership is compared to structure, the plan of the organization, technology, and the principles are
identified as the most significant source and has a competitive edge. Organizational leaders frequently decide what occurs in the company and give vision, and that helps bring success (Agbor, 2008).

People who have strong leadership qualities are usually considered innovative than personalities with weak leadership potential, hence, people will be more likely be willing to practice them when they perceive strong support from workplace than weak support (DiLiello and Houghton, 2006). Leader behaviors have also been argued to play a significant role in the growth and prohibition of creativity (Hennessey and Amabile, 2010). Research indicates that when team members have high levels of interpersonal communication, support, and clarity of purpose, team members tend to be very creative and innovative (Jaskyte, 2008).

Leaders have traditionally been conceptualized as an important contextual factor that cultivates or stifles employee creativity (George, 2008). Abusive supervision may also dampen employees’ intrinsic motivation and hence their creativity. When team members encounter abuse by leaders, in the form of public criticism, derogating comments, loud and angry tantrums, rudeness, inconsiderate actions, and coercion, they are apt to feel belittled, humiliated, and undermined as to their reputation in the workplace (Keashly and Harvey, 2005). Abusive supervision also leads subordinates to doubt whether organizations respect their contributions and whether their jobs are meaningful to their own and organizations’ development (Rafferty and Restubog, 2011).

2.3.3 Factors that Limit Creativity and Innovation Practices in Organizations
The literature on innovation management and the literature on creativity both underline the complex role of knowledge in radical innovation. It is both a source of and a barrier to innovation. Knowledge can hinder radical innovation through knowledge boundaries, core rigidities and hyper-specialized experts (George, 2008). At the same time, knowledge is crucial for such innovation and creative processes: it gives the ability to put forward a new design, to formulate a new hypothesis and to solve problems (Mahmoud-Jouini and Duboc, 2008).

In a review of the literature on the barriers to disruptive innovation, Assink (2006) identifies the following: adoption barriers, mindset barriers, risk barriers (mainly
financial), nascent barriers (lack of creativity and foresight) and infrastructure barriers. In the case of management consultants, the main constraints on innovation are seen as being lack of time due to high utilization rates, and low levels of risk taking by clients (Management Innovation - UK, 2012).

As creative ideas imply departures from or extensions of existing products, services, or ways of doing things, uncertainty is a prominent feature of most creative ideas (Wolfe, 1995). Unfortunately, uncertainty often provokes disputes caused by differences in viewpoints among those who are affected by the ideas, and such conflicts, in turn, may result in unnecessary delays in implementation or its ultimate failure (Green, Welsh and Dehler, 2003). Moreover, pressing for the implementation of new ideas typically implies challenging established power structures in an organization, which causes resistance (Janssen et al., 2004).

In contrast to ideas of limited novelty, which typically can be accommodated within existing structures, creative ideas tend to be associated with more substantive changes - changes in roles, power, and status - and, as a consequence, they have a greater likelihood of being rejected (Green, Gavin and Aiman-Smith, 1995). Regardless of how promising an idea may be its implementation will likely conflict with some interests and jeopardize some alliances (Kimberly, 1981). Thus, the opposition that creative ideas likely encounter may have less to do with their merit than with the organizational and personal consequences they imply (Wolfe, 1995).

Given their potential to elicit controversy and to alter the dynamics in an organization, creative ideas, compared to ideas that are more mundane, are naturally disadvantaged in harvesting the resources (funds and materials) necessary for their implementation (Damanpour, 1988; Norman, 1971). However, because a decision to allocate or redirect resources often involves multiple constituents who are likely to disagree about the value of an idea, especially one that is novel and inherently ambiguous, this process is open to social-political maneuvers, and sponsorship and advocacy are natural mechanisms for influencing decisions in such circumstances (Green et al., 2003). As Kanter (1998) noted, “The features of successful ideas have more to do with the likelihood of gathering political support than with the likelihood of the idea to produce results”. Thus, individuals who are able to mobilize the support of key allies should be in a position to sway
important resource allocation decisions in their favour, thereby improving the odds that even their more creative ideas may be realized (Howe and Higgins, 1990).

Innovation is a risky endeavor. For example, Janssen (2003) showed that innovative behavior, especially among employees who were deeply involved in their jobs, often created conflict with coworkers that, in turn, resulted in less satisfactory relationships with those individuals. In addition, ideas may fail to produce anticipated returns; as a consequence, people may suffer losses of reputation as well as a withdrawal of the trust of friends and sponsors (Yuan and Woodman, 2010).

2.4 Effect of Creative and Innovative Strategies on the Marketing of Services
Several corporations have an opinion of their growth trend, and rarely look beyond issues that affect their market, too busy fighting today’s fires and do not take time to know the changes and what is what is driving their operating environment and how it may progress (Florida and Goodnight, 2005). Leader and managers in organizations are busy focusing on their duties and forget to do an analysis of the trend and uncertainties’ (Vilanova and Dettoni, 2011).

“Industry Foresight” is a “top-down” method that helps the drivers familiarize with trends, and dislocations within the industries. Those in charge of deregulation and industry convergence and are trying to familiarize themselves with the connections of social, technical and other tendencies that potential “white space” opportunities are discovered (Gallouj, 2002a). Considering today’s world is not direct, corporations cannot conclude the past to seen in the time to come. Knowing the market trends entails doing research on the earlier trend and being speculative, “what if” point of view, industry displacements (Jaruzelski et al., 2012).

When a corporation looks beyond its own limitations it intensely develops a business strategy “Thought Leader Panel” is based accomplished by a managed forum in which an organization’s “Thought Leaders” to explore, risk and cooperate in a shirt-sleeves working setting (Kotler and Armstrong, 2004).

Introducing new perspectives that enables new growth opportunities and challenges established insights.
Some organizations might achieve this as a traditional “panel discussion”, such a tactic does not fully exploit the potential connections between external specialists. The spark of encouragement comes when different viewpoints on the future are fortified and vocally debated (Howe and Higgins, 1990).

2.4.1 Customer Insight
Customer Insight is about understanding articulated and unarticulated customer needs (Kotler and Armstrong, 2004). Customers have a perception about products and their needs are usually fulfilled by the companies understanding on the needs of the consumers. When a company is able to understand the needs of a consumer, it makes it easy to know the kind of products to produce because they know the rules and behavior of a company. (Anderson, 2007).

Similarly, for a customers to be satisfied a usually a study is done to enable them know what products to produce will be more rewarding and should be focused on. The customer insight is vital as it helps create opportunities and rewards the stake holders (Anderson, 2007).

2.4.2 Functional Specialization
Specialization is the method of doing work for a singular, narrow, or limited scope of products, services, markets, or objectives (Hoffman and Bateson, 2001). It is one of the most reliable and most durable operating platforms that any business can depend on. It builds strong internal capacity to profitably create and deliver value to the point of customer loyalty, delight, and advocacy. Specialization is predicated on having a superior positioning strategy very much difficult for others, more particularly competitors, to follow, imitate, or hurdle. It is a vital cog in building business viability and competitive strength (Kapoor, 2011).

Kapoor (2011) also notes that specialization involves the exercise of knowing, understanding, and focusing on core competency in serving specific customer needs. The idea is to leverage the organizations’ unique capabilities in the conduct of business in order to achieve appreciable efficiency and sustainable competitive advantage. One need not be everywhere doing everything for everybody in order to succeed in business.
In functional specialization, the firm aims to optimize an activity or operation in order to reach economies of scale, ensure the adherence of standards and maintain efficiency. While a functional specialized firm starts with the definition of the output in order to optimize its activities, a customer oriented firm aims to develop specifications from the perspective of customer perception. From the moment that a firm aims to cater the needs of an individual or diversified its offer according to an extended and differentiated set of customers’ needs, functional orientation stands as a barrier (Christensen 1997). The key task then of marketing is to create intelligence with regard to customer requirements, disseminate this in the organization and systematically track the company’s performance from the perspective of the customer (Kohli and Jaworski, 1990).

The challenge to make specialization work is an additive that perks up total productive capacity. This does not rule out some equally stimulating benefits of being a generalist. An organization can survive, or maybe even do well by taking the generalist strategy. But with the intense heat of the ongoing competition in the market, one is certain to do better as a specialist. And if the organizational performance is currently better, it can do best anytime, anywhere, with any business customer because it will become a specialized agent of sustainable value (Kapoor, 2011).

2.4.3 Promotion - Customer Communication

Communication and promotion decisions are a critical element of retailer customer experience management strategy. Promotion is used by organizations to communicate with customers with respect to their service offerings. In this sense, promotion is one side of the communication process with customers. Market research, in which service providers and suppliers seek to elicit information on consumer requirements from consumers, is the complementary component of the communication process (Kotler and Armstrong, 2004).

In some forms of promotion and service delivery, communication in both directions can be achieved simultaneously, and since two-way communication is the only real form of communication, promotion which is associated with two-way communication is to be encouraged (Kurtz and Boone, 2011). Examples of such two-way promotion emerge largely from the contexts of services marketing and relationship marketing. In services marketing, for example, promotion can be part of the service delivery.
Exchanges between the service agent and the customer can elicit information about customer requirements, and also permit the service agent to explain the organization’s products and how these might meet the customer’s needs. Similar kinds of exchanges can occur in the relationship marketing interest in business-to-business marketing transactions where the sales person is a significant agent in the establishment of relationships between customer and the organization (Kotler, 2012).

The customer perception is the crucial determinant of the value of the company’s marketing offering. Thus, any good intentions of managers in offering, pricing and delivering are lost, if customers do not perceive them favorably. Marketing managers try to address this by conveying consistent marketing messages. Marketing communications employs a set of tools, like advertising, public relation, sales promotions, personal selling and direct marketing (Kotler and Armstrong, 2004).

A crucial development of today’s marketing system is that communication channels have been multiplying. In addition to the already complex system of mass media like radio, television, newspaper or magazines, a myriad of channels evolved like data-base-mailings, telemarketing, e-mails or the use of virtual social networks. Thus a key challenge for marketing managers is to select and orchestrate communication channels in line with the desired market positioning. This has resonated in the rise of Integrated Marketing Communications (IMC) that calls for innovation (Jaruzelski et al., 2012). IMC involves the idea that a firm’s promotional efforts should be coordinated to achieve the best combined effects of the firm’s efforts. Resources are allocated to achieve those outcomes that the firm values the most.

2.4.4 Innovation-Marketing Challenge

Innovation is the introduction of new goods, new methods of production, the opening of new markets, the conquest of new sources of supply and the carrying out of a new organization of any industry (Schumpeter, 1934). Kotler and Armstrong define marketing as the process by which companies create value for its customers and build strong customer relationships in order to capture value from customers in return (Kotler and Armstrong, 2004).
The task for marketing is to ensure the market orientation of a company, to strengthen the position of its businesses in product markets and to apply effective programs for the creation of revenues. So, marketing appears like the first point of call to ensure the market performance of an innovation. But the relationship between innovation and marketing is more complex than initial intuition suggests (Kohli and Jaworski, 1990).

Innovation is concerned with new ideas, concepts or technologies with the potential to enhance value creation. In market economies all value is derived from the customers’ perception. On those grounds, meeting customer requirements is an imperative for effective innovation activities. In this perspective, marketing has the role to amplify the voice of the customer in order to direct effective innovation activities (Kotler, 2012). Furthermore, a common experience is that even valuable technology does not sell itself. Since the start of the 19th century companies have started to systematically drive innovation processes by investing in R&D.

### 2.4.5 The disconnect between Disruptive Innovation and Marketing

In market economies, the performance of an innovation is driven by its customer perceived value. The imminent intuition is to start the innovation process with customer valuation, analysis and market research. Counter to the expectation, customer orientation can severely impede the effectiveness of innovation programs of a company (Christensen and Bower, 1996).

Clayton Christensen was one of the first researchers to identify customers as a potential impediment of effective innovation management of a firm (Christensen 1997; Christensen and Bower, 1996). Christensen identified this phenomenon first when he studied the solid-state disk drive industry. In the hard-disk-drive industry, every new product generation bread a new market leader. Why where incumbents not successful introducing new product generations? You would assume that they did under-invest in R&D, had incompetent product managers or were simply over-confident to rely on their cash-cow products. However, all incumbents had technically feasible designs of next product generations in their development pipeline. Their main problem was to identify a sustainable customer base to make establish the business case for their innovation.
Being close to the market actually prevented leading firms to thrive in innovation. Christensen named this phenomenon “the tyranny of the served market” (Christensen, 1997). As Christensen showed, this phenomenon prevails most likely under conditions of disruptive innovation, where new product architectures emerge in initially unattractive market niches. In the case of hard disks, the Personal Computer fundamentally changed design parameters for hard disks. Catering to the then dominant mainframe computer architecture, companies prioritized on storage space and performance, but did not have to care for disk-size. In contrast, disk-Suppliers for Personal Computers had to compromise on performance and storage capacity simply in order to be able to fit disks into desktop computers. However, the explosive growth of the PC market increased profits of the innovators, allowing them to re-invest into R&D and subsequently enhance performance to levels on former mainstream markets (Christensen and Bower, 1996).

2.5 Chapter Summary
As demonstrated in this chapter, companies that succeed in adopting innovative and creative strategies have focused strategies and the necessary vision required to achieve competitiveness in the market. The unique characteristics and scope of services necessitates organizations to employ distinct marketing strategies that address the inherent nature of services in order to remain competitive in the market. The corporate cultures of the organization as well as its leadership are noted to have significant effect on organizational creativity and innovative practices. A collaborative culture fosters employee and team motivation to be more creative. The chapter identifies varied factors that affect this process and which hinder the organization’s ability to adopt creative and innovative strategies. The next chapter discusses the research methodology that was used to carry out the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on the methodology and approach that was adopted to conduct the research. The organization in focus was Deloitte Kenya Ltd. The chapter outlines the research design of the study as explained in section 3.2 and describes the population in focus and the proposed sampling design in section 3.3. The chapter also discusses the data collection approaches in section 3.4 and the research procedures and data analysis methods in section 3.5 and section 3.6 respectively.

3.2 Research Design

Bryman (2007) defines a research design as an outline for guiding a study with maximum control over the various factors that may interfere with the soundness of the study findings. Lohr (2010) describes research design as the study blueprint that defines the ‘how, when and where’ of how the study data is to be collected and analyzed. Therefore, a research design can be defined as the thorough outline of how a study takes place. It includes premises of data collection, data collection instruments, methodologies of employing the data collection instruments and the intended means for analyzing collected data.

The research design identified, defined and provided justification for the strategy and approach used to conduct the study. The study in general took the form of a descriptive survey approach. This approach was selected for the reason that it enabled the researcher to study the relationship between creative and innovative strategies and services marketing. The design was also selected since it employed the use of a survey research method. According to Cooper and Schindler (2002), a descriptive research design is driven to determine the particulars of a phenomena under study by describing the who, what, when, where and how of the study topic. In other words, the descriptive survey research aims at describing phenomena or narrating how various behaviors and events occur. The descriptive approach was chosen to be the preferred approach since it facilitated the researcher to collect in-depth data on the population under study.
3.3 Population and Sampling Design

3.3.1 Population
Lohr (2010) defines a population as the complete and whole collection of the people, and elements that a researcher is interested in making inference during a study. The population in focus constituted the employees of Deloitte Kenya Ltd. They specifically included the senior management staff and non-management staff who were mainly involved in delivery of professional services. For this study, the total population was four hundred and nineteen (419).

3.3.2 Sample and Sampling Design
Bryman (2007) defines sampling as the procedure employed for selecting a percentage of the population elements in a manner that ensures a complete representation of the entire group. Sampling procedure may be defined as a systematic process of selecting individuals for a study to represent the larger group from which they are selected (Cooper and Schindler, 2002; Lohr, 2010). Sampling enables a researcher to lower their expenditure cost during research and it enables the researcher to increase accuracy of information from collected data. Sampling also increases the efficiency of collecting data and enhances the chance of a researcher finding the required population available for study (Creswell and Plano, 2010).

3.3.2.1 Sampling Frame
According to Lohr (2010), a sampling frame is defined as an official list of elements from the target population that a researcher can draw/select the actual sample and it is related closely to the target population. For this study, the official list was obtained from the Deloitte Kenya Ltd Human Resource (HR) department and it contained the employees who work for the organization.

3.3.2.2 Sampling Technique
The sampling technique adopted for the study was probability sampling. Probability sampling refers to the process of case selection that involves random selection. In probability sampling, the probability that a person/case will be selected to form the sample is known and therefore the researcher generally can claim that the sample is representative of the larger population (Creswell and Plano, 2010; Cooper and Schindler, 2002). From the various probability sampling designs, the study adopted stratified
random sampling. According to Mitchell and Jolley (2009) define stratified random sampling as an adjustment of random sampling. They state that in stratified sampling, the researcher splits the target population in different stratum which may be two or more groups that are relevant to the study and based on the various research requirements. This technique was used to ensure fair representation of the general population. The major objective of sampling in a research study is to ensure representativeness of the information and/or data derived from the few selected respondents/samples (Noy, 2008). Probability sampling in general was adopted for the study.

The staffs from Deloitte Kenya Limited were categorized in three levels namely top management, middle level management and lower level management staff. This research aimed at having a representative sample from the three levels of management thus categorizing them into three strata. Stratified sampling has various advantages such as statistical efficiency increase on a sample, adequate data for analyzing the various sub-populations and it also enables the use of different research methods and procedures in the different strata (Noy, 2008). Random sampling was then used to select representatives from each stratum to form part of the sample size.

### 3.3.2.3 Sample Size

According to Ritchie and Lewis (2003) a sample is a small proportion of an entire population; a selection from the population. Lohr (2010), states that, when carrying out a study, 50% of the total population yields an adequate sample. Therefore, the sample size of the study was 50% of the total number of managers at different levels; which constituted 50% of the top managers, 50% of the middle managers and 50% of the low-level managers. For the purpose of this study, the sample size was 87. The sample size was determined by taking into account all the management levels and the total number of staff in each of the three levels of management at Deloitte Kenya. The sample size selection is summarized in Table 3.1:
Table 3.1: Distribution of Sample Size

<table>
<thead>
<tr>
<th>Management Level</th>
<th>Total Number</th>
<th>Percentage</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top-Level Managers</td>
<td>28</td>
<td>50%</td>
<td>14</td>
</tr>
<tr>
<td>Middle-Level Managers</td>
<td>60</td>
<td>50%</td>
<td>30</td>
</tr>
<tr>
<td>Low-Level Managers</td>
<td>86</td>
<td>50%</td>
<td>43</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>174</strong></td>
<td><strong>50%</strong></td>
<td><strong>87</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection

The data collection instruments were developed and organized on the basis of the research questions to ensure relevance to the research problem. In order to achieve the objective of the study, the survey used primary method of data collection. This was because it was considered highly reliable and it provided the researcher with current information. The target respondents were uniquely qualified to provide the information needed for the study. Babie and Halley (2007) define a questionnaire as an instrument used to collect data and it is structured in a predetermined order and that all elements of the population are asked to respond to similar sets of questions.

The questions in the data collection instrument were divided into four parts. The first part of the questionnaire was concerned with the demographics of the population. The subsequent parts were designed to address the research objectives of the study. The second part of the questionnaire addressed the creative and innovative strategies required by service marketing firms to remain competitive in the market; the third part examined the culture and leadership aspects of the company and their impact on the adoption of creative and innovative strategies; and the last section of the questionnaire focused on determining how creative and innovative strategies affected an organization’s ability to market its services.

3.5 Research Procedures

The questionnaire was prepared and developed by the researcher guided by the research questions that guided the study and has been attached as Appendix I. The researcher had to test the validity and reliability of the research instrument (questionnaire) through pilot testing. The validity and reliability test was done to ensure that the questionnaire was fit
for data collection. To test the questionnaire, the researcher selected sample of 9 test subjects from the target population and their feedback was used to improve the data collection instrument. This was achieved by first stratifying the individuals according to levels of management and given to three respondents from the strata selected for research. Gender equity was taken into consideration by the researcher.

The researcher administered the questionnaires individually to the selected population target which was the management of Deloitte Kenya Limited. The researcher exercised care and control to ensure all questionnaires issued to the respondents were received and to achieve this, the researcher maintained a register of questionnaires, which were handed out and those that were collected from the respondents. The respondents were given a four day period to complete the questionnaires so that they did not rush through the process. This ensured that they gave an accurate account of their experiences. Open lines of communication were kept between the researcher and the population to ensure that any clarification needed was given to the respondents.

3.6 Data Analysis Methods
Data analysis involves the processes of cleaning, refining responses; coding and tabulating the collected data into convenient and easy to manage summaries that become easy analyze and interpret. Quantitative analysis was employed in the study. To achieve this, the researcher summarized the analyzed data and presented them in the form of charts. Frequency tables were used to generate the charts and study findings were presented in tables and chart forms.

Hand tabulation was followed by use of statistical analysis software. MS Excel spreadsheets, were used for the initial tabulation, analysis and drawing of charts based on the findings. Statistical Package for Social Science (SPSS) Student Version 16.0 was also used to analyze the collected data exhaustively and appropriately. Statistical analysis of means and standard deviation as well as frequencies of percentages was used in the analysis.
3.7 Chapter Summary
The section describes the research design, the population and sampling design. The chapter comprehensively describes the population of interest, the sampling design, sampling frame, sampling technique and sample size of the study.

The next chapter provides a detailed analysis of the results collected from the field and provides logical conclusions for this study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

The general objective of the study was to explore the significance of incorporating creative and innovative strategies in the delivery of professional services in the context of services marketing. The study focused on Deloitte Kenya Limited. Data was collected by the use of self-administer questionnaires. The data presentation and explanations have been discussed in this chapter.

From the eighty seven (87) questionnaires handed out, the researcher received seventy seven (77) questionnaires that were completely filled. Questionnaires with omissions and those with more than one response to the set questions were voided. The response rate for the study was 88.51% which was adequate to carry out an effective analysis of the results and findings.

4.2 Demographic Response

4.2.1 Gender of the Population

The responses in regards to the gender category question indicated that the target group constituted of 57% male and 43% female respondents. These results indicated that the study achieved fair gender representation in regards to the approached used to administer the questionnaires. The fair gender representation also enabled wholistic firm wide perspectives to be captured by the study.

![Gender Chart]

Figure 4.1: Gender of the Population
4.2.2 Management Levels
The researcher asked the respondents to indicate their management positions at Deloitte. 55% of the respondents indicated to be in lower management positions, 28% of the respondents were in middle level management and the remaining 17% of the respondents belonged to top management tier. The results indicated that all levels of management were represented signifying that the target population encompassed all the management tiers within the organization.

![Management Level Chart]

Figure 4.2: Management Positions

4.2.3 Duration in Position
The respondents were asked to indicate the duration of service in their current positions. All the respondents indicated to have operated in their current positions for periods ranging between 1-5 years as shown in Table 4.1 below. These results implied that most of the respondents’ duration of service ranged from short term to medium term. Thus the respondents were a good fit for the study since they provided candid perspectives of recent developments and changes that occurred within the organization during the last five years.

Table 4.1: Duration in Position

<table>
<thead>
<tr>
<th>Number of Years</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>1-5 Years</td>
<td>77</td>
</tr>
<tr>
<td>6-10 Years</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>77</strong></td>
</tr>
</tbody>
</table>
4.2.4 Level of Education

The researcher wanted to determine the level of education of the population in focus. The results showed that all employees at Deloitte have completed their undergraduate studies. Figure 4.3 below indicates that 61% of the employees have post-graduate degrees while 39% have undergraduate degrees. These results implied that the respondents had the capability of interpreting the questionnaire appropriately and possessed a basic appreciation of the general objective of the study. The results suggested that the respondents had the ability to articulate the underlying issues that were crucial to the study.

![Education Level](image)

**Figure 4.3: Level of Education**

4.3 Creative and Innovative Strategies Required by Service Marketing Firms

4.3.1 Organizational Innovations

The population was asked the extent to which organizational innovation items have been implemented in the organization in the last three years. The results are provided in the table 4.2.

The results implied that the organization has successfully implemented a new human resource management system and reviewed the organization structure to facilitate coordination between different functions in line with local market conditions. These initiatives scored the highest points as shown in table 4.2 with corresponding high mean scores of 3.17 and 3.05 for human resource and organization structure respectively.
The organization has also renewed its processes and quality management systems in accordance with the provisions of Deloitte Global Standards. The results indicated that the organization has placed high importance on making incremental improvements on the human resource management system, process and quality management system as well as the overall organization structure indicating that these are key strategies required by service marketing firms.

**Table 4.2: Organizational Innovations**

<table>
<thead>
<tr>
<th>Percentage Distribution</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Renewing the routines, procedures and processes employed to execute firm’s activities in innovative manner</strong></td>
<td></td>
</tr>
<tr>
<td>NI</td>
<td>A</td>
</tr>
<tr>
<td>16.9</td>
<td>9.1</td>
</tr>
<tr>
<td><strong>Renewing the process and quality management systems</strong></td>
<td></td>
</tr>
<tr>
<td>0.0</td>
<td>29.9</td>
</tr>
<tr>
<td><strong>Renewing the human resources management system</strong></td>
<td></td>
</tr>
<tr>
<td>0.0</td>
<td>37.7</td>
</tr>
<tr>
<td><strong>Renewing the in-firm management information system and information sharing practice</strong></td>
<td></td>
</tr>
<tr>
<td>14.3</td>
<td>7.8</td>
</tr>
<tr>
<td><strong>Renewing the organization structure to facilitate teamwork</strong></td>
<td></td>
</tr>
<tr>
<td>14.3</td>
<td>22.1</td>
</tr>
<tr>
<td><strong>Renewing the organization structure to facilitate coordination between different functions</strong></td>
<td></td>
</tr>
<tr>
<td>0.0</td>
<td>42.9</td>
</tr>
<tr>
<td><strong>Renewing the organizational structure to facilitate strategic partnerships and long-term business collaborations</strong></td>
<td></td>
</tr>
<tr>
<td>0.0</td>
<td>37.7</td>
</tr>
</tbody>
</table>

*(NB: NI - Not Implemented; A – Adapted to local market conditions; DG - Derived from Deloitte Global Standards; OP – Operating Processes Improved; OI - Original Innovations were implemented)*
Other functions which include renewing the routines, procedures and processes employed to execute firm activities in innovative manner; renewing the in-firm management information system and information sharing practice and renewing the organizational structure to facilitate strategic partnerships and long-term business collaborations and teamwork have been changed but are yet to be fully implemented within the firm. The results were found to be consistent since the standard deviations were below 1.5 indicating minimal differences in the responses.

4.3.2 Market Innovations
The respondents were asked to indicate the extent of market innovations implemented in the organization over the past three years. Their responses were as shown in table 4.3.

The results showed that most of the firm’s market innovations were derived from Deloitte Global Standards with all factors scoring above 25% in the category of DG. This implied that the market innovations instituted by the firm were highly influenced by the practices and standards of the global office. The incorporation of global standards in creation of market innovations implied that the global standards had worked effectively in similar markets abroad in as far as innovation is concerned.

The organization placed a lot of focus on improving the operating processes as regards to service promotion and service costing techniques employed for the promotion of the current and/or new services. This was understood as a deliberate effort by the organization to remain competitive in the market through its market innovation activities.
Table 4.3: Market Innovations

<table>
<thead>
<tr>
<th></th>
<th>Percentage Distribution</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NI</td>
<td>A</td>
</tr>
<tr>
<td>Renewing the service promotion techniques employed for the</td>
<td>6.5</td>
<td>14.3</td>
</tr>
<tr>
<td>promotion of the current and/or new services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewing the service costing techniques employed for the</td>
<td>16.9</td>
<td>20.8</td>
</tr>
<tr>
<td>costing of the current and/or new services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadening the portfolio of services delivered to clients for</td>
<td>0.0</td>
<td>50.6</td>
</tr>
<tr>
<td>purposes of enhancing market leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving the interactions and connectivity with clients and</td>
<td>13.0</td>
<td>16.9</td>
</tr>
<tr>
<td>other stakeholders through advanced technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redesigning the current service offerings to be aligned with</td>
<td>0.0</td>
<td>45.5</td>
</tr>
<tr>
<td>emerging and untapped market needs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(NB: NI - Not Implemented; A – Adapted to local market conditions; DG - Derived from Deloitte Global Standards; OP – Operating Processes Improved; OI - Original Innovations were implemented)

The key strategies adopted by the firm included broadening the current portfolio of services and redesigning the current service offerings in line with emerging and untapped market needs. These strategies were designed to adapt to the local market conditions thereby positioning the firm to be competitive in the market.

The organization had placed high importance on improving the interactions and connectivity with clients and other stakeholders through advanced technology as well as renewing the service promotion techniques employed for the promotion of the current and
new services. This is validated by the high mean scores of 3.19 and 3.18 respectively. The results indicated that the two categories of market innovation outlined above are required by service marketing firms to remain competitive in the market. The results also had a standard deviation of less than 1.5 indicating that the differences in responses were not significant.

4.4 The Effect of Organizational Culture and Leadership on Adoption of Creative and Innovative Strategies

4.4.1 Aims of Creative and Innovation Management

The findings of the research showed that a greater percentage of the respondents (33%) indicated that the organization employed creative and innovative management approaches to improve the performance of processes. Figure 4.4 illustrates that 21% of the respondents were of the opinion that the organization used creativity to manage creation of new ideas, 19% of the respondents indicated creativity was used for the incorporation of breakthroughs in current systems and 18% of the respondents stated it was used for process evaluations.

![Innovation and Creative Aims](image)

**Figure 4.4: Aims of Creative and Innovation Management**

Only nine percent of the respondents stated that the organization supported the creation of environments that supported creativity and innovations.

From these results, it can be inferred that the main focus of management in regards to creativity and innovation management was to make improvements in the organizations’ processes thereby enhancing its performance and functions that result to increased
competitiveness. The firm’s leadership placed great importance to the creation of new ideas and incorporation of breakthrough ideas within the current system by supporting the adoption of creativity and embracing innovation.

4.4.2 Employee Involvement
The involvement of employees in the process of developing creative and innovative strategies is shown in table 4.4. A greater percentage of the respondents (96%) stated that twenty per cent of the employees were involved in the strategy process while 4% stated that about forty per cent of employees were involved in the process. These results showed that the organization has low employee involvement in formulating creative and innovative strategies.

Table 4.4: Employee Involvement

<table>
<thead>
<tr>
<th>Percentage of Employees</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>20% of Employees</td>
<td>74</td>
<td>96.1</td>
</tr>
<tr>
<td>40% of Employees</td>
<td>3</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>77</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The results indicated that the organization’s leadership has provided few opportunities for employees to participate in strategy formulation process which also suggest the practices upheld by the firm’s leadership in as far as strategy formulation is concerned. The results demonstrated that low employee involvement in the development of creative and innovative strategies was the norm.

4.4.3 Involvement of Management Consultants
The researcher wanted to determine whether the organization involved management consultants from the Deloitte Global Office in the process of developing creative and innovative strategies. All respondents indicated that management consultants from Deloitte Global office were involved as revealed by the results. The results indicated that the firm’s leadership had placed high importance to the involvement of Deloitte Global Office in the development of firm-wide strategies.
4.4.4 Percentage of Consultants Involvement

The population was asked to indicate the percentage of involvement of management consultants from the Deloitte Global Office in the development of creative and innovative strategies.

The results indicated that the management consultants were involved in less than 10% as indicated by 52% of the respondents. Twenty one per cent of the respondents stated their involvement was between 10%-30% and 18% of the respondents stated that their involvement was above 30%. Nine percent of the respondents were unsure of their involvement.

The results implied that strategy formulation was a joint effort between the local firm and the global office. The results suggested that the organization’s leadership contributed more towards the strategy formulation process as compared to their global counterparts who had minimal involvement (10%) in the process. The involvement of consultants from
the global offices indicated that the organization aimed to align its local strategic operations and plans with those of the global offices.

4.4.5 Incentives Offered to Employees

The researcher wanted to determine the incentives and rewards offered to employees for their involvement in the areas of innovation and creativity. The results are provided in table 4.5 below.

Table 4.5: Incentives Offered to Employees

<table>
<thead>
<tr>
<th>Incentives/ Rewards</th>
<th>Percentage Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Successfully Implemented</td>
</tr>
<tr>
<td>Premium Pay</td>
<td>8</td>
</tr>
<tr>
<td>Salary Increase</td>
<td>25</td>
</tr>
<tr>
<td>Coupons</td>
<td>79</td>
</tr>
<tr>
<td>Public Awards</td>
<td>87</td>
</tr>
</tbody>
</table>

87% of the respondents stated that the organization rewarded employees through public awards while 79% of the respondents indicated that coupons were offered by the organization as a form of reward. There were few cases where the organization used premium pay and salary increment as forms of reward. The results implied that leadership had instituted initiatives to encourage employees’ participation in the innovation process through various forms of reward systems. The results also suggested that employees’ efforts in the areas of innovation and creativity were recognized by the firm.

4.4.6 Mistakes and Errors

The population was asked to indicate how the organization handled mistakes and errors committed by staff members in the areas of creativity and innovation. From the findings, 51% of the respondents indicated that the organization trained its employees to avoid future occurrence of errors, 36% of the respondents stated that the organization searched for error-resulting processes and only 13% of the respondents stated that employees were penalized for their mistakes. The results indicated that the organization placed more emphasis on training its employees as a preventive measure to avoid mistakes and errors.
Idea implementation by employees was rarely done. Feedback from customers and co-operating with partners were avenues considered in the process of idea implementation. The approach of selective research and development was not considered in the process. The results had a standard deviation of less than 1.5 and this indicated that the difference
in responses were not significant. The results indicated that the main channel for idea implementation was through the management platform. The results imply that the firm’s leadership focused on customer feedback and cooperation with partners to inform the idea implementation process.

### 4.4.8 Frequency of Meetings

The results indicate that the organization regularly conducts meetings for different work groups. 37% of the respondents held their meetings on a monthly basis while 28% of the respondents held their meetings weekly. The results indicated that 18% of the population held meetings every two weeks while 17% of the population conducted meetings quarterly.

![Figure 4.8: Frequency of Meetings](image)

The results implied that meetings were key platforms utilized by the organization to generate and implement creative and innovative ideas. The results also suggested that various work groups consistently held meetings to deliberate on the groups’ performance as well as strategy development.

### 4.4.9 Methods of Generating Creative and Innovative Ideas

The study sought to determine the various methods adopted by the organization to generate creative and innovative ideas. The results are provided in table 4.7.

The results indicated that creative and innovative ideas mainly originated from frequently asked questions or ideas and through focus groups approaches. The degree of acceptance of a particular idea and the effect of the experiences of other organizational units were
considered in the process of idea generation. The organization has been unsuccessful in utilizing the ideas generated from a central key area within the organization as a method of adopting creativity and innovation.

The results implied that leadership was committed to the process of idea generation through various forms provided by the organization. The results suggested that employees were provided with various platforms to contribute to creative and innovative organizational processes.

### Table 4.7: Methods of Generating Creative and Innovative Ideas

<table>
<thead>
<tr>
<th>Method</th>
<th>Successfully Used</th>
<th>Unsuccessful</th>
<th>Known but not Used</th>
<th>Not Known</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus Groups</td>
<td>81.8</td>
<td>10.4</td>
<td>5.2</td>
<td>2.6</td>
</tr>
<tr>
<td>Through frequently asked questions or ideas</td>
<td>90.9</td>
<td>6.5</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Words, Ideas and Tasks generated from a central key area</td>
<td>31.2</td>
<td>40.3</td>
<td>16.9</td>
<td>11.6</td>
</tr>
<tr>
<td>Degree of acceptance of a particular idea</td>
<td>53.2</td>
<td>33.8</td>
<td>9.1</td>
<td>3.9</td>
</tr>
<tr>
<td>Observation of how one unit is affected by the experience of other units in the organization</td>
<td>71.4</td>
<td>25.9</td>
<td>2.7</td>
<td>0.0</td>
</tr>
</tbody>
</table>

#### 4.4.10 Idea Evaluation

The researcher wanted to determine the manner in which ideas were evaluated in the organization and the results are as provided in table 4.8. The results indicated that the organization utilizes two key methods of evaluating ideas which include use of documented results after implementation and use of documented common errors and influences of certain decisions.
The ideas are also evaluated using the business goals and objectives as well as comparing the benefits and costs of innovation and creativity. The findings indicated that the organization has been unsuccessful in analyzing the market and the strengths of competitors as a means of evaluating ideas. The cost of an innovative and creative idea with disregard to the economy was never considered to evaluate ideas.

### Table 4.8: Idea Evaluation

<table>
<thead>
<tr>
<th></th>
<th>Successfully Used</th>
<th>Unsuccessful</th>
<th>Known but not Used</th>
<th>Not Known</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documenting the results after implementation</td>
<td>79.2</td>
<td>16.8</td>
<td>4.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Documenting the common errors and influences of certain decisions</td>
<td>74.0</td>
<td>14.3</td>
<td>11.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Comparing the benefits and costs of innovations and creativity</td>
<td>66.2</td>
<td>27.3</td>
<td>3.9</td>
<td>2.6</td>
</tr>
<tr>
<td>Analyzing the market and the strengths of competitors</td>
<td>3.9</td>
<td>67.5</td>
<td>3.9</td>
<td>24.7</td>
</tr>
<tr>
<td>Assessing the cost of an innovative and creative idea with disregard to the economy</td>
<td>0.0</td>
<td>62.3</td>
<td>0.0</td>
<td>37.7</td>
</tr>
<tr>
<td>Evaluating the ideas using the business goals and objectives</td>
<td>62.3</td>
<td>24.7</td>
<td>6.5</td>
<td>6.5</td>
</tr>
</tbody>
</table>

It is implied that the process of idea evaluation instituted in the firm does not consider all the set parameters but instead focuses more on documented results, the overall goals and objectives of the company and the benefits and costs accrued from innovations. Ignoring
the competition implies a disregard to the competitive landscape in idea evaluation process.

### 4.4.11 Innovation and Service Development

The researcher wanted to determine the importance of innovation in service development within the organization. The results showed that 47% of the respondents rated innovation management as very important to service development while 34% of the respondents rated innovation management as somewhat important.

![Figure 4.9: Innovation and Service Development](image)

These results showed that creativity and innovation were significant to the organization’s service development. It is also implied that innovation management is a top priority for the firm’s leadership in the area of service development.

### 4.5 Effectiveness of Creative and Innovation Strategies

#### 4.5.1 Achievement of Creative and Innovation Strategies

The respondents were asked to rate the degree of achievement of various innovative strategies instituted by the firm over the past three years. The results are provided in table 4.9 below.

The results indicated that the organization has been able to outdo its competitors in the introduction of new services to the market as well as create new service projects as evidenced by the corresponding high means of 3.73 and 3.23 respectively. It is also implied from the results that the organization was successful in increasing the percentage
of new services in its existing portfolio. The firm was however unsuccessful in securing their innovations under intellectual property protection.

Table 4.9: Achievement of Creative and Innovation Strategies

<table>
<thead>
<tr>
<th></th>
<th>Percentage Distribution</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to introduce new services to the market before competitors</td>
<td>VU  0.0 U 13.0 N 24.7 S 39.0 VS 23.4</td>
<td>MEAN 3.73 STD DEV 0.968</td>
</tr>
<tr>
<td>Percentage of new services in the existing portfolio</td>
<td>VU  0.0 U 37.7 N 26.0 S 36.4 VS 0.0</td>
<td>MEAN 2.99 STD DEV 0.866</td>
</tr>
<tr>
<td>Number of new service projects</td>
<td>VU  0.0 U 27.3 N 28.6 S 37.7 VS 6.5</td>
<td>MEAN 3.23 STD DEV 0.930</td>
</tr>
<tr>
<td>Innovations introduced for work processes and methods</td>
<td>VU  0.0 U 33.8 N 36.4 S 29.9 VS 0.0</td>
<td>MEAN 2.96 STD DEV 0.802</td>
</tr>
<tr>
<td>Quality of new services introduced</td>
<td>VU  0.0 U 40.3 N 39.0 S 20.8 VS 0.0</td>
<td>MEAN 2.81 STD DEV 0.762</td>
</tr>
<tr>
<td>Number of innovations under intellectual property protection</td>
<td>VU  7.8 U 51.9 N 6.5 S 24.7 VS 9.1</td>
<td>MEAN 2.75 STD DEV 1.183</td>
</tr>
<tr>
<td>Renewing the administrative system and the mind set in line with firm’s environment</td>
<td>VU  0.0 U 35.1 N 40.3 S 19.5 VS 5.2</td>
<td>MEAN 2.95 STD DEV 0.872</td>
</tr>
</tbody>
</table>

(NB: VU – Very Unsuccessful; U – Unsuccessful; N – Neutral; S – Successful; VS- Very Unsuccessful)

The results indicated that the organization was successful in generating new service offerings to the market. This also demonstrated the support of the firm’s leadership towards the process. The findings also revealed that leadership was not keen to protect the ideas generated within the organization given that most of the innovations generated by organization had no intellectual property protection.
4.5.2 Achievement of Service Delivery Improvement Initiatives
The researcher wanted to determine the organization’s level of achievement in regards to various service delivery improvements initiated by the organization over the last three years. The results of the findings are provided in table 4.10 below.

Table 4.10: Achievement of Service Delivery Improvement Initiatives

<table>
<thead>
<tr>
<th>Percentage Distribution</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TD</td>
</tr>
<tr>
<td>There is an increase in conformance to quality</td>
<td>0.0</td>
</tr>
<tr>
<td>The is an increase in improved reduction in service cost</td>
<td>0.0</td>
</tr>
<tr>
<td>There is an increased flexibility in the organization</td>
<td>0.0</td>
</tr>
<tr>
<td>The speed in service delivery has improved</td>
<td>0.0</td>
</tr>
</tbody>
</table>

(NB: TD – Totally Disagree; D – Disagree; N – Neutral; A – Agree; TA – Totally Agree)

The results indicated that the organization has achieved improved performance in most of its service delivery initiatives. From the results, the organization has increased its conformance to quality, reduced its service costs, increased the service delivery flexibility and improved the speed of service delivery to clients. The results revealed that the organization has successfully achieved overall improvement in all its service delivery dynamics. The findings implied that the firm’s leadership considered improvement of service delivery as a key initiative of increasing the organization’s competitiveness in the market.

4.5.3 Market and Financial Performance Indicators
The respondents were asked to indicate the degree of achievement of various market and financial performance indicators over the last three years. The responses are provided in table 4.11 below.
### Table 4.11: Market and Financial Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>Percentage Distribution</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>VU</td>
<td>U</td>
</tr>
<tr>
<td>Client satisfaction</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Increase in revenues</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Increase in market share</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Repeat business (profit /total revenues)</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>General profitability of the firm</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

(\textit{NB}: VU – Very Unsuccessful; U – Unsuccessful; N – Neutral; S – Successful; VS- Very Unsuccessful)

The results indicated that the company had successfully achieved all the market and financial performance indicators as rated by the respondents. The results implied that client satisfaction led to increased revenues and market share for the company. There was notable repeat business which translated to increased revenues and increased general profitability of the firm. The high mean scores indicated an improvement in market and financial performance while the low standard deviation indicated the insignificant differences in the responses.

#### 4.6 Chapter Summary

This chapter has presented the study findings based on the analysis of the respondent’s demographics. The chapter also provides the findings in related to the objectives of the study. The data was analyzed using the statistical measures of means and standard deviations and the frequency measures of percentages. The next chapter provides a discussion of the findings, the conclusions derived from the findings and the key recommendations of the study.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter comprises of six sections, which include the summary, discussions, key lessons arising from the research, conclusions, and the recommendations following that order. The first section is a summary of the important elements of the study which includes the study objectives, methodology as well as the findings. The section that follows discusses the major findings of the study with respect to the specific objectives. The third section discusses the key lessons arising from the findings in regard to the study. The fourth section presents the conclusions based on the specific objectives and the final sub-section provides the recommendations for improvement based on the specific objectives. It also offers the recommendations for further studies.

5.2 Summary

The general objective of the study was to determine the role of creative and innovative strategies in services marketing. The study focused on Deloitte Kenya Limited. The empirical study was guided by the research questions that were to determine the nature and scope of services marketing, identify the creative and innovative strategies required by the firm to remain competitive in the market; analyze the effect of culture and leadership on adoption of creative and innovative strategies; examine the effect of creative and innovative strategies on the organization’s ability to market its services and identify the key recommendations arising from the study.

The study took the form of a descriptive survey approach. The design was selected since it offered the researcher with the choice of carrying out a survey study. The population in focus constituted the employees of Deloitte Kenya Ltd. The total population was four hundred and nineteen (419) employees. The study adopted stratified random sampling. The staffs from Deloitte Kenya Limited were categorized in three management levels namely top management, middle level management and lower level management. Random sampling was then used to select representatives from each stratum to form part of the sample size. The sample size of the study was achieved by selecting 50% of the total number of managers at different management levels bringing the total sample size to 87 respondents.
The data collection instrument selected for the study was a self-administer questionnaires. The researcher administered the questionnaires individually to the selected population target. The respondents were given a four day period to complete the questionnaires and open lines of communication were maintained between the researcher and the selected respondents to ensure that any clarification needed was provided. Data was analyzed through the use of statistical analysis software. MS Excel spreadsheets were used for the initial tabulation, analysis of data and illustration of charts based on the responses. Statistical Package for Social Science (SPSS) Student Version 16.0 which is a unified and comprehensive package was used to analyze the collected data thoroughly and conveniently. Statistical analysis of means and standard deviation were used and frequencies of percentages were also used in the analysis.

The study revealed that the organization has successfully implemented a new human resource management system, and has renewed the process and quality management systems as well as its structure to facilitate coordination between different functions. The organization has successfully implemented various market innovations that were mostly derived from the global Deloitte standards. The organization has improved the interactions and connectivity with clients and other stakeholders through advanced technology as well as renewing the service promotion techniques employed for the promotion of the current and/or new services.

The study showed that the organization has been able to introduce new services to the market before competitors as well as serve a number of new service projects. The organization has achieved increased percentage of new services in its existing portfolio, by introducing innovations in the work processes and methods, while improving the quality of new services introduced as well as renewing the administrative system and the mind set in line with firm’s environment.

5.3 Discussions
5.3.1 Creative and Innovative Strategies Required by Service Marketing Firms
From the study, it was evident that the organization has successfully implemented a new human resource management system, and has renewed the process and quality management systems as well as the organization structure to facilitate coordination between different functions. Vilanova and Dettoni (2011) state that innovation drivers are
very important because a firm that uses exploration throughout its ranks understands that the basic unit of innovation is not a department, but rather a network which aims to generate public and private good for the organization.

The study also showed that other functions like renewing the routines, procedures and processes employed to execute firm activities in innovative manner; renewing the in-firm management information system and information sharing practice and renewing the organizational structure to facilitate strategic partnerships and long-term business collaborations and teamwork have been changed. Martins and Terblanche (2003) note that the effective application of new processes and products designed to benefit the company as well as its stakeholders is important for firms to remain competitive and profitable in the market.

The study revealed that the organization has successfully implemented various market innovations that were mostly derived from the Deloitte Global Standards. The organization has improved the interactions and connectivity with clients and other stakeholders through advanced technology as well as renewing the service promotion techniques employed for the promotion of current and new services. Martins and Terblanche (2003) also state that organizational structure is influenced by the nature of the tasks performed within the organization and its parent company.

From the findings, the organization has renewed its service costing techniques employed for the costing of current and new services as well as broadening the portfolio of services delivered to clients for purposes of enhancing market leadership and redesigning the current service offerings to be aligned with emerging and untapped market needs. Vilanova and Dettoni (2011) observed that formalization and control systems constrain innovation, while a decentralized structure with informal work practices enables the organization to be flexible and respond to uncertain environments through innovation. Once creative ideas are generated, however, a degree of centralization is required for the idea implementation, and thus innovation.

The findings of the study indicated that the organization trained its employees to avoid future occurrence of the same errors, and that the organization searched for error-resulting processes. These results indicated that the organization was more focused on training than
punishing its employees and Chen and Kaufmann (2008) observed that high-performance organizations demonstrated their commitment to employee training and development, equipping employees with the skills to take on broader roles within the organization. Training and development empowers individuals to take on additional responsibility and to demonstrate more initiative at work.

5.3.2 Effect of Culture and Leadership on Creative and Innovative Strategies

The study revealed that twenty per cent of the employees were involved in creative and innovation strategy formulation. Keashly and Harvey (2005) attest to the fact that an organizational culture of employee involvement in firm wide activities is effective because it utilizes an individual’s abilities and ideas and thus Deloitte was in the right track with its employee involvement initiatives.

The study results indicated that the organization involved management consultants from the Deloitte Global Office in developing creative and innovation strategies. The study also revealed that less than 10% of the Deloitte Global Office management consultants were involved in innovation and creative management. Lopez, Peon and Ordas (2004) showed that key individuals (or possibly a group) who are prepared to champion the innovation can provide energy, motivation and enthusiasm to help it through the organizational system.

Results from the findings showed that the organization used public awards to reward employees as well as offering coupons. Agbor (2008) states that the organizational leaders usually decide what happens in the organization provide the direction the organization takes as well as motivate the employees. The organization seemed to give employees public awards in recognition of their efforts.

The results revealed that ideas in the organization were implemented by the management and on rare occasions by employees. Feedback from customers was generally used as well as feedback from co-operation partners. Martins and Terblanche (2003) identifies strategy, structure, support mechanisms, behavior that encourages motivation and open communication as some determinants of organizational culture which influence creativity and innovation.
The study revealed that creativity and innovation in the organization was stimulated from frequently asked questions or ideas and focus groups approaches. Observation of how one unit is affected by the experience of other units in the organization is also used as a measure of adopting creativity and innovation as well as determining the degree of acceptance of a particular idea by both management and employees. DiLiello and Houghton (2006) identified that individuals with strong leadership traits consider themselves to have more potential for innovation and will be more likely to practice them when they perceive strong support from work place. Thus the organization needs to improve its policy for idea implementation.

The study showed that the organization utilizes two key methods of evaluating ideas which include use of documented results after implementation and use of documented common errors and influences of certain decisions. The results also revealed that the influence of certain decisions was considered in the evaluation process as well as comparing the benefits and costs of innovation and creativity. The ideas are also evaluated using the business goals and objectives. Wolfe (1995) admits that creative ideas imply departures from or extensions of existing products, services, or ways of doing things, and thus uncertainty becomes a prominent feature of most creative ideas and thus the pronounced observation of new ideas by the organization.

5.3.3 Effectiveness of Creative and Innovation Strategies

The study findings showed that the organization had introduced new services to the market before competitors as well as serve a number of new service projects. The findings also revealed that the organization had also achieved increased percentage of new services in their existing portfolio, introduced innovations in the work processes and methods, improved the quality of new services introduced as well as renewed the administrative system and the mind set in line with firm’s environment. Howe and Higgins (1990) stated that by being innovative, the process introduces new perspectives and insights, challenges established thinking, and collaboratively explores potential growth opportunities, new businesses, new products/services, and innovative business models that arise at the intersection of emerging trends.

The results of the study also showed that the organization has achieved improved performance in most of its service delivery initiatives. From the results, the organization
has increased its conformance to quality, reduced its service costs, increased its flexibility within the organization and improved its speed in terms of service delivery to clients. Kotler (2012), states that in market economies all value is derived from the customers’ perception. On these grounds, meeting customer requirements becomes imperative for innovation activities to become effective.

The study also showed that the company had improved its market financial performance over the last three years. The results indicated that the success of client satisfaction led to an increase in revenues and market share for the company. Kohli and Jaworski (1990) state that the task for innovation is to ensure the market orientation of a company is strengthened in terms of position of its businesses in service markets and to apply effective programs for the creation of revenues.

The study results also showed a notable increase in repeat business which translated to profit and increase in total revenues which meant that the firm’s profitability in general had improved. Kotler (2012), states that in market economies all value is derived from the customers’ perception. This was successfully implemented in the organization and they were enjoying repeat business from their clients.

5.4 Key Lessons Arising from the Research

The key lessons arising from the research is that creativity and innovations are important elements in service marketing. This study shows that the various forms or types of innovation in the service industry include process, delivery, strategic, cultural and marketing innovations. By utilizing creativity and innovations, organizations can improve their interactions and connectivity with clients and other stakeholders through advanced technology as well as renewing the service promotion techniques employed for the promotion of the current and new services leading to better customer satisfaction.

The organization has placed high importance on making incremental improvements on the human resource management system, process and quality management system as well as the overall organization structure indicating that these are key strategies required by service marketing firms to become competitive in the market.
The study also portrays an empirically grounded research on the impact of organizational culture on innovation adoption. It has shown that vision, organizational structure compound, support mechanisms, leadership and innovation stimulators can enable employees to become more innovative and creative or destroy their capabilities. In short they will either activate or inhibit creativity and innovation within the organization.

It is also portrayed from the study that support and commitment from leadership contributed to the overall organization’s success in generating new service offerings to the market. The firm’s leadership placed great importance to the creation of new ideas and incorporation of breakthrough ideas within the current system by supporting the adoption of creativity and embracing innovation. This demonstrates a deliberate effort by the organization to remain competitive in the market through its market innovation activities.

Management instituted initiatives to encourage employees’ participation in the innovation process through various forms of reward systems. The firm also provided employees with various platforms to contribute to creative and innovative organizational processes. A key lesson arising from the aforementioned narrative is that creativity and innovation management should be a top priority of organization’s leadership to guarantee its’ continued success and competitiveness in the market.

5.5 Conclusions

5.5.1 Creative and Innovative Strategies Required by Service Marketing Firms

The study concludes that the organization has successfully implemented a new human resource management system, and it has renewed the process and quality management systems as well as its structure to facilitate coordination between different functions. The organization has successfully implemented various market innovations that were mostly derived from the Deloitte Global Standards. The organization has improved the interactions and connectivity with its clients and other stakeholders through advanced technology as well as renewing the service promotion techniques employed for the promotion of its current and new services.

The key strategies adopted by the firm included broadening the current portfolio of services and redesigning the current service offerings in line with emerging and untapped
market needs. These strategies were designed to adapt to the local market conditions thereby positioning the firm to be competitive in the market.

5.5.2 Effect of Culture and Leadership on Creative and Innovative Strategies
The study showed that twenty per cent of the employees were involved in the process of developing creative and innovation strategies. Management consultants from the Deloitte Global Office were also involved in the development of creative and innovation strategies though on a limited basis. The study concludes that idea implementation is carried out by management with consideration of feedback from employees, customers and co-operating partners. The study also concludes that the organization uses documented results after implementation and documented common errors to evaluate ideas. The study also reveals that the influence of certain decisions on internal processes is also considered in the evaluation process as well as comparing the benefits and costs of innovations and creativity. The ideas are also evaluated using the business goals and objectives.

5.5.3 Effectiveness of Creative and Innovation Strategies
The organization had been able to introduce new services to the market before competitors as well as serve a number of new service projects. The organization had achieved increased percentage of new services in its existing portfolio, by introducing innovations in the work processes and methods, while improving the quality of new services introduced as well as renewing the administrative system and the mind set in line with firm’s environment. The organization had been able to increase its conformance to quality, managed to increase its flexibility within the organization and improved its speed in terms of service delivery. The improvements have led to a market financial performance that resulted in an increase in revenues and market share for the company.

5.6 Recommendations
5.6.1 Recommendations for Improvement
5.6.1.1 Creative and Innovative Strategies Required by Service Marketing Firms
In today’s fast moving and complex global environment, the ability to innovate and deploy services faster and more profitably than competitors is now a requisite for growth and success. This study therefore recommends that Deloitte creates an innovative environment and conducts a culture assessment to assess the current climate and culture that are pre-requisites for creativity. The organization needs to also develop an innovation
scorecard that will link strategic goals to departmental and individual innovation goals. The Innovation Scorecard balances current, past, and future innovations along with the organization’s current performance review process.

5.6.1.2 Effect of Culture and Leadership on Creative and Innovative Strategies
Successful Innovation Leaders employ a common set of best practices that allow them to navigate between generating creative, consumer-focused insights and making hard, analytical decisions about feasibility and strategic fit. The best Innovation Leaders know how to work with the cross-functional teams to allow the process to happen as broadly as possible, pulling ideas from outside, protecting the “wild idea,” and creating a safe environment to make mistakes and have crazy ideas. The study recommends that leaders in the organization learn how to work with the innovation experts from other companies as well as other facilitators to spark creativity while being intensely aware of how to get things done inside the organization. Leaders in the organization will have to attain best practices that will help them set project team expectations and provide a compass for each stage of the service development process.

5.6.1.3 Effectiveness of Creative and Innovation Strategies
Organizations that are successful in transformational change have one or more executive champions who actively challenge the status quo and pilot projects through successful new service launch and implementation, and then, systemically inculcate all elements of creativity and innovation. The study recommends that the organization adopts an approach that combines the latest thinking in innovation leadership with customization to the strategic context to drive change. This approach may incorporate the following steps:

Strategic Review: Base all initiatives in the strategic direction and goals of the organization taking into consideration the competitive market environment and the business operations.

Talent and Performance Management Review: Understand the existing processes for performance management, talent development, and competency models.

Innovation Leader Profile: Create a customized Innovation Leader Profile integrating the strategic context with the Innovation Leadership Capabilities.
Innovation Leadership Assessment: Assess the current pool of leaders involved in driving innovation and creativity in the organization. Identify the capability and quantify the developmental requirements to meet strategic goals.

5.6.2 Recommendations for Further Studies

This study has made major contributions to the academic knowledge relating to the role of creative and innovative strategies in services marketing. At the same time, it has only begun to scratch the surface on the interrelatedness between the effect of creative and innovative strategies on service providers’ performance. The study however has focused on one organization and the results provided therein, are limited to the organization being studied. The researcher therefore, recommends that since this area presents a new paradigm shift in thinking, additional studies need to be conducted. These studies can cover other PSPs as well as delve into organizations that deal with consumer goods.
REFERENCES


Martins, E.C. (2000). Die invloed van organisasiekultuur op kreatiwiteit en innovasie in ‘n universiteitsbiblioteek/ The influence of organisational culture on creativity and


APPENDIX I: QUESTIONNAIRE

This study seeks to establish the role of creative and innovative strategies in services marketing. Your firm has been selected for the study and the following questionnaire has been developed to help the researcher gather information necessary to meet the research objectives. Kindly fill in as required.

A: Demographic Information

1. Please indicate your gender.
   Male ( )       Female ( )

2. Please indicate your position/level in the organization.
   Top Management ( )   Middle Management ( )   Lower Management ( )

3. How long have you been in this position?
   1-5 Years ( )   6-10 Years ( )   11-15 Years ( )   16-20 Years ( )   21 and above ( )

4. Please indicate your highest level of qualifications.
   Degree ( )   Post-graduate ( )   Other ( ) Indicate………………………

B: Creative and Innovative Strategies Required by Service Marketing Firms

5. To what extent have the following organizational innovation items implemented in your organization in the last three years? (Five-point scales ranging from 1=‘not implemented’, 2=‘adapted to local market conditions’ 3=‘derived from global (Deloitte) standards 4=‘current organizational practices were improved’, 5=‘original organizational innovations were implemented’).

<table>
<thead>
<tr>
<th>Item</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewing the routines, procedures and processes employed to execute firm activities in innovative manner</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewing the process and quality management systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewing the human resources management system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewing the in-firm management information system and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. To what extent have the following kinds of **market innovations** implemented in your organization in the last three years? (Five-point scales ranging from 1=‘not implemented’, 2=‘adapted to local market conditions’, 3=‘derived from global (Deloitte) standards’, 4=‘current processes were improved’, 5=‘original process innovations were implemented’).

<table>
<thead>
<tr>
<th></th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewing the service promotion techniques employed for the promotion of the current and/or new services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewing the service costing techniques employed for the costing of the current and/or new services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broadening the portfolio of services delivered to clients for purposes of enhancing market leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving the interactions and connectivity with clients and other stakeholders through advanced technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redesigning the current service offerings to be aligned with emerging and untapped market needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C: **Culture and leadership effects on the adoption of creative and innovative strategies**

7. What are the aims of creative and innovation management in your company? (Multiple selections may be made)

- Process evaluation
- Perform incremental improvements in processes
- Manage the creation of new innovative ideas
- Incorporation of breakthrough ideas in the current systems
Create environments which support and facilitate creativity ( )

No innovation management installed ( )

8. How many employees are involved in the creative and innovation strategy in terms of percentage?
   20% ( ) 40% ( ) 60% ( ) 80% ( ) 100% ( )

9. Are management consultants from the Deloitte Global Office involved in the innovation and creative management?
   Yes ( ) No ( )

10. If yes, what is the total involvement in terms of percentage?
    Less than 10% ( ) 10-30% ( ) >30% ( )

11. What incentives in the area of process innovation and creativity are offered to employees?

<table>
<thead>
<tr>
<th></th>
<th>Successfully Implemented</th>
<th>Unsuccessfully Implemented</th>
<th>Never Implemented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium pay</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary Increase</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coupons</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Awards</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. How are staff errors / mistakes handled? (Multiple selections may be made)
   ( ) Penalty
   ( ) Training for future occurrence
   ( ) Search for error-resulting processes (with their working-group)
   ( ) Other………………………………………………………………………………..
13. How are the ideas implemented within the organization? (Multiple selections may be made)

<table>
<thead>
<tr>
<th></th>
<th>Never</th>
<th>Rarely</th>
<th>Generally</th>
<th>Often</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>By management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By employees</td>
<td></td>
<td></td>
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<tr>
<td>From customers feedback</td>
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<tr>
<td>By co-operating with partners</td>
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<tr>
<td>By selective research and development</td>
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</tbody>
</table>

14. Do you have any regular meetings of certain working groups?
   Yes (  ) No (  )

15. How often are these meetings held?
   Daily (  ) Weekly (  ) Monthly (  ) Other ( )…………………………

16. What methods of innovation and creativity are used by the organization? (Multiple selections may be made).

<table>
<thead>
<tr>
<th></th>
<th>Successfully Used</th>
<th>Unsuccessful</th>
<th>Known but not Used</th>
<th>Not Known</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus Groups</td>
<td></td>
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<tr>
<td>Through frequently asked questions or ideas</td>
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<tr>
<td>Words, Ideas and Tasks generated from a central key area</td>
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<tr>
<td>Degree of acceptance of a particular idea</td>
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<tr>
<td>Observation of how one unit is affected by the experience of other units in the organization</td>
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</tbody>
</table>
17. How are ideas evaluated in the organization? (Multiple nomination possible)

<table>
<thead>
<tr>
<th></th>
<th>Successfully Used</th>
<th>Unsuccessful</th>
<th>Known but not Used</th>
<th>Not Known</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documenting the results after implementation</td>
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<tr>
<td>Documenting the common errors and influence of certain decisions</td>
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<tr>
<td>Comparing the benefits and costs of innovations and creativity</td>
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<tr>
<td>Analyzing the market and the strengths of competitors</td>
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<tr>
<td>Assessing the cost of an innovative and creative idea with disregard to the economy</td>
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<tr>
<td>Evaluating the ideas using the business goals and objectives</td>
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</tbody>
</table>

18. How important is innovation management for developing services?
   - Not important ( )
   - Less important ( )
   - Sometimes important ( )
   - Often important ( )
   - Vital important ( )

D: The effectiveness of creative and innovative strategies to market services

19. How would you rate the level of achievement of the following innovative performance items in your organization in the last three years compared to the previous years? (Five-point scales ranging from 1=‘very unsuccessful’ to 5=‘very successful’)

<table>
<thead>
<tr>
<th></th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to introduce new services to the market before competitors</td>
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<td>Percentage of new services in the existing portfolio</td>
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<tr>
<td>Number of new service projects</td>
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<tr>
<td>Innovations introduced for work processes and methods</td>
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<tr>
<td>Quality of new services introduced</td>
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</tbody>
</table>
Number of innovations under intellectual property protection
Renewing the administrative system and the mind set in line with firm’s environment

20. How would you rate the level of achievement of the following service delivery approach in your organization in the last three years compared to the previous years? (Five-point scales ranging from 1=‘totally disagree’ to 5= ‘totally agree’).

<table>
<thead>
<tr>
<th>Item</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
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</thead>
<tbody>
<tr>
<td>There is an increase in conformance to quality</td>
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<tr>
<td>The is an increase in improved reduction in service cost</td>
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<tr>
<td>There is an increased flexibility in the organization</td>
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<tr>
<td>The speed in service delivery has improved</td>
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</tbody>
</table>

21. How would you rate the level of achievement of the following market and financial performance items in your organization in the last three years compared to the previous years? (Five-point scales ranging from 1=‘very unsuccessful’ to 5=‘very successful’).

<table>
<thead>
<tr>
<th>Item</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client satisfaction</td>
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<tr>
<td>Increase in revenues</td>
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<tr>
<td>Increase in market share</td>
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<tr>
<td>Repeat business (profit /total revenues)</td>
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<tr>
<td>General profitability of the firm</td>
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</tbody>
</table>

THANK YOU