MARKET PENETRATION STRATEGIES OF RETREAD TRUCK TIRES IN KENYA

BY

PRIYAL PANCHAL

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SUMMER 2016
MARKET PENETRATION STRATEGIES OF RETREAD TRUCK TIRES IN KENYA

BY

PRIYAL PANCHAL

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

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SUMMER 2016
STUDENT’S DECLARATION

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.

Signed: __________________________ Date: _____________________________

Priyal Dinesh Panchal (ID No. 626201)

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

Signed: __________________________ Date: _____________________________

Dr. Juliana Namada

Signed: __________________________ Date: _____________________________

Dean, Chandaria School of Business
ABSTRACT

The general objective of this study was to evaluate the market penetration strategies of retread truck tires in Kenya. The research was guided by the following specific objectives: to investigate the types of market penetration strategies for retread truck tires, to assess challenges against market penetration strategies for retread truck tires and to determine the benefits of market penetration strategies for retread truck tires.

The research adopted a descriptive research design. The population for this study comprised of all 51 fleet companies in Kenya. The study adopted a census survey research design, while no sampling technique was adopted given that it was a census survey. Questionnaires were used to solicit information from the respondents and a pilot test of the questionnaires was done. Data gathered from the field was coded and analyzed using the Statistical Package for Social Sciences (SPSS) and Ms Excel, while the findings were presented using tables, graphs and figures.

The study revealed that accessibility of product offerings, visibility of marketing approaches; client communications, market penetration methods, market development strategies and product development in the existing market affect retread tires to a very large extent. The study also revealed that fuel consumption, understanding the process of retreading, usage of mileage, lack of awareness, product knowledge of retreads, lack of support of retread pricing and retread maintenance affect the retreads to a very large extent. Finally, the study revealed that retreading quality, distribution networks for retreads, advertising strategies, retreading trials, tread designs and production costs benefit the industry at a large extent.

The study concluded that the marketing approaches, market penetration methods, quality of retread and strategies of promotions for retreading were the most significant factors for the retreading business. The study also concluded that retreads achieve best performance as a new tire, high usage of mileage and lack of awareness of retreads in the Kenyan market are important factors for the organizations. Finally, the study concluded that there was retreading awareness, quality of retreading, strategies of advertisements and benefits of high rates of retreading trials to fleet industries.
The study recommends the need for fleet companies to develop the market penetration strategies that are not just applicable to the industry but that are also relevant to the Kenyan market. This will make it easier for the strategies to be effectively implemented by the key players in the industry. The study further recommends the need for fleet companies in Kenya to develop a customer experience framework that will guide them in early problem identification so that they can come up with ways of dealing with market penetration challenges. It is also important for such companies to benchmark with other industries so as to see if these challenges are similar to them or they are unique to their industry alone. Finally the study recommends the need for fleet companies to capitalize on the benefits of being players in this industry. This therefore means that there is need for them to consider being at the helm of things in the Kenyan industry set-up so that they can effectively capitalize on early mover advantage.
ACKNOWLEDGEMENT

I wish to extend my deep felt gratitude to all the people who offered their support and assistance. In particular, I thank my supervisor for offering guidance and assistance with this research report. Gratitude also goes to my family and close friends for their understanding and support during the many hours I was doing the project. I cannot forget also to acknowledge the Reference of other writers for their work which assisted me a lot in coming up with the project. Lastly, I would like to thank the Almighty God for providing the resources and energy to make this Research Project become a reality.
DEDICATION

This work is dedicated to my loving family and close friends.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>STUDENT’S DECLARATION</td>
<td>ii</td>
</tr>
<tr>
<td>COPYRIGHT</td>
<td>iii</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>iv</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>vi</td>
</tr>
<tr>
<td>DEDICATION</td>
<td>vii</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>viii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>xi</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>xii</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td>xiv</td>
</tr>
<tr>
<td>CHAPTER ONE</td>
<td>1</td>
</tr>
<tr>
<td>1.0 INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Background of the Study</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Statement of the Problem</td>
<td>6</td>
</tr>
<tr>
<td>1.3 General Objective</td>
<td>7</td>
</tr>
<tr>
<td>1.4 Specific Objectives</td>
<td>7</td>
</tr>
<tr>
<td>1.5 Importance of the Study</td>
<td>8</td>
</tr>
<tr>
<td>1.6 Scope of the Study</td>
<td>9</td>
</tr>
<tr>
<td>1.7 Definition of Terms</td>
<td>9</td>
</tr>
<tr>
<td>1.8 Chapter Summary</td>
<td>10</td>
</tr>
<tr>
<td>CHAPTER TWO</td>
<td>11</td>
</tr>
<tr>
<td>2.0 LITERATURE REVIEW</td>
<td>11</td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>11</td>
</tr>
<tr>
<td>2.2 Types of Market Penetration Strategies for Retread Truck Tires</td>
<td>11</td>
</tr>
</tbody>
</table>

viii
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3 Challenges against Market Penetration Strategies</td>
<td>16</td>
</tr>
<tr>
<td>2.4 Benefits of Market Penetration Strategies</td>
<td>24</td>
</tr>
<tr>
<td>2.5 Chapter Summary</td>
<td>31</td>
</tr>
<tr>
<td><strong>CHAPTER THREE</strong></td>
<td>32</td>
</tr>
<tr>
<td>3.0 RESEARCH METHODOLOGY</td>
<td>32</td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>32</td>
</tr>
<tr>
<td>3.2 Research Design</td>
<td>32</td>
</tr>
<tr>
<td>3.3 Population and Sampling Design</td>
<td>33</td>
</tr>
<tr>
<td>3.4 Data Collection Methods</td>
<td>34</td>
</tr>
<tr>
<td>3.5 Research Procedures</td>
<td>35</td>
</tr>
<tr>
<td>3.6 Data Analysis Methods</td>
<td>36</td>
</tr>
<tr>
<td>3.7 Chapter Summary</td>
<td>36</td>
</tr>
<tr>
<td><strong>CHAPTER FOUR</strong></td>
<td>37</td>
</tr>
<tr>
<td>4.0 RESULTS AND FINDINGS</td>
<td>37</td>
</tr>
<tr>
<td>4.1 Introduction</td>
<td>37</td>
</tr>
<tr>
<td>4.2 Response Rate</td>
<td>37</td>
</tr>
<tr>
<td>4.3 Background Information</td>
<td>37</td>
</tr>
<tr>
<td>4.4 Types of Market Penetration Strategies for Retread Truck Tires</td>
<td>40</td>
</tr>
<tr>
<td>4.5 Challenges against Market Penetration Strategies for Retread Truck Tires</td>
<td>46</td>
</tr>
<tr>
<td>4.6 Benefits of Market Penetration Strategies for Retread Truck Tires</td>
<td>53</td>
</tr>
<tr>
<td>4.8 Chapter Summary</td>
<td>60</td>
</tr>
<tr>
<td><strong>CHAPTER FIVE</strong></td>
<td>61</td>
</tr>
<tr>
<td>5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS</td>
<td>61</td>
</tr>
<tr>
<td>5.1 Introduction</td>
<td>61</td>
</tr>
<tr>
<td>5.2 Summary</td>
<td>61</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 4.1: Gender .................................................................................................................................. 37
Table 4.2: Level of Education ............................................................................................................ 38
Table 4.3: Designation .................................................................................................................... 38
Table 4.4: Number of Working Years ............................................................................................ 39
Table 4.5: Number of Years in the Retreading Industry ............................................................... 39
Table 4.6: Descriptive Statistics for Market Penetration Strategy .................................................. 40
Table 4.7: Descriptive Statistics for Market Penetration Challenges ............................................. 47
Table 4.8: Descriptive Statistics for Benefits of Market Penetration Strategies ......................... 54
LIST OF FIGURES

Figure 4.1: Product Offering of Retreads is Easily Accessible .............................................. 40
Figure 4.2: Marketing Approaches of Retreads are Visible Enough........................................ 41
Figure 4.3: Clients are Getting Communication and Transparency ....................................... 41
Figure 4.4: Market Penetration Methods in Kenya are Working............................................. 42
Figure 4.5: Market Development Strategies are Being Used for Retreading ......................... 42
Figure 4.6: Retreads Should be Taken Under the Diversification Strategy............................ 43
Figure 4.7: There is Product Development in the Existing Market for Retreads .................... 43
Figure 4.8: Price Penetration of Retreads have Raised Prices of Premium Tires in the Market ................................................................................................................................................. 44
Figure 4.9: Quality of Retreading is Satisfactory ................................................................... 44
Figure 4.10: Promotional Strategies for Retreads in Kenya are Working............................... 45
Figure 4.11: Retreads Awareness Need Further Improvisation............................................. 45
Figure 4.13: Retreads Achieve the Best Performance as a New Tire ..................................... 47
Figure 4.14: Fuel Consumption is High While Using Retreads ............................................. 48
Figure 4.15: It Is Difficult To Understand the Process of Retreading ..................................... 48
Figure 4.16: The Mileage Usage of Retreads Is High ............................................................. 49
Figure 4.17: There Is Lack of Awareness of Retreads in the Kenyan Market ......................... 49
Figure 4.18: It is Time Consuming to Purchase Retreads Compared to a New Tire.............. 50
Figure 4.19: Product Knowledge of Retreads is Well Known within the Fleet Industries ...... 50
Figure 4.20: There is Lack of State-of-the-Art Technologies in Retread Industries ............. 51
Figure 4.21: There is Poor Inspection of Old Tires when Purchasing a Retread.................... 51
Figure 4.22: Consumers Face Lack of Support for Retread Pricing ..................................... 52
Figure 4.23: Maintenance of Retreads is Affordable .............................................................. 52
Figure 4.25: Level of Awareness of Retreading ..................................................................... 54
Figure 4.26: Quality of Retreading is Benefiting Consumers ................................................. 55
Figure 4.27: Distribution Networks for Retreads are Well Developed in Kenya .................. 55
Figure 4.28: Current Advertising Strategies is Creating Awareness of Retreads in the Market ................................................................................................................................................. 56
Figure 4.29: Fleet Industries are Seeing the Benefit of High Rates of Retreading Trials ...... 56
Figure 4.30: Special Offers from Retread Companies Benefit the Fleets.............................. 57
Figure 4.31: Tread Designs in the Market are Satisfactory .................................................... 57
Figure 4.32: There is Value for the Retread Product in the Market ........................................... 58
Figure 4.33: Retread Pricing are Fair to Purchase .................................................................. 58
Figure 4.34: Production Cost for the Retread Industry are Feasible ........................................... 59
Figure 4.35: Purchase of New Tires have Declined Due to Retread Products ....................... 59
LIST OF ABBREVIATIONS

MRB  Malaysian Rubber Board
NEMA  National Environmental Management Authority
SME  Small and Medium Enterprise
SRIT  Sunrich Integrated Industries
TMC  Technology Maintenance Council
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Market penetration is a concept where you can focus on selling your existing products or services to your existing markets to achieve growth in market share. According to the Ansoff Matrix, which is created by the American planning expert Igor Ansoff, it’s a strategic planning tool that links an organization’s marketing strategy with its general strategic direction (Kotler et al, 2009). The matrix presents four alternative growth strategies in the form of a 2X2 table as below;

Table 1: Ansoff matrix

<table>
<thead>
<tr>
<th>Products</th>
<th>Existing</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Markets</td>
<td>Market Penetration</td>
<td>Product Development</td>
</tr>
<tr>
<td>New</td>
<td>Market Development</td>
<td>Diversification</td>
</tr>
</tbody>
</table>


Market penetration is the first strategy most organizations will consider as it carries the lowest amount of risk. This strategy involves selling more to current customers and to new customers who can be thought of as being in the same marketplace (Kotler et al, 2009). Market penetration is both a measure and a strategy whereby, a business will utilize a market penetration strategy to attempt to enter a new market. The main goal is to get in quickly with your product or service and capture a large share of the market. Market penetration is also a
measure of the percentage of the market that your product or service is able to capture (Cadle, Paul, & Turner, 2010).

The factors that affect market penetration is concerned with two opposing forces which includes the competition versus the companies in the market trying to penetrate the same available product area simultaneously over a given time period (Allent, 1966). Several basic types of markets are analyzed as to their effect on the various economic factors; therefore the market characteristics have an important bearing on the outcome of any market penetration process (Kotler et al, 2009). Hence, it is necessary to predict the market as a function of time in the form of market growth curves, depending on the product, economic, political, and social environment (Goodnow, 2012).

Certain basic elements are present in the process of obtaining new or existing business in the process of market penetration strategy. First and foremost a market or at least a potential market must exist. Secondly, competition is nearly always present and must be contended with. Finally, loss of contracts are inevitable and should be considered (Allent, 1966). Consumer expenditure patterns may change among the products even though they are physically different, these consumer patterns are affected by many factors, including income, purpose of use, occasions, information, perceptions, and sources for purchases. The level of consumer expenditures depends on three basic components, which includes; market penetration, frequency of transactions among buyers and prices (Antonio & Garcia, 2005). Most private companies that consider the factor of market penetration strategy, usually subsidize their products pricing to achieve penetration (Gillette, 2000).

In general, some of the factors that would affect market penetration strategies are; cost, competition, product differentiation, exchange rates, government factors and economic conditions of the importing country. The marketing concept is a corporate orientation to business that starts with consumers and integrates into every other function in the market (A. Binsardi, 2003). Therefore, market penetration can take into consideration of the uncontrollable factors in order to face some challenges in the industry. These include; consumer’s buying behavior, competition, pattern of distribution system and the government control (Allent, 1966). The decision to penetrate a given business area is dependent upon many factors, some of which are discussed as above. In order to get a particular solution to a
market penetration problem, we can have a look at the benefits and challenges of the market penetration strategy.

The benefit of market penetration is that it may cause quick diffusion and adoption of your product in the market. If your product is cheap enough and of similar quality to competing products, it should spread out into the market and be purchased by customers quickly. However, market penetration requires blanketeting of the market with multiple products, positioning, and sometimes even brands to occupy the segmentation opportunities (Robertson, 1993). Market penetration may also create goodwill among the first customers that purchase the product due to the aggressive pricing, this is because of the strategic importance of a firm’s pricing decisions and the technical challenges that inherent in the modeling and computation of optimal decisions that take place (Monahan, Petruzzi, & Zhao, 2004). This may create customer referrals for a better future for a firm. The grand strategies have enabled organizations to increase their market shares, develop new markets and develop new products and services (Absanto, 2013).

A centrally important and beneficiary principle of market penetration is that all the activities should be geared towards what the customers want, which implies a focus towards the end consumer of the product or service (A. Binsardi, 2003). This will lead to a better strategic positioning of a firm and a new market role in the broader corporate strategy on an industry. For example, Absanto (2013) states “To understand more about this strategy let’s take Tigo Telecommunication Company; at this time Tigo had about 4% market share, they lowered the price and subjected their service to high promotion focusing on what the customers want, this strategy enabled Tigo to penetrate the market by raising their market share to 25%. Through this strategy the company has managed to attract people who were non users of the mobile communication and also has attracted some customers who were customers of competitor companies to join Tigo”.

Market penetration will benefit a firm by maintaining or growing the market share of the current product that exists and becoming the dominant player in the growth markets. It assists in driving out competitors and increasing the usage of a company’s products by its current customers (Kobulnicky & Stoffle, 2010). Market penetration is basically an opportunity to
set standards in the existing market in terms of having a product management in the industry. Therefore, product improvements can be utilized to create new interests in a declining product in terms of market penetration (Meyer & Thu Tran, 2006).

Some of the challenges that are faced by market penetration strategies are the high costs of research and development as the firm has to go through a process of knowing what the market requires in terms to proceed to a positive action (Gillette, 2000). Market penetration is supposed to be a low-risk business growth strategy typically centered on increasing marketing and sales efforts, and sometimes increasing the number of business locations in the interest of capturing greater shares of an existing customer base. However, like any low-risk endeavor, market penetration has limits (Gillette, 2000). Another challenge of market penetration of a firm is that it may create a market for its competitors. The variability of customer groups in terms of income and regions creates a highly segmented market, which itself produces a challenge for firms aiming for large market shares, due to this, the timing may be premature for a product to take off in the market (Han, Dong, & Dresner, 2013).

The main challenge of a market penetration strategy is that most new products fail in the market due to various reasons. Although having existing market consumers, the product may fail due to the economies of scale (Goodnow, 2012). Market penetration strategy isn’t always effective, especially when a company enters an industry where prices are already set low. For example, when prices are already low, it means that consumers have already built trust towards an existing company, so entering the market and trying to beat the price of the competitor is an ineffective way to act (Spann, Fischer, & Tellis, 2014). Market penetration strategies usually include more intensive efforts to distribute the product or service and to have a more aggressive promotion for the products which is a challenge for the firm (Bartlett, 2007).

Unmet production costs are a challenge towards market penetration as it’s not always possible to lower the product price as you wish. Sometimes, products are expensive to create and small businesses tend to struggle while trying to produce enough to lower the production and product price. Hence, it becomes more complex when competing with large firms (Meyer & Thu Tran, 2006). Market penetration doesn’t always work for some products and
businesses; hence some companies use different marketing strategies that would be of benefit. The challenges that firms have to look into are a number of them, depends on the industry a firm is concentrating on. Some of these challenges include; cost controls, over-capacity, taxation, insurance, low product knowledge (Wensveen, 2010). Furthermore, looking at it in terms of retread companies, it is first important to know what retreading is.

Retreading is an environmentally cost effective process whereby selected and inspected worn tires that are called casings, receive a new tread. There are different processing techniques, which have the same ultimate objective; to affix a new tread through the application of heat, time and pressure. There are two types of technology used to retread a tire, Mould Cure also known as the hot system and Pre Cure also known as the cold system (Behnam & Alvelos, 2011). The industry of retreads has a close liaison with tire manufacturing industries and all the innovations or developments, especially in regard to materials and performance parameters that get imparted automatically, into the retreading practices (Bandag, 2007). The process of retreading bonds a new tread to the tire body using a process similar to the manufacturing process of new tires. The quality control system and tools are world class but the actual implementation at the retread industry is often lacking, although there are some quality problems that could be minimized by the use of some known quality tools (Behnam & Alvelos, 2011).

Retreads are used on all types of vehicles, but mostly trucks, as they are less expensive compared to new tires in the market. According to the Tire Re-tread & Repair Information Bureau, re-treaded truck tires represent a savings of over $3 billion dollars annually for truckers and trucking companies in North America. As for most fleets, tires represent the second largest item in their operating budget, right after labor and fuel costs (Hammond, 2009). Maurice (Moe) Tresoor was the first Canadian on the board of the Tire Retread Information Bureau. In 1986-87, he had also served on the board of the National Tire Dealers and Retreaders Association and now he is with the Tire Industry Association supporting the re-tread tire business (White, 2013).

Most tires can expect two retreads per casing if they are running in line haul service vocations. Most well-maintained wide base tires target one retread. When compared to a
conventional dual tire, the wide base tires are working a little harder during every tire revolution. These tires are heavier and generate heat which can affect the long term durability of the tire casing (Cohn, 2015). Despite little awareness of retread tires, not much has been done about detailed investigation on the success factors for retreading of tires. There will be a clear demand for retreading in the future as quality, economy and environmental issues become even more important in today’s market. Attention will be paid not only to the lifetime of tires, but also to the fuel efficiency, wet grip and external rolling noise. This study therefore aims to address this research gaps and investigate the market penetration strategies for the existing tire retread companies in Kenya.

1.2 Statement of the Problem

Market penetration is a way of increasing the existing share in the existing market in order to facilitate further growth in both a business and the product (Ansoff, 1957). Not every growth strategy is appropriate for every business; hence, the key to finding the right growth strategy is properly matching it to your company and its specific marketplace. Since the wrong strategy can devastate your business, it's important to determine whether you are selling new or emerging products in a new or existing market (Absanto, 2013). In order to continue this growing trend it is of vital importance that one obtains insight into consumer preferences on the products. Specifically, there are two key factors that need to be analyzed in order to understand how consumers base their decision to buy or not to buy the products: market penetration and buyer frequency (Antonio & Garcia, 2005).

Ansoff (1957) studied on the combinations of how to grow a business with its existing or new products. He focused on the company’s present and potential future products or area of engagement and found ways with four possible product or market combinations to grow the business via existing and/or new products, in existing and/or new markets. Peters (1980) studied on the science of management that continues to develop as scholars and global business leaders refine their approaches to organizing their enterprises to ensure both profitability and sustainability in a business. He focused on business management and found that the Mckinsey 7-S framework offers a sound approach to combining all of the essential factors that sustain strong organizations, which includes: strategy, systems, structure, skills, style, and staff, all united by shared values. Drucker (1954) focused on management by
objectives in a firm and found that people perform better when objectives are specific rather than general, hence his main purpose was to motivate employees. Porter (1980) focused on competitive advantage strategy and found that competitive strategy provided tools for capturing the richness and heterogeneity of industries and companies while providing a disciplined structure for examining them. Mintzberg (1987) focused on an approach that involved the study of virtually everything managers do and how they do it. His findings were on the 5P’s of strategy that contributed a different approach to strategy, which includes: plan, ploy, pattern, position and perspective.

This study focuses on the market penetration strategy that is a finding of the strategist Igor Ansoff and is focused on the target product of retread tires in Kenya. Retreaded tires have suffered from a credibility problem that poses difficulty in its expansion. Most of its market is from knowledgeable customers who can evaluate the product quality and these customers are some of the large fleet operators and frequent buyers of replacement tires. For them, tire replacement is usually the third largest item in the operating budget, right after personnel and fuel (Okcabol, 1997). Market penetration of retread tires in the industry is very low currently; there is little knowledge or awareness of retread tires in Kenya.

1.3 General Objective
The general objective of this study was to evaluate the market penetration strategies of retread truck tires in Kenya.

1.4 Specific Objectives
This research was guided by the following specific objectives:

1.4.1 To investigate the types of market penetration strategies for retread truck tires.

1.4.2 To assess challenges against market penetration strategies for retread truck tires.

1.4.3 To determine the benefits of market penetration strategies for retread truck tires.
1.5 Importance of the Study

This study provides an in-depth understanding of the various factors that are available for marketing the tire industries to grow. This information would be useful to the following stakeholder groups;

1.5.1 Academicians and Researchers

The research contributes to the body of knowledge to academicians and researchers who would want to further their studies in understanding the market penetration strategies. This includes the curriculum developer. It is of high importance that the curriculum incorporated this study and mode of awareness into scholars who own vehicles and trucks in the near future. Arming them with such information not only makes the tire tread industry to flourish, but also helps the curriculum to be as wholesome as needed. The researchers in tire treading profession also benefit from this study as there is minimal literature published about the tire treading business in the country. Many scholars and researchers may also want to read more in regards to the trade. It is thus of importance that this research be done, in order to boost the literature in the field.

1.5.2 Government Policy Makers

This study is useful to the National Environmental Management Authority (NEMA). This authority exercises general supervision and coordination over all matters relating to the environment in Kenya, as mandated by the constitution. It benefits from this research by having a more professional way of advising car owners of where to take the waste from their old tires. Furthermore, advice is granted to other new comers in the tire tread sector as of where to get help and direction when treading tires instead of dumping.

1.5.3 Practitioners

The information acquired from this study helps the manufacturers of tire trading machines as the findings of this project points out crucial and relevant statistics as pertains to the consumption of the tire treading practice. This is of key importance to manufactures in terms of market demand and consumer behavior. Such are key concepts to investigate before
launching a product in the market, as is the case of tire trading machines. The SMEs in Kenya also benefit from this study as the youth in Kenya who are yet to be absorbed into the co-operate world can earn a living by this project. Numerous job opportunities are created and newer inventions and ideologies from a learned perspective will be tuned up into the industry.

The fleet owners are beneficiary by this research as it creates awareness of retreading their vehicle’s tires and cost effectiveness as it is also cheaper to retread a tire rather than purchasing a new one with the same qualities of a brand new tire. This would be; having a better mileage and good quality with fuel efficiency.

1.6 Scope of the Study
The scope of the study comprise of fleet owners in Kenya who are already in the market with an established business in tire industries and are aware and/or are already doing business with retread tire industries. The data was collected between 1st July 2016 and 20th July 2016. The findings are remained biased in nature as per the values, ethics and competencies of the respondents

1.7 Definition of Terms
1.7.1 Market Penetration
Market penetration is where a company enters a market with their existing products or services and it increases the existing share in the existing market to facilitate further growth whereby it is considered as a low risk method for further growth of the business (Ansoff, 1957).

1.7.2 Strategy
Strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences (Johnson et al, 2008).
1.7.3 Retread Tires

Retread is a process of bonding new rubber to the casing of a tire and the way the two ends meet, whereby the tire is cured in a mold to vulcanize the rubber together without leaving a heavy spot where the ends meet and could separate (Sean & Kevin, 2012).

1.7.4 Fleet Owners

Fleet owners is where a large number of motor vehicles owned by or leased by an organization, government agency or business for different purposes such as deliver goods, travel to clients or sales (Collins, 1993).

1.8 Chapter Summary

Chapter one presents the background information on the trend of retread tires at the global and international level and the potential market available for industries in the tire business and existing fleet owners. This chapter also outlines the specific objectives of this research, the significance of the study, importance and the scope of the study as well as the working definitions of specific terms used in the project. The next chapter covers the literature review and provides insight into what other researchers have done on factors that relate to retread tire industries. Chapter three is Research Methodology and it highlights various methods and procedures used by the researcher in conducting the research. Chapter four includes the results and findings. Chapter five; provides a discussion on the findings of the research as compared to the findings in the Literature Review.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter reviews literature on market penetration for retread truck tires. The first section addresses the research objective; to investigate the types of market penetration strategies for retread truck tires. The second question addresses the research objective; to assess challenges against market penetration strategies for retread truck tires. The third section addresses the research objective; to determine the benefits of market penetration strategies for retread truck tires.

2.2 Types of Market Penetration Strategies for Retread Truck Tires

2.2.1 Ansoff’s Growth Strategy
H. Igor Ansoff had invented the Ansoff Matrix. He presented the matrix that focused on the company’s present and potential future products or areas of engagement (Ansoff, 1957). The matrix shows practitioners to consider ways with four possible product/market combinations to grow the business via existing and/or new products, in existing and/or new markets in a business (Kotler et al., 2009). This matrix helps different companies to define two key factors for their marketing strategies. These include; what is sold and who it is sold to. Therefore, it relates only to products and markets and gives companies four alternative courses of action when considering their marketing objectives (Ansoff, 1957).

The matrix consists of four strategies, depicts simply the logical combination of two available positioning variables; existing and potential products against existing and potential markets, where as market penetration is where the company sells existing products to its existing markets (Cadle et al., 2010). This increases the existing share in the existing market to facilitate further growth. Market penetration is considered as a low risk method to grow the business (Ansoff, 1957). Market Development is the second growth strategy when companies develop their existing products into new markets. The product can also be targeted to another customer segment. Therefore, both strategies can lead to additional earnings for the business. For example, expanding sales from purely the domestic market into the European market business (Ansoff, 1957).
Product Development is the third growth strategy where companies develop new products in the existing markets. This strategy offers new products or it includes modification of the existing products into the existing markets (Ansoff, 1957). Organizations pursue this strategy to meet the needs of some specific segment of the market; this type of situation is becoming increasingly typical in the healthcare industry (Bartlett, 2007). Diversification is the fourth growth strategy where an organization introduces new products into new markets has chosen a strategy. It is either with related products and markets or unrelated products that are totally unconnected with the existing products and markets. A related diversification describes how companies stay in a market with which they have some familiarity. Brand new products may also be created in an attempt to leverage the company's brand name (Ansoff, 1957).

Growth continues to be highly relevant for the success of a company, but at the same time is more difficult to achieve, because of several factors. With present products and in present markets, growth can be achieved by market penetration strategy. Higher sales from existing markets can either be obtained by attracting current non customers, who either do not buy products in the offered categories at all or who buy them from competitors. Alternatively, the loyalty of existing customers of the retailer can be improved and the value of their shopping baskets increased (Cosmin, 2005). The idea that a retread is far inferior to a new tire is a bit like a big foot in the market industry. Some people don't believe in it, while some people do, and don't confuse those true believers with the facts because their minds are made up with what they so believe (Heine, 2008). Tyres are retreaded using tread patterns suitable for their use. New and retreaded tyres will last almost for the same number of kilometers, and the truck tyres you see lying in tatters by the roadside are not all retreads. Analyses have shown that it’s usually a case of damage caused to both new and retreaded tyres during use. Hence, it is important for markets to analyze and make sure relevant information is portrayed to the users and consumers of retread as some people have no information or very limited information regarding the retreading business (Lahti, 2012).

2.2.2 Price Penetration Strategy

The market environment is characterized by rapid introductions of new products, especially for high-tech categories, in this environment; the pricing of new products is a difficult and critical task affecting the financial success of the product and the company. On one hand, if
the price is set too low, a company not only gives up potential revenues but also sets a perception of low quality for this new product, which can make future price increases difficult. While, on the other hand, a price set too high might harm the take-off and diffusion of the new product (Spann et al., 2014). This study of price penetration develops a method to classify observed dynamic pricing strategies or patterns. This describes the choice and correlates of dynamic pricing strategies such as skimming and penetration pricing (Spann et al., 2014). The fleets' response to rising premium tire prices have always varied, though with most manufacturers pushing through similar price rises, their options have been limited (Hobson, 2012).

The biggest effect of price penetration is that it has moved customers to a greater share of retread. They are using the product they have got for more lives and that is creating a massive shortage of certain types of product in the retread market which specifically is a challenge to the truck tire business. A fleet will monitor and manage the cost of its tyres across its budget period, so if they moved to a cheaper tire because of price penetration, they will see an initial benefit in that cash flow improvement (Hobson, 2012). There are many market followers in the industry, hence companies try to maintain existing customers and attract new ones in industries where there is high price sensitivity like the retread industry (Bartlett, 2007).

The current market environment is characterized with rapid introductions of new or existing products in the market. In this environment, the pricing of these products is a difficult and important task affecting the financial success of a company (Spann, Fischer, & Tellis, 2009). In Kenya, until the early 1960s, relatively small industries in the less developed areas were attributed to the scarcity of capital, administrative inexperience and poor pricing. Since independence, the business sector has been seen to grow to be one of the most fundamental pillars of the economy and the failure of SMEs in Kenya has been very high, 11360 enterprises closed down, 40% of which were in manufacturing while 42.9% were in service, both the manufacturing and service SMEs accounted for over 80% of the business collapse (The Kenya Government, 1999). A firm that uses a penetration pricing strategy, prices a product or a service at less than its normal, long range market price in order to gain more rapid market acceptance or to increase existing market share. This strategy can sometimes
discourage new competitors from entering a market niche if they mistakenly view the penetration price as a long range price (Sije & Oloko, 2013).

2.2.3 Promotional Strategy

One of the tactics for market penetration strategy is to increase the promotions for the product and thereby increase the pull strategy for the product, which are the retread truck tires (Spann et al., 2014). Sometimes, the old promotions that are normally used by a company might not work; therefore, the firm will have to give offers and schemes to the customer to rope them into the market. By giving trade discounts, sales promotion discounts, and any such additional benefits to the customers along with promotions will ensure that the firm will penetrate the market better (Spann et al., 2014). Promotional allowances often make financial sense and should be linked with promotional strategies. For example, you might offer reduced price coupons at point-of-purchase displays or outlets that sell your social enterprise’s product, the first-time “low-price” offers are a way to attract new customers and then the customer may become a regular consumer for the company’s product (Gillette, 2000).

Another approach of promotional strategy to market penetration is increased usage by existing customers. This is to persuade the existing customers to use the product or service more frequently. There are several techniques to increased usage of a customer; this is by offering; loyalty schemes, adding value to the current product or making alternations to the product that encourage greater use (Spann et al., 2014). A company can attempt to increase market penetration by increasing the methods it uses to get products into the hands of consumers, making them more readily available by bringing the products availability closer to their place of purchase (Spann et al., 2014). For example, a retread company that traditionally sells its tires from its warehouse or through its retail automotive outlets may add distribution channels such as sending directly tires to the truck owner’s place of distribution. It may also attempt to gain additional selling space in current distribution channels, such as when purchasing additional display space in retail stores at the automotive outlets (Lahti, 2012).
Controlled factors of demand may be used to change perceptions and awareness by means of promotions at a firm. For example, a promotion program would not change the age of the consumers, but instead it can target different attributes of the products to influence purchase decisions by different age groups. Seasonal factors also affect the demand for the treads of tires, there are certain calendar occasions where the demand for certain types of treads is higher compared to other non-calendar occasions (Antonio & Garcia, 2005). Emerging economies benefit from promoting products as it creates awareness of the product in the industry. For instance, sales assistants may hand out samples or promotion materials to get reach to the consumers (Meyer & Thu Tran, 2006). In order to educate customers, it may be valuable to launch a promotional campaign that informs customers of the features, benefits or even just the availability of your product or service. Many times people are simply are unaware of your product or service and how it is relevant to their situation. Many consumers do not consider using new products as they are afraid (Mason, 2013).

Products or services need the support of well-devised schemes of promotion in the market. It is a good idea to plan how you will promote what you are selling with leaflets, advertisements in newspapers, etc for the firm. Don’t do it in a haphazard way but plan it over the year. A good promotional campaign is based on a well-balanced marketing promotional strategy (Meyer & Thu Tran, 2006). The principal advantage of this method is that it offers the most efficient way of evaluating the effect on sales of variations of different techniques of in-store promotion (Kothari, 2004). For example, Bridgestone Bandag Tire Solutions campaign promoted the fleet retreading in the market to raise awareness and knowledge of retreading. A division of Bridgestone Americas Tire Operations launched a marketing campaign that was designed to promote retreading in the market. At the heart of the campaign was an appeal to fleets to consider extending their casing age limits when retreading the worn out tires. By adding two years to his fleet's specifications, he has been able to realize one to two additional retreads per casing and has lowered overall operating costs of the firm (Cummins, 2011). Promotional strategies benefit markets to grow and create awareness in globally, this also assists consumers to try new products and take advantage of several growing new economies of the market.
2.3 Challenges against Market Penetration Strategies

2.3.1 Lack of Awareness of the Product

Sales are held back in the firm because of the inability to develop product awareness amongst potential customers. It is usually a communication problem when there is low awareness, and the remedy generally is to increase advertising or direct mail spending and sales coverage in the market (Robertson, 1993). The case of re-tread truck tires lacks awareness within the fleet owners and the automotive industries to which the marketing departments needs to show some concern on the retreading products in the firm (Okcabol, 1997). For example; the joint collaborative research between MRB and SRIT on the application of ekoprena for environmentally friendly retreaded tyres indicates mutual recognition to enhance collaboration between the government agencies and the private sector. It goes without saying that SRIT and MRB have come together to work on the first joint research project undertaken to study the performance of green retreaded tyres available in Malaysia and to create awareness among Malaysian consumers on green tire products (Tobergte & Curtis, 2015).

Awareness of a product is a great challenge to any business, especially when it comes to an existing product. In order to deepen people’s awareness of retread tires in Kenya, companies should consider participating in environmental festivals as to raise and also be active in corporate social responsibility (Sije & Oloko, 2013). Furthermore, companies can promote conservation of resources and preservation of the environment by improving work efficiency and production technology in order to deliver the best products of retread tires at competitive prices and in a timely manner (Robertson, 1993). The slow expansion of product awareness explains the industry life cycle through changes in both the number of customers and the demand per customer. As new firms enter, information takes time to propagate to consumers, giving a simple explanation for the slow growth of firms and industries as a time varying limitation on the number of potential customers (Perla, 2013).

Consumers consider a variety of factors when making tire purchasing decisions; for example, price, brand name and reputation, previous experience with a brand, recommendations of friends/family, though their knowledge of the technical specifications of tires appears very limited. They are aware of the need to maintain their tires, but the methods and rigor with which they do so varies considerably (Meyer & Thu Tran, 2006). Therefore, this shows a
huge gap of companies creating awareness of retreading in the market for the end users. For example; Smithers, during its fleet visits, did not observe, or become aware of, any maintenance issues or repair procedures either on the part of the fleets or outside providers of these services that would be inconsistent with good industry practice. Among those vehicles inspected during the field visits, Smithers noted no unique vehicle maintenance issues affecting tire life on retreads (Michael & Dodson, 2008).

In everyday activities consumers are always faced with a number of purchase decisions. Studies show that the consumer decision-making process comprises a number of stages, namely need recognition, search for information, evaluation of alternative options that could meet the consumer’s expressed need, purchase and post-purchase evaluation (Schiffman, Kanuk & Hansen, 2008; Rousseau, 2007). The decision-making process as a whole, as well as each stage in the process, is therefore greatly influenced by a number of external influences such as the family, culture and reference group as well as internal influences; for example perception, motivation and personality (Hawkins & Mothersbaugh, 2010). Decision makers first need to clarify their long-term objectives, namely their aspired market position (Meyer & Thu Tran, 2006).

A study by Hawkins and Mothersbaugh (2010) revealed that perception begins with consumers’ exposure and attention to marketing stimuli and then ends with their interpretation of the stimuli. Etzel, Walker and Stanton on the other hand add that consumers’ perception is not only determined by the characteristics of the stimuli, but as well the characteristics of the consumer him or herself. It is therefore important for those marketers to obtain a thorough understanding of their target markets as well as how consumers will perceive various marketing-related stimuli. For example, Etzel et al. (2007) argues that the four elements of the marketing mix, namely product, place, distribution and promotion, are likely to influence consumers’ perceptions of the business, and therefore their selection. The biggest effect has been customers moving to a greater share of retread due to lack of awareness of retread in the markets. They are using the product they have got for more lives and that is creating a massive shortage of certain types of product in the retread market which creates an issues in the case of creating awareness in the firm as to the shortage of product types (Hobson, 2012).
2.3.2 Low Purchase of the Product

This is one of the greatest challenges faced by firms during market penetration. The new or existing product is performing well on all stages except the purchase or repeat purchase stage. Either the product does not deliver on its promises or the product’s benefits have been oversold in the market. A product’s redesign or repositioning may then become necessary (Robertson, 1993). Fleet industries always identify price as significant determinant in selecting a tire purchaser, but it appears to play less of a role in selecting a specific tire to purchase. Across many fleet owners in general, brand name, reputation of the manufacturer, and experience with a particular brand or recommendation of a particular brand from someone they trust will be looked upon by themselves before purchasing by any fleet owner (Collins, 1993). Marketers can conduct fresh marketing research by using the Internet to arrange focus groups, send out questionnaires, and gather primary data in several other ways in order to get to the why there is a decline of a certain product. They can assemble information about individual customers’ purchases, preferences, demographics, and profitability (Kotler & Keller, 2011).

To make a decision on purchase of a retread tire is time consuming for any buyer of a product. The amount of time it takes to make a purchasing decision varies with the reason for buying tires which is high. Most fleet owners purchase tires on emergency; for example, flat tires, and the decision is very quick (Han et al., 2013). In some cases, if the fleet owners know the purchase of a tire is necessary because of wear but not an emergency case, they take more time; like up to two weeks or even a month to make a decision, and with no knowledge of retread tires, the purchase of retreaded tires is low (Collins, 1993). Consumers often purchase winter tires with a lower speed rating than others. The logic behind this is that in general, the consumers in winter, is not looking for performance like during summer. Also, normally people drive slower in winter, if the consumer insists, then he must be informed of the new speed restriction. As due to these conditions, there is low purchase of the product (White, 2013).

A good example of low purchase of the product is where the Google client Discount Tire was able to identify where visitors encountered problems that led them to abandon a purchase midstream. After modifying its site and updating its keyword search campaign, Discount Tire
measured a 14 percent increase in sales within a week (Kotler & Keller, 2011). After an analysis done for a low purchase of retreading in the year of 2005, the initial purchase to huge fleets was limited to a three month contract, whereby after the initial period, negotiation on the prices and services is done on an annual contract basis for retreading (Richards, 2005). In order for most fleets to stay in business, they must have an effective retread program in place. Fleets will still need to purchase new tires to replenish the supply of casings, but each casing must go through at least one or preferably two more tread lifecycles. Due to these, retreading firms face difficulties as the purchase of retreads decline in the markets and competition arises at the same time (Rohlwing, 2008).

A process of buying starts in the minds of the consumer, which leads to the finding of alternatives between products that can be acquired with their relative advantages and disadvantages. This leads to internal and external research (Baumgartner & et al, 1996). Then follows a process of decision-making for purchase and using the goods, and then the post purchase behavior which is also very important, because it gives a clue to the marketers whether his product has been a success or not. Impacts of information exploring in consumer’s reaction to price discounts could characterize as perceived explored profits (Ailawadi et al., 2001). There are exploring resources when products buying help consumers to satisfy their main needs about diversity information or innovation (Baumgartner et al., 1996).

Nowadays technology is a key element in competition that has created changes in how products and services are presented (Gilaninia, Alipour & Mousavian, 2012). Hacket (2009) says that while technology is an important theme as those of us in developed economies fight for any performance-enhancing advantage, he suggests that innovation alone does not begin to explain the complexity of the elements drive survival. Despite this sentiment, technology remains a high strategic priority for most companies and is typically seen as a strong contributor to a firm’s success (Mekinsey Global survey, 2009). This is because the purpose of marketing is customer satisfaction in return for profit and satisfying customer needs and meet the needs of his efficiency is identify needs, desires, tastes, attitude, expectations and desires of customers in buying.
2.3.3 Low Product Knowledge

According to Awasthy, Banerjee, & Banerjee (2012), the relationship between prior product knowledge to information search is mediated by motivation to search. Prior product knowledge influences motivation to search through its influence on the consumer’s perceived ability to search and his/her perceived value of additional information. Most customers weigh value of the product under the assumption that retreads have a shorter life compared to purchasing a new tire. As a customer, you need to count the cost of extra downtime and labor for tire replacement. Therefore, it is covered by the difference in the purchase price (Heine, 2008). Market penetration challenge occurs when the client has minimum information of the difference between a new tire and the whole retread process. Hence, it becomes difficult for the clients to make a decision when they have no product knowledge or very minimum knowledge on the product, which in this case are the retread tires (Hammond, 2009).

Looking from the physical standpoint, modern retreads look almost like new tires, with virtually no drop in performance and in some instances, improved mileage or traction. Rohlwing (2008) states, that the average truck driver will have a more difficult time in identifying the difference between a new tire and a retread tire. Adding on to the fact, that the drivers probably won't notice any changes behind the wheel, and it's not inconceivable that some minds can be changed. At the end of a tire’s useful life is ranged in age from 10 to 15 years. Indeed, the majority of tires assessed are at least one retread, while a minimal number is usually a maximum of five retreads. However, the lack of data on factors precipitating the withdrawal of the tires are assessed from services that does not permit a comparison with other tire debris studies which show lack of product knowledge with consumers (Woodroofe et al., 2008).

The information processing perspective argues that prior product knowledge is a part of memory which influences the cognitive capacity of consumers. Whereas, more knowledge about a product or service enables consumer to ask more questions regarding that particular product or service, the knowledgeable consumers can perform more efficient information searches because they know what information is important and useful. Information may be categorized by consumers according to their degree of importance (Awasthy et al., 2012). Looking at the market of retreaded tires, the retreaded tires have suffered from a credibility
problem in the market that poses difficulty in its expansion. Most of its market is from knowledgeable customers who can evaluate the product quality, while the rest of the population have no knowledge of retreads and are not been widely approached to. These customers are the large fleet operators and frequent buyers of replacement tires (Okcabol, 1997). According to Porter (1985), the actual and perceived value can differ whenever buyers have trouble assessing in advance what their experience with the product will be. Buyers with incomplete knowledge of the product often judge value based on signals as seller's word-of-mouth reputation, attractive packaging and extensive ad campaigns to which the sellers should be an expert at. With low product knowledge, often customers tend to shy away from the products and tend to go for alternatives at which they have knowledge about. For example; the retread tires are not well known to the consumers, hence the customers prefer buying a completely new tire rather that finding out on the retread tire benefits they shall get.

Porter (1998) claims that recognizing and accurately reading market signals is of major significance for developing competitive strategy and reading signals from behavior is an essential supplement to competitor analysis. A prerequisite to interpreting signals accurately is to develop a baseline competitor analysis; an understanding of competitors’ future goals, assumptions about the market and themselves, current strategies and capabilities. It is not uncommon for competitors to comment on industry conditions, including forecasts of demand and prices, forecasts of future capacity and the significance of external changes. Such commentary is laden with signals because it may expose the commenting firm’s assumptions about the industry on which it is presumably building its own strategy.

The fleet industry is typically characterized by much uncertainty over potential market size, how much time and money will be needed to surmount technological problems and what distribution channels and buyer segments to emphasize. When firms are successful in introducing new ways of marketing their products, they spark a burst of buyer interest; widen industry demand, increase product differentiation and lower unit costs; all of which can alternative the competitive position of a firm (Thompson et al, 2005). The variation in the consumer choice set comes from the knowledge of the existence of new products (Barroso, 2007).
2.3.4 Lack of Use of New Technology

A large number of fleets still refuse to consider retreads as a viable alternative to new tires, despite the groundbreaking advances in technology. The client being the decision-maker, it is immaterial whether decision is based on personal opinions or actual facts. If the decision-maker is convinced that retreads cannot do the job for their fleets, then there has typically been little chance of any immediate change in policy (Rohlwing, 2008). During the past years, the retread industry has brought in change. The latest inspection technology can now spot the tiniest flaws in a casing of a tire, and modern equipment will match the splice on procure retreads while creating a bond-line at the tread edge that is almost impossible to notice because of the advanced technology used. Advances in compounding have allowed the retread industry to deliver special blends that can accommodate the unique operating characteristics of specific applications. And the computerization of the production process has helped retread industries provide better service with more detailed reports in order to show the clients and also make a conclusion whether the tire can further be used (Rohlwing, 2008). Therefore, retread companies should adapt to the new technologies available in the market, as it brings closer to purchasing a new tire.

It is tasked with addressing the operational and technological needs of the truck industry through the provision of technical, information technology, and logistical expertise (Woodrooffe et al, 2008). Production technology is of high requirement in any firm, all firms need to upgrade their technology to be able to perform better and give high quality products (Perla, 2013). Cohn(2015) states that the Technology Maintenance Council (TMC) of the American Trucking Association has published a recommended practice on retread plant inspection guidelines. Visiting retread suppliers and inspecting their facilities will help ensure that you are choosing the best retreaded tire for your fleet operation.

According to Porter (1985), as part of the generic strategy, it is important to take into account that the technological breakthroughs that can open up cost reductions for rivals that nullify a low-cost producer's past investments and hard-won gains in efficiency. Hence, as competitive advantage, firms should be careful when reducing the new technologies, as the modern world is massively changing with innovative products in the markets. The all-encompassing framework would enable road-managers to be independent of the tracking technologies
employed. However, to be successful, any systems employed should be open in their design enabling interconnection with a central network, hence usage of latest innovative technologies increases the overall output of the firm (Collins, 1993).

Bandag (2007) states that as the advances in retreading technology tend to follow those in new tire manufacture, the retread products appears to be inferior. Since the late 1970s, the major issues have been solved in providing a retread product with the desired levels of durability and reliability. As the market grows, technology advances. The condition of the belts, bead and body cables can be determined by examination using x-ray technology in retread plants. This method is widely used as an inspection method in the manufacture of new truck tires (Bandag, 2007). When most business owners consider how to grow their market, they tend to think of new products to launch or existing modification of the products. This can be a high risk for the firm. For example, selling new products often involves a learning curve as companies become familiar with selling and servicing a new technology. In other cases you may need to procure, store, or distribute these new products differently than with your current product line. If selling services, you may find that subtleties in the service delivery process or customer expectations will make or break your success with this expansion, hence usage of advanced technology is a task and challenging (Mason, 2013).

According to Richards (2005), studies by the Technology and Maintenance Council and the Tire Retread Information Bureau have shown that roughly half of the rubber fragments found on roadways come from tires that have never been retreaded. Experts agree that the quality and performance of retreads definitely have improved over the past years; hence the non-disruptive casing inspection technology is the single biggest reason in order to add on the usage of technology for tire organizations. There is a falling price trend over the years that reflects changes in market conditions such as overall cost decline or improvements in average quality due to technological innovation changes in the industries (Spann et al., 2009). Technology of local firms may as such not attract market-seeking investors, but the ability of the workforce to learn may be important. The employees of the relatively advanced local firms may be best qualified to benefit from training and to adopt new technologies and business practices on a daily basis. Yet, this broad range of resources may rarely be available in a single firm, such that suitable targets are scarce in the markets (Meyer, 2006).
2.4 Benefits of Market Penetration Strategies

2.4.1 Higher Level of Awareness

The concept of a market has traditionally been associated with the sale of goods and further, to the location of the sale of goods where the physical market is. The idea of the physical market leads directly to the set of consumers who are attracted to that physical space to consummate their purchases of those goods that are expected to be made available at that location. Those consumers then, by extension, become the market (Kobulnicky & Stoffle, 2010). In most of the developed markets, including Europe and North America, high quality retreads are an integral part of most manufacturers’ strategic planning, and this is especially true of bus and truck businesses. In fact, it is now widely assumed that a single tire carcass should be capable of reuse up to three times over; once using the original tread and twice more using a retread after the original tread. A combination of new technology and tighter regulations continue to drive these major changes in the retreading market (Parise & Az, 2015).

Market penetration starts with the entry strategy, which has to provide access to local resources, such as distribution networks and access to local businesses and authorities, this is in regards to set awareness of the product in the market to the surrounding markets (Meyer, 2006). It is of high benefit when there is increased public awareness about the origins, characteristics, and impacts of tires and retreads in the market as it boosts the sale of retreads and keeps customers in knowledge of how well they can use retreading in actual basis (Hammond, 2009). In a normal business tactic, products are heavily advertised during the period when their information diffusion takes place. These facts are consistent with important ideas where the existence of a consumer awareness process for a new product and an important role of advertising in the information diffusion for a new or existing product are taken into account (Barroso, 2007).

When expanding consumer awareness of new products, it explains a firm’s growth across firms in an industry, the slow expansion of product awareness looks like a capacity constraint or an adjustment cost, while the sorting of customers into preferred products gives the illusion of productivity or quality growth. Product awareness may occur due to word-of-mouth diffusion and independent of the advertising decisions of the firm which will increase
the sales of the products in the market (Perla, 2013). The retreading process bonds new tread to the tire body using a process similar to the manufacturing process of new tires to which consumers are not aware (Behnam & Alvelos, 2011). It is beneficial of creating retread awareness in the market, as when consumers know the process and how they will benefit with using retread tires; they will eventually start up the purchase of the retreads. Increasing public awareness about the origins, characteristics, and impacts of tire debris, and ensuring adherence to the highest standards in commercial driver truck operations and associated tire maintenance increases the awareness level in the industry (Hammond, 2009).

Consumers who patronize services do not mind switching from one company to another due to sales promotion offer. Hence it would be of interest to a marketer to learn about consumer preferences with respect to sales promotion offers in the markets globally; what schemes do consumers prefer for what kind of services, which media they prefer to learn about the schemes, whether they prefer incentive immediately or at a later date. These are the questions which consumers consider while choosing a brand. Similarly marketing managers in the industry also consider such marketing strategies while designing their sales promotion scheme (Rangsan & Titida, 2011). For example, according to Absanto (2013), The acutely lowered price and subjected service to high promotions, this strategy enabled a firm to penetrate the market by raising their market share creating the level of awareness in the market.

According to Rangsan and Titida (2011), value increasing promotions manipulate the quantity or price equation to increase the perceived value of a product offering. Examples of these would be discounts, coupons, payment terms, multi-parks or quantity increase. Value – adding promotions manipulate the price and core product untouched, and offer the customer something extra. Examples of these are product trial or samples, valued packaging, free gifts, loyalty schemes or clubs information, such as a brochure or in-store magazine or a competition. In high competition in the fleet industry, sales promotion is the one important tool that many insurance providers will use to compete and stimulate sales. In order to increase the market share, one can achieve this by adopting a strategy that is made up of a combination of competitive pricing strategies, advertising and sales promotions (Kotler & Keller, 2011).
2.4.2 Higher Rates of Customer Trial

There are guidelines used to establish the ability of the casing to be re-used in a variety of applications in retread. If the product is produced for a particular customer, there may be more stringent criteria for acceptability of the casing which includes the number and types of injuries, casing and age (Bandag, 2007). With market penetration for retreading, as the industries bring in new products, there are high rates of customers that are bound to try the product as it will be of no harm not to know of the new inventions regarding the tire industries in today’s world (Sije & Oloko, 2013). According to Tobergte & Curtis (2015), the road trial using Ekoprena retreaded tyres under Malaysian conditions are being conducted together with SRIT. The performance of specialty modified natural rubber retread is being compared with commercial retreads in order for customers to try the treads and see advantages of retreads.

Special offers and free trial offered by firms encourages consumers to try out new products and also to get an idea of how the product works as a marketing plan (Gillette, 2000). Consumer attitudes and perceptions and producing a seamless customer experience when buying and owning a new product like retread tires gives an encouragement to the consumers to return for that particular product (Sweatman, 2009). The report by EcoPlan International (1992) focuses on the technology changes and customer preference in the tire industries and how these may affect investment decisions in the industry, hence when there are high rates of customers trial on a product, it is important for a company to get to know the customer preferences on the stated product (Okcabol, 1997).

Marketing is important because it embraces nearly every facet of the enterprise, with marketing research to a new product in the market leads on what consumers want and identifies promotion techniques to reach out to the new customers as giving a free or with a minimal charge for trial on a new product (Gillette, 2000). In order to be successful in any organization, you need to plan how you will approach each new customer. For example, to win the custom of a key customer, you may drop your prices, creating a loss-leader or give your product away on a trial basis to win the trust of the customer on the new product. Price is the measure by which industrial and commercial customers judge the value of an offering, and it strongly impacts brand selection among competing alternatives, hence a minimal price
for a new product will lead to increased demands in the market (Sije & Oloko, 2013). For fleet owner-operators who believe retreads hold up as well as new tires, buying retreads is an easy decision. And for those who doubt about purchasing retreads, it still makes economic sense to use retread tires once a trial is done by using the product in order to know the difference (Heine, 2008).

According to Richards (2005), a three-month trial period is long enough to determine if the retreader can meet your needs without the fleet making a long-term commitment. Most of the fleet industries prefer and appreciate free trials in order to check the quality of the tires and how long they last, which also depends on the tread patterns and the roads conditions. Trust is a more difficult variable when it comes to final consumer usage especially for new products. When an entity loses that advantage, it is often hard to reestablish a position of trust in consumers’ minds. The issue becomes one of how egregious the error or harm was. If the error or harm was with an individual, then the loss is a customer. However, if the of loss of trust is seen in the marketplace, the harm to the organization may be a loss of market share that is more visible and often unrecoverable, hence it is preferable to give free trials for products in the market in order to gain consumer’s trust (Bartlett, 2007).

A growth perspective may lead the firm to develop a new product or service that can generate sales from existing customers (Bartlett, 2007). According to Porter (1980), consumers tend to be more price sensitive if they are purchasing products that are undifferentiated, expensive relative to their incomes, or of a sort where quality is not particularly important to them. In the case of retreads, with free trials, consumers will have a feel of the product and will encourage them to use the tires on their own fleets also taking considerations of the price effectiveness. According to Bandag (2007), retread quality through history, the retreading of tires has suffered from a plethora of misinformation and innuendos in the area of their performance. Indeed, in the early years of retreading tires, the products displayed a level of quality that in many cases did not meet consumer expectations and was a difficult phase for retread organizations to create a strategy to convince the fleet management on the new product, hence giving the tread patterns and retread trials to consumers was an advantage to the organizations as well as the consumers. Customers benefit from free trials as they relate to products and gain trust with the trading organizations.
2.4.3. Price Leadership

This is when a firm that is a leader in its sector determines the price of goods or services in this case it is the retread industries. Heine (2008) states that if you’re weighing value under the assumption that retreads have a shorter life, you need to count the cost of extra downtime and labor for tire replacement, this still is relatively infrequent, and therefore arguably covered by the difference in purchase price. It is conceivable that situations exist in which the price elasticity of a given product might, indeed, change over time, which suggests that a time dependent would make an interesting extension to the retread market (Monahan et al., 2004). Price leadership can help a company increase its overall sales volume. Lower prices can lead to higher sales volume, which allows companies to boost their overall market share at the competition's expense and it can also engender goodwill among existing customers and encourage new ones to try your services (Gillette, 2000).

Price leadership benefits from lower production costs along with boosting sales, employing a market penetration strategy could potentially lower overall production costs. As sales volume increases, companies can turn over inventory more quickly (Lahti, 2012). As a result, they may be free to purchase goods from suppliers in greater volumes at discounted rates. Although foreign retreads are not really imported, cheap imports of new tyres from the Far East are competitively priced in comparison to recycled Finnish tyres, whereby the Finnish retreading companies have so far been able to offer competitively priced products and service (Lahti, 2012). A retread tire costs less than seventy percent of a comparable new tire, and other attributes such as reliability are equal, then it's a deal in terms of price leadership on the product as a benefit. The lower miles to replacement are more than offset by the lower purchase price of a tire. By weighing value under the assumption that retreads have a shorter life, one need to count the cost of extra downtime and labor for tire replacements done. Still, this is relatively infrequent, and therefore arguably covered by the difference in purchase price. Hence, it is suggested to lower the retread price by a small margin in order to start-up the business in the market and be at the level of competition and at the same time have awareness of the products and prices in the competitive stages of markets internationally (Heine, 2008).
When a company's cost rises more than that of the leading company, price leadership is performed most effectively. A pricing method signifies the method which a firm utilizes in performing price making. That is, it is the method used to determine price. For example, when a firm takes a positive approach to price making, its method becomes the price-leader type (Tatsuyoshi, 1996). Rohlwing (2008) states that “a couple of years ago I asked everyone to give retreads a chance. A lot has changed since then, especially when it comes to tire prices. Consequently, I believe that in order for most fleets to stay in business a few years from now, they must have an effective retread program in place. Fleets will still need to purchase new tires to replenish the supply of casings, but each casing must go through at least one or preferably two more tread lifecycles.” Price leadership therefore, is basically when a firm that is the leader in its sector determines the price of goods or services. Price leadership in retread organizations can leave the leader's rivals with little choice but to follow its lead and match these prices if they are to hold onto their market share internationally. This reflects the increased competition from inexpensive new tires, whose price differential from retreaded tires has been significantly reduced, and the common misconception that retreaded tires are unsafe in the industries (Okcabol, 1997).

Pricing is one of the four P's of the marketing mix (Brassington, 2011). Pricing is the manual or automatic process of applying prices to purchase and sales orders, based on factors such as a fixed amount, quantity break, promotion or sales campaign, specific vendor quote, price prevailing on entry, shipment or invoice date, combination of multiple orders or lines, and many others. A well-chosen price should achieve the financial goals of the company (e.g. profitability); fit the realities of the marketplace (will customers buy at that price?); and support a product's positioning and be consistent with the other variables in the marketing mix. Price is influenced by the type of distribution channel used, the type of promotions used, and the quality of the product. Price will usually need to be relatively high if cost incurred are high, distribution is exclusive, and the product is supported by extensive advertising and promotional campaigns. A low price can be a viable substitute for product quality, effective promotions, or an energetic selling effort by retailers (Jobber, 2010).

The fleet consumer is conscious about how much they pay for their goods and services. How much to charge for a product or service is usually a typical starting point question for
discussions about pricing, however, a better question for a vendor to ask is - How much the customers value the products, services, and other intangibles that the vendor provides. Generally, companies use pricing as part of their positioning, employing one of three strategic approaches premium pricing, value for money pricing and undercut pricing (Dickman, 2009).

2.4.4 First Mover Advantage

Early movers are able to preempt resources of various types including: superior positions in geographical space, technological space, or customer perceptual space. Pioneers may be able to expand and defend their position by blocking product space with a broadening product line. Preemption of superior human resources is also possible if the organization can retain existing employees (Lieberman and Montgomery, 1998). Being first to initiate a strategic move can have a high payoff in terms of strengthening a company’s market position and competitiveness when: pioneering helps build a firm’s image and reputation with buyers; early commitments to new technologies, new-style components and distribution channels can produce an absolute cost advantage over rivals; first-time consumers remain strongly loyal to pioneering firms in making repeat purchases and moving first constitutes a preemptive strike, making imitation extra hard or unlikely (Thompson et al, 2005).

Being a fast follower or even a wait-and-see late-mover doesn’t always carry a significant or lasting competitive penalty. There are times when a first mover’s skills, know-how and actions are copied or even surpassed, allowing late-movers to catch or overtake the first-mover in a relatively short period. There are also times when there are actually advantages of being an adept follower rather than a first-mover. Late-mover advantages are when; pioneering leadership is more costly than imitating followership and only negligible experience or learning-curve benefits accrue to the leader (follower has lower costs than leader); the products of an innovator are somewhat primitive and do not live up to buyer expectations thus allowing a clever follower to win disenchanted buyers away from the leader with better-performing next-generation products; and technology is advancing rapidly giving fast-followers the opening to leapfrog a first mover’s products with more attractive and full-featured second and third generation products (Thompson et al, 2005).
Fleet companies can enhance their customer experiences (Stone, 2009). These services are often considered an added benefit in buying the products of a company (Burns, 2011). According to Hunter (2012) customers have the tendency to feel more positive about a particular brand of insurance to which they had previous good experience dealing before, during and after the sale has been consummated. According to Burns (2011) customer service is free and should therefore not be part of any add-on on services offered by a company on their products or services. Customer service need therefore, fulfill the deepest needs of customers. As such, customer service is meant to enhance the main offer of insurance and is in itself not the main offer. It is a pleasant bonus that business companies offer their customers to reinforce the message that the business company cares about their expectations, needs and wishes (Burns, 2011).

2.5 Chapter Summary

This chapter reviewed literature on the success factors for market penetration for retread tires. The first section of the chapter identifies the types of market penetration strategies, the second section explains the challenges of market penetration against the retread truck tires and the third section explains the benefits of market penetration of retread truck tires. The next chapter is on research methodology and it highlights the research design, population and sample, data collection methods, sampling design and sample size, research procedures and data analysis methods.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter highlights various methods and procedures the researcher adopted in conducting the study in order to attain answers to the specific objectives raised in the first chapter. The chapter is organized in the following structure: the research design, population and sampling design, data collection methods, research procedures, data analysis methods and lastly the chapter summary.

3.2 Research Design
Research design is the point where questions are raised in theoretical or policy debates, and are converted into feasible research projects and research programs that provide answers to these questions (Hakim, 1987). This research was done on a basis of a case study research design. Kothari (2004) defined a case study method as an in depth approach to reach the basic causal relations. Such studies usually go deep into the causes of things or events that interest us, using very small samples and very deep probing data gathering devices. Bruns, Jr. (1989) mentions that a case study research is not about the preparation or use of case studies such as those which are used in a class room discussion. Case studies often focus on a single situation, incident, individual or an organization that describes incomplete and appropriate for teaching a particular topic.

The case study method is a very popular form of qualitative analysis and this method involves a careful and complete observation of a social unit, be that unit a person, a family, an institution, a cultural group or even the entire community (Kothari, 2004). The case study deals with the processes that take place on a daily basis and their interrelationship. Therefore, case study is essentially an intensive investigation of the particular unit under consideration. A case study approach works well in this case because it provides sufficient detail to unravel the complexity of a given situation. As such to locate the market penetration strategies that account for the behavior patterns of the given unit as in the retread industries.

This method enables the researcher to establish priorities in the specific areas under study. In addition, this approach helps on a research to identify the various market penetration
strategies for the top competitors of retread organizations in Kenya. In order to reduce biases associated with qualitative research the current study applied a structured methodology to gather measure and to analyze the data collected. A case study specifically identifies a cause and solutions for the case. This design is appropriate because it gives conclusive results on the following research variables. For this case, the research looked at the strategies for market penetration in organizations for retreading.

3.3 Population and Sampling Design

3.3.1 Population

Population is the total collection of elements on which we want to make inferences (Saunders, Lewis and Thornhill, 2009). The total population for this study comprises of all fleet companies in Kenya. Currently there are fifty one (51) fleet companies in Kenya. A complete enumeration of all items in the population is known as a census inquiry (Kothari, 2004).

3.3.2 Sampling Design

A sample design is a definite plan determined before any data are actually collected for obtaining a sample from a given population (Kothari, 2004). A research sampling design is that part of the research plan that indicates how cases are to be selected for observation. The design therefore maps out the procedure to be followed to draw the study’s sample. The study employs a census survey design and therefore there is no need to sample.

3.3.2.1 Sampling Frame

A sampling frame is a list of elements from which the sample is actually drawn and is closely related to the population under study (Cooper and Schindler, 2003). In this study, the sampling frame includes the fleet owners and/or employees in the fleet industry in Kenya. According to Bernard (2002) sampling frame is a list of units of analysis from which one will take a sample and to which one generalizes in analysis. This study will employ a census survey and as such, the study will not adopt any sampling frame.
3.3.2.2 Sampling Technique

Sampling technique is the method of selecting elements from the population that represent the population (Coopers and Schindler, 2008). As the population of the study chosen is small, a census sampling technique was used. In a census study, “the researcher surveys the entire realistic population” (Lodico, Spaulding and Voetgle, 2010, p.217). A census is defined as an operation which produces an official count of a country’s population, right down to the smallest level of geographical detail, at regular intervals (Baffour & Valente, 2012). Given that the study employs a census survey and as such, the study does not adopt any sampling technique.

3.3.2.3 Sample Size

Thietart et al (2001) defines a sample size as the set of elements from which data is collected. The sample size enables the researcher to have adequate time and resources in piloting and designing the means of collecting data. Cooper and Schindler (2008) mentioned that how large a sample should be is a function of the variation in the population parameters under study and the estimating precision needed by the researcher. The general rule in most social sciences researchers use the largest sample as possible because the main interest is to learn about the population from which the sample is selected (Kline, 2005). The unavailability of a known population of unknown population size made it impossible for the mathematical calculation of their sample size. The lists of fleets were sourced from Kenivest, 2016. Hence, in this study all the 50 fleet companies are involved and therefore there is no need to have a sample size.

3.4 Data Collection Methods

Data comprises of primary and secondary data. Primary data are obtained from primary sources where raw data without interpretation is used to represent official opinion or position, while secondary data is interpretations of primary data (Cooper and Schindler, 2008). Data collection methods are the ways to obtain relevant qualitative and quantitative data or information for a particular study from the relevant sources. Questionnaires were used to solicit information from the respondents. On the questionnaires, closed ended questions were asked to elicit quantitative data. Each respondent will be asked exactly the same questions, in
the same order and therefore ensuring comparability and reliability on the research. The approach was instrumental in ensuring consistency, accuracy and comparison of the accuracy of the question responses (Babbie, 2008).

The questionnaires were mailed to the respondents during this research. The researcher and the respondents do come in contact with each other if this method of survey is adopted. Questionnaires are mailed to the respondents with a request to return after completing the same. It is the most extensively used method in various economic and business surveys to date. Questionnaire to be used must be prepared very carefully so that it may prove to be effective in collecting the relevant information (Kothari, 2004).

The questionnaire is subdivided into several sections as follows: the first section is to gather background information of the respondents, the second section looks at the types of market penetration strategies, the third section highlights the challenges of market penetration strategies for retreading truck tires and the fourth section looks at the benefits of market penetration strategies in the retread organizations.

A 5-point Likert scale was used in the questionnaire to ensure that the researcher collects the essential data useful for the analysis techniques used. Closed ended questions were used for all the constructs. Closed ended questions provide a greater uniformity of responses and are more easily processed than open ended ones (Babbie, 2008).

3.5 Research Procedures
Before the actual data collection, piloting of the questionnaires was done using a small sample of 3 respondents, which will not be included in the final study. A pilot study is done to identify any items in the questionnaire that might be ambiguous or unclear to the respondents and was changed accordingly. (Kothari, 2004) states that it is considered advisable to do some field observation and as such the researcher may undertake some sort of preliminary survey or what is often called pilot survey.

An introductory letter was given to the respondents from me so as to carry out the research. The researcher then proceeds to administer the questionnaires to the sampled respondents from different companies. The respondents, by a means of a small introductory letter
attached to the questionnaire were given instructions and assured of confidentiality after which they have enough time to complete the questionnaires.

3.6 Data Analysis Methods
This research study uses the quantitative method of data analysis. The quality of raw data is essential, if the data are not of high quality, all statistical calculations are either wrong or of inferior quality. Numerous studies have been constructed into the field of research, utilizing both quantitative and qualitative methodologies and, in some instances, a combination (McCusker & Gunaydin, 2014). For the purposes of this paper, quantitative research is selected as a possible methodology. This method therefore enables the researcher to determine why there is lack of awareness of retreading in the Kenyan market. The questions in the questionnaire were designed to ensure analysis and minimal error in the results and conclusions.

Data gathered from the field; this data will be coded and analyzed using the Statistical Package for Social Sciences (SPSS) and Ms Excel. The statistical treatment of the data will include descriptive statistics. Frequency distributions and percentages were utilized in the descriptive part of this study to analyze most of the items. The analyzed data will then be presented in tables, graphs and figures.

3.7 Chapter Summary
This chapter presented the various methods and procedures the researcher adopted in conducting the study in order to answer the research questions raised in the first chapter. The chapter was organized in the following structure: the research design, population and sample, data collection methods, sampling design and sample size, research procedures and data analysis methods. The next chapter presents an analysis of the research findings of the primary data collected from the field.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents results and findings for the study with regards to the various respondents given. The purpose of this study is to evaluate the market penetration strategies of retread truck tires in Kenya. The study analyzed the types of market penetration strategies for retread truck tires, the challenges against market penetration strategies for retread truck tires and the benefits of market penetration strategies for retread truck tires.

4.2 Response Rate
The section presents an analysis of the information designed to respond to the research questions as outlined in the study. There are four subsections presented on the questionnaire. The first presents findings on the background information; the following three subsections address the specific objectives. A total of 51 questionnaires were issued out of which 50 were returned, indicating 99% response effective rate.

4.3 Background Information
The background information for the study comprised of personal data of the managers in the fleet industries which was organized in the following areas: gender of respondents, education level, designation in the firm, years of work in the fleet industry and retreading business.

4.3.1 Gender of the Respondents
Table 4.1 shows that 72% of the respondents were male while 28% were females. This implies that this industry is largely comprised of men.

Table 4.1: Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>36</td>
<td>72</td>
</tr>
<tr>
<td>Female</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>
4.3.2 Education Level of Respondents

Table 4.2 shows that none of the respondents was a high school graduate. On the other hand 64% of the respondents were undergraduates while 36% of the respondents were graduates. This implies that most of the respondents had more than basic education requirements that are very essential in this industry.

Table 4.2: Level of Education

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>32</td>
<td>64</td>
</tr>
<tr>
<td>Graduate</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3.3 Designation of Respondent

As seen in table 4.3, most of the respondents were mid-level managers (52%), while 44% were low level managers and 4% were top level managers. This implies that most of the respondents were in a management position and therefore in a better position to give an authoritative position on the strategies of market penetration.

Table 4.3: Designation

<table>
<thead>
<tr>
<th>Designation</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Level Manager</td>
<td>22</td>
<td>44</td>
</tr>
<tr>
<td>Mid-Level Manager</td>
<td>26</td>
<td>52</td>
</tr>
<tr>
<td>Top Level Manager</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>
4.3.4 Number of Working Years of Respondent

Table 4.4 reveals that 12% of the respondents have 1-3 years of working experience in the industry, 32% have 3-5 years, 40% have 5-10 years and finally 16% have more than 10 years in the industry. This implies that most respondents have reasonable experience to work in the industry and to give the actual feedback for market penetration strategies.

Table 4.4: Number of Working Years

<table>
<thead>
<tr>
<th>Number of Working Years</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-3 Years</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>3-5 Years</td>
<td>16</td>
<td>32</td>
</tr>
<tr>
<td>5-10 Years</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Above 10 Years</td>
<td>8</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.3.5 Number of Years in the Retreading Industry

Table 4.5 shows that 6% of the respondents stated their organization have been retreading for 0-5 years, while 36% for 11-15 years. This implies that the respondent organizations have been retreading in this business for reasonable amount of time.

Table 4.5: Number of Years in the Retreading Industry

<table>
<thead>
<tr>
<th>Number of Years in the Retreading Industry</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 Years</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>6-10 Years</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>11-15 Years</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Above 15 Years</td>
<td>17</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
4.4 Types of Market Penetration Strategies for Retread Truck Tires

The first objective of the study was to investigate the types of market penetration strategies for retread truck tires.

4.4.1 Descriptive Results for Market Penetration Strategy

Table 4.6 shows that the Ansoff growth strategy was the most common strategy in the tire retread industry with a mean of 4.6250 while price penetration was the least with a mean of 2.8000 and then promotional strategy had a mean of 4.0250 This implies that the fleet companies prefer using the growth strategy to penetrate the market.

Table 4.6: Descriptive Statistics for Market Penetration Strategy

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum Statistic</th>
<th>Maximum Statistic</th>
<th>Mean Statistic</th>
<th>Std. Deviation Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ansoff Growth</td>
<td>50</td>
<td>4.00</td>
<td>5.00</td>
<td>4.6250</td>
<td>.49029</td>
</tr>
<tr>
<td>Price Penetration</td>
<td>50</td>
<td>2.00</td>
<td>4.00</td>
<td>2.8000</td>
<td>.72324</td>
</tr>
<tr>
<td>Promotional</td>
<td>50</td>
<td>2.00</td>
<td>5.00</td>
<td>4.0250</td>
<td>.61966</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.4.2 Product Offering of Retreads is Easily Accessible

The study revealed that majority of the respondents agrees that offering of retreads is easily accessible to a very large extent (36%) and to a large extent (35%) and finally 3% to no extent at all. This implies that offering of retreads is easily accessible.

![Figure 4.1: Product Offering of Retreads is Easily Accessible](image)

Figure 4.1: Product Offering of Retreads is Easily Accessible
4.4.3 Marketing Approaches of Retreads are Visible Enough

Figure 4.2 shows that marketing approaches of retreads are visible enough to a very large extent (42%), and with no extent (2%). This implies that marketing approaches of retreads are visible enough

![Figure 4.2: Marketing Approaches of Retreads are Visible Enough](image)

4.4.4 Clients are Getting Communication and Transparency

Figure 4.3 shows that clients are getting communication and transparency for the retread markets to a close figure with very large extent (30%), large extent (31%) and finally no extent (4%). This shows that clients are getting communication and transparency for the retread.

![Figure 4.3: Clients are Getting Communication and Transparency](image)
4.4.5 Market Penetration Methods in Kenya are Working

Figure 4.4 shows that market penetration methods in Kenya are working to a large extent (35%), moderate extent (30%) and finally no extent (2%). This implies that that market penetration methods in Kenya are working.

![Figure 4.4: Market Penetration Methods in Kenya are Working](image1)

4.4.6 Market Development Strategies are Being Used for Retreading

Figure 4.5 shows that market development strategies are being used for retreading at a large extent (32%), very large extent (30%) and finally no extent (2%). This shows that market development strategies are being used for retreading.

![Figure 4.5: Market Development Strategies are Being Used for Retreading](image2)
4.4.7 Retreads Should be Taken Under the Diversification Strategy

Figure 4.6 shows that retreads should be taken under the diversification strategy (50%), large extent (30%), moderate extent (11%), little extent (7%) and finally no extent (2%). This implies that retreads should be taken under the diversification strategy.

![Figure 4.6: Retreads Should be Taken Under the Diversification Strategy](image)

4.4.8 There is Product Development in the Existing Market for Retreads

Figure 4.7 shows that market penetration methods in Kenya are working to a very large extent (34%), large extent (25%), moderate extent (20%), little extent (14%) and finally no extent (7%). This shows that market penetration methods in Kenya are working.

![Figure 4.7: There is Product Development in the Existing Market for Retreads](image)
4.4.9 Price Penetration of Retreads have Raised Prices of Premium Tires in the Market

Figure 4.8 shows that price penetration of retreads have raised the prices of premium tires in the market to a very large extent (30%), large extent (36%), moderate extent (17%), little extent (15%) and finally no extent (2%). This shows that price penetration of retreads have raised the prices of premium tires in the market.

![Figure 4.8: Price Penetration of Retreads have Raised Prices of Premium Tires in the Market](image)

4.4.10 Quality of Retreading is Satisfactory

Figure 4.9 shows that the quality of retreading is satisfactory market to a very large extent (62%), large extent (31%) and finally no extent (1%). This implies that quality of retreading is satisfactory in the Kenyan market.

![Figure 4.9: Quality of Retreading is Satisfactory](image)
4.4.11 Promotional Strategies for Retreads in Kenya are working

Figure 4.10 shows that promotional strategies for retreads in Kenya are working to a very large extent (53%), large extent (39%), moderate extent (6%), little extent (2%) and finally no extent (0%). This implies that promotional strategies for retreads in Kenya are working.

![Figure 4.10: Promotional Strategies for Retreads in Kenya are Working](image)

4.4.12: Retreads Awareness Need Further Improvisation

Figure 4.11 shows that retread awareness need further improvisation to a very large extent (52%), large extent (28%), moderate extent (16%), little extent (2%) and finally no extent (2%). This shows that retread awareness need further improvisation in Kenya.

![Figure 4.11: Retreads Awareness Need Further Improvisation](image)
4.4.13 Other types of market penetration strategies for retread truck tires in Kenya

In regards to qualitative data collected on other types of market penetration strategies not mentioned above can be used in the Kenyan market, the comments from the respondents indicated that there should be high level of promotions required in the Kenyan market, there should be advertisements done online and door to door, organizations should look for rubber retread casings of higher plies rather than nylon and silicon mixed products, samples should be offered to clients to show product quality, an incentive scheme for return customers and existing new tire customers should be put in place, people marketing the retreads to have more technical knowledge on tyres and there’s also a need of solutions based on CPK (cost per kilometer). They thought that the most common and easy way to create awareness is by promotion of free retreads depending on quantities purchase by consumers. Respondents also commented that there should be trainings conducted to decision makers, testimonials of success stories, companies should take part in CSR in order to market and create awareness, high promotional strategies should be used and calling in key decision makers to tour retread plants and understand the value and quality aspect of retread tyres; this leads to customers prioritize on quality as opposed to pricing.

4.5 Challenges against Market Penetration Strategies for Retread Truck Tires

The second objective of the study was to assess challenges against market penetration strategies for retread truck tires.

4.5.1 Descriptive Statistics for Market Penetration Challenges

Table 4.7 shows that lack of product knowledge was the most common challenge in the tire retread industry with a mean of 4.725 while low product purchase was the least with a mean of 2.875 and then lack of product awareness had a mean of 2.950, this implies that the fleet companies face mostly face the challenge of low product knowledge.

46
Table 4.7: Descriptive Statistics for Market Penetration Challenges

<table>
<thead>
<tr>
<th>Statistic</th>
<th>N</th>
<th>Minimum Statistic</th>
<th>Maximum Statistic</th>
<th>Mean Statistic</th>
<th>Std. Deviation Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of Awareness</td>
<td>50</td>
<td>1.00</td>
<td>4.00</td>
<td>2.9500</td>
<td>.95943</td>
</tr>
<tr>
<td>Low Product Purchase</td>
<td>50</td>
<td>2.25</td>
<td>3.50</td>
<td>2.8750</td>
<td>.29957</td>
</tr>
<tr>
<td>Low Product Knowledge</td>
<td>50</td>
<td>4.00</td>
<td>5.00</td>
<td>4.7250</td>
<td>.43942</td>
</tr>
<tr>
<td>Lack of Technology</td>
<td>50</td>
<td>2.50</td>
<td>5.00</td>
<td>3.6375</td>
<td>.48022</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.5.2 Retreads Achieve the Best Performance as a New Tire

Figure 4.13 shows that retreads achieve the best performance as a new tire to a very large extent (55%), large extent (36%), moderate extent (5%), little extent (2%) and finally no extent (2%). This implies that retreads achieve the best performance as a new tire.

![Figure 4.13: Retreads Achieve the Best Performance as a New Tire](image)
4.5.3 Fuel Consumption is High While Using Retreads

Figure 4.14 shows that fuel consumption is high while using retreads to a very large extent (50%), large extent (30%), moderate extent (12%), little extent (9%) and finally no extent (0%). This implies that in Kenya fuel consumption is high while using retreads.

![Figure 4.14: Fuel Consumption is High While Using Retreads](image)

4.5.4 It Is Difficult to Understand the Process of Retreading

Figure 4.15 shows that it is difficult to understand the process of retreading to a very large extent (60%), large extent (33%), moderate extent (3%), little extent (3%) and finally no extent (1%). This implies that it is difficult to understand the process of retreading.

![Figure 4.15: It Is Difficult to Understand the Process of Retreading](image)
4.5.5 The Mileage Usage of Retreads Is High

Figure 4.16 shows that the mileage usage of retreads is high to a very large extent (65%), large extent (30%), moderate extent (5%), little extent (0%) and finally no extent (0%). This shows that the mileage usage of retreads is high.

![Figure 4.16: The Mileage Usage of Retreads Is High](image)

4.5.6 There is Lack of Awareness of Retreads in the Kenyan Market

Figure 4.17 shows that there is lack of awareness of retreads in the Kenyan market to a very large extent (60%), large extent (30%), moderate extent (3%), little extent (4%) and finally no extent (3%). This shows that there is lack of awareness of retreads in the Kenyan market.

![Figure 4.17: There is Lack of Awareness of Retreads in the Kenyan Market](image)
4.5.7 It is Time Consuming to Purchase Retreads Compared to a New Tire

Figure 4.18 shows that it is time consuming for consumers to purchase retreads compared to a new tire to a very large extent (60%), large extent (29%), moderate extent (1%), little extent (3%) and finally no extent (7%). This implies that it is time consuming for consumers to purchase retreads compared to a new tire.

![Figure 4.18: It is Time Consuming to Purchase Retreads Compared to a New Tire](image)

4.5.8 Product Knowledge of Retreads is Well Known within the Fleet Industries

Figure 4.19 shows that product knowledge of retreads is well known within the fleet industries to a new tire to a very large extent (50%), large extent (43%), moderate extent (7%), little extent (0%) and finally no extent (0%). This implies that product knowledge of retreads is well known within the fleet industries to a new tire.

![Figure 4.19: Product Knowledge of Retreads is Well Known within the Fleet Industries](image)
4.5.9 There is Lack of State-of-the-Art Technologies in Retread Industries

Figure 4.20 shows that there is lack of state-of-the-art technologies in retread industries to a very large extent (50%), large extent (34%), moderate extent (10%), little extent (3%) and finally no extent (3%). This shows that there is lack of state-of-the-art technologies in retread industries in Kenya.

![Figure 4.20: There is Lack of State-of-the-Art Technologies in Retread Industries](image1)

4.5.10 There is Poor Inspection of Old Tires when Purchasing a Retread

Figure 4.21 shows that there is poor inspection of old tires when purchasing a retread to a very large extent (55%), large extent (44%), and finally to no extent (1%). This implies that poor inspection of old tires when purchasing.

![Figure 4.21: There is Poor Inspection of Old Tires when Purchasing a Retread](image2)
4.5.11 Consumers Face Lack of Support for Retread Pricing

Figure 4.22 shows that consumers face lack of support for retread pricing to a very large extent (50%), large extent (42%), moderate extent (6%), little extent (2%) and finally no extent (0%). This implies that in Kenya consumers face lack of support for retread pricing.

Figure 4.22: Consumers Face Lack of Support for Retread Pricing

4.5.12 Maintenance of Retreads is Affordable

Figure 4.23 shows that maintenance of retreads is affordable to a very large extent (50%), large extent (31%), moderate extent (15%), little extent (2%) and finally no extent (2%). This implies that in Kenya maintenance of retreads is affordable.

Figure 4.23: Maintenance of Retreads is Affordable
4.5.13 Other factors that have given problems in using a retread tire compared to a new purchased tire

In regards to qualitative data collected on other factors not mentioned above that have given problems in using a retread tire compared to a new purchased tire, the comments from the respondents indicated that lack of public awareness is a big factor in the market, it is time consuming to purchase a retread tire than a new tire, retreads in rough roads and long distance is not suitable, the price difference between a new and retread tire is very minimal so customers consider purchasing new tyres instead of using retreads, the road surface conditions often dictate how successful retreads can be; off-tarmac vs. on-tarmac. The quality of retreads used don't match up to purchasing a new tire in that a new tire will ultimately give more mileage than a retreaded tire most times in this industry, also different qualities of old casings depends on the vehicle handling by individual drivers. The respondents also commented that there is lack of knowledge and applying undersize rubber on casings, retread tyres may not be able to bear the same weight and rolling resistance as compared to new premium tyres, the quality of rubber used matters, special discounted pricing for repeat consumers at retread firms should be available to encourage consumers on the usage of retreads instead of purchasing a new tire and finally premature failure of retreaded tires due to poor retreading processes.

4.6 Benefits of Market Penetration Strategies for Retread Truck Tires

The third objective of the study was to determine the benefits of market penetration strategies for retread truck tires.

4.6.1 Descriptive Statistics for Benefits of Market Penetration Strategies

Table 4.8 shows that lack of price leadership was the most common benefit in the tire retread industry with a mean of 4.7875 while first mover advantage was the least with a mean of 2.625 and then high awareness had a mean of 3.5125, this implies that the fleet companies are more likely to benefit from price leadership.
Table 4.8: Descriptive Statistics for Benefits of Market Penetration Strategies

<table>
<thead>
<tr>
<th>Statistic</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimum</td>
<td></td>
<td>2.00</td>
<td>5.00</td>
<td>3.5125</td>
<td>.54875</td>
</tr>
<tr>
<td>Maximum</td>
<td></td>
<td>2.50</td>
<td>5.00</td>
<td>4.2375</td>
<td>.45273</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td>4.00</td>
<td>5.00</td>
<td>4.7875</td>
<td>.40648</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td></td>
<td>2.00</td>
<td>4.00</td>
<td>2.6250</td>
<td>.70484</td>
</tr>
</tbody>
</table>

4.6.2 Level of Awareness of Retreading

Figure 4.25 shows that level of awareness of retreading to a very large extent (52%), large extent (24%), moderate extent (12%), little extent (4%) and finally no extent (8%). This implies that in Kenya level of awareness will go high.

Figure 4.25: Level of Awareness of Retreading
4.6.3 Quality of Retreading is Benefiting Consumers

Figure 4.26 shows that quality of retreading is benefiting consumers to a very large extent (36%), large extent (20%), moderate extent (28%), little extent (10%) and finally no extent (6%). This implies that market penetration in Kenya will lead to quality of retreading which will be benefiting to consumers.

![Figure 4.26: Quality of Retreading is Benefiting Consumers](image)

4.6.4 Distribution Networks for Retreads are Well Developed in Kenya

Figure 4.27 shows that distribution networks for retreads are well developed in Kenya to a very large extent (24%), large extent (28%), moderate extent (20%), little extent (10%) and finally no extent (12%). This implies that distribution networks for retreads are well developed in Kenya.

![Figure 4.27: Distribution Networks for Retreads are Well Developed in Kenya](image)
4.6.5 Current Advertising Strategies is Creating Awareness of Retreads in the Market

Figure 4.28 shows that current advertising strategies is creating awareness of retreads in the market to a very large extent (44%), large extent (16%), moderate extent (16%), little extent (14%) and finally no extent (10%). This implies that in Kenya current advertising strategies is creating awareness.

![Figure 4.28: Current Advertising Strategies is Creating Awareness of Retreads in the Market](image)

4.6.6 Fleet Industries are Seeing the Benefit of High Rates of Retreading Trials

Figure 4.29 shows that fleet industries are seeing the benefit of high rates of retreading trials to a very large extent (30%), large extent (35%), moderate extent (23%), little extent (10%) and finally no extent (2%). This implies that in Kenya fleet industries are seeing the benefit of high rates of retreading trials.

![Figure 4.29: Fleet Industries are seeing the Benefit of High Rates of Retreading Trials](image)
4.6.7 Special Offers from Retread Companies Benefit the Fleets

Figure 4.30 shows that special offers from retread companies benefit the fleets to a very large extent (33%), large extent (30%), moderate extent (27%), little extent (6%) and finally no extent (2%). This implies that in Kenya special offers from retread companies benefit the fleets.

![Figure 4.30: Special Offers from Retread Companies Benefit the Fleets](image)

4.6.8 Tread Designs in the Market are Satisfactory

Figure 4.31 shows that tread designs in the market are satisfactory to a very large extent (31%), large extent (24%), moderate extent (18%), little extent (13%) and finally no extent (7%). This implies that in Kenya tread designs in the market are satisfactory.

![Figure 4.31: Tread Designs in the Market are Satisfactory](image)
4.6.9 There is Value for the Retread Product in the Market

Figure 4.32 shows that there is value for the retread product in the market to a very large extent (30%), large extent (35%), moderate extent (23%), little extent (10%) and finally no extent (2%). This shows that in Kenya there is value for the retread product in the market.

![Figure 4.32: There is Value for the Retread Product in the Market](image1)

4.6.10 Retread Pricing are Fair to Purchase

Figure 4.33 shows that retread pricing are fair to purchase to a very large extent (50%), large extent (30%), moderate extent (4%), little extent (9%) and finally no extent (7%). This implies that in Kenya pricing are fair to purchase.

![Figure 4.33: Retread Pricing are Fair to Purchase](image2)
4.6.11 Production Cost for the Retread Industry are Feasible

Figure 4.34 shows that production cost for the retread industry are feasible to a very large extent (60%), large extent (32%), moderate extent (6%), little extent (2%) and finally no extent (0%). This shows that in Kenya production cost for the retread industry are feasible.

![Figure 4.34: Production Cost for the Retread Industry are Feasible](image)

4.6.12 Purchase of New Tires have Declined Due to Retread Products

Figure 4.35 shows that the purchase of new tires have declined due to retread products demand in the market to a very large extent (61%), large extent (28%), moderate extent (16%), little extent (7%) and finally no extent (6%). This shows that in Kenya the purchase of new tires have declined due to retread products

![Figure 4.35: Purchase of New Tires have Declined Due to Retread Products](image)
4.6.13 Other factors that would be potential strategies to overcome the challenges in retread truck tires market

In regards to qualitative data collected on other factors not mentioned above that would be potential strategies to overcome the challenges in retread truck tires market, the comments from the respondents indicated that there should be more promotional strategies to put in place to increase sales, better tread patterns should be offered, good quality of retread tires should be available in the market, reduction of retread prices may assist on the awareness and selling of the retread products, a professional inspection of tyres before retreading is highly recommended (Shearography), awareness seminars for end-users (drivers and fleets) should be put in place, retreading saves the environment, by reusing casings and it's cost effective, retreading is environmental friendly, hence retreading should be increased in the Kenyan market, there should be a strategy of first time free inspection of tires before retreading in the market put in place, good management of fleet and education training. The respondents also suggested that firms should explain the process of retreads to final consumers to enable them understand the benefit of retreading and that the use of new innovative technologies by retread plants will overcome some of the challenges.

4.8 Chapter Summary

This chapter presented results and findings for the study with regards to the various respondents given. The first section presented findings on the background information, which was then followed by the findings on the types of market penetration strategies for retread truck tires. The third subsection presented findings on challenges against market penetration strategies for retread truck tires and finally the benefits of market penetration strategies for retread truck tires. A total of 51 questionnaires were issued out of which 50 were returned, indicating 99% response rate. The next chapter presents a summary of findings, discussion, conclusions and recommendations.
CHAPTER FIVE

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter consists of four sections, namely summary, discussion, conclusions, and recommendations following that order. The first section provides a summary of the important elements of the study which includes the study objectives, methodology and the findings. The second section discusses the major findings of the study with regards to the specific objectives. The third section discusses the conclusions based on the specific objectives, while using the findings and results which are obtained in the fourth chapter.

5.2 Summary
The general objective of this study was to evaluate the market penetration strategies of retread truck tires in Kenya. The research was guided by the following specific objectives: to investigate the types of market penetration strategies for retread truck tires, to assess challenges against market penetration strategies for retread truck tires and to determine the benefits of market penetration strategies for retread truck tires.

The study used a descriptive research design. The population for this study comprised of all 51 fleet companies in Kenya. The study adopted a census survey research design, while no sampling technique was adopted given that it was a census survey. Data analysis was done using Statistical Package for Social Services (SPSS), while the findings are presented using tables and figures.

The study revealed that majority of the respondents agree that product offering of retreads is easily accessible, marketing approaches of retreads are visible enough, clients are getting communication and transparency for the retread markets, market penetration methods in Kenya are working, market development strategies are being used for retreading, retreads should be taken under the diversification strategy, there is product development in the existing market for retreads, price penetration of retreads have raised the prices of premium tires in the market, the quality of retreading is satisfactory, promotional strategies for retreads in Kenya are working, retreads awareness need further improvisation.
The study also revealed that majority of the respondents agreed that retreads achieve the best performance as a new tire, fuel consumption is high while using retreads, it is difficult to understand the process of retreading, the mileage usage of retreads is high, there is lack of awareness of retreads in the Kenyan market, it is time consuming to purchase retreads compared to a new tire, product knowledge of retreads is well known within the fleet industries, there is lack of state-of-the-art technologies in retread industries, there is poor inspection of old tires when purchasing a retread, consumers face lack of support for retread pricing, maintenance of retreads is affordable.

Finally the study revealed that majority of the respondents agree that level of awareness of retreading, quality of retreading is benefiting consumers, distribution networks for retreads are well developed in Kenya, current advertising strategies is creating awareness of retreads in the market, fleet industries are seeing the benefit of high rates of retreading trials, special offers from retread companies benefit the fleets, tread designs in the market are satisfactory, there is value for the retread product in the market, retread pricing are fair to purchase, production cost for the retread industry are feasible, the purchase of new tires have declined due to retread products demand in the market.

5.3 Discussion

5.3.1 Market Penetration Strategies

The study revealed that majority of the respondents agree that product offering of retreads is easily accessible, marketing approaches of retreads are visible enough, clients are getting communication and transparency for the retread markets, market penetration methods in Kenya are working. Alternatively, the loyalty of existing customers of the retailer can be improved and the value of their shopping baskets increased (Cosmin, 2005). Market development strategies are being used for retreading, retreads should be taken under the diversification strategy, there is product development in the existing market for retreads, price penetration of retreads have raised the prices of premium tires in the market, the quality of retreading is satisfactory, promotional strategies for retreads in Kenya are working, retreads awareness need further improvisation (Lahti, 2012).
The findings affirm that indeed growth continues to be highly relevant for the success of a company, but at the same time is more difficult to achieve, because of several factors. With present products and in present markets, growth can be achieved by market penetration strategy. Higher sales from existing markets can either be obtained by attracting current non-customers, who either do not buy products in the offered categories at all or who buy them from competitors. The idea that a retread is far inferior to a new tire is a bit like a Bigfoot in the market industry. Some people don't believe in it, while some people do, and don't confuse those true believers with the facts because their minds are made up with what they so believe (Heine, 2008). Tyres are retreaded using tread patterns suitable for their use. New and retreaded tyres will last almost for the same number of kilometers, and the truck tyres you see lying in tatters by the roadside are not all retreads. Analyses have shown that it's usually a case of damage caused to both new and retreaded tyres during use. Hence, it is important for markets to analyze and make sure relevant information is portrayed to the users and consumers of retread as some people have no information or very limited information regarding the retreading business (Lahti, 2012).

The findings also affirm that one of the tactics for market penetration strategy is to increase the promotions for the product and thereby increase the pull strategy for the product, which are the retread truck tires (Spann et al., 2014). Sometimes, the old promotions that are normally used by a company might not work; therefore, the firm will have to give offers and schemes to the customer to rope them into the market. By giving trade discounts, sales promotion discounts, and any such additional benefits to the customers along with promotions will ensure that the firm will penetrate the market better (Spann et al., 2014). Promotional allowances often make financial sense and should be linked with promotional strategies. For example, you might offer reduced price coupons at point-of-purchase displays or outlets that sell your social enterprise’s product, the first-time “low-price” offers are a way to attract new customers and then the customer may become a regular consumer for the company’s product (Gillette, 2000).

Finally the study affirms that products or services need the support of well-devised schemes of promotion in the market. It is a good idea to plan how you will promote what you are selling with leaflets, advertisements in newspapers, etc for the firm. Don’t do it in a
haphazard way but plan it over the year. A good promotional campaign is based on a well-balanced marketing promotional strategy (Meyer & Thu Tran, 2006). The principal advantage of this method is that it offers the most efficient way of evaluating the effect on sales of variations of different techniques of in-store promotion (Kothari, 2004). For example, Bridgestone Bandag Tire Solutions campaign promoted the fleet retreading in the market to raise awareness and knowledge of retreading. A division of Bridgestone Americas Tire Operations launched a marketing campaign that was designed to promote retreading in the market. At the heart of the campaign was an appeal to fleets to consider extending their casing age limits when retreading the worn out tires. By adding two years to his fleet's specs, he has been able to realize one to two additional retreads per casing and has lowered overall operating costs of the firm (Cummins, 2011).

5.3.2 Market Penetration Challenges

The study also revealed that majority of the respondents agreed that retreads achieve the best performance as a new tire, fuel consumption is high while using retreads, it is difficult to understand the process of retreading, the mileage usage of retreads is high, as new firms enter, information takes time to propagate to consumers, giving a simple explanation for the slow growth of firms and industries as a time varying limitation on the number of potential customers (Perla, 2013). There is lack of awareness of retreads in the Kenyan market, it is time consuming is to purchase retreads compared to a new tire, product knowledge of retreads is well known within the fleet industries, there is lack of state-of-the-art technologies in retread industries, there is poor inspection of old tires when purchasing a retread, consumers face lack of support for retread pricing, maintenance of retreads is affordable (Hammond, 2009).

The findings affirm that awareness of a product is a great challenge to any business, especially when it comes to an existing product. In order to deepen people’s awareness of retread tires in Kenya, companies should consider participating in environmental festivals as to raise and also be active in corporate social responsibility (Sije & Oloko, 2013). Furthermore, companies can promote conservation of resources and preservation of the environment by improving work efficiency and production technology in order to deliver the best products of retread tires at competitive prices and in a timely manner (Robertson, 1993).
The slow expansion of product awareness explains the industry life cycle through changes in both the number of customers and the demand per customer.

In the same regard the findings affirm that to make a decision on purchase of a retread tire is time consuming for any buyer of a product. The amount of time it takes to make a purchasing decision varies with the reason for buying tires which is high. Most fleet owners purchase tires on emergency; for example, flat tires, and the decision is very quick (Han et al., 2013). In some cases, if the fleet owners know the purchase of a tire is necessary because of wear but not an emergency case, they take more time; like up to two weeks or even a month to make a decision, and with no knowledge of retread tires, the purchase of retreaded tires is low (Collins, 1993). Consumers often purchase winter tires with a lower speed rating than others. The logic behind this is that in general, the consumers in winter, is not looking for performance like during summer. Also, normally people drive slower in winter, if the consumer insists, then he must be informed of the new speed restriction. As due to these conditions, there is low purchase of the product (White, 2013).

Finally the findings of the study agree with the findings by Awasthy, Banerjee, & Banerjee (2012), who argued that the relationship between prior product knowledge to information search is mediated by motivation to search. Prior product knowledge influences motivation to search through its influence on the consumer’s perceived ability to search and his/her perceived value of additional information. Most customers weigh value of the product under the assumption that retreads have a shorter life compared to purchasing a new tire. As a customer, you need to count the cost of extra downtime and labor for tire replacement. Therefore, it is covered by the difference in the purchase price (Heine, 2008). Market penetration challenge occurs when the client has minimum information of the difference between a new tire and the whole retread process. Hence, it becomes difficult for the clients to make a decision when they have no product knowledge or very minimum knowledge on the product, which in this case are the retread tires (Hammond, 2009).

5.3.3 Benefits of Market Penetration

Finally the study revealed that majority of the respondents agree that level of awareness of retreading, quality of retreading is benefiting consumers, and distribution networks for
retreads are well developed in Kenya. Product awareness may occur due to word-of-mouth diffusion and independent of the advertising decisions of the firm which will increase the sales of the products in the market (Perla, 2013). Current advertising strategies is creating awareness of retreads in the market, fleet industries are seeing the benefit of high rates of retreading trials, special offers from retread companies benefit the fleets, tread designs in the market are satisfactory, there is value for the retread product in the market, retread pricing are fair to purchase, production cost for the retread industry are feasible, the purchase of new tires have declined due to retread products demand in the market (Lahti, 2012).

The findings clearly indicate that when expanding consumer awareness of new products, it explains a firm’s growth across firms in an industry, the slow expansion of product awareness looks like a capacity constraint or an adjustment cost, while the sorting of customers into preferred products gives the illusion of productivity or quality growth. The retreading process bonds new tread to the tire body using a process similar to the manufacturing process of new tires to which consumers are not aware (Behnam & Alvelos, 2011). It is beneficial of creating retread awareness in the market, as when consumers know the process and how they will benefit with using retread tires; they will eventually start up the purchase of the retreads. Increasing public awareness about the origins, characteristics, and impacts of tire debris, and ensuring adherence to the highest standards in commercial driver truck operations and associated tire maintenance increases the awareness level in the industry (Hammond, 2009).

Secondly the findings affirm that price leadership benefits from lower production costs along with boosting sales, employing a market penetration strategy could potentially lower overall production costs. As sales volume increases, companies can turn over inventory more quickly (Lahti, 2012). As a result, they may be free to purchase goods from suppliers in greater volumes at discounted rates. Although foreign retreads are not really imported, cheap imports of new tyres from the Far East are competitively priced in comparison to recycled Finnish tyres, whereby the Finnish retreading companies have so far been able to offer competitively priced products and service (Lahti, 2012). A retread tire costs less than seventy percent of a comparable new tire, and other attributes such as reliability are equal, then it's a deal in terms of price leadership on the product as a benefit. The lower miles to replacement are more than
offset by the lower purchase price of a tire. By weighing value under the assumption that retreads have a shorter life, one need to count the cost of extra downtime and labor for tire replacements done. Still, this is relatively infrequent, and therefore arguably covered by the difference in purchase price. Hence, it is suggested to lower the retread price by a small margin in order to start-up the business in the market and be at the level of competition and at the same time have awareness of the products and prices in the competitive stages of markets internationally (Heine, 2008).

Finally the findings show that being first to initiate a strategic move can have a high payoff in terms of strengthening a company’s market position and competitiveness when: pioneering helps build a firm’s image and reputation with buyers; early commitments to new technologies, new-style components and distribution channels can produce an absolute cost advantage over rivals; first-time consumers remain strongly loyal to pioneering firms in making repeat purchases and moving first constitutes a preemptive strike, making imitation extra hard or unlikely (Thompson et al, 2005). Being a fast follower or even a wait-and-see late-mover doesn’t always carry a significant or lasting competitive penalty. There are times when a first mover’s skills, know-how and actions are copied or even surpassed, allowing late-movers to catch or overtake the first-mover in a relatively short period. There are also times when there are actually advantages of being an adept follower rather than a first-mover. Late-mover advantages are when: pioneering leadership is more costly than imitating followership and only negligible experience or learning-curve benefits accrue to the leader (follower has lower costs than leader); the products of an innovator are.

5.4 Conclusion

5.4.1 Market Penetration Strategies

The study concludes that product offering of retreads is easily accessible, marketing approaches of retreads are visible enough, clients are getting communication and transparency for the retread markets, market penetration methods in Kenya are working, market development strategies are being used for retreading, retreads should be taken under the diversification strategy, there is product development in the existing market for retreads, price penetration of retreads have raised the prices of premium tires in the market, the quality
of retreading is satisfactory, promotional strategies for retreads in Kenya are working, retreads awareness need further improvisation.

5.4.2 Market Penetration Challenges

The study further concludes that there are a number of challenges facing the tire retread sector. This include the following: retreads achieve the best performance as a new tire, fuel consumption is high while using retreads, it is difficult to understand the process of retreading, the mileage usage of retreads is high, there is lack of awareness of retreads in the Kenyan market, it is time consuming is to purchase retreads compared to a new tire, product knowledge of retreads is well known within the fleet industries, there is lack of state-of-the-art technologies in retread industries, there is poor inspection of old tires when purchasing a retread, consumers face lack of support for retread pricing, maintenance of retreads is affordable.

5.4.3 Benefits of Market Penetration

The study concludes that the benefits if market penetration include: level of awareness of retreading, quality of retreading is benefiting consumers, distribution networks for retreads are well developed in Kenya, current advertising strategies is creating awareness of retreads in the market, fleet industries are seeing the benefit of high rates of retreading trials, special offers from retread companies benefit the fleets, tread designs in the market are satisfactory, there is value for the retread product in the market, retread pricing are fair to purchase, production cost for the retread industry are feasible, the purchase of new tires have declined due to retread products demand in the market.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Market Penetration Strategies

The study recommends the need for fleet companies to develop the market penetration strategies that are not just applicable to the industry but that are also relevant to the Kenyan market. This will make it easier for the strategies to be effectively implemented by the key players in the industry.
5.5.1.2 Market Penetration Challenges

The study further the need for fleet companies in Kenya to develop a customer experience framework that will guide them in early problem identification so that they can come up with ways of dealing with market penetration challenges. It is also important for such companies to benchmark with other industries so as to see if these challenges are similar to them or they are unique to their industry alone.

5.5.1.3 Benefits of Market Penetration

The study recommends the need for fleet companies capitalize on the benefits of being players in this industry. This therefore means that there is need for them to consider being at the helm of things in the Kenyan industry set-up so that they can effectively capitalize on early mover advantage.

5.5.2 Recommendations for Further Studies

There is need for additional studies to be carried out on market penetration challenges in another industry in Kenya and not just tire retread. Additionally there is need to carry out a study that incorporates not just industry players but also policy makers in the industry who will be in a position to offer an external perspective.
REFERENCES


Measures.


McCusker, K., & Gunaydin, S. (2014). Research using qualitative, quantitative or mixed methods and choice based on the research.


APPENDICES

APPENDIX A: INTRODUCTION LETTER

To Whom It May Concern

Dear Sir/Madam,

RE: Market Penetration Strategies of Retread Truck Tires in Kenya

I am pleased to inform you that I am a graduate student at United States International University pursuing a Masters degree in Business Administration, with a bias on strategic management. As partial fulfillment of my Business Research Methods Course, I am conducting a research assessment on the market penetration strategies of retread truck tires in Kenya.

The research should take around 5-10 minutes to complete, your participation in the below survey will be highly appreciated. Please note that any information you give will be treated with confidentiality and at no instance will it be used for any other purpose other than for this project.

Yours Faithfully,

Priyal Panchal
APPENDIX B: QUESTIONNAIRE

SECTION A: PERSONAL DATA OF THE RESPONDENTS

Kindly fill all the questions either by (✓) in the boxes or writing in the spaces provided.

1. What is your gender?
   Male □  Female □

2. What is your level of education?
   Graduate □  Undergraduate □  High School □

3. Indicate your designation in the firm.
   Low level manager □
   Middle level manager □
   Top level manager □

4. How long have you worked with a fleet industry?
   1-2 years □
   3-5 years □
   5-10 years □
   Above 10 years □

5. How long has your organization been using retread tires?
   0-5 years □
   6-10 years □
   11-15 years □
   Above 15 years □
SECTION B: TYPES OF MARKET PENETRATION STRATEGIES

Please indicate the extent to which you agree with on the following statements.

(Please (✓) appropriately the rank of the following statements by using a scale of 1 to 5, where 1 = No extent, 2 = Little extent, 3 = Moderate extent, 4 = Large extent and 5 = Very large extent).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Product offering of retreads is easily accessible</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Marketing approaches of retreads are visible enough</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Clients are getting communication and transparency for the retread markets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Market penetration methods in Kenya are working</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Market development strategies are being used for retreading</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Retreads should be taken under the diversification strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. There is product development in the existing market for retreads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Price penetration of retreads have raised the prices of premium tires in the market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. The quality of retreading is satisfactory</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Promotional strategies for retreads in Kenya are working</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Retreads awareness need further improvisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. Kindly specify other types of market penetration strategies for retread truck tires in Kenya?

..................................................................................................................................................
..................................................................................................................................................
..................................................................................................................................................
..................................................................................................................................................
SECTION C: MARKET PENETRATION CHALLENGES

Please indicate the extent to which you agree with the following statements.

(Please ☐/✓) appropriately the rank of following statements by using a scale of 1 to 5, where 1 = No extent, 2 = Little extent, 3 = Moderate extent, 4 = Large extent and 5 = Very large extent).

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Retreads achieve the best performance as a new tire</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Fuel consumption is high while using retreads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. It is difficult to understand the process of retreading</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. The mileage usage of retreads is high</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. There is lack of awareness of retreads in the Kenyan market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. It is time consuming is to purchase retreads compared to a new tire</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Product knowledge of retreads is well known within the fleet industries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. There is lack of state-of-the-art technologies in retread industries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. There is poor inspection of old tires when purchasing a retread</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Consumers face lack of support for retread pricing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Maintenance of retreads is affordable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

12. Kindly specify other factors not mentioned above that have given problems in using a retread tire compared to a new purchased tire?

----------------------------------------------------------------------------------------

----------------------------------------------------------------------------------------

----------------------------------------------------------------------------------------
SECTION D: MARKET PENETRATION BENEFITS

Please indicate the extent to which you agree with on the following statements.

(Please (√) appropriately the rank of following statements by using a scale of 1 to 5, where 1 = No extent, 2 = Little extent, 3 = Moderate extent, 4 = Large extent and 5 = Very large extent).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Level of awareness of retreading</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Quality of retreading is benefiting consumers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Distribution networks for retreads are well developed in Kenya</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Current advertising strategies is creating awareness of retreads in the market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Fleet industries are seeing the benefit of high rates of retreading trials</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Special offers from retread companies benefit the fleets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Tread designs in the market are satisfactory</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. There is value for the retread product in the market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Retread pricing are fair to purchase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Production cost for the retread industry are feasible</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. The purchase of new tires have declined due to retread products demand in the market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Kindly specify other factors not mentioned above that would be potential strategies to overcome the challenges in retread truck tires market?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

THANK YOU FOR YOUR RESPONSE
# APPENDIX C: LIST OF FLEET COMPANIES

<table>
<thead>
<tr>
<th></th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transenetix</td>
</tr>
<tr>
<td>2</td>
<td>Munjo Investments</td>
</tr>
<tr>
<td>3</td>
<td>Roy Hauliers</td>
</tr>
<tr>
<td>4</td>
<td>Green Leaf</td>
</tr>
<tr>
<td>5</td>
<td>Smile Reanspporters</td>
</tr>
<tr>
<td>6</td>
<td>Spedag</td>
</tr>
<tr>
<td>7</td>
<td>Infosec</td>
</tr>
<tr>
<td>8</td>
<td>Blue Range Automation</td>
</tr>
<tr>
<td>9</td>
<td>Digital Vision</td>
</tr>
<tr>
<td>10</td>
<td>Crysoft Labs</td>
</tr>
<tr>
<td>11</td>
<td>Harmony Solutions</td>
</tr>
<tr>
<td>12</td>
<td>Kingfin Ltd.kingfin.net</td>
</tr>
<tr>
<td>13</td>
<td>Harler Holdings</td>
</tr>
<tr>
<td>14</td>
<td>Digital Horizons</td>
</tr>
<tr>
<td>15</td>
<td>Information Cloud Solutions</td>
</tr>
<tr>
<td>16</td>
<td>Extend Limited</td>
</tr>
<tr>
<td>17</td>
<td>Kipepeo Solutions</td>
</tr>
<tr>
<td>18</td>
<td>Web Tribe</td>
</tr>
<tr>
<td>19</td>
<td>Ideasplus Technology</td>
</tr>
<tr>
<td>20</td>
<td>Ict Consultants Kenya</td>
</tr>
<tr>
<td>21</td>
<td>Church2netchurch2net.com</td>
</tr>
<tr>
<td>22</td>
<td>Opennovetaopennoveta.com</td>
</tr>
<tr>
<td>23</td>
<td>Doxa Interactive Studio</td>
</tr>
<tr>
<td>24</td>
<td>Mfarm Ltd(k)mfarm.co.ke</td>
</tr>
<tr>
<td>25</td>
<td>Sunesis</td>
</tr>
<tr>
<td>26</td>
<td>Kestel</td>
</tr>
<tr>
<td>27</td>
<td>Connected</td>
</tr>
<tr>
<td>28</td>
<td>Agile Systems</td>
</tr>
<tr>
<td></td>
<td>Company Name</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>29</td>
<td>Trans Business</td>
</tr>
<tr>
<td>30</td>
<td>Kekham</td>
</tr>
<tr>
<td>31</td>
<td>Advatech</td>
</tr>
<tr>
<td>32</td>
<td>Heartbit Computer</td>
</tr>
<tr>
<td>33</td>
<td>Knowledge Transfer</td>
</tr>
<tr>
<td>34</td>
<td>Futuristic</td>
</tr>
<tr>
<td>35</td>
<td>Gesmatech Systems</td>
</tr>
<tr>
<td>36</td>
<td>Imagine</td>
</tr>
<tr>
<td>37</td>
<td>Akiliafricaakiliafrica.com</td>
</tr>
<tr>
<td>38</td>
<td>Intranet Support And Securities</td>
</tr>
<tr>
<td>39</td>
<td>Rashi Infotech</td>
</tr>
<tr>
<td>40</td>
<td>Raven</td>
</tr>
<tr>
<td>41</td>
<td>Ajibu Limitedajibu.com</td>
</tr>
<tr>
<td>42</td>
<td>Esri Eastern</td>
</tr>
<tr>
<td>43</td>
<td>File It</td>
</tr>
<tr>
<td>44</td>
<td>Tangerine System Solutions</td>
</tr>
<tr>
<td>45</td>
<td>Endeavour Africa</td>
</tr>
<tr>
<td>46</td>
<td>Niche Web Creation</td>
</tr>
<tr>
<td>47</td>
<td>Geo-sat Tracking</td>
</tr>
<tr>
<td>48</td>
<td>E-tourism Frontiers</td>
</tr>
<tr>
<td>49</td>
<td>Impact Distribution</td>
</tr>
<tr>
<td>50</td>
<td>Eim Solutions</td>
</tr>
<tr>
<td>51</td>
<td>K9 Security Solutions Ltd</td>
</tr>
</tbody>
</table>

Source: Kenivest (2016).