AN EVALUATION OF THE COST AND BENEFITS OF
APPLIED COSMETICS INDUSTRY MARKETING BEST
PRACTICES: A CASE STUDY OF THE KENYAN MARKET

BY

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MARKETING BEST PRACTICES: A CASE STUDY OF
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A Research Project Submitted to the Chandaria School of Business in Partial Fulfilment of the Requirement for the Degree of Master of Business Administration (MBA).

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STUDENT’S DECLARATION

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

Signed: ___________________________ Date: ____________________

Hemant Raj Singh Thakur (ID 618804)

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

Signed: ___________________________ Date: ____________________

Dr. Peter Kiriri

Signed: ___________________________ Date: ____________________

Dean, Chandaria School of Business
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ABSTRACT

The purpose of this study was to develop an evaluation of the cost and benefits of applied cosmetics industry marketing best practices in Kenya. The study was guided by the following research questions; what are the commonly applied marketing strategies in the Kenyan cosmetics industry? What are the cost implications of the applied marketing strategies in the Kenyan cosmetics industry? And what are the gained benefits of the applied marketing strategies in the Kenyan cosmetics industry?

The study had a descriptive research design. Primary data was collected from respondents in Nairobi, Kiambu, and Nakuru. The target population consisted of manufacturers and wholesalers in the cosmetic industry. The required data was collected through a closed ended questionnaires from a sample size of 150 respondents but only 104 questionnaires were filled and returned. The study data was collected over a two weeks period through visiting cosmetic product manufacturers and wholesalers and supplying the owners and attendants with the study questionnaires. Finally, the obtained study data was analysed statistically. The research process started by developing a questionnaire according to the research questions. The researcher sought permission from Chandaria School of Business to carry out research. A pilot study was carried out to test the reliability of the data collection instrument. After data collection, the filled questionnaires were first checked to ensure they did not have any errors. The data was then coded, cleaned, analysed, and interpreted accordingly. The study had both descriptive and inferential statistics. The results were presented in tables, graphs, and pie-charts. Data analysis was done using Statistical Package for Social Sciences (SPSS) and Microsoft Excel.

The first research question was; what are the commonly applied marketing strategies in the Kenyan cosmetics industry? The study found that majority of the respondents at 73% strongly agreed that mass media advertisement strategy is the most used marketing strategy by cosmetics product manufacturers and outlets. The results from the study confirmed that organizations in the cosmetic industry have mass media advertisement strategy, product placement advertisement strategy, celebrity marketing strategy, and sales force strategy as the cosmetic industry best applied marketing practices.
The second research question was; what are the cost implications of the applied marketing strategies in the Kenyan cosmetics industry? The study revealed that majority of the respondents at 58% were neutral about the costs of any marketing strategy and 52% strongly agreed that celebrity marketing strategy is the most cost intensive. Most of the respondents at 55% agreed that sales force strategy has the highest training costs. The study also revealed that celebrity marketing strategy and sales force strategy are the most costly marketing strategies compared to the other marketing strategies.

The third research question was; what are the gained benefits of the applied marketing strategies in the Kenyan cosmetics industry? Majority of the respondents at 81% strongly agreed that mass media advertising strategy helps in tapping new markets. Most of the respondents at 74% strongly agreed that mass media advertising builds trust and customer loyalty. 81% of the respondents strongly agreed that mass media advertising encourages consumers to adopt a product. The results revealed that mass media marketing strategy is the most beneficial marketing strategy.

The study concluded that four strategies namely; mass media advertising, celebrity marketing, product placement, and sales force are the commonly used marketing strategies. Specifically, the most used marketing strategy by cosmetics product manufacturers and outlets is mass media advertisement strategy. However, the most effective and preferred marketing strategy is sales force strategy. This shows that most organizations in the cosmetic industry may be using mass media advertisement strategy but they feel sales force strategy maybe the most effective marketing strategy. Based on the costs and benefits analysis on both, it is concluded that mass media advertising and sales force strategies are the ideal strategies for the industry. Celebrity marketing strategy was found to be the most cost intensive marketing strategy compared to product placement strategy, sales force strategy, and mass media advertising strategy.

The study recommends that organizations should have a combination of different marketing strategies that complement each other to increase effectiveness of the marketing strategies. Organizations should also evaluate the costs of each marketing strategy and use the most cost-effective one. This is the marketing strategy that has the highest return on investment. The study recommends that further studies should be developed to evaluate the interrelationship between different strategies applied by the cosmetics industry.
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DEDICATION

I dedicate this work to my dear parents, my loving wife Geetanjali Thakur, my very awesome children Ms Sanskriti Thakur and Siddhant Thakur, and my great friends Mr Bharat Rao and Ms Sheetal Ahir.
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LIST OF ABBREVIATIONS

ROI: Return on Investment

RPA: Risk and Policy Analysts
CHAPTER 1

1.0 INTRODUCTION

1.1 Background of the Study

Cosmetics are products that clean and enhance a person’s beauty (The United States Government, 2015). The cosmetics industry deals with a variety of products dedicated to health, beauty and well-being. These products range from skin care, body care, hair care, and oral care to perfumery and decorative cosmetics. Cosmetics are used by both men and women and play an important role in the everyday life due to the functional and emotional benefits that they offer (RPA, 2016). In the years, the cosmetics industry has grown into a billion dollar industry beating all the other products that are being sold. Consumers know the benefits of using cosmetics especially their ability to improve a person’s self-confidence and self-esteem. Cosmetics improve people’s self-image which is important for people who are conscious about the first impression they create at the work place and other social gatherings.

The awareness of the importance of cosmetic products has led to the high demand of these products which has in turn led to the growth of the cosmetic industry. As Winter (2005) notes, the cosmetic industry generates over $160 billion. Europe is the leading producer of cosmetics and in 2015 the European cosmetic industry had generated $77 billion. This made it the largest market for cosmetic products. Trade is a crucial aspect in the growth of the European cosmetic industry where trade of cosmetic products exceeds €33 billion. In 2015, cosmetic products estimated to be worth €17 billion were exported from Europe. These exports are important for some European countries such as Spain and Italy whose Economic growth relies heavily on these exports. The cosmetics industry in Europe is scientific driven and has made large investments in research and development (RPA, 2016).

As a source notes, preferences and trends in the cosmetic industry are different across European countries where in 2016, categories of skin care products, body care products, fragrances, perfumes, hair care products, toiletries, and decorative cosmetics had different results. Skin care products, toiletries, and skin care products are the most popular and therefore had the highest results at 75% of consumer spending in 2006. Additionally, skin care products are the fastest growing cosmetics products in each country. Consumer
spending on cosmetics is different in each country where French consumers, for example, spend more on skin care products, German and British consumers spend more on toiletries, Nordic countries such as Finland, Norway, and Sweden consumers spend more on fragrances, while Spain and Portugal spend more on decorative products. The cosmetic industry in different countries is targeting a new market of cosmetic products. This new market consists of male consumers who buy skin care products and toiletries. This new market is a source of new industry growth where as seen in 2004 the skin care category grew by 6.7% and the toiletries category grew by 6% (Global Insight Inc., 2007).

According to the U.S Commercial Service (2015), the importance of people’s personal appearance influences the growth of the cosmetics industry in Australia. As reports show, Australia’s median age is 37 years and has increased by 4.7 in the last 20 years. This shows that, as the Australian people grow older they want products that will prolong their youthfulness. The consumers want products that will slow the aging process so that they can look younger than their years. This has resulted to consumers seeking colour cosmetics that enhance their youthfulness and products that have anti-ageing components. Suppliers in the cosmetics industries are now seeking to supply products that emphasize, preserve, and protect instead of ‘cosmetic appearance’. For example, wrinkle reduction products are more preferred. Professional hair products that are backed by professionals in the hair care company are also in demand. Hair straightening products as well as hair colorants for male consumers are also in demand in the Australian market. Nowadays, professionals are running beauty salons and this is contributing to the growth of the beauty salon market in Australia.

According to Colombini (2017), many African countries have become modern and this has attracted big organizations in the cosmetic industries who want to conduct their businesses in Africa. A black woman takes more time in grooming her hair than a white woman of the same class, she takes approximately three times more. Additionally, a black woman uses nine hair care products compared to a white woman, seven make-up more, and five skin care products more than a white woman. This shows that black women consume more cosmetic products, the reason why the big organizations in the cosmetic industry are interested in doing business in Africa. As the source further shows, international organizations in the cosmetic industry have suppliers in the African market who distribute
the cosmetic products. Countries such as Benin, Togo, and Cameroon benefit from this business deals due to the heavy taxes applied on the cosmetic products. This has resulted to sale of counterfeit cosmetic products within these countries which in turn hurts the consumers of these markets.

However, consumers in the African market still prefer the genuine international brands as they believe, if a product works in a certain market, for example the United States, the product will automatically work for them and they will ensure they get it even if they have to sacrifice a few other things to afford the international product. The African middle class is growing rapidly and this increases the demand for cosmetic products. As a source notes, the size of the African middle class has tripled in the last three decades. International cosmetic organizations are aware of this new market in Africa and would want to have a market share. The large multinational organizations in the cosmetics industry are already doing business in Kenya and Uganda. The idea of conducting business in the East Africa region has come as an indirect result of doing business in the South African market. However, the economic problems in these markets is causing a low demand for the high quality cosmetic products (Colombini, 2017).

The Kenyan cosmetics industry can be evaluated through major evaluation of the entire East African region cosmetics industry. In this case, trends in the industry have demonstrated that indeed the industry is at its growth stage. Theoretically, each product has four different stages in their lifecycle. The stages are the introduction, the growth, maturity and the decline stages respectively. A closer look at the East African cosmetics industry signifies a rising industry. As of 2012, the industry had a total of combined sales of $282 Million (Africa Business, 2015). A forecast in the industry projections indicates that the industry sales in the African continent are bound to increase into the future. In this case, a forecast study on 18 of the top continental cities indicated that overall, the cities will have an estimated spending of $1.3 Trillion by 2030 (Africa Business, 2015).

The Kenyan cosmetics industry has the largest share and proportion in this entire sales volume index. In this case, the industry is noted to possess over half of the East African community cosmetics industry market. This implies that the industry had over $141 million
sales in 2014. Overall, in terms of its economic value, it is estimated that as of 2016, the industry has a net value of Kshs. 5.4 billion with expectations that it would grow to Kshs. 6.6 billion by 2018 (Business Daily, 2016). This indicates that the industry is currently at its growth stage with a rising consumer and market base. One of the drivers of the industry growth rates in Kenya is a changing cultural orientation. With the advent of a new cultural dispensation on equality and women empowerment, women are more economically endowed and have decision making rights. This has translated to women investing more of their earnings into the cosmetics industry as contrasted to the previous decades.

1.2 Statement of the Problem

Although the industry forecasts indicate a growing industry, a theoretical evaluation of the products lifecycle theory indicates that the stage is associated with challenges. One of the identified challenges in this stage is the rise in market competition. Ideally, the stage is characterised by the earning of high profits that are often above the normal market profit earning rates (Wainaina, 2016). This attracts an increased number of entities as they seek to partake in the earned profits. This is the practical scenario facing the Kenyan cosmetics industry. A decade ago, the Kenyan cosmetics industry was only dominated by a few foreign based companies.

However, in the last five years, the industry has received a boom in investment at all levels of the supply chain. The first level is at the manufacturing level. This has faced increased differentiation in manufacturing with many diversifying to production of cosmetics products that align with customer needs such as less chemicals and herbal cosmetic products’ among other varieties. The second level is at the wholesale and the retail stages. In this case, it is a common phenomenon across the Kenyan cities and major towns to have beauty and cosmetic shop and outlets at less than 50 meters distance from each other (Beauty Africa, 2016). This has increased the competition levels intensity.

Consequently, although differentiation at the production stage remains a critical component in creating products market success, it cannot be relied upon as the only alternative resolution. As such, this has necessitated the need for the industry players to apply competitive and sustainable marketing strategy. Unfortunately, a literature valuation
indicates that no previous studies have been developed evaluating the unique Kenyan cosmetics industry context and the value that the use of specific marketing practices and strategies would yield on the industry (Beauty Africa, 2016). This creates a strategic management gap as entities seek to apply the ideal and most viable marketing strategy in the industry. This is the management challenge and information gap that the developed study sought to mitigate and resolve. A critical evaluation of the current marketing context indicates that although the industry is drastically developing and growing, there lacks an empirical basis through which marketers can adopt and deploy marketing strategies. It is due to this, that the study seeks to evaluate the cost and benefits of applied cosmetics industry marketing best practices, a case study of the Kenyan market.

1.3 Purpose of the Study

The purpose for this study was to evaluate the cost and benefits of applied cosmetics industry marketing best practices in Kenya.

1.4 Research Questions

1.4.1 What are the commonly applied marketing strategies in the Kenyan cosmetics industry?

1.4.2 What are the cost implications of the applied marketing strategies in the Kenyan cosmetics industry?

1.4.3 What are the gained benefits of the applied marketing strategies in the Kenyan cosmetics industry?

1.5 Importance of the Study

1.5.1 Cosmetic Industry

Organizations in the cosmetic industry will benefit by knowing the best sustainable and competitive marketing practices. The ideal marketing practices will help reduce costs while increasing benefits gained by the organizations in the cosmetic industry.
1.5.2 Investors

The study will help individuals and organizations wanting to invest in the cosmetic industry know what to look out for when determining the profitability of the organizations in the cosmetic industry.

1.5.3 Financial Institutions

Financial institutions will know how organizations in the cosmetic industry operate and how external financing helps in promoting the growth of these organizations. Additionally, the financial institutions will know what measures to take when lending finances to organizations in the cosmetic industry.

1.5.4 Government

The government of Kenya will get some insight on how the cosmetic industry works and will therefore be in a position to know how to support the industry which will in turn lead to the growth of the Kenyan economy.

1.5.5 Researchers and Academicians

The study will help future researchers and academicians know the costs and benefits of applied cosmetics industry marketing best practices as well as helping researchers identify the gaps in the study that will require further research.

1.6 Scope of the Study

The study focused on the costs and benefits of the commonly applied marketing strategies in the cosmetics industry in Kenya. The study was carried out within the Kenyan market over a two week period. The data collection was specifically carried out from 10th July 2017 to 25th July 2017. In particular, the study was carried out from three main counties, namely; Nairobi, Kiambu, and Nakuru. The target population consisted of manufacturers and wholesalers in the cosmetic industry.
The study had a few limitations. The major limitation in the study is that it used an insider perceptive. In this case, all of the respondents were stakeholders within the industry. In order to compare the strategies effectiveness with best practices in the entire Kenyan market, it would have been imperative to include consultants and experts in the market. To mitigate against this limitation, data was collected from respondents who have been working in the industry for over five years (these were majority of the respondents) since they have been in the industry long enough to know the costs and benefits of various marketing strategies.

1.7 Definition of Terms

1.7.1 Marketing Strategies

According to Bernado (2016) marketing strategies are the overall applied marketing plans by an organisation in order to achieve set goals and objectives. In this context, the term marketing strategies is used to mean celebrity marketing, product placement, free sample and sales representatives’ use, as well as social media and mass media marketing respectively.

1.7.2 Best Practices

A ‘best practice’ is an ideal way, idea, or method of doing things that is recognized by an industry to achieve set goals and objectives. This term is used to imply and indicate the variables that offer optimum levels of success (Gina, 2011).

1.7.3 Cost-Benefit Analysis

This is a measure of cost efficiency or cost effectiveness necessary in the evaluation of a program. It is a systematic approach to examine the strengths and weaknesses of given alternatives (Yodanis & Godenzi, 2003).
1.8 Chapter Summary

The chapter has provided the general overview of the cosmetic industry. The purpose of the study was to develop an evaluation of the cost and benefits of applied cosmetics industry marketing best practices. The study was carried out in Nairobi, Kiambu, and Nakuru counties in Kenya. The next chapter is chapter two. The chapter offers a critical analysis and evaluation of the already existing literature on the cosmetics industry and marketing strategies. Chapter three provides the methodology that will be used in the study. Chapter four presents the findings of the study using figures and tables. Chapter five is the final chapter and will present the discussions, conclusions and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The chapter will critically review literature related to cost and benefits of applied cosmetics industry marketing best practices. The chapter is divided into three parts in line with the research questions which are: what are the commonly applied marketing strategies in the Kenyan cosmetics industry? What are the cost implications of the applied marketing strategies in the Kenyan cosmetics industry? What are the gained benefits of the applied marketing strategies in the Kenyan cosmetics industry? The chapter ends with a chapter summary.

2.2 Applied Marketing Strategies

A marketing strategy determines how consumers view an organization. If an organization has an unsuccessful marketing strategy the consumers will view the entire organization as inferior compared to other organizations. Additionally, an organization that doesn’t have a marketing strategy is not able to effectively communicate to the consumers about its products and this results to the consumers not purchasing the organization’s products (Oakes, 2012). To ensure a marketing strategy is effective, an organization should determine which part of the marketing strategy focuses on the product and which part focuses on the brand. In so doing, an organization will be able to know when a product is not accepted in the market without necessarily harming the brand name (Johnston, 2017). Various marketing strategies that have been found to be successful have been discussed in this section.

2.2.1 Celebrity Marketing

As Mello (2014) notes, celebrity marketing is the use of a well-known and popular person to promote an organization’s products. Celebrity marketing has become so popular nowadays due to the ability of the celebrity to attract more consumers to a brand as well as making the product itself look glamorous. On the other hand, celebrities benefit from brand endorsements since they are very rewarding and in some instances, more rewarding than
their professional jobs. According to a source, celebrity marketing is one of the major marketing strategies applied globally. Organizations need to evaluate the celebrity endorsements to determine how much they will benefit once the celebrity signs the deal. An organization should first know what it expects from the celebrity endorsement. An organization should ask if they want the celebrity endorsement to get more consumers, to give the organization’s brand an identity, to reinvent itself, etc. The organization should know what the celebrity endorsement is meant to do for the organization. Celebrities are different and will therefore accomplish different things for an organization. This makes the process of choosing a celebrity for a certain brand very complicated (Cotraviwat, 2015).

Ambroise et al (2014) argues that celebrity marketing is one of the major marketing strategies applied globally because the use of this marketing strategy enables organizations increase their sales. A celebrity with a large fan base maybe the ideal celebrity for a brand endorsement because it would automatically mean the organizations would get more customers. However, while that strategy may work in one situation, it might not work in other situations because that kind of celebrity may not be able to help the organization accomplish all its marketing goals. The celebrity that endorses a brand must show some connections with the brand. Therefore, an organization shouldn’t just pick a random celebrity to endorse a brand. Additionally, Organizations should take advantage of the celebrities’ fan base and other connections they might have while endorsing their brands. When marketing a product, an organization should determine who the target market is and who the most celebrated person is in that target market. This is because, celebrity endorsements are more effective when the celebrity’s fan base is able to connect with the brand’s desired consumers (Cotraviwat, 2015).

2.2.2 Product Placement

Product placement is an ideal strategy applied in the global cosmetic industry. Product placement is one of the new marketing strategies that have been found to be effective. An effective product placement is when a product is placed in a movie or a TV show and blends so well it wouldn’t be easy to notice the product in the movie or TV show is just an advertisement. The consumers purchase the product they have seen being used in movies and the marketer gets payment for the product placement. Cowey and Barron (2008) note
that the automobile industry was among the first industries to use product placement as a marketing strategy. More precisely, Aston Martin, a British automobile company that deals with luxury cars was among the first organization to use product placement marketing strategy. Many researches have been carried out about product placement. Over the last thirty years, organizations have increased their use of product placement as an effective strategy.

According to Avery and Ferraro (2000), the research done on product placement as a marketing strategy concentrated on three areas. First, the nature and frequency of the product placements in movies and TV shows. The study revealed that product placement was common in movies. Product placement in movies involved products that had a low-involvement nature and products such as automobile accounted for only 18% of the total product placement found in movies. Second, the beliefs and attitudes about product placement. When products are placed in movies as a marketing strategy, the consumers form opinions and attitudes towards the products. The study carried out in the United States revealed that consumers did not have a problem with products being placed in movies as a way of advertising them. The third and the last area of research was the effect of the products placed in movies and TV shows. This area has been a common area of research although lately, studies are being carried out about the complexities of product placement (McCarty, 2004).

Dudovskiy (2012) notes that, product placement is a popular marketing strategy with advertisers because they know some consumers ignore commercials that are brought on TV. They may even take the commercial break time to do other thing and resume watching TV after the commercial break is over. However, if they are watching a movie or TV show they like, they will see the product that has been placed without realizing it’s an advertisement. New technology has enabled consumers to block adverts, or skip an advert using a mobile control but in order to get more consumers to see the products being advertised, product placement is becoming more popular. Product placement is also seen in music videos. This is making the music revenue heavily dependent on advertising. Furthermore, product placement is also being widely used in video games (Bannan, 2002).
As a source confirms, the music industry is using retroactive product placement marketing strategy where a product advertisement is digitally placed on already existing content, for example in videos by artists such as Avicii (Dudovskiv, 2012). This approach has been researched on severally. Previous research has revealed that product placement in music videos is very effective especially if the product’s target market is Generation Y. Additionally, if the target market becomes aware of the product, showing it in a context that it is used (preferably in a music video) encourages the consumers to purchase that product which is the ultimate organizational goal. However, it is difficult to determine the value of a product placement in a movie compared to product placement in a music video. This is because, consumers easily notice when a product has been placed in a movie for advertisement reasons and this infuriates them because it undermines the drama of the scene. When this happens, the product placement strategy fails because it was too obvious. Product placements in movies should therefore look as real as possible in order to achieve their objective (Gunasinghe, 2015).

2.2.3 Personal Selling (Sales Force)

Cron and Cravens (2011) argue that personal selling is the use of an organization’s sales force to reach the consumers. Sales force strategy is the set of strategic decisions that an organization uses to determine what roles the sales force will assume when marketing a product and where the sales force will find the target market in order to achieve the overall goal of the organization. Developing skills and strategies that only help in gaining a customer’s trust is just one of the strategies used by the sales force to achieve its objective (Rogers, 2014). The ability of the sales force to reach the target market and give them superior customer value depends on its ability to follow a set of essential customer focused capabilities which include; developing good relationships with the customer, ways of attracting new customers, building the customer’s trust, and finding effective ways of retaining the customers. However, an organization achievement of a competitive advantage depends on the relationship a sales force has with its customers. Additionally, the ability of the sales force to achieve its objectives depends on the support it gets from the organization (Cron & Cravens, 2011).
According to Ingram (2017), the main objective of a sales force is to increase the sales of a product in each given period, for example, increase sales in a week, a month, a year, etc. The sales force are concerned with recording the number of customers served per day while the sales managers main task is observing the detailed reports of daily sales volumes as well as the sales trends. One strategy of increasing the sales revenue is by introducing a commission based compensation plan in addition to the sales force base salary. This strategy will motivate the sales force to look for new customers in order to meet their daily targets which will in turn increase the sales. The sales force normally have an objective of increasing the sales amount per transaction using a technique called up-selling. This means that the sales force will continue giving the customer more suggestions on possible things they may want after they have already bought what they had intended to purchase. Up-selling helps in reducing inventory costs and increasing profitability. The organizations can motivate their sales force by holding sales force competitions where the winners get rewarded. The organizations should show the sales force that they are valued because they are the ones in direct contact with the customers. The direct sales give the organization the ability to manage their customer relationships (Petryni, 2017).

Sales is an important function because it drives an organization. Therefore, organizations should take the sales department seriously. When creating a sales force strategy, an organization should ensure the strategy helps the organization meet its goals and objectives while still helping the sales force achieve success. To formulate an effective sales force strategy, an organization has to consider the product, the target market, and the structure of the sales force. Sales force can be grouped according to geography, product, client, or a hybrid of these groups (Feigenbaum, 2017).

2.2.4 Mass Media Advertising

Mass media is a means of communication that reaches many people and is still economically affordable to most people. The most common mass media forms are televisions, radio, newspapers, and magazines. Advertisements through televisions are preferred due to their ability to reach many consumers, integrate messages with other media and a low cost per contact. However, advertisements on television have high production costs. Nowadays, many organizations take their advertisements to social media where
Facebook and Twitter are the most common social media platforms. (Lexicon, 2016) argues that social media improves efficiency especially if one posts their branded design of their website to their social profiles. Social media platforms are tools that help organizations market their products. However, if the social media marketing is done well to generate a tangible return on investment (ROI), it’s not effective and wastes a lot of time and money.

As Smale (2017) notes, some social media platforms help an organization know whether their social media is working or not. For example, Google Ads and Facebook give the stats that are related to the organization’s ads. This doesn’t mean that the organization shouldn’t carry out its own research to determine whether the ad on the social media platform is working or not. Organizations should constantly check whether the ads are reaching the target market and if they are not, the organization should find out what would interest the target market. If a marketer intends on advertising offline, then setting an email account and providing a phone number would be a great idea.

According to Lyfemarketing, (2016), organizations can do the social media advertising themselves or outsource. An organization can use its own employees to run the social media advertisements, hire interns, freelancers, small marketing companies or corporate marketing agency. Whatever the organization decides on, each choice has its own advantages and disadvantages. However, each of these options have pros and cons and it would be important for an organization to take up the option that will be less costly to the organization in terms of time and money among other variables. For example; interns’ services are free or very low cost. However, interns lack experience and the organization would spend so much time and money training the intern. The interns may not know how to do basic things such as posting tweets and updating the organization’s status on Facebook. The interns may also not know how to formulate marketing strategies and generate positive results for the business. This would mean that expecting the interns to grow a business the minute they are hired would be a total fail. In most cases, people hired as interns are people who are out to learn and get experience in a particular area (Lyfemarketing, 2016).
The advantages of hiring employees to run the social media advertisements is that an organization is able to control the quality of the work, time, and activity. By hiring employees to manage the social media marketing, an organization is able to create a team for its social media marketing department. However, the disadvantage would be that the organization would need to train the employees which would take weeks or months before the business is taken to social media.

2.3 Cost Implications of the Applied Marketing Strategies

Organizations incur costs directly or indirectly depending on the marketing strategy used. For example, email campaign maybe a low cost strategy but the message might never reach the customer if it ends up in the spam filters. Magazine advertising may be effective in reaching the target consumers but it might be so expensive and unaffordable. Direct mail may be affordable but may not be the right marketing strategy for a particular product so the organization may end up wasting money on that marketing strategy. Organizations should always consider the costs implications of each marketing strategy before deciding on the marketing strategy to engage in (Johnston, 2017).

2.3.1 High Costs

Aubrey (2016) argues that different marketing strategies have different costs. For example celebrity marketing costs are different from product placement costs. Organizations have always looked for trending celebrities to endorse their brands. For example; back in 2012, Beyoncé signed a $50 million deal to promote Pepsi. However, as effective as celebrity endorsements would be in reaching the target market, creating awareness, and attracting new customers to a brand, the strategy is so costly and small businesses may not afford it. Additionally, it is difficult to calculate the return on investment of a celebrity endorsement (Gunelius, 2013). As a source notes, there are four factors that determine how expensive a celebrity endorsement will be. The first factor is level of celebrity. Majority of the organizations consider this as the most important factor when looking for a celebrity to endorse a brand. A popular celebrity would have a large base which would mean more consumers for the product being endorsed. Many businesses prefer sports men and women, actors and actresses, and musicians who are widely known. Many would even prefer the
celebrity to be internationally recognized with a large fan base, and a great reputation. Celebrities of this level would be so expensive to hire. However, companies that are seeking to promote a local product in a small community, then a lower celebrity level would be suitable and less expensive to hire (Strand, 2014).

The second factor is the level of endorsement. This measures the level of involvement the celebrity will have with the brand after signing the brand endorsement deal. Celebrities are normally busy and asking for a few hours of their time might cost an organization a lot of money. Organizations with large marketing budgets can afford to buy a big part of a celebrity’s time and right of publicity but a small company may not afford even a single hour of a celebrity’s time. Proper planning helps a business get high returns while ensuring they don’t face possible intellectual property law suits. This can be done by indicating the level of the celebrity commitment and the cost of the endorsement deal in the contract. The level of endorsement may include a photoshoot of a celebrity with a product or the celebrity physically being there in the production of a product advertisement (Strand, 2014).

The third factor is the level of use. This shows how the organization is planning on using the celebrity. Once the photo-shoot or the production of the advertisement is complete, the organization will market the product locally or internationally. An organization that has a high level endorsement and is marketing the brand internationally will spend so much on the celebrity endorsement because it will require so much of the celebrity’s time compared to an organization that is using a celebrity to market local brands. The fourth factor is the level of connection. This shows the celebrity’s knowledge of the product as well as how good the celebrity is in endorsing a brand. For an endorsement deal to be a success, an organization should match a celebrity to a product in their line of work or something that they identify themselves with. For example, sports celebrities would be better placed to advertise sports gear. This is important because consumers will easily associate the celebrity with brand they are endorsing if they are experts in that field. For example, Michael Jordan’s endorsement with Nike has a high level of connection because he is a known professional sportsman. However, this would be quite expensive hence unaffordable to many organizations (Strand, 2014).
Movies and TV shows have a very wide consumer outreach. This automatically means, for an organization to advertise their products using these media, they will spend a huge amount of money. The cost of product placement is also greatly influenced by the characters in the movie or TV show. As a source notes, a product placement deal would probably be a 7 figure investment for a minimal product placement $10 million or more for more involvement of the product or brand in a movie. For example, Heineken paid a whopping $45 million dollars to have James bond stop drinking Martini in the movies and take their beer instead (Gaille, 2015).

Factors that determine how much product placement costs are; product placement on a TV show on cable or network TV, the network or the distributor platform, if the product placement will be in a movie or music video, the characters in the movie or TV show, the musician, the director of the movie or TV show, etc. When a big name is associated with a movie, the product placement cost will be so high and only big time organizations with huge marketing budgets can afford to have their products placed in that movie. Small businesses may never afford to place their products in such movies or TV shows. The size of the audience expected for a particular show determines the cost of the product placement. Other factors such as how big the product placement will be, the nature of the product placement, and who else may want to place the product placement in their movie, TV show, and music video are possibly the biggest drivers of product placement costs (Jones, 2016).

As a source argues, one of the biggest placement costs for a small business is the retainer fee. This fee is paid to the product placement agencies. A business may find it easier to go to a production company directly to arrange for product placement but it is advisable to work with experts in product placement agencies. A business may look for one or more product placement agencies and work with the one that offers the best deal. Different product placement agencies have different retainer fees. Another cost a business may incur apart from the product placement fee is the cost of the total products that will be consumed on set. For example, a business may have to provide free products to be used by the cast, the directors, and everyone else in the production of a movie. In most cases, the production doesn’t pay for products that are being used during the production of a movie or a TV show. Additionally, the production company is not required to return the sample products being
used in the production of a movie, music video, TV show, etc after production. These samples may be electronics, bags, drinks, etc (Wicks, 2017).

Jones (2016) notes that product placements are very costly where in some instances reputable product placement agencies charge $60 thousand to $250 thousand for a brand and charge more for a brand that has many product categories. A brand that has multiple categories of products may be more expensive than a brand that has a single product category because of the different staffing needs that are required by each. For example, a car company will be charged more on product placement than a packaged food company that only sells potato fries. Product placement costs may also be expensive because of the extra payment that might be required during the product placement. According to a source, some production placement agencies do not ask for cash as payment but for other non-monetary means of payment. For example, sponsorships and advertisement buyouts. Product placement costs are normally negotiated between the product owner and the production placement agencies. Thereafter, an agreement is signed to protect the partnership rights. The agreement consists of rights and responsibilities of each party, liabilities, trademarks, and copyrights (Wicks, 2017).

Organizations that use the sales force strategy also incur various costs. When businesses use sales force they are required to pay them a commission or offer a discount. Even when an organization has more sales and revenue, the profit margins still decrease because of the payment that has to be done to the sales force. Organizations are advised to estimate their gross margins before they hire a sales force so that they can determine if it will be a cost-effective strategy for the business. Additionally, organizations can look for other ways of distributing products such as trade credit or other terms that the businesses’ cash flow cannot support (Edmunds, 2017).

Direct selling maybe an expensive strategy compared to other marketing strategies. As a source argues, direct selling in some industries can be $300 or more. Selling directly to the consumers requires an effective sales force and their salaries and commissions must be factored in the marketing strategy. Sales force require training to sharpen their selling skills as well as their customer relations skills. Organizations can have in-house training or send
the sales force to a college for short a term course and cover their tuition since it’s an investment to the organization. However, this would still be an extra cost to the organization. The sales force may also be travelling in different geographical locations to reach a wide target market but this becomes another cost to the organization especially where some customers are not local and travelling by air will be the only means of transport (Suttle, 2017).

According to Jones (2016), advertisements through mass media can be very expensive. An advertisement cost may be determined by a number of factors. Content type and distribution platform determines the network TV charges. For example network TV such as ABC, CBS, CW, NBC, and Fox are built around an advertising model. Primetime advertisements are normally the most expensive compared to advertisements made other times of the day. Advertisements done around night time talk shows are also quite costly. Social media may be quite expensive especially if the product owner isn’t the one running its social media advertisements. Social media marketing can be divided into different groups; channel and services. Facebook and Twitter are the most common social media platforms. Small businesses that have a tighter marketing budget would benefit more if they advertised their products on Facebook or Twitter since these platforms have a great return on interest and many customers would expect an organization to have active profiles on these platforms. Other social media platforms such as Instagram, Pinterest, LinkedIn, and SnapChat can cost an organization an average of $1,000 or more for each advertisement that is placed (Jones, 2016).

2.3.2 Different Aspects of a Marketing Strategy Eclipsing the Brand

Organizations may incur indirect marketing costs that are brought by failed marketing strategies. When placing a product in a movie, people may focus so much on other areas of interest and fail to notice the product. For example, people may be too engrossed in a movie they will not notice the product. An organization may also enter an endorsement deal with a celebrity who ends up eclipsing the brand. In such circumstances, an organization may have spent millions of dollars on a celebrity endorsement deal but the consumers will not see the brand being advertised because the advertisements focused too much on the celebrity (Mello, 2014). Sometimes, the celebrities may be so popular that their popularity
overshadows the brand being advertised. Celebrities may also be endorsing multiple brands at the same time. Such that the consumers will only remember the celebrity that’s endorsing the brand instead of the brand itself. For example, David Beckham endorses many company brands at the same time. Consumers will only remember him in the advertisement hence devaluing the products. In such cases, consumers may not buy the product and advertising costs incurred by the brand owner may not be recovered (FrogDog, 2013).

Furthermore, an organization may have invested so much in a celebrity endorsement deal but once the celebrity’s stardom starts to decline, the celebrity fan base number goes down and so does the product sales. Eventually, the organization stops making any significant sales and ends up making loses. This is the reason why some companies work with different celebrities on contract basis e.g. the Lux brand has over 50 different models. The company ensures that it’s only the top woman in the industry who endorses the brand (Mello, 2014).

### 2.4 Benefits of the Applied Marketing Strategies

Dudovskiv (2012) argues that having an efficient marketing strategy is a major factor in determining whether a product will be successful in the market or not. Different organizations have various marketing strategies such as product placement, celebrity advertising, channel advertising, public relations, etc. It’s important to note that, where organizational products are different they may require different marketing strategies where a marketing strategy might work for one product but may not work for another. Marketing strategies are so important to an organization because without one, a company’s marketing can look so complicated. A marketing strategy helps the organization have a direction on what to do in order to get new customers, increase sales, and profits. Different marketing strategies offer different benefits to an organization (Oakes, 2012).

#### 2.4.1 Tap New Markets/ Increased Reach

An organization formulates marketing strategies to serve various functions. When an organization has a popular celebrity endorsing its brand, it automatically attracts new customers who are the celebrity’s fans. The more popular a celebrity is, the more customers an organization gets because this translates into more sales and increased profits. An organization is also able to reach customers it would have otherwise not reached if it had
used a different marketing strategy. People who would have never used a certain brand will go for it because their favourite celebrity uses it (Mello, 2014).

A sales force strategy helps an organization reach more consumers by penetrating deeper into a market. The sales force have an ability of increasing an organization's presence in a specific market. The sales force are able to go to different geographical locations and reach customers who may not have television sets, radios, televisions, internet, or any form of mass media advertisement. An organization can also hire more sales people if there are more geographical areas to be covered (Bhasin, 2016). Sales representatives afford small businesses access to consumers they would have never had using other marketing strategies. As a source notes, some consumers may not have access to any mass media advertisements while other customers may not find the products in the retail stores that they frequent. The sales force are the only ones who can get the product to these kind of consumers (Petryni, 2017).

As a source notes, sale representatives, wholesalers, retailers and other distribution intermediaries enable organizations enter into markets they would have not entered on their own. Even if an organization has its own distribution capabilities it might not be able to negotiate itself through retail outlets than a renowned wholesaler can. An organization can also get deals with wholesalers but it might not have the staff to do the distribution. The sales force might be very useful in ensuring products reach an organization's target market hence enabling the organization reach its maximum sales potential (Edmunds, 2017).

An effective marketing strategy attracts new customers by creating awareness of a product. Nowadays, when customers hear about a new product, the first place that they check to learn more about the product is the internet. It would therefore be advisable for an organization to have the product online and have a frequently asked questions (FAQ) section where customers can know what other people have been asking about the product and answers to those questions. An organization that cannot afford an online shopping option for the customers can partner with some distributors that have websites and add online shopping to their distribution mix. Social media is important to an organization because it makes the business look more developed and it enables it reach many customers (Lake, 2017).
2.4.2 Builds Trust and Credibility for the Brand

Mello (2014) argues that proper marketing strategies enable an organization build trust and credibility for the brand. For example, people are so loyal to their idols. Celebrities have many followers who idolize them. An organization that signs an endorsement deal with a celebrity who has over a million followers will bring the organization a lot of success. The fans believe that whatever works for their celebrity will automatically work for them. These celebrities build trust and credibility for the brand they are endorsing. This in turn improves the brand’s image and reputation. However, even if a celebrity has millions of fans but doesn’t show like he connects with the brand, the celebrity’s fan base will feel the detachment and will not be motivated to go for the brand. For an organization to reap full benefits of a celebrity endorsement deal, there must be synergy between the celebrity and the brand or product (Cotraviwat, 2015).

Solomon (2002) argues that the main goal of an advertising campaign is to attract customers. In respect to this, an advertisement must show credibility in order to win the trust of the consumers. Using a celebrity in advertisement shows the credibility and attractiveness of a brand. Having a celebrity endorsement strategy helps an organization portray a credible image in terms of expertise and trustworthiness. Celebrities add instant and tangible value to a brand. Using a celebrity to advertise a product creates some element of legitimacy in the company and as research has shown, a company that has celebrity endorsement deals record a 25% increase in their stock immediately the news of the endorsement is out (Olenski, 2016).

2.4.3 Competitive Advantage

Organizations may have an edge over their competitors depending on the marketing strategy that they adopt. For example; an organization that has a celebrity with many fans endorsing a certain product brand has a competitive advantage compared to an organization that doesn’t do celebrity marketing. As Mello (2014) notes, celebrities help in personifying a brand. When a celebrity endorses a brand, the attributes of the celebrity are transferred to the brand making it look attractive, glamorous, and exciting. Celebrities make the brands reflect their personalities. For example, after Maria Sharapova signed a deal with Porsche, she brought her power and elegance to the brand, the same attributes that describe a
Porsche. This is a perfect example of a successful celebrity marketing strategy because Maria Sharapova’s fans feel the synergy between their celebrity and the brand. This automatically gives Porsche a competitive advantage. Social media platforms like Pinterest, Instagram, and Tumblr are perfect avenues for finding out which celebrity is currently trending and finding out if they would be appropriate for endorsing a particular product (Cotraviwat, 2015).

Dudovskiv (2012) confirms that the context and environment within which a product is placed makes the product placement successful. A successful product placement deal gives an organization a competitive advantage especially when the organization is able to meet all its goals and objectives through the strategy. A product placement enables an organization market its products to the public without being too obvious. Production placements are also ideal because an audience cannot avoid the advert by skipping it or surfing through the channels until the ‘advert’ is over. The communication aspect of product placement in movies makes it attractive and feasible (Cowley & Barron, 2008).

Organizations that use product placement strategy may have a competitive advantage. According to Pope (2008), many companies have benefited from the product placement strategy. For example, Reese’s candies were used in the movie “ET: The Extra Terrestrial. One of the most successful product placement strategies is seen in the famous movie “Transformers” which was released in 2007. Chevrolet advertised the famous American muscle car ‘Camaro’ which starred as “Bumbelbee” and two and half years later after a successful scenario which had created hype and product awareness, the company released the sports car. The product placement of the sports car gave Chevrolet an edge over their competitors. Other famous product placements are; Domino’s Pizza in Mutant Ninja Turtles, GAP, Nokia, and twenty eight other brands in Minority Report, etc. (Lindstrom & Seybold, 2004).

2.4.4 Helps People Remember Advertisements
An effective marketing strategy enables consumers remember product advertisements. Consumers may not be willing to watch a product advert but an effective marketing strategy ensures the consumers remember the advert. Celebrity endorsements help improve an
advertisement’s recall. For example, when consumers see or hear celebrities talk, they always associate them with the product they advertised (FrogDog, 2013). When consumers see celebrities using certain products, they imitate them and purchase the same. With time, may buy the products out of habit and this increases the product usage. For example, many people use Lux because it was endorsed by beauty queen Aishwarya Rai. Effective marketing strategies help build awareness. For example, a new brand or product in a market gains popularity when a celebrity endorses it. The consumers become curious and eventually purchase the product to find out what is being endorsed by their favorite celebrity. Research shows that consumers are able to recall a product when they have seen it being used by a celebrity (Khatri, 2006).

According to Dudovskiv (2012), a study conducted to identify what form of product placement was the most effective in helping customers remember a product revealed that a combination of visual cues and verbal references to the brand in different parts of a movie or a TV show enabled consumers to remember the brand or product. The study revealed that product placement was so effective in enabling consumers remember a brand but it is an expensive marketing strategy. Additionally, placing a product in a movie scene with a very popular character was so effective in enabling consumers recall the brand or the product. Product placement gives consumers a feeling of familiarity towards the brand or the product that was in a movie or a TV show. The study also concluded that product placement is most effective on a young audience. The context in which the product placement is done is also important. Young viewers can be attracted to product placements in video games where they can stop the video and tag an area where the product is placed to get more information (Gutnik et al, 2007).

Bannan (2002) agrees that the trend and new forms of product placement are constantly changing in order to get the viewers’ attention e.g. in video games. The manner in which a product or brand is placed determines whether viewers will recall it. For example, when the product placement is just visual, only 32% of the viewers will recall the brand or product. When the product is used in a movie or TV show, 53% of the viewers will remember the product or brand. 60% of the viewers will remember a product or brand when it is verbally mentioned. 71% of the viewers will recall a brand or product when it is verbally endorsed, and lastly, 81% of the viewers will recall a brand or product when it is
mentioned and used. The value of the product placement can be evaluated through aspects such as; impression of the viewer, verbal exposure, box office revenue, etc. (Honthaner, 2010).

According to a source, product placement is different from the traditional method of advertising because in product placement, no one can easily notice an advertisement is taking place and the name of the company sponsoring the advertisement is not known. Unlike traditional methods of advertising, product placement enables a consumer recall the product or brand while still creating a sense of familiarity. Consumers are able to remember products or brands placed in movies because of being associated with characters in the movies (Yang et al., 2004).

Product placement is most effective when it used with other marketing tools. Avery and Ferraro (2000) carried out a research on brands and products advertised on TV after prime television shows. The study revealed that 61% of the product placements were done during news programs and games shows, 39% of the product placements were done during programs with pre-scripted storylines, 44% of the product placements were only visual, 39% of the product placements were only verbal, and 18% of the product placements were both visual and verbal. Additionally, a research carried out at Pennsylvania State University in 2000 confirmed that viewers remembered a brand name easily when it was advertised and placed in movies or television shows. When brand advertising was carried out separately it was seen not to be as effective (Weaver, 2000).

2.5 Chapter Summary

The chapter was divided into three sections according to the research questions of the study. The first section reviewed existing literature on applied marketing strategies, the second section reviewed existing literature on the cost implications of applied marketing strategies, while the third section reviewed existing literature on the benefits of applied marketing strategies. The next chapter is chapter three. It will discuss the research methodologies used in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used in the study on the evaluation of the cost and benefits of applied cosmetics industry marketing best practices. The first section discusses the research design, the following sections will cover the population and sampling design (population size, sampling frame, sampling technique, and sample size), data collection methods, research procedures, and data analysis methods that were used in the study. The chapter will end with a chapter summary.

3.2 Research Design

According to Chandran (2005), a research design is the process where researchers select the data structure, data collection methods, and data analysis methods. This study adopted a descriptive research design where data is collected to give a description of the characteristics under study. Cooper and Schindler (2006) agree that in descriptive research, the data that is collected gives a description of who, what, when, and how much.

3.3 Population and Sampling Design

3.3.1 Population

A population is a group of individuals, objects, or things that have certain things in common where a sample may be taken to represent the entire group (Kombo & Tromp, 2009). The target population consisted of manufacturers and wholesalers of cosmetics products, in Nairobi, Kiambu, and Nakuru counties. The population total number was 240 as indicated in table 3.1. Nairobi County had majority of the target population at 76%, Nakuru County followed with 18%, and Kiambu County with 6% of the target population.
Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>County</th>
<th>Cosmetic Businesses Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nairobi</td>
<td>183</td>
<td>76%</td>
</tr>
<tr>
<td>Kiambu</td>
<td>14</td>
<td>6%</td>
</tr>
<tr>
<td>Nakuru</td>
<td>43</td>
<td>18%</td>
</tr>
<tr>
<td>Total</td>
<td>240</td>
<td>100%</td>
</tr>
</tbody>
</table>

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

According to Leary (2001), a sampling frame is a list of individuals, objects, or elements in a population from which a sample will be taken. In this study, the sampling frame was obtained from the registrar of companies. This is because they are involved in business registration and therefore know the total number and type of businesses.

3.3.2.2 Sampling Technique

The study adopted a purposive technique to select the counties that will be used in the study. After counties were identified, the study adopted a stratified sampling technique to get the respondents in each county. In this technique, all subgroups of a population have an equal chance of being represented in the same proportion that they exist in the entire population. Stratified sampling ensured the manufacturers and wholesalers of cosmetic products in Nairobi, Kiambu, and Nakuru had an equal chance of being represented as they exist in the population of the three counties.

3.3.2.3 Sample Size

A sample is a small representation of the total individuals in a population Mugenda and Mugenda (2003). The study used the Yamane’s formula to identify the sample size.

Yamane’s formula: \( n = \frac{N}{1+Ne^2} \)

Where: \( n = \) Sample size, \( N = \) Population Size, \( e = \) Margin of error (0.05)
The study had a total sample size of 150 respondents. Stratified sampling technique was used to identify the number or respondents in each county.

\[ \text{ni} = (\text{Ni}/\text{N}) \times n \]

Where: \( \text{ni} \) = the sample size of respondents in each subgroup, \( \text{Ni} \) = the total number of the respondents in each group in the population, \( \text{N} \) = the total population number, \( n \) = the sample size

**Table 3.2: Sample Size**

<table>
<thead>
<tr>
<th>County</th>
<th>Cosmetic Business Population</th>
<th>Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nairobi</td>
<td>183</td>
<td>114</td>
</tr>
<tr>
<td>Kiambu</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Nakuru</td>
<td>43</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>240</td>
<td>150</td>
</tr>
</tbody>
</table>

### 3.4 Data Collection Methods

The study had structured questionnaires which were divided into four sections. The first section had the demographic information. The second section had questions based on the first research question which was; what are the commonly applied marketing strategies in the Kenyan cosmetics industry? The third section had questions based on the second research question which was; what are the cost implications of the applied marketing strategies in the Kenyan cosmetics industry? The fourth section had questions based on the third research question which was; what are the gained benefits of the applied marketing strategies in the Kenyan cosmetics industry? The questionnaire was closed ended and had a five-point likert scale where 1= Strongly Disagree, 2= Disagree, 3=Neutral, 4= Agree, and 5= Strongly Agree.

### 3.5 Research Procedures

The study started by developing a questionnaire according to the research questions. The researcher sought permission from Chandaria School of Business to carry out research. A
pilot study was carried out to test the reliability of the data collection instrument. Data collection was later done in Nairobi, Kiambu, and Nakuru counties. The research assistants distributed the questionnaire to the respondents and waited as they filled them. This method was the best because chances of losing questionnaires during distribution was minimized. Additionally, as the respondents filled the questionnaires, they had a chance of asking the research assistants for clarification where they did not understand.

3.6 Data Analysis Methods

The filled questionnaires were first checked to ensure they did not have any errors. The data was then coded, cleaned, analysed, and interpreted accordingly. The study had both descriptive and inferential statistics where descriptive statistics included frequencies, percentages, cross tabulation, mean, and standard deviation while inferential statistics included Pearson correlation. The results were presented in tables, graphs, and pie-charts. Data analysis was done using Statistical Package for Social Sciences (SPSS) and Microsoft Excel.

3.7 Chapter Summary

This chapter has discussed the research methodologies that were used in the study. Specifically, the chapter discussed in depth the research design, population and sampling techniques, data collection methods, research procedures, and data analysis methods that were used in the study. The next chapter is chapter four. It will present the analysis and findings of the study. The last chapter will be chapter five which will present the discussions, conclusions, and recommendations of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presents the results and findings of the study. The findings of the study were presented according to the research questions which were: What are the commonly applied marketing strategies in the Kenyan cosmetics industry? What are the cost implications of the applied marketing strategies in the Kenyan cosmetics industry? What are the gained benefits of the applied marketing strategies in the Kenyan cosmetics industry? The results are presented in tables, graphs, and pie-charts. The chapter ends with a chapter summary.

4.1.1 Response Rate
The questionnaires that were distributed to the respondents were 150. Of these 104 questionnaires were filled and returned while 46 questionnaire were unreturned. This was a response rate of 69%. According to Mugenda and Mugenda (2003), a response rate of 50% and above is good for data analysis. Therefore, a response rate of 69% was adequate for data analysis.

![Response Rate](image)

Figure 4.1: Response Rate
4.2 Demographic Information
This section presents the respondents background information. It includes; the respondents’ gender, age, Department at work, and work experience.

4.2.1 Gender
The results on figure 4.2 reveal that the majority of the respondents were female. These were 81% of the respondents. The male respondents accounted for 19% of the respondents.

![Gender Chart]

Figure 4.2: Gender

4.2.2 Age
According to the results on figure 4.3, majority of the respondents were between the ages of 30 and 40 at 55%. Respondents between the ages of 26 and 30 were 18%, respondents between the ages of 40 and 50 were 14%, categories of respondents who were under 20 years, over 50 years, and 20 to 25 years had less than 10% of respondents at 6%, 4%, and 3% respectively.
4.2.3 Department

According to the results on figure 4.4 obtained from the study, most of the respondents were working in the customer care department at 60%. The category that followed next were respondents in the retailer/wholesaler department at 32%. Respondents in marketing agencies, manufacturing, and other departments were 4%, 2%, and 2% respectively.
4.2.4 Work Experience

The results on figure 4.5 indicate that majority of the respondents (50%) have been at their work place for 5 to 10 years. Respondents who have been at their work place for over 10 years were 19%, 17% represented respondents who have been at their work place for 3 to 5 years, respondents who have been at their work place for 1 to 3 years were 11%, and respondents who have been at their place for one year or less were 3%.

![Experience](image)

Figure 4.5: Work Experience

4.2.5 Cross Tabulation between Department and Gender

The results on table 4.1 reveal that majority of the respondents (59 respondents) were female and worked in customer care, 24 respondents were female and were working in retail/wholesale, and 9 of the respondents were male and were working in retail/wholesaler.

Table 4.1: Department and Gender Cross Tabulation

<table>
<thead>
<tr>
<th>Department and Gender Cross Tabulation</th>
<th>Gender</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td></td>
</tr>
<tr>
<td>Manufacturer</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Retailer/wholesaler</td>
<td>9</td>
<td>24</td>
<td>33</td>
</tr>
<tr>
<td>Customer</td>
<td>8</td>
<td>54</td>
<td>62</td>
</tr>
<tr>
<td>Marketing agent</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>83</td>
<td>103</td>
</tr>
</tbody>
</table>
4.2.6 Cross Tabulation between Department and Experience

According to the results on table 4.2, majority of the respondents were between the ages of 5 and 10 years and were working in customer care. These were 29 of the respondents. 21 respondents were between the ages of 5 to 10 years and in retail/wholesale. 14 respondents were between the ages of 3 to 5 years and in customer care.

Table 4.2: Cross Tabulation between Department and Experience

<table>
<thead>
<tr>
<th>Department</th>
<th>Experience</th>
<th>0-1 year</th>
<th>1-3 years</th>
<th>3-5 years</th>
<th>5-10 years</th>
<th>Over 10 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturer</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Retailer/wholesaler</td>
<td></td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>21</td>
<td>10</td>
<td>33</td>
</tr>
<tr>
<td>Customer</td>
<td></td>
<td>2</td>
<td>10</td>
<td>14</td>
<td>29</td>
<td>7</td>
<td>62</td>
</tr>
<tr>
<td>Marketing agent</td>
<td></td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>3</td>
<td>11</td>
<td>17</td>
<td>52</td>
<td>20</td>
<td>103</td>
</tr>
</tbody>
</table>

4.3 Marketing Strategies in the Cosmetics Industry

This section presents results based on the commonly applied strategies in Kenya. A five-point likert scale was used where: 1= Strongly Disagree, 2= Disagree, 3=Neutral, 4= Agree, and 5= Strongly Agree.

4.3.1 Applied Marketing Strategies

The results on table 4.5 show that majority of the respondents at 73% strongly agree that mass media advertisement strategy is used by cosmetics product manufacturers and outlets. Celebrity marketing and mass media advertising had the highest mean at 4.58 while sales force strategy had the lowest mean at 3.77. The results further revealed that sales force strategy had the highest standard deviation at 1.085 while celebrity marketing had the lowest standard deviation at 0.604.
Table 4.3: Applied Marketing Strategies

<table>
<thead>
<tr>
<th>Marketing Strategies</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
<th>N</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Marketing</td>
<td>%</td>
<td>1%</td>
<td>3%</td>
<td>33%</td>
<td>63%</td>
<td>100%</td>
<td>101</td>
<td>4.58</td>
<td>.604</td>
</tr>
<tr>
<td>Product Placement</td>
<td>%</td>
<td>1%</td>
<td>27%</td>
<td>5%</td>
<td>67%</td>
<td>100%</td>
<td>101</td>
<td>4.39</td>
<td>.916</td>
</tr>
<tr>
<td>Sales Representatives</td>
<td>1%</td>
<td>18%</td>
<td>12%</td>
<td>40%</td>
<td>29%</td>
<td>100%</td>
<td>101</td>
<td>3.77</td>
<td>1.085</td>
</tr>
<tr>
<td>Mass Media Advertisements</td>
<td>%</td>
<td>%</td>
<td>15%</td>
<td>12%</td>
<td>73%</td>
<td>100%</td>
<td>101</td>
<td>4.58</td>
<td>.738</td>
</tr>
</tbody>
</table>

4.3.2 Most Preferred and Effective Marketing Strategy

According to the results on figure 4.6, majority of the respondents feel that the sales force strategy is the most effective and preferred marketing strategy. Sales representatives are able to interact with customers directly and this makes consumers feel confident of their purchases since they can ask questions about the product and get immediate feedback.

Figure 4.6: Most Preferred and Effective Marketing Strategy
4.4 Cost Implications of the Applied Marketing Strategies in the Cosmetics Industry

4.4.1 High Marketing Costs

The results on table 4.4 indicate that majority of the respondents at 58% are neutral about the costs of any marketing strategy. 52% strongly agree that celebrity marketing strategy is cost intensive. High level/ profile celebrities are very tight schedules and may ask so much compensation for their time.

Table 4.4: Marketing Strategy Cost Intensity

<table>
<thead>
<tr>
<th>Marketing Strategy</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Marketing</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>48%</td>
<td>52%</td>
<td>100%</td>
</tr>
<tr>
<td>Product Placement</td>
<td>2%</td>
<td>22%</td>
<td>58%</td>
<td>18%</td>
<td>%</td>
<td>100%</td>
</tr>
<tr>
<td>Sales agents and Samples</td>
<td>%</td>
<td>3%</td>
<td>43%</td>
<td>21%</td>
<td>33%</td>
<td>100%</td>
</tr>
<tr>
<td>Mass Media Advertising</td>
<td>%</td>
<td>12%</td>
<td>14%</td>
<td>48%</td>
<td>26%</td>
<td>100%</td>
</tr>
</tbody>
</table>

4.4.2 Training Costs

The results on table 4.5 show that most of the respondents at 55% agree that sales force strategy has high training costs. This is because an organization is required to train the sales agents on marketing and customer care skills before they can go to market the organizations’ products.

Table 4.5: Training Costs

<table>
<thead>
<tr>
<th>Marketing Strategy Skills</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Marketing</td>
<td>17%</td>
<td>51%</td>
<td>29%</td>
<td>2%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td>Product Placement</td>
<td>9%</td>
<td>36%</td>
<td>31%</td>
<td>24%</td>
<td>%</td>
<td>100%</td>
</tr>
<tr>
<td>Sales agents</td>
<td>%</td>
<td>%</td>
<td>23%</td>
<td>55%</td>
<td>22%</td>
<td>100%</td>
</tr>
<tr>
<td>Mass Media Advertising</td>
<td>1%</td>
<td>4%</td>
<td>36%</td>
<td>45%</td>
<td>14%</td>
<td>100%</td>
</tr>
</tbody>
</table>
4.4.3 Costs Incurred through Third Party Experts

According to the results on table 4.6, majority of the respondents (38%) agree that sales force strategy is costly because the organization has to use a third party to get the products directly to the consumers. The sales agents may also make the organization incur extra costs through indirect activities such as misrepresentation which would make an organization have very low sales. Use of free samples as advised by the sales agent would mean more extra costs to the organization since the products are not being paid for when they all had production costs.

Table 4.6: Costs Incurred through Third Party Experts

<table>
<thead>
<tr>
<th>Costs Incurred through Third Party Experts</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Marketing</td>
<td>5%</td>
<td>30%</td>
<td>9%</td>
<td>27%</td>
<td>29%</td>
<td>100%</td>
</tr>
<tr>
<td>Product Placement</td>
<td>11%</td>
<td>37%</td>
<td>36%</td>
<td>14%</td>
<td>2%</td>
<td>100%</td>
</tr>
<tr>
<td>Sales agents and Samples</td>
<td>%</td>
<td>13%</td>
<td>33%</td>
<td>38%</td>
<td>16%</td>
<td>100%</td>
</tr>
<tr>
<td>Mass Media Advertising</td>
<td>7%</td>
<td>24%</td>
<td>30%</td>
<td>29%</td>
<td>10%</td>
<td>100%</td>
</tr>
</tbody>
</table>

4.5 Benefits of the Applied Marketing Strategies in the Cosmetics Industry

This section presents results based on the benefits of the applied marketing strategies in Kenya. A five-point likert scale was used where: 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, and 5= Strongly Agree.

4.5.1 Tap New Markets

According to the results on table 4.7, majority of the respondents at 81% strongly agree that mass media advertising strategy helps in taping new markets. Advertisements done on television, radio, newspapers, magazines, and social media helps the organization reach new customers. 57% of the respondents agree that an organization’s sales force helps in reaching an organization’s new target market. Sales force are able to reach geographical locations that other marketing strategies might not reach.
Table 4.7: Tap New Markets

<table>
<thead>
<tr>
<th>Target New Markets</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Marketing</td>
<td>%</td>
<td>3%</td>
<td>6%</td>
<td>47%</td>
<td>44%</td>
<td>100%</td>
</tr>
<tr>
<td>Product Placement</td>
<td>%</td>
<td>1%</td>
<td>14%</td>
<td>52%</td>
<td>33%</td>
<td>100%</td>
</tr>
<tr>
<td>Agents and Samples</td>
<td>%</td>
<td>%</td>
<td>10%</td>
<td>57%</td>
<td>33%</td>
<td>100%</td>
</tr>
<tr>
<td>Mass Media Advertising</td>
<td>%</td>
<td>2%</td>
<td>3%</td>
<td>14%</td>
<td>81%</td>
<td>100%</td>
</tr>
</tbody>
</table>

4.5.2 Reach Existing Customers

According to the results on table 4.8, most of the respondents at 73% strongly agree that mass media advertising is effective in reaching an organization’s existing customers. When customers see the product they use being constantly advertised on TV, newspapers, social media, etc. they are reminded of the benefits the products offer. 53% of the respondents agree that sales force help in reaching existing customers. Customers who are not able to find their favourite products in their regular retail outlets benefit from the sales force who bring products closer to them.

Table 4.8: Reach Existing Customers

<table>
<thead>
<tr>
<th>Reach Existing Customers</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Marketing</td>
<td>1%</td>
<td>1%</td>
<td>26%</td>
<td>37%</td>
<td>35%</td>
<td>100%</td>
</tr>
<tr>
<td>Product Placement</td>
<td>%</td>
<td>2%</td>
<td>7%</td>
<td>42%</td>
<td>49%</td>
<td>100%</td>
</tr>
<tr>
<td>Agents and Samples</td>
<td>%</td>
<td>%</td>
<td>11%</td>
<td>53%</td>
<td>36%</td>
<td>100%</td>
</tr>
<tr>
<td>Mass Media Advertising</td>
<td>%</td>
<td>2%</td>
<td>4%</td>
<td>21%</td>
<td>73%</td>
<td>100%</td>
</tr>
</tbody>
</table>
4.5.3 Gain Competitive Advantage

According to the results on table 4.9, most respondents at 65% strongly agree that mass media advertising enables an organization achieve competitive advantage. 61% of the respondents agree that having sales agents and distributing free samples gives an organization a competitive advantage.

Table 4.9: Competitive Advantage

<table>
<thead>
<tr>
<th>Competitive Advantage</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Marketing</td>
<td>10%</td>
<td>13%</td>
<td>39%</td>
<td>30%</td>
<td>8%</td>
<td>100%</td>
</tr>
<tr>
<td>Product Placement</td>
<td>%</td>
<td>5%</td>
<td>37%</td>
<td>42%</td>
<td>16%</td>
<td>100%</td>
</tr>
<tr>
<td>Sales agents and Samples</td>
<td>%</td>
<td>%</td>
<td>10%</td>
<td>61%</td>
<td>29%</td>
<td>100%</td>
</tr>
<tr>
<td>Mass Media Advertising</td>
<td>1%</td>
<td>4%</td>
<td>2%</td>
<td>28%</td>
<td>65%</td>
<td>100%</td>
</tr>
</tbody>
</table>

4.5.4 Remembering Advertisements Encourage Product Trial

The results on table 4.10 reveal that majority of the respondents at 68% strongly agree that mass media advertising helps consumers remember the advertisement message which in turn enables consumers try out the product. 56% of the respondents strongly agree that sales agents and free samples encourage product trial.

Table 4.10: Remembering Advertisements Encourage Product Trial

<table>
<thead>
<tr>
<th>Remembering Advertisements Encourage Product Trial</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Marketing</td>
<td>%</td>
<td>1%</td>
<td>7%</td>
<td>43%</td>
<td>49%</td>
<td>100%</td>
</tr>
<tr>
<td>Product Placement</td>
<td>%</td>
<td>9%</td>
<td>58%</td>
<td>32%</td>
<td>1%</td>
<td>100%</td>
</tr>
<tr>
<td>Sales agents and Samples</td>
<td>%</td>
<td>%</td>
<td>2%</td>
<td>42%</td>
<td>56%</td>
<td>100%</td>
</tr>
<tr>
<td>Mass Media Advertising</td>
<td>%</td>
<td>2%</td>
<td>2%</td>
<td>28%</td>
<td>68%</td>
<td>100%</td>
</tr>
</tbody>
</table>
4.5.5 Build Trust and Customer Brand Loyalty

According to the results on table 4.11, most of the respondents at 74% strongly agree that mass media advertising builds trust and customer loyalty. An effective marketing strategy ensures customers are able to trust the brand or product being advertised. The results reveal that mass media advertising ensures existing customers remain loyal to their brand.

Table 4.11: Build Trust and Customer Brand Loyalty

<table>
<thead>
<tr>
<th>Build Trust and Customer Brand Loyalty</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Marketing</td>
<td>1%</td>
<td>5%</td>
<td>14%</td>
<td>49%</td>
<td>31%</td>
<td>100%</td>
</tr>
<tr>
<td>Product Placement</td>
<td>%</td>
<td>2%</td>
<td>17%</td>
<td>70%</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>Sales agents and Samples</td>
<td>%</td>
<td>%</td>
<td>3%</td>
<td>54%</td>
<td>43%</td>
<td>100%</td>
</tr>
<tr>
<td>Mass Media Advertising</td>
<td>1%</td>
<td>4%</td>
<td>3%</td>
<td>18%</td>
<td>74%</td>
<td>100%</td>
</tr>
</tbody>
</table>

4.5.5 Consumers Adopt the Product

The results on table 4.12 reveal that 81% of the respondents strongly agree that mass media advertising encourages consumers to adopt a product. 65% of the respondents strongly agree that sales agents and free samples encourage consumers to adopt a product. 56% of the respondents agree that product placement encourages consumers to adopt a product, while 49% of the respondents agreed that celebrity marketing enables consumers adopt a product.

Table 4.12: Product Adoption

<table>
<thead>
<tr>
<th>Product Adoption</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Marketing</td>
<td>%</td>
<td>%</td>
<td>8%</td>
<td>49%</td>
<td>43%</td>
<td>100%</td>
</tr>
<tr>
<td>Product Placement</td>
<td>%</td>
<td>%</td>
<td>31%</td>
<td>56%</td>
<td>13%</td>
<td>100%</td>
</tr>
<tr>
<td>Sales agents and Samples</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>35%</td>
<td>65%</td>
<td>100%</td>
</tr>
<tr>
<td>Mass Media Advertising</td>
<td>1%</td>
<td>2%</td>
<td>1%</td>
<td>15%</td>
<td>81%</td>
<td>100%</td>
</tr>
</tbody>
</table>
4.6 Correlation Matrix

Correlation shows the strength and direction of the variables relationship. According to the results on table 4.13, mass media advertisement and product placement have a very strong positive linear statistical significance at $r = 0.846$: $p \leq 0.01$. Sales representative and product placement have a very strong positive linear relationship at $r = 0.743$: $p \leq 0.01$. Mass media advertisement and sales representative have a very strong positive linear relationship at $r = 0.704$: $p \leq 0.01$. Marketing benefits and marketing costs have a weak positive linear relationship at $r = 0.203$: $p \leq 0.05$.

**Table 4.13: Correlation Matrix**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Correlations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>1 Celebrity Marketing</td>
<td></td>
</tr>
<tr>
<td>Correlation Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2 Product Placement</td>
<td></td>
</tr>
<tr>
<td>Correlation Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>.040</td>
</tr>
<tr>
<td>3 Sales Representative</td>
<td></td>
</tr>
<tr>
<td>Correlation Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>.083</td>
</tr>
<tr>
<td>4 Mass Media Advertisement</td>
<td></td>
</tr>
<tr>
<td>Correlation Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>.034</td>
</tr>
<tr>
<td>5 Marketing Costs</td>
<td></td>
</tr>
<tr>
<td>Correlation Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>.015</td>
</tr>
<tr>
<td>6 Marketing Benefits</td>
<td></td>
</tr>
<tr>
<td>Correlation Sig. (2-tailed)</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>.022</td>
</tr>
</tbody>
</table>

**, Correlation is significant at the 0.01 level (2-tailed).  
*, Correlation is significant at the 0.05 level (2-tailed).
4.7 Chapter Summary

The chapter has analysed the data collected from the field and presented the results and findings in tables and figures. The data was analysed using Statistical Package for Social Sciences (SPSS) and Microsoft Excel. The results were presented in sections according to the research questions. The following chapter is chapter five. It will present the discussions, conclusions and recommendations of the study.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATION

5.1 Introduction
This chapter summarizes the research findings on the evaluation of the costs and benefits of applied cosmetics industry marketing best practices. The chapter will provide a summary of the findings, give conclusions, and recommendations of the study.

5.2 Summary
The purpose of this study was to evaluate the costs and benefits of applied cosmetics industry marketing best practices. The study was guided by the following research questions: what are the commonly applied marketing strategies in the Kenyan cosmetics industry? What are the cost implications of the applied marketing strategies in the Kenyan cosmetics industry? And what are the gained benefits of the applied marketing strategies in the Kenyan cosmetics industry?

The study used descriptive research design and the population consisted of 240 wholesalers and manufacturers in Nairobi, Kiambu, and Nakuru. Out of this, a sample size of 150 respondents was selected for the study. Primary data was collected using structured questionnaires and analysed using Statistical Package for Social Sciences (SPSS) and Microsoft Excel. The results and findings were presented using graphs, tables, and pie-charts. From the study, 81% of the respondents were female and 19% of the respondents were male. This was good for the study because women are the biggest consumers of cosmetic products. The study also revealed that majority of the respondents at 50% have been at their work place for 5 to 10 years and respondents who have been at their work place for over 10 years were 19%. This showed that more than half of the respondents have been at their work place for more than five years. These results were good for the study because the respondents have been at their work place long enough to see their organizations formulate long term strategic plans, implement them, and evaluate them. Most of these respondents have worked in their organizations long enough to see which marketing strategies have worked for their organizations and which ones have not.
The first research question was; what are the commonly applied marketing strategies in the Kenyan cosmetics industry? The study found that majority of the respondents at 73% strongly agreed that mass media advertisement strategy is the most used marketing strategy by cosmetics product manufacturers and outlets. 67% of the respondents strongly agreed that product placement strategy is the most commonly used marketing strategy, 63% of the respondents strongly agreed that celebrity marketing is the most commonly used strategy, while 40% of the respondents agreed that sales force strategy is the most used marketing strategy. The results from the study confirmed that organizations in the cosmetic industry have mass media advertisement strategy, product placement advertisement strategy, celebrity marketing strategy, and sales force strategy as the cosmetic industry best applied marketing practices.

The second research question was; what are the cost implications of the applied marketing strategies in the Kenyan cosmetics industry? The study revealed that majority of the respondents at 58% are neutral about the costs of any marketing strategy and 52% strongly agreed that celebrity marketing strategy is the most cost intensive. Most of the respondents at 55% agreed that sales force strategy has the highest training costs. Majority of the respondents (38%) agreed that sales force strategy is costly because the organization has to use a third party to get the products directly to the consumers. This revealed that celebrity marketing strategy and sales force strategy are the most costly marketing strategies compared to the other marketing strategies.

The third research question was; what are the gained benefits of the applied marketing strategies in the Kenyan cosmetics industry? Majority of the respondents at 81% strongly agreed that mass media advertising strategy helps in taping new markets. Most of the respondents at 73% strongly agreed that mass media advertising is effective in reaching an organization’s existing customers. Most respondents at 65% strongly agree that mass media advertising enables an organization achieve competitive advantage. Majority of the respondents at 68% strongly agree that mass media advertising helps consumers remember the advertisement message which in turn enables consumers try out the product. Most of the respondents at 74% strongly agree that mass media advertising builds trust and customer loyalty. 81% of the respondents strongly agree that mass media advertising encourages consumers to adopt a product. The results revealed that mass media marketing strategy is the most beneficial marketing strategy.
5.3 Discussion

5.3.1 Discussions on Applied Marketing Strategies in the Cosmetics Industry

The study revealed that majority of the respondents at 73% found mass media advertisement strategy to be the most used marketing strategy by cosmetics product manufacturers and outlets. Mass media advertising is appealing because it reaches many people and is still economically affordable to most people. The most common mass media forms are television, radio, newspapers, magazines, and social media. Additionally, they are mostly used for advertisement because of their ability to tap new markets. Lexicon (2016) notes that use of social media increases efficiency. The findings of the study revealed that 67% of the respondents strongly agree that product placement strategy is one of marketing best practices. This is in line with Dudovskiv (2012) who argues that, product placement is a popular marketing strategy with advertisers because they know some consumers ignore commercials that are brought on TV. They may even take the commercial break time to do other thing and resume watching TV after the commercial break is over. New technology has enabled consumers to block adverts, or skip an advert using a mobile control.

The study revealed that 1% of the respondents disagree that product placement is one of marketing best practices. These respondents represented consumers who feel that product placements are advertisements that are out to ruin favourite movies and TV shows. Gunasinghe (2015) argues that product placements in movies should look as real as possible in order to achieve the organization’s objective. When product placement is done well, consumers watching a movie or TV show that they like, will see the product that has been placed without realizing it’s an advert. In order to get more consumers to see the products being advertised, product placement is becoming more popular. According to the results of the study 63% of the respondents strongly agree that celebrity marketing is one of marketing best practices. This is in line with Ambroise et al (2014) who says that celebrity marketing is one of the major marketing strategies applied globally because the use of this marketing strategy enables organizations increase their sales. When organizations find celebrities in a given market industry and use their endorsements as the main theme in their marketing strategies, the organizations are able to meet their objectives.
The study found out that 40% of the respondents agree that sales force strategy is one of the marketing strategies commonly used in the Kenyan cosmetic industries to increase sales. Ingram (2017) argues that the main objective of a sales force is to increase the sales of a product in each given period, for example, increase sales in a week, a month, a year, etc. The sales force are concerned with recording the number of customers served per day while the sales managers main task is observing the detailed reports of daily sales volumes as well as the sales trends. The study also found out that the most effective and preferred marketing strategy is sales force strategy. Majority of the respondents at 44% feel that use of sales representatives to market an organizations products is the most effective marketing strategy. Organizations prefer this marketing strategy because of its ability to reach a wide consumer base. Use of free sample is also considered effective because consumers are able to test products and give the sales representatives immediate feedback. Sales representatives are the ones in direct contact with the consumers and this enables the organizations know what consumers feel about a brand or product. Petryni (2017) agrees that the direct sales give the organization the ability to manage their customer relationships.

5.3.2 Discussions on Cost Implications of the Applied Marketing Strategies in the Cosmetics Industry

The study revealed that many people may not be in a position to tell which marketing strategy is more expensive than the other. Majority of the respondents at 58% were neutral towards the costs of any marketing strategy. However, 52% strongly agreed that celebrity marketing strategy is the most cost intensive. High level/profile celebrities have very tight schedules and may ask so much compensation for their time. Gunelius (2013) agrees that as effective as celebrity endorsements would be in reaching the target market, creating awareness, and attracting new customers to a brand, the strategy is so costly and small businesses may not afford it. Additionally, it is difficult to calculate the return on investment of a celebrity endorsement. 48% of the respondents agreed that mass media advertisement strategy is very cost intensive. These findings went hand in hand with Jones (2016) who says that advertisements through mass media can be very expensive. Social media platforms such as Instagram, Pinterest, LinkedIn, and SnapChat can cost an organization an average of $1,000 or more for each advertisement that is placed.
The study showed that 33% of the respondents strongly agreed that sales agents and free samples have a high cost intensity. Suttle (2017) confirms that direct selling in some industries can be $300 or more. Selling directly to the consumers requires an effective sales force and their salaries and commissions must be factored in the marketing strategy. The sales force may also be travelling in different geographical locations to reach a wide target market but this becomes another cost to the organization especially where some customers are not local and travelling by air will be the only means of transport. The study also showed that 18% of the respondents agreed that product placement has a high cost intensity. Jones (2016) confirms that product placements are very costly where in some instances reputable product placement agencies charge $60 thousand to $250 thousand for a brand and charge more for a brand that has many product categories. A brand that has multiple categories of products may be more expensive than a brand that has a single product category because of the different staffing needs that are required by each.

The study established that sales force strategy has the highest training costs. The findings revealed that most of the respondents at 55% agree that sales force strategy has high training costs. This is because an organization is required to train the sales agents on marketing and customer care skills before they can go to market the organizations’ products. Suttle (2017) agrees that sales force require training to sharpen their selling skills as well as their customer relations skills. An organization may incur extra costs by using third party experts. The study revealed that majority of the respondents (38%) agree that sales force strategy is costly because the organization has to use a third party to get the products directly to the consumers.

The sales agents may also make the organization incur extra costs through indirect activities such as misrepresentation which would make an organization have very low sales. Use of free samples as advised by the sales agent would mean more extra costs to the organization since the products are not being paid for when they all had production costs. 29% of the respondents feel that organizations using celebrity marketing strategy can also incur extra costs by using third parties. Mello (2014) confirms this by saying an organization may also enter an endorsement deal with a celebrity who ends up eclipsing the brand. In such circumstances, an organization may have spent millions of dollars on a celebrity
endorsement deal but the consumers will not see the brand being advertised because the advertisements focused too much on the celebrity.

5.3.3 Discussions on the Benefits of Applied Marketing Strategies in the Cosmetics Industry

The study established that mass media advertising strategy is the most used marketing strategy to tap new markets. The findings revealed that majority of the respondents at 81% strongly agree that mass media advertising strategy helps in tapping new markets. Advertisements done on television, radio, newspapers, magazines, and social media helps the organization reach new customers. Lake (2017) confirms that when customers hear about a new product, the first place that they check to learn more about the product is the internet. It would therefore be advisable for an organization to have the product online and have a frequently asked questions (FAQ) section where customers can know what other people have been asking about the product and answers to those questions. 44% of the respondents feel that celebrity marketing helps tap new markets. Mello (2014) agrees that people who would have never used a certain brand will go for it because their favourite celebrity uses it.

Most of the respondents at 73% strongly agreed that mass media advertising is effective in reaching an organization’s existing customers. When customers see the product they use being constantly advertised on TV, newspapers, social media, etc. they are reminded of the benefits the products offer. Furthermore, most respondents at 65% strongly agreed that mass media advertising enables an organization achieve competitive advantage. 61% of the respondents agree that having sales agents and distributing free samples gives an organization a competitive advantage. 42% of respondents agreed that product placement can give an organization an edge over their competitors. Pope (2008) argues that many companies have benefited from the product placement strategy. A successful product placement enables an organization market its products to the public without being too obvious. Production placements are also ideal because an audience cannot avoid the advert by skipping it or surfing through the channels until the ‘advert’ is over. The communication aspect of product placement in movies makes it attractive and feasible (Cowley & Barron, 2008).
The study established that majority of the respondents at 68% strongly agreed that mass media advertising helps consumers remember the advertisement message which in turn enables consumers try out the product. This is in contrast with Weaver (2000) who argues that previous studies have indicated that viewers remembered a brand name easily when it was advertised and placed in movies or television shows. When brand advertising was carried out separately it was seen not to be as effective. Furthermore, the findings of the study showed that most of the respondents at 74% strongly agreed that mass media advertising builds trust and customer loyalty. The results reveal that mass media advertising ensures existing customers remain loyal to their brand. An effective marketing strategy ensures customers are able to trust the brand or product being advertised. Solomon (2002) argues that the main goal of an advertising campaign is to attract customers. In respect to this, an advertisement must show credibility in order to win the trust of the consumers.

The findings of the study reveal that 81% of the respondents strongly agreed that mass media advertising encourages consumers to adopt a product. 65% of the respondents strongly agreed that sales agents and free samples encourage consumers to adopt a product. 56% of the respondents agreed that product placement encourages consumers to adopt a product, while 49% of the respondents agreed that celebrity marketing enables consumers adopt a product. FrogDog (2013) notes that when consumers see or hear celebrities talk, they always associate them with the product they advertised. Khatri (2006) confirms that when consumers see celebrities using certain products, they imitate them and purchase the same. With time, consumers buy the products out of habit and this increases the product usage.

5.4 Conclusions

5.4.1 Applied Marketing Strategies in the Cosmetics Industry

The study concludes that the most used marketing strategy by cosmetics product manufacturers and outlets is mass media advertisement strategy. However, the most effective and preferred marketing strategy is sales force strategy. This shows that most organizations in the cosmetic industry may be using mass media advertisement strategy but they feel sales force strategy maybe the most effective marketing strategy.
5.4.2 Cost Implications of the Applied Marketing Strategies in the Cosmetics Industry

The study found out that celebrity marketing strategy is the most cost intensive marketing strategy compared to product placement strategy, sales force strategy, and mass media advertising strategy. Sales force strategy was found to have the highest training costs. The sales agents were also found to make the organization incur extra costs through indirect activities such as misrepresentation which would make an organization have very low sales. Additionally, use of free samples is an extra cost to the organization since the products are not being paid for when they all had production costs.

5.4.3 Benefits of Applied Marketing Strategies in the Cosmetics Industry

The study found that mass media advertising strategy gives an organization the most benefits. Mass media advertising strategy enables organizations in the cosmetic industry to; tap new markets, reach organizations’ existing customers, have a competitive advantage, increase sales by helping consumers remember the advertisement message which in turn enables them try out the product, builds trust and customer loyalty, and encourage consumers to adopt a product or brand.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Applied Marketing Strategies in the Cosmetics Industry

The findings showed that the most used marketing strategy by cosmetics product manufacturers and outlets is mass media advertisement strategy while the most effective and preferred marketing strategy is sales force strategy. Based on these findings, organization should have a combination of different marketing strategies that complement each other to increase effectiveness of the marketing strategies. For example, having a mass media advertising strategy and sales force strategy.
5.5.1.2 Applied Marketing Strategies in the Cosmetics Industry

The study recommends that organizations should evaluate the costs of each marketing strategy and use the most cost-effective one. This is the marketing strategy that has the highest return on investment. The organizations should also factor in costs that are incurred directly by the organizations such as salaries and commissions as well as costs incurred indirectly by the organization such as losses due to misrepresentation (sales force), no sales per period (due decline of brand ambassador’s stardom), failed marketing strategy (product placement in an unpopular movie/TV show), etc.

5.5.1.3 Recommendations on the Benefits of Applied Marketing Strategies in the Cosmetics Industry

The study recommends that organizations should evaluate which of the marketing strategies benefit the organization the most. The organizations should bear in mind that, what works for one organization may not work on another since business organizations are different. The organizations should also consider having a combination of different marketing strategies to gain the most benefits. This would be beneficial because some marketing strategies may not be effective on their own.

5.5.2 Recommendations for Further Studies

The study sought to evaluate the cost and benefits of applied cosmetics industry marketing best practices in the Kenyan market. The study found out that different marketing strategies have different costs and benefits. The study recommends that further studies should be developed to evaluate the interrelationship between different strategies applied by the cosmetics industry.
REFERENCES


APPENDICES

APPENDIX 1: QUESTIONNAIRE

AN EVALUATION OF THE COSMETICS INDUSTRY MARKETING BEST PRACTICES: A CASE STUDY OF THE KENYAN MARKET

Section A: Background Information

1. What is your Gender?
   - Male
   - Female

2. What is your age?

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Tick only Once</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20 years</td>
<td></td>
</tr>
<tr>
<td>20-25 years</td>
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</tr>
<tr>
<td>26-30 years</td>
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<tr>
<td>30-40 years</td>
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<tr>
<td>40-50 years</td>
<td></td>
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<tr>
<td>Over 50 years</td>
<td></td>
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</tbody>
</table>

3. What is your area of involvement in the cosmetics industry?

<table>
<thead>
<tr>
<th>Department</th>
<th>Tick only Once</th>
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</thead>
<tbody>
<tr>
<td>Manufacturer</td>
<td></td>
</tr>
<tr>
<td>Retailer/wholesaler</td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td></td>
</tr>
<tr>
<td>Marketing agent</td>
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</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
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</tbody>
</table>

4. What is your experience in the Kenyan Cosmetics industry?

<table>
<thead>
<tr>
<th>Experience Years</th>
<th>Tick only Once</th>
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<tbody>
<tr>
<td>0-1 year</td>
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</tr>
<tr>
<td>1-3 years</td>
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<tr>
<td>3-5 years</td>
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<tr>
<td>5-10 years</td>
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<tr>
<td>Over 10 years</td>
<td></td>
</tr>
</tbody>
</table>
Section B: Applied Marketing Strategies by the Kenyan Cosmetics Industry

Please indicate to what extent you agree that the following marketing strategies are applied in the Kenyan cosmetics industry. Please note that for the applied strategies, you indicate the extent to which you agree that most if not all the cosmetics product manufacturers and outlets apply them.

<table>
<thead>
<tr>
<th>Element</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Celebrity marketing</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>6</td>
<td>Product placement</td>
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</tr>
<tr>
<td>7</td>
<td>Free samples and sales representatives</td>
<td></td>
<td></td>
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<tr>
<td>8</td>
<td>Social media and mass media advertisements</td>
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</tbody>
</table>

According to your understanding, please indicate the most effective and preferred marketing strategy. Kindly only tick once.

<table>
<thead>
<tr>
<th>Marketing Strategy</th>
<th>Tick only once</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Celebrity marketing</td>
</tr>
<tr>
<td>10</td>
<td>Product placement</td>
</tr>
<tr>
<td>11</td>
<td>Free samples and sales representatives</td>
</tr>
<tr>
<td>12</td>
<td>Social media and mass media advertisements</td>
</tr>
</tbody>
</table>
Section C: Strategy Cost Implications

Kindly indicate the extent to which you agree with the following statements with respect to each of the marketing strategies applied in the industry. Please indicate in numbers the extent of your agreement using the key provided below.

<table>
<thead>
<tr>
<th>Response</th>
<th>Rating number (use this in the table)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>1</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statement on cost implications</th>
<th>Celebrity marketing</th>
<th>Product placement</th>
<th>Sales agents and samples</th>
<th>Mass media advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 The practice is cost intensive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 The practice requires special marketing skills</td>
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<td>15 The practice application requires the use of a third party expert party</td>
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<td>16 The practice is able to unlock the barriers and generate trial</td>
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<tr>
<td>17 The practice has a residual effect and has the potential to convert customers to regular usage</td>
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</table>
### Section D: Strategy Gained Benefits

Kindly indicate the extent to which you agree with the following statements with respect to each of the marketing strategies applied in the industry. Please indicate in numbers the extent of your agreement using the key provided below.

<table>
<thead>
<tr>
<th>Response</th>
<th>Rating number (use this in the table)</th>
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<tbody>
<tr>
<td>Strongly disagree</td>
<td>1</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
</tr>
<tr>
<td>Neutral</td>
<td>3</td>
</tr>
<tr>
<td>Agree</td>
<td>4</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statement on Gained Benefits</th>
<th>Celebrity marketing</th>
<th>Product placement</th>
<th>Sales agents and samples</th>
<th>Mass media advertising</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Reach out to a majority of the target customers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 Reach out to a large existing customer base to ensure loyalty</td>
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<tr>
<td>20 Create competitiveness’ over existing market competition</td>
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<tr>
<td>21 Are able to drive the message and generate trial</td>
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<tr>
<td>22 Encourages and promotes customers brand loyalty</td>
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<tr>
<td>23 Encourages consumers into adopting the product</td>
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Thank You