EFFECT OF RESPONSE STRATEGIES ON THE PERFORMANCE OF OIL MARKETING COMPANIES IN KENYA

BY

SHEILA GESARE OMBATI

UNITED STATES INTERNATIONAL UNIVERSITY AFRICA

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EFFECT OF RESPONSE STRATEGIES ON THE PERFORMANCE OF OIL MARKETING COMPANIES IN KENYA

BY

SHEILA GESARE OMBATI

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

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SUMMER 2020
DECLARATION

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

Signed: ________________ Date: ________________

Sheila Gesare Ombati (641199)

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

Signed: ________________ Date: ________________

Dr. Caren Ouma

Signed: ________________ Date: ________________

Chandaria School of Business
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ABSTRACT

The general objective of the study was to establish the effect of response strategies on the performance of oil marketing companies in Kenya. Specific objectives were; to establish the effect of capacity building strategies on the performance of oil marketing companies in Kenya, to establish the effect of customer relations management strategies on the performance of oil marketing companies in Kenya, to determine the effect of strategic partner’s management on the performance of oil marketing companies in Kenya and to determine the effect of information technology deployment on the performance of oil marketing companies in Kenya.

The study adopted a descriptive survey research design. The target population was 248 management level employees. Stratified sampling method was adopted in this study to select the sample for the study. The sample size of the study was 124 management level employees. Questionnaires were used to collect primary data. Qualitative data was analyzed through segregation of field notes according to codes, categorization of codes according to similarities and organization of data according to study themes from which conclusions were drawn. Quantitative data was analysed using descriptive and inferential statistics. Descriptive analysis like the mean, standard deviation, frequency and percentages were used and were computed using Statistical Package for Social Sciences (SPSS version 23). The data was presented in form of tables and figures. Inferential statistics including correlation analysis and multiple regression analysis were also computed. Pearson R correlation was used to measure strength and the direction of linear relationship between variables. Multiple regression models were fitted to the data in order to test how far the independent variables affect the dependent variable.

The study found that capacity building strategies have a significant influence on performance oil marketing companies (p=0.040). The study also found that the influence of capacity building strategies on performance of oil marketing companies was positive (β=0.116); Therefore, capacity building strategies positively and significantly influences performance of oil marketing companies.
On customer relations management strategies, the study established that capacity building strategies have a significant influence on performance of oil marketing companies (p=0.000). The study also found that the influence of customer relations management strategies on performance of oil marketing companies was positive (β=0.229); Therefore, customer relations management strategies positively and significantly influences performance of oil marketing companies.

The study also established that strategic partner’s management have a significant influence on performance oil marketing companies (p=0.000). The study also found that the influence of strategic partner’s management on performance of oil marketing companies was positive (β=0.706); Therefore, strategic partner’s management positively and significantly influences performance of oil marketing companies.

Finally, on information technology deployment, the study established that information technology deployment has a significant influence on performance of oil marketing companies (p=0.007). The study also found that the influence of information technology deployment on performance of oil marketing companies was positive (β=0.109); Therefore, information technology deployment positively and significantly influences performance of oil marketing companies.

The study concluded a unit increase in capacity building strategies will result to an increase in performance of oil marketing companies, increase in customer relations management strategies will result to an increase in performance, a unit increase in strategic partner’s management will result to an increase in performance of oil marketing companies, and a unit increase in Information Technology deployment will result to an increase in performance of oil marketing companies.

The study recommends that management of oil marketing companies to increase training opportunities in their company to benefit all employees. Also, it is important for the organizations to conduct research on training needs to ensure that training offered is effective and specific to the needs of specific employees. Oil marketing companies need to adopt
systems that are updated and use advanced technology to collect customer feedback systematically, analyze it, and disseminated via an institutionalized customer feedback. Whenever the company considers alliances, it should first assess their potential partners’ strategy for aspects of compatibility; this is because, if the companies have similar strategies, they are likely to ally with each other. It is also important for the companies to adopt new technologies that will help the company achieve reduced transaction costs, information gathering and dissemination, inventory control, and quality control.
ACKNOWLEDGEMENT

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<tr>
<td>CDI</td>
<td>Customer-Driven Influence</td>
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<td>CFS</td>
<td>Customer Feedback System</td>
</tr>
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<td>CRM</td>
<td>Customer Relationship Management</td>
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<tr>
<td>EPRA</td>
<td>Energy and Petroleum Regulatory Authority</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>ICT</td>
<td>Information Communication Technology</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
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<tr>
<td>KRA</td>
<td>Kenya Revenue Authority</td>
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<tr>
<td>LCC</td>
<td>Low- Cost-Country</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
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<tr>
<td>PIEA</td>
<td>Petroleum Institute of East Africa</td>
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<tr>
<td>SACCO</td>
<td>Savings and Credit Co-Operative</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
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<td>VAT</td>
<td>Value Added Tax</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Globally, the business environment in which organizations operate is rapidly changing, making it imperative for them to continually adapt their operations to changes in the environment in order to succeed. To survive in a dynamic environment their strategies need to focus on their customers and deal with the emerging environmental challenges (Tan & Sousa, 2015). They further observed that for organizations to be effective and hence successful, they should respond appropriately to changes that occur in their respective environments. Environmental changes where organizations operate have implications which result in either opportunities or threats; opportunities present an avenue for organizations to better their performance. A good understanding of the two dimensions is desirable if an organization is to remain relevant and competitive in order to ensure they are successful. Organizations therefore face constant demands for changes to keep up with these challenges (Wulandari et al., 2017).

Organizations all over the world operate within environments that are turbulent with respect to political, economic, social-cultural, technological and ecological factors among others, which are beyond the firm’s control, yet they affect operations, decisions and performance. Turbulence is defined as “dynamism in the environment involving rapid, unexpected change in the environment sub-dimensions” (Wagana & Kabare, 2015). A strategic response is a set of decisions and actions that result in the formulation and implementation of plans designed to achieve an organization’s objectives. It is thus a reaction to what is happening in the environment of the organization (Pearce & Robinson, 2015). Strategic response affects the long-term direction of an organization, requires large amounts of resources and is difficult to reverse. According to Tan and Sousa (2015) the firm has to learn, adopt and reorient itself to the changing environment. Most importantly, when a discontinuity begins to affect a firm in a turbulent environment, faced with variety of pressures of new challenges brought about by
globalization and trade liberation, its impact, typically remains hidden within the normal fluctuations in performance.

Nuryakin and Retnawati (2016) noted that strategic responses are inclusive of transformations that take place inside an organization in order to be successful in future transformation of business environment. The bridge between the resources of a company and opportunities and risks facing the company is termed as a strategy. It involves the competitive move and the approach to provide stakeholders with best performance and satisfaction. The speed in which a threat or opportunity develops in an environment will determine the response selected. A strategic response that is developed and targeted appropriately are a daunting weapon for any company in the acquisition and sustainability of competitive edge. Strategic responses include capacity building strategies, customer relations management strategies, strategic partner’s management and information technology deployment.

Capacity building is the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably (Khodakarami & Chand, 2015). Capacity building is an evidence-driven process of strengthening the abilities of individuals, organizations, and systems to perform core functions sustainably, and to continue to improve and develop over time. Capacity building is part of an organizational strategy to improve overall productivity, motivate staff to deliver high quality services and create an ongoing commitment to innovation and system improvement (Khodakarami & Chand, 2015).

Customer relations management involves establishing and maintaining long-term mutually beneficial relationships with strategically significant customers and managerial efforts to manage business interactions with the customers by combining business processes and technologies that seek to understand the firm’s customers (Sugandhi, 2017). Peppers and Rogers (2015) opine that CRM aims at ensuring that business connects with the customer conversations and establishing long-term relationships with the customers. It forms an integral part in establishing a close connection with the customers. A better understanding of the customers enables the firm to formulate ways to effectively meet those needs. This contributes to sales growth and performance.
According to Kudate (2015) strategic partner’s management is necessitated by the need for an organization to achieve its goals while leveraging on resources of another organization. Moreover, Amita et al. (2015) noted that strategic alliances enable companies to extend their strengths to competitive arenas that they would otherwise be hesitant to enter alone. These companies benefit from one another in areas such as marketing, distribution, production, research and development, and outsourcing. When companies form alliances, they are able to accomplish bigger projects quickly and profitably.

Information technology refers to combination of software and hardware products and services that people use to manage, access, communicate, and share information (Melville, 2015). Today, information and communication technology is part of the mainstream of business strategy as well as everyone and every department in the organization is taking it up. Nijland (2015) indicated that the adoption and integration of Information and Communications Technology (IT) into business processes is increasing at a fast rate. When properly applied and managed, IT has significant productivity gain in that processes are simplified; tasks automated; operational costs are reduced and improve the speed and accuracy of the decisions.

In Europe, Bernard and Koerte (2016) studied on strategic responses to multiple dimensions of low-cost-country competition in Europe. The results strongly support the hypotheses that firms employ relocation, avoidance, and marketing differentiation strategies when LCC competition rises. As LCC product quality increases, firms increasingly use relocation strategies but reduce their reliance on avoidance and market differentiation.

Klingebiel (2018) did a study on strategic responses to parallel trade. Due to regulations on price and antitrust law on rationing supply, pharmaceutical firms may rely on non-price responses. Such responses include differentiation of products across countries and selective culling of product lines to reduce arbitrage opportunities, as well as raising arbitrageur’s costs through choice of packaging. Using a dataset of drug prices and sales from 1993-2004 covering 30 countries, I find evidence that the behavior of pharmaceutical firms in the EU with respect to their product portfolios is consistent with attempts to reduce parallel trade. This may at least partially explain why parallel trade has not yet resulted in significant price convergence across
EU countries. Accounting for non-price strategic responses may therefore be important in assessing the welfare effects of competition from parallel imports.

In India, Nuryakin and Retnawati (2016) studied the effective organizational response by corporates to India's liberalization and globalization. The study revealed that four sources broadly converge in their support for the model. Several issues relating to the contingency and strategic choice perspectives, the generalizability, applicability, acceptability, the diffusion of policy frameworks and redesign mechanisms are discussed. Vachani (2016) studied the strategic responses of multinationals to competition from developing-country cottage firms in Asia. The study revealed that competition is likely to vary with industry characteristics.

In African Context, Taiwo (2015) did a study on strategic marketing and firms’ performance: a study of Nigerian Oil and Gas Industry. The study revealed that strategic response is a driver of organizational positioning in a dynamic environment, and that it helps to enhance the development of new product/service for existing markets. Oghojafor (2015) studied on the response strategies, technological capabilities and organizational performance: evidence from Nigerian Manufacturing Industry. The study found that there is no significant effect of the differentiation type of competitive strategy on organizational performance, while the cost leadership has a highly significant effect on organizational performance. It was further found that technological capabilities go a long way in influencing the performance of organizations.

Ayodeji (2018) did a study on successful response strategies for the survival of business owners in Nigeria. The study found that the positive social change includes the possibility to increase the survival rates of small businesses during early years of operation, reduce unemployment, increase tax receipts for the government, and catalyze economic activities, reducing poverty levels.

Hansen et al. (2017) studied on the coping with the African business environment: enterprise strategy in response to institutional uncertainty in Tanzania. The study found a number of response strategies that contrasts markedly with the strategies traditionally emphasized by the strategic management literature: instead of focus strategies, Tanzanian enterprises diversify,
instead of competitive strategies, Tanzanian enterprises adopt network strategies and instead of internationalizing based on strengths, Tanzanian enterprises internationalize to overcome weaknesses.

In the Kenyan context strategic responses has attracted growing attention as a tool to enhance performance. Some studies have been done in relation to strategic responses and performance. Kimalel et al. (2017) did a study on strategic responses and performance of saving and credit co-operative societies in Nairobi County, Kenya. They found that the organization would adopt strategies that would give it strategic advantage as compared to its competitors and or also change strategic responses which may not be effective. The study also found that there was a strong positive correlation between cost cutting and performance of SACCO, there was also a strong positive correlation between Market expansion and performance of SACCO. The correlation coefficients for the independent variables were statistically significant.

Nyokabi (2018) studied on the strategic responses to the declining underwriting profitability in insurance industry in Kenya particularly in general insurance. The study found that having the right technical skill is very essential to ensure underwriting profitability, the pricing and profiling strategies employed are very vital in determining the profitability levels enjoyed by a firm. Strategic partnership and relationship management is highly encouraged, and this could be attributed to motivating gaining of complement resources and capabilities and that the strategic partnerships thus contribute towards organizational performance of the insurance firms in Kenya. The study further revealed that product mix strategy offers competitive pricing for profitable channels and there is customized Product scope design; benefits, terms, limits to suit the various market needs.

Kamomoe (2016) studied on strategic responses and financial performance of insurance firms in Kenya. The study findings showed that product and technology innovation strategy and expansion strategy were statistically significant. Kairu (2015) did a study on the effect of strategic responses on Kenya Revenue Authority operational performance. The study found that ICT, staff training, customer relationship management and strategic partnership practices in KRA positively affects performance. Further regression results indicated that customer
relationship management and strategic alliance were significant with positive correlations. The latter implied that an increase in effectiveness of ICT, staff training, customer relationship management and strategic partnership practices will lead to an increase in KRA’s performance.

Mohamud (2018) did a study on strategic responses and performance in postal corporation of Kenya in Mandera County, Kenya. The study found that the company conducts training to enhance superior skills, knowledge and capabilities and Staff training has achieved high morale with increased confidence and motivation. The study found that the company has established strategic alliances and cooperation with other firms. The study recommends that organizations should endeavor to train its staff.

In Kenya, the environment in which oil marketing companies are operating in is becoming more volatile, unpredictable and very competitive. Stiff competition from other companies, taxation, regulations and change in needs of customers and new entrants into the industry makes it necessary to design response strategies guaranteeing their performance and attaining of competitive advantage (Mohamed, 2015). The oil marketing sector in Kenya has experienced growth in population of players in the market, stiffening competition, change in the needs of customers, taxation and regulations, therefore, maintaining competitiveness forces formulation and implementation of strategies enabling attraction and retention of customers. Competition has stiffened over the recent past for players in this sector; this has been the case because of the increased innovation and new entrants into business.

In Kenya, oil marketing firms haven’t been left behind, and they have also adopted various strategies in dealing with challenges brought about by turbulent business environment. In the competitive oil industry, positioning reflects how consumers perceive the product’s/service’s or organization’s performance on specific attributes relative to that of the competitors. Thus, oil companies have to either reinforce or modify customers’ perception or image. The increasing competition caused depletion of the high profits the major oil marketing firms used to enjoy and consequently half of the Multinationals that existed before the liberalization have been forced out of the market in the last decade, including ExxonMobil, Shell &BP and Caltex/Chevron.
The history of oil marketing in Kenya began in 1903 during colonial times. Initially, kerosene was the main import in tins but later gasoline was imported in tins and drums. Royal Dutch Shell established the first depot on the island of Shimanzzi, in Mombasa, in the early 1900s (Sumayya, 2015). In, 2019 the government flagged off the first consignment of 200,000 barrels for export as the East African nation joined the league of petroleum exporting countries. The first consignment of Kenyan crude oil which left the Port of Mombasa for Britain made Kenya the first eastern Africa country to become an oil exporting nation (Muema, 2014). As of 2018, there were over 60 registered oil companies in Kenya. The industry was controlled by major companies such as Libya Oil Kenya Limited, Vivo Energy Kenya Limited and Total with competition from some locally established companies such as KenolKobil, National Corporation, Tosha and Dalbit Petroleum (Sumayya, 2015).

1.2 Statement of the Problem

According to a report by Petroleum Institute of East Africa (PIEA) (2019), fuel consumption has dropped to its lowest level in three years; this drop has been attributed to 8% VAT that was added to petroleum products in 2018. Statistics indicate that fuel consumption dipped by 6% percent to 5.92 billion litres by the end of 2018, (PIEA, 2019). Kerosene was the most affected, with consumption falling by 42 percent to 374.94 million litres in 2018 from 533.79 million litres used in 2017, this was attributed to Shs 18 per litre tax on Kerosene, which came into effect on September 2018. The aim of the tax on kerosene was to curb case of fuel adulteration, which leads to economic losses in unpaid taxes, deterioration in performance of engines and unfair competition. Fuel oil used to run thermal power plants, had a 39 percent drop in consumption to 435.28 million litres as thermal power usage dropped. Diesel consumption stagnated. It grew by just 0.93 per cent to 2.53 billion litres (PIEA, 2019).

This low sales volume has a ripple effect on corporate tax collection from the oil marketing companies who have reported reduced revenues, affecting their income tax contribution. The government had hoped to collect some Sh71 billion when the idea of 16 percent VAT on petroleum was first floated, this was later halved reducing the unpopular tax to 8 percent, meaning the sales would have been worse had it been retained at 16 percent. The sales are
bound to decline further as high international crude prices are expected to reflect in higher pump prices locally (PIEA, 2019).

Due to the stiff competition in the market, the levels of profitability have declined; this has forced oil marketing companies to use different strategies it trying to attain competitive advantage to ensure they remain in operation and competitive (Kathama, 2017). Response strategies is of great importance in an organization since it motivates subordinates to focus their attention on planning that aids the process of monitoring and predicting subordinates’ responsibilities by those subordinates aware of benefits arising from having strategic plans (Nelson & Quick, 2016). In addition, strategic decisions based on groups are more likely to be obtained from best alternatives. Companies dealing with oil marketing like any other business is shifting to response strategy drivers in order for them to maintain and increase their market share (Ongore & Kobonyo, 2016). Wayland and Cole (2016) explained that customer connecting technology and knowledge are the basis of customer connected strategies in delivering services.

Effective response strategies in the oil industry are based on competent and appropriate strategic capability. In Kenya, oil marketing firms have to deal with the dynamic nature of business environment which arises as a result of increased globalization, and the effects of internationalization (Ongore & Kobonyo, 2016). The oil industry environment exerts pressure on organizations for them to be proactive and to develop success strategies facilitating proactive response perceived and actual transformations in the competitive environment. The main aim of a strategic response is to differentiate the organization from its competitors in a manner that ensures its sustainability in the future (Ogutu, 2016)

There are several studies that have been conducted on response strategies but in different sectors and markets. For example, Kimalel et al. (2017) did a study on strategic responses and performance of SACCOs in Nairobi County, Kenya. Nyokabi (2018) studied on the strategic responses to the declining underwriting profitability in insurance industry in Kenya particularly in general insurance. Kamomoe (2016) studied on strategic responses and financial performance of insurance firms in Kenya. Mohamud (2018) did a study on strategic responses

The oil companies are operating in an increasingly competitive market environment in Kenya’s rapidly expanding retail networks from both international and national players. Therefore, firms have adopted strategies to enhance their competitiveness. National Oil Corporation of Kenya has adopted various strategies to enhance her competitiveness within the industry such as scaling up retail networks, securing government to government supply chains, active participation in petroleum explorations and positioning Kenya as petroleum regional hub. However, according to the company Board Paper No.02/2013, (May, 2013), the Corporation recorded an overall short fall of 23% of the projected revised budget for financial year 2012-13, when contrasting actual sales turnover of KES 181,483,454 against projected sales of KES 236,820,953. Total Kenya as one of the largest oil marketing firms in Kenya adopted a strategy on importation of unleaded oil to increase short term operating costs. However, some dealers importing low cost leaded fuel led to unfair competition and favor to small firms (Ogutu, 2016). This study sought to establish the effect of response strategies on the performance of oil marketing companies in Kenya.

1.3 General Objective

The general objective of the study was to establish the effect of response strategies on the performance of oil marketing companies in Kenya.

1.4 Specific Objectives

The study was guided by the following specific objectives

1.4.1 To establish the effect of capacity building strategies on the performance of oil marketing companies in Kenya.
1.4.2 To establish the effect of customer relations management strategies on the performance of oil marketing companies in Kenya.

1.4.3 To determine the effect of strategic partner’s management on the performance of oil marketing companies in Kenya.

1.4.4 To determine the effect of information technology deployment on the performance of oil marketing companies in Kenya.

1.5 Importance of the Study

The findings of this study are valuable to different stakeholders including managers of oil marketing companies, government of Kenya for policy formulation and future researchers and academicians

1.5.1 Managers of Oil Marketing Companies

For the managers in the oil industry, the findings of this study are of value as it explains the various response strategies adopted by oil marketing companies in order to improve their performance. This helps managers in their duties of formulating and implementing response strategies in future to ensure improved performance and competitiveness.

1.5.2 Government Policy Makers

The study is also valuable to the government of Kenya especially the Energy and Petroleum Regulatory Authority which is the regulating body for oil marketing companies in Kenya. Through the findings of this study, it is hoped that the Energy and Petroleum Regulatory Authority finds relevant information that inform its future policy framework formulation and implementation especially on matters concerning health competition in the oil sector in Kenya.

1.5.3 Scholars and Academicians

It is also hoped that the findings of this study are valuable to future researchers and academicians as it suggests areas for further research besides acting as a source of reference.
The study as a whole can be used by future scholars in the area of response strategies and performance hence improve the level of knowledge in these areas.

1.6 Scope of the Study

This study sought to establish the effect of response strategies on the performance of oil marketing companies in Kenya. Specifically, the study sought to establish the effect of capacity building strategies, customer relations management strategies, strategic partner’s management and information technology deployment on the performance of oil marketing companies in Kenya. The study focused on oil marketing companies in Nairobi; this is because of the limited time set for the study and also financial constraints. The study adopted a descriptive survey research design. The target population was 248 management level employees at the oil-marketing companies in Nairobi County. The study used questionnaires as the main instrument for collecting data. Secondary data was collected from the firms’ annual reports. The study was conducted from February to March 2020.

1.7 Limitations of the Study

Main data collection instrument was a questionnaire. The research had no control over the information provided by the respondents. Because of fear of information leaking to rivals and competitors, the respondents were reluctant to give information. Set data collection time was two weeks which was insufficient. In order to ensure that the fear respondents had was dispelled, the researcher assured the respondents that the information they provide was to be used for academic reasons only; this ensured information provided was accurate. An introductory letter from the university and a research permit from NACOSTI was also provided to assure the respondents that the study was solely for academic purpose. The study also hired and trained research assistants to help in data collection.
1.8 Definition of Terms

1.8.1 Customer Relations Management Strategies

Customer Relationship Management (CRM) strategies is a term that refers to practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving business relationships with customers, assisting in customer retention and driving sales growth (Sugandhi, 2017).

1.8.2 Information Technology

Information technology refers to technologies that provide access to information through telecommunications; it focuses primarily on communication technologies, which includes internet, wireless networks, cell phones, and other communication mediums (Khalid & Nawab, 2018).

1.8.3 Performance

Organizational performance is the ability of an organization to achieve its goals by using resources efficiently and effectively (Klingebiel, 2018).

1.8.4 Response Strategies

According to Nijland (2015) responses strategies are decisions and actions resulting from formulating and implementing plans designed for achieving company objectives. For the purpose of ensuring that the company achieves its objectives effectively, plans and actions must fit strategically to dynamism and complexities of the constantly changing business environment.

1.8.5 Capacity Building

They are set of activities whose aim is to impart information/ instructions for the purpose of improving performance of employees or helping them achieve the required knowledge level and skills (Nyokabi, 2018).
1.8.6 Strategic Partner Management

Strategic partner management is the management of a relationship between two commercial enterprises, usually formalized by one or more business contracts (Kudate, 2015).

1.9 Chapter Summary

The chapter reviewed the introduction of the study. The areas of discussion contained within the introduction are; background of the study, statement of the problem, general objectives of the study, specific objectives, significance of the study, scope of the study and definition of terms. Chapter two presents the literature review on the effect of capacity building strategies on performance, effect of customer relations management strategies on performance, effect of strategic partner’s management on performance and effect of information technology deployment on performance. Chapter three was research methodology where the chapter discussed the research design used in the study, the population and sampling techniques, data collection methods, research procedure, data analysis methods and the chapter summary. Chapter four discussed the data analysis, interpretation and presentation of the data collected from the respondents and chapter five reviewed the summary of findings, conclusion and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
Chapter two covered the literature review. Specifically, it covered the effect of capacity building strategies on performance, effect of customer relations management strategies on performance, effect of strategic partner’s management on performance and effect of information technology deployment on performance.

2.2 Effect of Capacity Building Strategies on Performance
Regarding turnover, in a research study that was conducted by Prakash (2016), it explained that training among newly employed tend to lower their rate of turnover while in a study by Vallejo and Whn (2016), turnover was found to have a positive relationship with writing, reading and mathematical training. Other researchers have found positive relationship between employee turnover and training. From this empirical evidence, training provision in an organization highly affect turnover decisions by employees. When turnover rates are high, it suggests that the organization has invested less on the training of employees, which triggers employees to look for other organizations providing better training opportunities. This therefore can cause organizations to incur high costs as a result of low sales.

According to Ahmad et al. (2015); Fajana (2015); Lyod and Reynolds (2015), all employees regardless of their level have a role to play towards the achievement of organizational goals. Authors explained that training employees at their work place allows them to be accustomed to the machinery and materials they will be using to work and also get used to the physical and the social environment. This suggests that on-the-job form of training is focused on helping employees to develop the attitude and skills they will require to effectively complete their tasks. According to Khalid and Nawab (2018), off-the-job training is different from the in-job training because in this form of training, training is done outside work environment. This form
of training helps employees to develop proficiency and effectiveness in their jobs (Olaniyi, 2015).

Yamoah and Maiyo (2016) reached a conclusion that companies offering training programs to their employees tend to have increased profits, revenue, productivity and viability. Saks and Burke-Smaley (2014) in their study found that training in organizations positively influenced client satisfaction, profitability, productivity, revenue and also, it was established that training provided alongside incentives increased significance of its effect. Several researched have sought to determine the level of influence of training on productivity (Otoo & Mishra, 2018; Faems et al., 2015; Zwick, 2015) and others have focused on its effects on sales (Ahmad & Schroeder, 2015; Garcia, 2015). For example, Otoo and Mishra (2018) found that productivity was enhanced by training while Garcia (2015) found that sales volume, customer satisfaction and quality was improved through training.

Armstrong et al. (2015) states out that effectiveness in training and development minimizes on wastages, improves character, and enterprise’s overall performance in output, quality, pace and productivity. This also improves operational flexibility as it adds to variety of skills that personnel have, attracting high satisfactory personnel through imparting them with knowledge; increasing personnel competence which enables them have more task delight to gain higher rewards and progress inside the business enterprise. Dabale et al. (2015), points out that training and development is an important contributor in enhancing the employees’ overall performance.

2.2.1 In-house training

Through training, productivity and performance, the effectiveness of an employee can be enhanced and in doing that, help them acquire relevant skills. The focus of training is on current activities while development focuses on preparing employees for roles and responsibility expected in the future. Most time, it is the responsibility of managers to oversee in-house-training, helping employees adjust to their work environment and equipping them with skills they will need to accomplish their tasks which is inclusive of practical and theoretical
knowledge (Bratton & Gold, 2015). Coaching from experienced employees could be part of the in-house training (Rauch & Rijsdijk, 2015). Lecture, role playing, discussion and evaluation, and vestibule training are some of the practices used for in-house training (Aloy, 2016). In order to bring reality into training programs, line managers should be involved to transfer learning with ease and make sure selection for employees to take part in in-house training is done carefully, receive briefing, monitored and evaluated to ensure that their contribution is appropriate.

Zwick (2015) provides that in-house training is beneficial by providing flexibility of the company that seeks to implement this form of training, addressing specific needs of the business. Zwick (2015) notes further that the design of companies in-house training is based on several factors such as the size of the company, trainee population, number of trainers, the available facilities and the training outcome desired. Stewart and Tansley (2015) states that in order to successfully design an in-house training program, an organization should initially carry out training need assessment. Training need assessment is an assessment considering the skills, knowledge and abilities of both the organization and the employee with the sole purpose of identifying areas of need and gaps. After identifying the need/gap, the company develops the objectives that can be accomplished through training. (Hr-guide, 2018)

2.2.2 Off-the job training

Any training program that is conducted outside the usual work place is defined as an off-the-job training. According to Bediako (2015), this form of training is used in satisfying the shared mastering need of individuals set wishes. Some of the strategies that are applied in off-the-job training are video games, lap-top based training and simulation (Kingi et al., 2015). Other forms of activities include workshops, conferences, talks, addresses, instructional exercise and perusing. This kind of training helps people withdraw their authoritative community in their usual work place. Its benefit is that it enables the learner to focus, reflect on the past experiences and determine which have been successful and which hasn’t (Asaju, 2016). Through this form of training, it allows aptitude and information to be conceded in a supportive setup. Bediako (2015) asserts that training conducted appropriately should be in a position to
implement audits and new auras with the ability of effecting responsibilities in line with
satisfying relationship, overhauling pro soul which could suggest a wider execution and
prominent proficiency and making a mental atmosphere orchestrating each workers reaction
close to accomplishment of organizational goals.

Hansson (2017) argues that in off-the job training materials are supplied and there is full
concentration on learning new skills, knowledge and behavior without distractions of ringing
phones, instant messages, email notifications or other staff. Off-the job training can be short
term or long term. Short term trainings include workshops, conferences and seminars. Long
term staff training includes distance learning, case study, sabbaticals, master degree training
and Ph.D. programs (Webster & Reid, 2017). Off-the job training enables employee to transfer
knowledge gained during training to actual job, develop problem solving and decision-making
skills. Off job training is usually conducted by academicians and professionals in a particular
field to impart knowledge on the employees. It can be used to train any number of employees
and for jobs that involve risks (Webster & Reid, 2017). Hansson (2017) asserts that off-the job
training methods include lectures, conferences, workshops, seminars, sensitivity workshops
and simulations exercises. Off-job training methods are quite expensive as they require a
complete different set up away from the real workplace. However, the training method adopted
depends on factors such as the purpose of training, training budget, number of trainees, level
of trainees, nature of the job for which training has to be imparted and the time available.

Ankita (2015) is of the view that off-job training programs lead to long term success in
organizations. By the organization aligning its programs objectives to strategic goals ensures
employees make an impact on the organization. Operational metrics such as customer
satisfaction and other key performance indicators should show organizational improvement.
Off-the job training enables employees prove the return on investment showing how
employees changed behavior enable organization achieves its strategic goals.
2.2.3 Training Programs

Sustainable organizational/business success is dependent on effecting training programs for employees. According to Nassazi (2015) training programs are activities whereby both the organization and the individual to receive training are aware of its content, duration and other important aspects. Ambardar (2016) asserts that through training programs, competence of the employees is enhanced, their learning program becomes better and therefore enhancing organizational performance. Training processes have been found to be the most effective ways of developing training programs (Appiah, 2018); this is the development of training plans, training techniques, and training and evaluation feedback. There are four steps involved in developing training programs.

Any organization seeking to achieve competitive advantage has no alternative but to train its employees (Ngirwa, 2016). Quality and quantity of trainings in organizations differ. According to Cole (2015), training quality and quantity differ in organizations because of levels of change in the external environment, availability of appropriate skills among employees, levels of change internally, and the extent to which the organization considers training to be effective. Training programs should have a clear objective (Barrington & Stimpson, 2015). Therefore, training is required when introducing new processes, enhancing employee efficiency, for unskilled employees to enhance their value to the organization, decreasing level of supervision required, improving chances of promotions and communication behavior; decreasing chances of accidents.

Training programs are divided into either on-the-job or off-the-job training. The most common form of training is the on-the-job training and ranges from unsophisticated approach involving verbal instructions or demonstrating how equipment and tools are used (Tarsilla, 2015). Wandersman (2015) explained that on-the-job trainings are best suited when learning managerial, supervisory, administrative, manual and technical skills which are essential to achieve competitiveness in organizations. It’s appropriate because it is immediate and actual as they work, the trainees also learn and develops expertise.
It is the responsibility of line managers to train their juniors and most of the time they are the ones who provide the training since it’s always about the job. There are instances when they are responsible for designing the training programs and supervising them while there are those instances when most of the training is off-the-job and therefore their responsibility is to provide final touches when employees start their productive work. Either way, it is the responsibility of line managers in organizations to ensure that employees receive appropriate form of training to suit their needs and the needs of the organization and that the outcome of the program is effective (Labin, 2015).

2.3 Effect of Customer Relations Management Strategies on Performance

When the philosophy of combining customers and marketing to build a relationship is used then it is termed as Customer Relationship Management (CRM) (Kotler, 2015). The best way to gain the loyalty of a customer is by developing a relationship with them (Dowling, 2016). Loyalty is defined as the level of consideration a customer gives to a brand or trademark. Ibrahim et al. (2015) explained that developing relationship with customers is highly dependent on level of coordination between marketing departments and information technology. Therefore, majority of organizations are using set of tools, technologies and procedures to achieve CRM; they help support the link with clients in enhancing sales.

Through CRM, an organization is able to enhance satisfaction level of its employees and also their loyalty (Kumar & Shah, 2015), enhance response to cross-selling efforts and enhanced publicity through word-of-mouth (Anderson, 2015). Generally, it is agreed that CRM enhances levels of organizational performance. Through CRM, the organization can enhance its performance and also benefits to its customers through dual value creation (Boulding, et al., 2015). Therefore, through CRM, the organization has the ability of augmenting values extracted from customers while the customers get great values since the organization strives to meet all their needs. However, in the recent past, highly publicized CRM implementation failures have caused managers to be skeptical regarding its potential value to the company (Ryals, 2015). For instance, an industry study established that most CRM projects fail to deliver strategic value since they do not focus on growing the loyalty of customers, profitability
and revenues (Thompson & Chmura, 2015). A number of articles in business press have found that most CRM fail to generate value to the company (Whiting, 2017).

One of the four key roles of CRM is Customer identification. Over time, the company can compile information of customers through their interactions, transactions and other channels of marketing. It is important for the company to understand who their clients are, and what their needs are in order to provide them products and services specific to their needs. Another role is customer differentiation; customer differs based on uniqueness of their demands, lifetime value and requirements. The organization should learn continuously of changes in demands of their customers. Additionally, it’s crucial that the company tracks the behavior and needs of its customers. Another need is Customization/personalization; CRM motto is that the needs of customers need to be treated uniquely. Personalization process can be applied in increasing levels of customer loyalty (Burke, 2017).

CRM benefits the organization in number of ways. The main benefits are enhanced acquisition and retention, customer’s lifetime value is maximized, customer service is enhanced while maintaining costs at its minimum. A successful CRM program assists an organization in creating wealth and attaining sustainable growth by developing a link with customers and receives value through the relationship (Senge, 2015). Growing customer base value is necessary for an organization to achieve sustainable competitive advantage. If CRM is disciplined, then the organization can have value for its relationship and growth by either effectively targeting customers or acquiring them, cultivation of already existing relationship, cross-selling and enhancing the loyalty of clients (Camisón & Villar-López, 2015).

2.3.1 Customer Feedbacks

Customers’ opinions regarding company products and services are very important in today’s competitive business environment; therefore, companies should pay attention to this. Any organization managing customer feedback accordingly will make sure that they satisfy all their needs and solve any issue that might arise and therefore will be in a position to outshine their competitors. In any form of improvement, feedback is very important; it should be seen as an
aspect of coaching. Whenever an individual feels that they are valued and that they will be rewarded for expressing their views, then they will be open to communicate (Ryals, 2015).

Collection, analysis and dissemination of customer feedback can be done systematically using customer feedback system (CFS) and therefore achieve learning and service improvement that is customer-driven (Lovelock & Wirtz, 2015). CFS helps collect information from external customers and is concerned with satisfaction and dissatisfaction levels regarding goods and services provided by a company. This information is of great value to the company; it is applied in assessing performance as well as quality of services. In addition, it enhances learning that is customer-driven and also contributes towards improving operations in the organization.

Lovelock and Wirtz (2015) asserts that there are several tools used for feedback and their strengths and weaknesses vary depending on the nature business. Therefore, it is important to ensure that the feedback tools selected will deliver the information needed. Thompson and Chmura (2015) explained that the main tools for collecting customer feedback are; feedback cards, mystery shopping, surveys on relationships, survey on customer satisfaction and feedback provided by customers without being asked.

The use of feedback cards is affordable and a powerful tool that helps receive the right perception of customer immediately after they have received services. It’s a good tool to measure the quality of processes and the general performance, but there is possibility of over representing delighted or dissatisfied respondents. The use of Mystery shopping is for determining whether the quality of particular products or sequence of service meet set standards; it is commonly used within restaurant chain to maintain a good reputation of the brand (Thompson & Chmura, 2015).

The aim of a relationship survey is to maintain constant communication with clients to identify what their wishes and opinions are in relation to the services and products offered by the company, putting into consideration the fact that existing customers are of value and therefore they should receive close attention. Commonly used in restaurants is a customer satisfaction survey where external customers of a restaurant are randomly selected for the survey; it is
usually done periodically. The main focus of a survey is to determine the general satisfaction level of customers and focuses on determining incipient issues within the processes in the restaurant. Results collected are systematically compared and are used by management to guide their decisions. Feedback provided by customers without being asked includes complaints, complements, and customer suggestions from new customers and other experienced restaurant services. This information flow could help pinpoint improvements required, assist in monitoring quality and detailed feedback on things dissatisfying or delighting customers (Ryals, 2015).

Blazevic et al. (2015) developed the idea of customer-driven influence (CDI) which is considered to be customer impact on the attitude and behavior of other customers through both verbal and non-verbal communication (p. 295). With the increasing use of social media, CDI is considered to be the new channel of connectedness whereby customer interaction has been changes by networking sites, blogs, video sharing and wikis and this has affected the relationship between companies and their customers.

2.3.2 Customer Database

Customer data base is another very crucial aspect of CRM (Tsou, & Huang, 2018). Business focusing on managing customer database will be interested more in adopting a CRM that is operational. Despite both strategic and analytical CRM using customer databases, they apply them differently. Organizations using the strategic form of CRM use the data to determine the customers they will target while those using the analytical form use the data to identify new patterns (Buttle, 2015).

Business databases can help the company in increasing its income and satisfying their customers. It can also guide in increasing the income of a company and provide customer satisfaction. It can also be used in identifying different trends and provide important information that identifies various tendencies of customers to purchase. Though this, it is possible for marketers, managers and sales personnel to manage customer relationships. In developing sales and marketing plans customer database plays a crucial role (Mickelsson,
There are a number of benefits that arise from having clear and efficient database. One of them is increased revenues from management of new and existing clients. Through the database, the company can identify its need to enhance and improve service quality; this could be an effective technique for developing new products as well as services. It is possible to monitor customers through customer database and also offer them promotions. By doing so, customer satisfaction will be enhanced and the value of existing customers will be enhanced. On the other hand, databases will lower the marketing and promotions cost (Buttle, 2015).

Historic sales, future opportunities and current opportunities are the three key aspects determining the nature of customer database (Elmasri & Navathe, 2017). Data in customer database could be huge; however, classification of the variables could be done based on the CRM functions. In promotional relations, CRM makes use of information on customer portfolio; name, age, gender, marital status, location, contact, anniversary and birthdates. Using customer data assists in building relationship with customers. On the other hand, promotion of products or introduction of new products by managers to existing customers can be done using information on customers such as their preference, the category of products they explored and the price band (Elmasri & Navathe, 2017). With the use of information such as transaction history, category of products and source of purchase managers can develop sales strategies.

Brito et al. (2015) asserts that the first important step in completing CRM solution is constructing a customer database; which is the basis of any activity focused on managing customer relationship. For businesses conducted over the web, creating of customer database is a straightforward task since customer transaction and their contact information is collected naturally as the business interacts with the customer. For companies that in the past had not collected customer information, they will be tasked to collect past contact data of customers from internal sources like customer service and accounting.
2.3.3 Customer Hotlines

Digital transformation has forced companies to change their channel structures to multichannel structures. Through online channels distribution is made cost effective and customization is superior also market coverage increases. In addition, empirical evidence shows that firms complementing their traditional channels with modern online channels tend to be more successful. Nonetheless, there is considerable cost incurred in implementing multiple channel systems, in expanding channels and alteration of decision has long-term effect of organizational performance (Homburg et al., 2015).

The essence of IT revolution, particularly World Wide Web (WWW) is an opportunity that companies have been provided with to select the way they want to interact with their customers (Alhawari, 2015). Through the web, a company is provided with an opportunity to build a relationship with their customers which was rather impossible in the analog world. Through the combination of abilities to directly respond to requests from customers and providing customers with highly interactive, customized experience, companies have a great ability to establish, nurture and sustain long term relationships with clients than before (Soliman, 2015). The online capabilities complement and make individual interactions possible through salespersons, customer service representatives and call centers. Companies can also decide to exploit the low web cost in reducing the cost of services and offering low quality service by allowing communication through the web alone. Because of flexibility in web-interactions, companies can decide who they want to offer service and the quality level they will offer (Payne & Frow, 2015).

2.4 Effect of Strategic Partner’s Management on Performance

Approximately since the 1980s, the strategy collaboration is increasingly recognized as a way for a company to at least reinvent itself by using a distinct competitive advantage to pursue strategic competitiveness (Todeva & Knoke, 2015). Partnering is the result of two organizations working together towards a common objective such as sharing technologies, market access, or compressing new product development time (Cravens & Piercy, 2015).
Advancement in technology and globalization are the main reasons why companies are advocating for strategic partnership; since it enables them to become leaders in the global market. Companies apply the use of alliances as a strategy allowing them to penetrate into new markets through partnership with already existing companies in the market (Hit et al., 2015).

Amita et al. (2015) assert that through strategic partnership, organizations are in a position to extend their strengths to competitive arenas which they would have hesitated to enter. These companies mutually benefit in marketing, distribution, production, R&D and outsourcing. In cases where companies form alliances, accomplishing of bigger projects become quick and more profitable. Barney (2015) asserts that there are three forms that a strategic partnership can assume: joint venture, equity and non-equity alliance. Knoke (2016) added other forms of strategic partnerships to be R&D, hierarchical relations, cooperatives, strategic cooperative agreements, franchising, cartels, licensing, subcontractor networks, industry standards groups, action sets and market relations.

There is need to consider that strategic alliances foster cooperation between organizations thus the parent organization management has an impact on the performance of the partnership (Wang & Chang, 2015). According to Coletti et al. (2015), a parent organization will ensure the most effective use of whatever strategic resources it shares with the partners. Hence managers within partner organizations have to manipulate resources to get strategy activities completed efficiently and effectively through efforts in planning, organizing, leading and control which are core management functions.

Kudate (2015) studied on the influence of strategic partnerships between small and large businesses in performance. He established that partnership is a good option for large and small businesses to enable them to gain competitive advantage. Existence of two or more parents is the main challenge with management of strategic alliance. Performance of strategic alliances can be affected by conflict arising from partners as a result of lack of compatible management structures, different cultures in the two organizations or the national culture between the host and home countries (Gomez & Balkin, 2016). Rijamampiana and Carmichael (2015) measure success of an alliance based on its implementation and communication and strategic as well as
financial analysis. Thus, strategic alliance’s ability to result in expected performance is greatly dependent on relationship management and ways the parent organization culture affects firm integration.

2.4.1 Partner Match

When building a relationship between companies, information asymmetry is critical; this is information regarding the intention of potential partner, their reliability, and capabilities. When information asymmetry results in an increase in transaction cost, then compatible companies are likely to link up (Mitsuhashi & Greve, 2017). High coordination costs can be incurred when the number of alliances being managed are high. Increased efforts in coordination through mutual adjustment, causes higher communication burden and as a result the cost of making decisions in the relationship goes higher (Thompson, 2015). Therefore, companies will try to reduce their cost of coordination through the formation of reciprocal with the same partner companies. Since there is need for continuous coordination involving time and money management and when there is divergent and separate interest among parties the process of creating value becomes complex and raises the cost of alliance practices. Therefore, the level of coordination cost is dependent on how the interests of the partners match. Empirical evidence shows that increased diversity among alliance portfolio can affect the outcome of the company because it causes management of resources, cost of coordination, and possible conflict between the companies to be more complex (Ahuja & Lampert, 2015; Goerzen & Beamish, 2015). Thus, when a company tries to obtain a business opportunity and enhance its performance through the creation of alliances, the compatibility of existing network resources affects composition of the portfolio and the company results.

Companies that are operating in primary manufacturing companies that are capital intensive tend to seek external alliance partners that have the same type of resource and characteristics like innovation of processes, standardization, and engineering breakthroughs since it is expected that through the partnership, they will increase their synergies (Harrison et al., 2015). RBV theory of the firm explains that companies are in a position of enjoying great
improvement in performance when their value chains are in same level and their patterns for allocation of resources are similar.

Companies that consider alliances conduct a thorough assessment of strategies used by their partners and how compatible they can be with theirs. Researchers in the field of strategy explain that companies using similar strategies tend to be allies with each other (Bae & Gargiulo, 2015). Porter explains that when relationships between companies are very distinct it becomes a challenge to coordinate and the result is that the competition in the industry will stiffen. There is likelihood that companies having strategic distance will affect the coordination between the companies. Variation strategies of the company can result in incongruent goals which reduce the ability of the company to collude. The level of coordination between inter-companies relates with their developing and commercializing of new products; this strategy can also affect the outcome of the company.

Companies with similar statuses can readily associate with each other unlike companies with different status; this is state of compatibility of status (McPherson et al., 2016). A status is perception of quality of products compared to that of other producers. There are two reasons as to why alliances can be used determine how compatible the statuses of two companies are. First, in cases of uncertain transaction results, companies of similar status will be encouraged to partner by the signaling effect. When companies sharing different statuses collaborate the company with high status will suffer because there are some individuals who will conclude that the company has embraced the low-quality products produced by the low status company which causes a leak in the large status company. There is high possibility that companies of similar status will share benefits as well as costs fairly (Chung et al., 2016; Shipilov & Li, 2016). A study conducted on the relationship between companies in biotech established that startups with high statuses had a high offer because of the close relationship with leading banks which demonstrates that a high status inter-firm link attracts other relationships that are more prestigious (Shipilov & Li, 2016).
2.4.2 Strategic orientation of the firm

Strategy is one of the most important pillars in an organization and it supports the structure, activities, market relations, investments and performance (O’Regan & Ghobadian, 2015). Strategies assist companies in coming up with solutions, creating new capabilities, and improving performance of businesses, by making it possible for the company and its managers to collect specific resources, recognizing opportunities to provide value products as well as services and conveying the same products and services for high profits (Al-Ansaari et al., 2015). To adopt best practices, it requires the company to have coordinated approaches to establish position in the sector and rely on resources, capabilities and competencies as they try to develop a fit between the internal and the external environments and therefore achieve sustainable competitive advantage and enhanced efficiency in business. Achievement of these goals requires the company to focus on strategy orientation because it helps direct it towards appropriate direction for the purpose of monitoring its activities to enhance its performance (Gao et al., 2017).

Thus, through strategic orientation, the company gets a reflection of its posture in relation to its operations, marketing and entrepreneurial. This enables the company to attain its market goal through risk taking, innovation investment, being proactive and development of foresight that is focused on the future. Also, the culture of the company also manifests the strategic orientation in place and act as an antecedent to practices of the organization and decisions related with allocation of resources and opportunity pursuance (Balodi, 2015).

Gupta and Gupta (2015) while researching on the business orientation and firm performance of India found that a strong entrepreneurial orientation can allow companies to gain from recognizing ways in which a new product satisfies the unmet consumer requirements or at the same time demonstrate how it is greater to and exceptionally diverse from reasonable contributions in the eyes of customers. Glaveli and Geormas (2018) did an evaluation on strategic orientation and its effect on strategic alliance formation and outcomes in dedicated biotechnology firms. It was revealed that market orientation performance link was found to be sustained within the biotechnology sector.
Technological orientation was found not to be associated with performance. Environmental turbulence and previous alliance experience appear to predispose a firm to seek out new alliances. Firms that are more proactive in seeking alliances also tend to form more successful alliances. Firms which are highly technologically oriented chose partner firms which are either highly market oriented or highly technologically oriented, but firms which are highly market oriented appear to form more successful strategic alliances. Participation in strategic alliances appears to act as a mediating variable in the market orientation - performance relationship.

2.4.3 Commitment and cooperation

Cooperation between organizations is a form of agreement whereby organizations agree on their contributions and payoffs. Companies discusses on what they are willing to contribute e.g. time and resources so that they can achieve their objective/goals such as increased efficiency and legitimacy from the alliance (Yoshino & Rangan, 2015). The agreement reached regarding contributions, inputs and outputs determine their level of cooperation or the scope of their relationship. A scope can be a short-term initiative with a clear budget and there are instances when they are wide and open-ended long-term relations. The main reason why organizations take part in investment risk is because of the benefits that arise which include technological, commercial, operational, or reputational and this is regardless of the nature off their scope.

What is agreed on inputs and outputs develops certain configuration of resources which are interdependent between partners because each partner expects to benefit from the other. The output expected or the input provided depends on level of cooperation, greater needs suggest high cooperation (Gulati & Sytch, 2015). Considering the interdependence nature of resources, the main concern of cooperation is for its partners to acts as per the agreement on payoffs and contributions. Failure of the cooperation is some of the deviation: The company can contribute less than what was agreed on and try to get more benefits by misappropriating the resources of the other partner or by holding up the superior exploiting position and try negotiate for favors. Whenever a cooperation fails, the partners starts viewing the whole merger negatively and
doubts how sincere the promises on contribution and commitment were and reliability of the agreements regarding payoffs of distributions (Gulati et al. 2015).

Relationships depending on trust, commitment and cooperation as well as power among the parties involved have been observed to be a source of value to the transaction, help generate an efficient market, generate and sustain gains that drive competitive advantage (Ndubisi & Ndubisi, 2015). Companies taking part in the coordination practice for managing interdependence of tasks can flow from particular labor division or production technology in using and managing uncertainties arising from external sources and the internal activities (Raveendran & Puranam, 2015). Therefore, the level of coordination that alliance partners try, the various activities and processes as well as roles involved in their efforts of aligning and adjusting can be varied. The rule of thumb is that high interdependence levels and high uncertainty in tasks and the environment, require that the form of coordination be extensive (Raveendran & Puranam, 2015).

Failure in coordination can significantly affect the entire alliance because it results in delays and lack of efficiency and therefore inhibiting attaining of set goals. In addition, failure of coordination can cause partners to be in doubt of feasibility of the partnership and can therefore abandon the effort (Klein & Pereira, 2015).

2.5 Effect of Information Technology Deployment on Performance

Any company that wants to maintain its competitiveness in this current market must integrate Information Communication Technology (ICT) in its daily activities. Cravens (2016) asserts that transformations in the world today are as a result of deregulation, ability to have global access, change in expectations of customers, global competition, shift in demographics and change in lifestyle. As a result of these transformations, companies have been forced to embrace activities that result to competitive advantage and this includes ICT usage (Khaemba, 2015).

During this 21st century, ICT is considered as one of the key growth areas especially with the dynamic nature of the business environment and the stiff competition; therefore the use of ICT
becomes necessary in order to increase efficiency and effectiveness and also to enhance the quality of products and services (Allen & Morton, 2015). The definition of ICT is broad and includes the role of ICT as a tool not just in the company but also outside. For instance, in 2011, a report by UNDP (2016) explained that ICT was considered to be a marketing tool and is used to identify new customers and communicate with the existing ones (Werthner & Klein, 2015). Gholami et al. (2015) assert ICT to be a key driver in globalization, and facilitates global flow of information, ideas, products, people and capital.

IT is responsible for several key changes in businesses in regard to how they use and apply technology (Gholami et al., 2015). Through ICT, organizations can develop strategic and tactical tools which when applied and used properly can be of great advantage in enhancing competitiveness. Internet proliferation as a mainstream media of communication and as a transaction infrastructure has resulted in a wide range of strategic implications for businesses and also for travel and airline sector (Li-Hua & Khalil, 2015).

Hengst and Sol (2016) explained that through ICT, organizations are in a position to shape coordination between themselves by increasing capabilities and reducing costs. ICT is applied in exchanging information and provides a channel through which learning can take place. Ramsey et al. (2015) explained that generally, the company will benefit through the use of ICT especially in areas relating with reduction in transaction cost, collection of information and disseminating it, controlling inventories and quality control.

During this 21st century, ICT is considered as one of the key growth areas especially with the dynamic nature of the business environment and the stiff competition; therefore, the use of ICT becomes necessary in order to increase efficiency and effectiveness and also to enhance the quality of products and services. In the recent past, the definition of ICT has expanded to not just include tools within the company but also those outside the company.

2.5.1 ICT Innovation

Revolutions in ICT usage profoundly affects social as well as economic developments and has changed each aspect of the human life (Shanker, 2016). ICT usage has spread widely and is
Considered to be an essential tool in enhancing efficiency in administration of any organization and also in-service delivery. Koellinger (2015) explained that the use of ICT involves several gains relating with efficiency and as a result drive innovation. Gretton et al. (2015) gave two reasons as to why innovation is encouraged. First, ICT is considered to be a multi-purpose technology and therefore it is cheap and easy for organizations to innovate. For example, a company that develops a web presence will have to open a number of innovative processes relating with ordering and product delivery which could now be handled electronically since the company has web presence. The second, spill-over effect could arise from ICT usage; this could include network economies which act as key sources of productivity gains. For example, through the adoption of broadband, a company is able to cooperate even more and with academic network and researches expanding, it becomes much easier to be at par with the trends in customers/market.

Schware (2015) explains that businesses, government and even communities are incorporating ICT use in structures, procedures and products. Company responsiveness increased with the use of ICT which plays a role in ensuring innovations are successful. In the field of ICT, it is emphasized that one major task of ICT is creating business value by developing new products as well as services. Also, ICT is considered to be a source of varying capabilities for instance innovation which could result in company’s competitive advantage (Kising'u et al., 2016). ICT enhances innovation; Bentley (2010) asserts that using ICT enhances effectiveness and ensures that implementation of the same innovation is successful. Steinberg explains that task automation using ICT performs a crucial role in successfully implementing innovation.

Combining different sets of knowledge in a new way, results in innovation. Application of ICT on the other hand is responsible for knowledge and combination of knowledge (Bargetuny & Kimutai, 2015). Through ICT, activity coordination is facilitated by integrating knowledge. In addition, the use of ICT technology enhances learning capabilities by making it possible to reuse already existing knowledge and provide additional channels of communication stimulating communication through the entire company and recombining of both internal and external knowledge (Venkatesh et al., 2015). According to Corso (2015), ICT has the potential of enhancing the capacity of a company to process information which can enhance the ability
to manage and integrate all activities contributing to overall innovation of products and processes in value chain.

Polder et al. (2015) in their study reached the conclusion that ICT has a positive and significant relationship with all forms of service innovation. Considering the manufacturing industry, ICT was found to have limited impact on the innovations made in organizations. Bartelsman et al. (2016) revealed that ICT determined in terms of e-sales and broadband usage significantly affects productivity by affecting the output of innovation. Abello and Prichard (2016) used various forms of regression on data from the Australian firm-level and used it to determine the relationship existing between the use of ICT in a company and innovation. It was evident that innovative organizations were positively and significantly related with different measures of ICT like IT skills, web presence, broadband connection and making orders through the internet.

Aoun and Dubrocard (2015) sought to determine the link between ICT and innovation focusing on companies selected from Luxembourgian companies between 2004 and 2006. Findings clearly showed that using ICT positively and significantly relates with number of automatic links and company’s innovation that have introduced product as well as process innovation. Rybalka (2015) sough to determine the effects brought about by ICT on the probability of the company innovating based on a rich database of companies in Norwegian between 2002 and 2008. Rybalka showed that the effects of ICT on innovative results of a company were positive. The effect was even stronger for marketing, innovation of the organization and also in the service industry.

2.5.2 ICT Investment

Berger and Wharton (2017) established that costs are improved with the use of ICT. These improvements have resulted in increased productivity as a result of use of technology in various practices in the organization; the cost of running operations also decreases and customer satisfaction increases because of enhanced quality and provision of more services. Productivity is significantly affected by investments in ICT. For instance, an increase in growth
of productivity in the US was attributed to increased investments on ICT (Strauss & Samkharadze, 2011).

Wolde-Rufael (2015) explains that output increases with the use of ICT. Röller and Waverman (2015) assert that growth in developing countries is challenging as compared to the OECD members because the level of infrastructure is still low especially with telecommunication. Development of telecommunication infrastructure can be enhanced by government regulations, policies and an incentive by cooperation’s which will therefore influence the relationship between GDP growth and ICT. Dedrick et al. (2016) explains that in the recent past, developing countries have tried embracing ICT and this has resulted in an increase in productivity.

Autor (2015) explains that introduction of computers has significantly reduced labor and has significantly complicated the process of resolving problems. Labor reduction is complementary to capital invested in ICT while complicates task resolution is a substitute. Increased capital in an organization, productivity of highly skilled labor increases and the demand for this labor also increases. Wage inequality has significantly increased in several of industrial countries and this can be explained with the change in technology based on skills. Polder et al. (2015) in his research revealed that sectors with low incentives for ICT have experienced a decline in productivity of its labor while those with high incentives have experienced growth. Therefore, high levels of productivity can only be achieved by those companies with incentives for ICT. Moshiri (2016) explained that service sector and the manufacturing industry reaped from investing on ICT more than the primary sector companies did. Nonetheless, McKinsey Global Institute approximated that three-quarter of internet effect on the economy in both developed and developing countries emanates from companies operating in the traditional industry.

2.5.3 ICT Compatibility

The extent to which an innovation is considered to be consistent with present values, past experiences and the need to have adopters is defined as compatibility. It is possible to have a
compatible or incompatible technology; with beliefs and values of socio-cultural or with innovation needs of customers (Al-Husseini & Elbeltagi, 2015). Integration can be enhanced with ICT focusing on the aspect of integration of culture and therefore results in enhancing the open leadership style. IT related to communication is responsible for enhancing this open form of management. Additionally, ICT is responsible for integrating learning on complicated interactions between groups, providing mental models, enhancing learning via games and other interactive activities and providing dynamic tools for modeling (Smith, 2015). It is vital to always be up to date with the developments in the market environment.

Moshiri (2016) explained that with compatibility of IT, it assists in spanning the boundaries of the company, empowering employees, making data, information and readability of knowledge in the institution. Greve (2017) assert that innovation diffusion theory focuses mainly on the aspect of compatibility between adopters’ needs, values and past experiences with the technology. Also, compatibility of technology individuals is relevant to their adoption decision this includes the use of ICT, and perception on adoption of the innovation. There is a high likelihood that an individual will develop positive use behavior if their perception towards the technology is that it is beneficial and will help them achieve the self-concept of how they wish to function. Also, the probability of a user perceiving different advantages using IS/IT that isn’t compatible is very low. Schultz and Slevin (2015) explained that it is important for innovations to have technical as well as organizational validity. Validity in organization is responsible for evaluating whether the innovations are compatible with the beliefs, attitude and value systems existing in the organization. On the other hand, technical validity is focused on compatibility of the existing IS like the software and hardware in use.

2.6 Chapter Summary

In this chapter, the study reviewed different literature relating with the study objectives. The main focus of the study was establishing the effect of response strategies on the performance of oil marketing companies in Kenya. Precisely, literature review covered effect of capacity building strategies, customer relations management, strategic partner’s management and information technology deployment on performance. In the next chapter, the study discusses
the research methodology while mainly focusing on study population, data collection methods and techniques, and data analysis methods used.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a description of the procedures which were used in conducting the study. The chapter focuses on research design by highlighting the methods used in the research, the study population and sampling design that were used, data collection methods, data collection procedure, data analysis methods and chapter summary.

3.2 Research Design

The research design refers to the overall strategy chosen to integrate the different components of the study in a coherent and logical way, thereby, ensuring the research problem is effectively addressed; it constitutes the blueprint for the collection, measurement, and analysis of data (Creswell, 2014). The study adopted a descriptive survey research design. Descriptive research is aimed at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely. Descriptive research is also used to obtain information concerning the status of the phenomena to describe what exists with respect to variables or conditions in a situation. According to Creswell et al. (2003) the concern of descriptive research design is “what, how and who” of a phenomenon of concern in the study; therefore, this method is appropriate in studying the effect of capacity building strategies, customer relations management strategies, strategic partner’s management and information technology deployment on the performance of oil marketing companies in Kenya. Also, as asserted by Berg (2012) a descriptive survey research focuses on coming up with statistical information and provides a chance for generalizing of the findings.
3.3 Population and Sampling Design

3.3.1 Population

Target population is the members of a real or hypothetical set of people, events or objects the researcher wishes to generalize the results of the research (Kumar, 2014). The study was conducted in oil marketing companies in Kenya; the companies were the unit of analysis for the study. The study focused on oil marketing companies in Nairobi; this is because of the limited time set for the study and also financial constraints. The target population was management level employees at the oil-marketing companies Nairobi County. The study focused on management level employees because they have knowledge on their organization activities. From the human resources report of the oil-marketing companies, there are 248 management level employees. The target population was 248 respondents.

Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top level managers</td>
<td>37</td>
<td>15</td>
</tr>
<tr>
<td>Middle level managers</td>
<td>96</td>
<td>39</td>
</tr>
<tr>
<td>Low level managers</td>
<td>115</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>248</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Oil-Marketing Companies Human Resources Report (2018)

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Sampling frame is a list of elements or units containing the elements of the population (Rowley, 2015). The sampling frame in this case was the management level employees at the oil-marketing companies listed in Appendix IV.

3.3.2.2 Sampling Technique

The process where a subset of the population is selected is referred to as sampling; the subset selected should be representative of the entire population (Kothari & Garg, 2014). This study
selected its sample using the stratified random sampling technique. The technique of stratified random sampling was considered most suitable because it results in a precise and representative sample drawn from non-heterogeneous population (Kothari, 2010). Also, the standard error is reduced through stratification and that is achieved through controlling of variance. In stratified random sampling, the population is divided into smaller groups called strata and from these groups a representative sample is selected. Grouping is done based on common characteristics of elements. Simple random sampling was then used to select respondents from each stratum. The strata in this study were the different management levels that are top level, middle level and low-level management.

3.3.2.3 Sample Size

A sample size is a part of the population chosen for a survey or experiment. It is the number (n) of observations taken from a population through which statistical inferences for the whole population are made. A sample proportion of above 10% is representative of the study population. (Mugenda & Mugenda, 2013). Therefore, in this study 50% of the accessible population was enough for the sample size. The sample size of the study was 124 management level employees.

Table 3.2: Sample Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percent</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top level managers</td>
<td>37</td>
<td>50%</td>
<td>19</td>
</tr>
<tr>
<td>Middle level managers</td>
<td>96</td>
<td>50%</td>
<td>48</td>
</tr>
<tr>
<td>Low level managers</td>
<td>115</td>
<td>50%</td>
<td>58</td>
</tr>
<tr>
<td>Total</td>
<td>248</td>
<td>50%</td>
<td>124</td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

Primary data was used; this data was collected using questionnaire. This data collection tool consists of sequentially structured questions that seek to collect information from selected respondents (Creswell, 2014). The study adopted a structured questionnaire. The questionnaire had both open-ended and closed-ended questions. Open-ended questions allow respondents to give a free-form answer while closed-ended questions have a limited set of possible answers.
Questionnaires were used in this study because they enable the collection of large amounts of information from a large number of people in a short period of time and in a relatively cost-effective way. Questionnaire also provides quantifiable answers which are relatively easy to analyze. The questionnaire had six sections; these include demographic information, capacity building, customer relations management, strategic partner’s management, information technology deployment and performance.

3.5 Research Procedure

A pilot test was conducted to determine the suitability of the study tool, clarity of questions and logical flow of questions. The questionnaire was pretested to 10 respondents who were not part of the actual sample. This helped to determine the validity and reliability of the questionnaire.

Validity is the degree to which the instrument measures the constructs under investigation. The study made use of content validity method. Content validity was used since it measured the level to which items used to measure a construct provides the information required. The study affirmed validity by discussing the tool with experts in the field. From this discussion, questions with ambiguity were detected and edited.

Cronbach’s alpha was used to assess reliability of the data collection tool. Cronbach alpha compares coefficients of two data sets. The correlation coefficient results helped determine the reliability of the questionnaire. According to Cooper and Schindler (2014) the test scores are defined as the reliability coefficients. Unreliability is shown by coefficient values of zero while high values suggest high reliability. For this study, the acceptable threshold value for reliability was cronbach alpha value of 0.70 and above. From the findings presented in Table 3.3, capacity building strategies was found to have Cronbach alpha value of 0.809, customer relations management strategies had alpha value of 0.774, strategic partner’s management had 0.794, cronbach alpha value for information technology deployment was 0.790, and performance had alpha value of 0.785. From these findings it can be observed that all the variables had Cronbach alpha values greater than 0.70, an indication that they were all reliable.
Table 3.3: Reliability Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>Number of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity Building Strategies</td>
<td>0.809</td>
<td>8</td>
</tr>
<tr>
<td>Customer Relations Management Strategies</td>
<td>0.774</td>
<td>5</td>
</tr>
<tr>
<td>Strategic Partner’s Management</td>
<td>0.794</td>
<td>7</td>
</tr>
<tr>
<td>Information Technology Deployment</td>
<td>0.790</td>
<td>6</td>
</tr>
<tr>
<td>Performance</td>
<td>0.785</td>
<td>6</td>
</tr>
</tbody>
</table>

The researcher obtained an introduction letter from the university, a letter of approval from the Institutional Review Board. Further a research permit was obtained from NACOSTI. The researcher administered the questionnaires to the respondents through the drop and pick later method. The researcher gave the respondents one week to give feedback on the questionnaire. This gave them enough time to fill up the questionnaires and return them to the researcher either via mail or the hard copy.

Participation in the study was voluntarily. The respondents were not coerced to participate in the study. Those willing to take part were provided with a consent form to sign. Anonymity was ensured since the respondents did not appear anywhere in the research. The respondents were informed that the study was only meant for academic purposes and that their information was to be treated confidentially.

3.6 Data Analysis Methods

The questionnaires were checked for completeness. Data was then coded using SPSS version 23. Descriptive statistics were adopted to analyse quantitative data. Descriptive statistics are mean, standard deviation, frequency and percentages. The analysed data was presented in form of tables and figures for easy understanding. Qualitative data collected from the open ended questions in the questionnaire was analysed using the narrative analysis method. This method involves the reformulation of stories presented by respondents taking into account context of each case and different experiences of each respondent.
Pearson R correlation was used to measure strength and the direction of linear relationship between variables. The bigger the correlation coefficient R, the stronger is the association between two variables. Correlation analysis was used as a statistical tool that determines the association level between two variables (Levin & Rubin, 1998).

Multiple regression models were fitted to the data in order to test how far the independent variables affect the dependent variable. Multiple Regressions is statistical tool used in this study because it uses two or more independent variables to predict a dependent variable. Multiple regressions attempted to determine whether a group of variables together predicts a given variable (Mugenda & Mugenda, 2013). This study used multiple regression models to establish the effect of response strategies on the performance of oil marketing companies in Kenya.

3.7 Chapter Summary

This chapter outlines the research methodology and design. It provides a detailed analysis of the research design, which was descriptive in nature. The population included management level employees in oil and marketing companies. The sample size, sampling techniques and the use of a questionnaire as a primary data collection instrument has been described in this chapter. The questionnaire developed was pre-tested to determine its reliability and validity. Data analysis was done using the Statistical Package for Social Sciences (SPSS) and presented in forms descriptive statistics. The next chapter, chapter four discusses data analysis, interpretation and presentation of the data collected from the field.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter discusses the interpretation and presentation of the research findings obtained from the field. Background information of respondents, and findings on each objective are also presented. Descriptive analysis, content analysis and inferential statistics were used to analyze the data and discuss the research findings. In this study, a sample of 124 management level employees at the oil-marketing companies in Nairobi County was selected and data was collected using questionnaires. All respondents selected were issued with questionnaires but only 111 questionnaires were received back having been duly filled. Returned questionnaires formed a response rate of 89.7% as shown in Figure 4.1. According to Mugenda and Mugenda (2013) a response rate is considered adequate for analysis and reporting if its 50% and above while that of 80% and above is excellent. Therefore, our response rate was excellent and was used for further analysis and reporting.

<table>
<thead>
<tr>
<th>Table 4.1: Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questionnaires</td>
</tr>
<tr>
<td>Returned</td>
</tr>
<tr>
<td>Un-returned</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

4.2 Demographic Information

In this section, the study presents the general information of study participants. Specifically, the study presents their gender, length of service in the organization and their position.

4.2.1 Gender of Respondents

Determining gender of respondents helped the researcher to establish whether there was gender biased in selection of respondents or whether the organization is gender biased when
employing its employees. The results obtained were analyzed and findings presented in Figure 4.1.

![Gender of Respondents](image)

**Figure 4.1: Gender of Respondents**

The findings show that majority (61.3%) of the respondents were male while 38.7% were female. This is an indication that the study did not suffer from gender biased since respondents of both genders were represented in the study. It also suggests that despite majority employees being male, marketing companies are not gender biased when selecting their management level employees; they have both male and female employees.

4.2.2 **Respondents Length of Service in the Organization**

It was important to understand the experience the respondents had working with their respective organization to help researcher determine how conversant they were with company’s operations. Respondents were therefore asked to indicate the length of time they have served in the organization and the results obtained were analyzed and the findings presented in Figure 4.2.
From the findings, 38.7% of the respondents had worked in their organization for between 4 and 7 years, 31.5% for 3 years and below, 21.6% for 8 to 11 years, and 8.1% for 12 years and above. These findings show that the respondents selected for the study had worked for varied number of years. Most (38.7%) had worked for 4 to 7 years. The respondents had worked for quite some time and therefore were in a position to provide information needed for this study.

**4.2.3 Respondents Position in the Organization**

Determining position of respondents helped to establish how accurate the information provided was. Respondents were therefore asked to indicate their position in the organization and the findings obtained were as presented in Figure 4.3.
From the findings, most (46.8%) of the respondents were in the low level of management, 37.8% were in middle level management, and 15.3% were in top level management. These findings showed the respondents selected for the study held different positions in the organization. Most (46.8%) were from low level management. The study was therefore able to collect information from different level of management on effect of response strategies on the performance of oil marketing companies in Kenya.

4.3 Effect of Capacity Building Strategies on Performance

This subsection is concerned with investigation of whether capacity building strategies affects performance of oil-marketing companies. Respondents were asked to give their opinion using the scale of 1-Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree, and 5-Strongly agree. From the results presented in Table 4.2, respondents were in agreement with a mean of 4.0360 and standard deviation of 0.53814 that their company offers short training in form of seminars which improve customer service; through in-house training every new employee in the firm receives induction training as indicated by a mean of 4.0270 and standard deviation of 0.70659; through training programs, morale in their company has improved as indicated by mean value of 3.8739 and standard deviation value of 0.54133. The findings also showed that respondents agreed with a mean of 3.8288 and standard deviation value of 0.52003 that training programs have helped inculcating the sense of teamwork in this company and improving our market share; that off job training are effective improving employee skill which enhance our company profitability as indicated by mean of 3.8108 and standard deviation of 0.56429.

Respondents were also in agreement that in their company, there is staffs exchange programs with other regional branches to improve work knowledge and productivity as indicated by a mean of 3.7748 and standard deviation of 0.56704. In addition they agreed that off the job training is important and effective in improving performance of their company as indicated by a mean value of 3.6306 and standard deviation value of 0.85203, and lastly they agreed that their company, they are learning about the duties of the job included in the in-house training as indicated by a mean of 3.5856 and standard deviation of 0.95792.
Table 4.2: Descriptive Statistics on Effect of Capacity Building Strategies on Performance

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our company offers short training in form of seminars which improve customer service</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>4.0360</td>
<td>.53814</td>
</tr>
<tr>
<td>Through in-house training every new employee in the firm receives induction training</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>4.0270</td>
<td>.70659</td>
</tr>
<tr>
<td>Through training programs, morale in this company has improved</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8739</td>
<td>.54133</td>
</tr>
<tr>
<td>Training programs have helped inculcating the sense of teamwork in this company and improving our market share</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8288</td>
<td>.52003</td>
</tr>
<tr>
<td>Off job training are effective improving employee skill which enhance our company profitability</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8108</td>
<td>.56429</td>
</tr>
<tr>
<td>In our there is staff exchange programs with other regional branches to improves work knowledge and productivity</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.7748</td>
<td>.56704</td>
</tr>
<tr>
<td>Off the job training is important and effective in improving performance of our company</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>3.6306</td>
<td>.85203</td>
</tr>
<tr>
<td>In our company learning about the duties of the job is included in the in-house training</td>
<td>111</td>
<td>1.00</td>
<td>4.00</td>
<td>3.5856</td>
<td>.95792</td>
</tr>
</tbody>
</table>

Valid N (listwise) 111

Respondents were also asked to indicate how else the in-house training of job training and training programs affect the performance of their company. They explained that because their company offered them training, they were willing to continue working with the company and therefore the rate of turnover among employees decreases. Through training, employees indicated that they get accustomed to the machinery and therefore their efficiency and effectiveness improved and therefore minimizes wastages, improves character, and enterprise’s overall performance in output, quality, pace and productivity. Respondents also added that training of employees benefited the organization because it allowed them to acquire relevant skills which they later apply in the actual task performance in solving problems and in decision making. Generally, respondents considered their training to enhance their company’s performance.
Respondents were also asked to indicate the forms of training that their company applied. They indicated that there are a number of training programs that their company uses. This includes on-the job training programs such as job rotation, coaching, job instruction, and internship training. Also, they explained that there are off the job training programs used and they include lectures, conferences, simulation, role play and grid training.

Further, respondents were asked to indicate the extent in which the capacity building strategies used affected performance of the company. The results obtained were as presented in Table 4:

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>3</td>
<td>2.7</td>
</tr>
<tr>
<td>Great extent</td>
<td>94</td>
<td>84.7</td>
</tr>
<tr>
<td>Low extent</td>
<td>9</td>
<td>8.1</td>
</tr>
<tr>
<td>No extent</td>
<td>5</td>
<td>4.5</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the findings, 94(84.7%) of the respondents were of the opinion that capacity building affects performance of their company to a great extent, 9(8.1%) indicated that the effects was to a low extent, 4(4.5%) indicated it had no effect and 3(2.7%) indicated that the effect was to a very great extent. Based on these findings, it is evident that capacity building in oil marketing companies affects company’s performance to a great extent as supported by majority (84.7%) of the respondents.

Respondents were also asked to give their suggestions on what should be done on in-house training, of-job training and training programs to enhance performance of the company. Respondents indicated that there are few training opportunities in their company and therefore only few employees benefit, they therefore recommend their company to increase training opportunities. They also explained that there are instances where they receive training that isn’t applicable to their area of specialization or of interest; they recommend the organization to conduct research on training needs to ensure that training offered is effective and specific to the needs of specific employees. The company can also ask employees on areas they are not well competent with and therefore facilitate provision of effective training programs. The
company should also increase its budget on capacity building to cover the training needs of each employee.

4.4 Effect of Customer Relations Management Strategies on Performance

This subsection is concerned with investigation of whether CRM strategies affect performance of oil marketing companies. Respondents were asked to indicate their level of agreement or disagreement with a number of statements using the scale of 1-Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree, and 5-Strongly agree. The findings were interpreted using mean and standard deviation. From the findings presented in Table 4.4, respondents were in agreement with a mean of 3.9550 and standard deviation of 0.88818 that customer relationship management enables their company to increase the number of customers; customer data base help their company to identify the most profitable customer as indicated by a mean value of 3.8829 and standard deviation of 0.68409, customer data base enables their company discover new clients and increase profits as indicated by a mean of 3.8739 and standard deviation of 0.67578; customers feedback enables their company to analyze the customer profiles as shown by a mean of 3.8198 and standard deviation of 0.69017, and that customer hotlines has assisted in improving the image of their company over time as indicated by a mean of 3.8018 and standard deviation of 0.95174.

Table 4.4: Descriptive Statistics on Effect of CRM Strategies on Performance

<table>
<thead>
<tr>
<th>Statement</th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer relationship management enables our company to increase the number of customers</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.9550</td>
<td>.88818</td>
</tr>
<tr>
<td>Customer data base helps our company to identify the most profitable customer</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8829</td>
<td>.68409</td>
</tr>
<tr>
<td>Customer data base enables our company discover new clients and increase profits</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8739</td>
<td>.67578</td>
</tr>
<tr>
<td>Customers feedback enables our company to analyse the customer profiles</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.8198</td>
<td>.69017</td>
</tr>
<tr>
<td>Customer hotlines has assisted in improving the image of our company over time</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8018</td>
<td>.95174</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>111</td>
</tr>
</tbody>
</table>
Respondents were also asked to indicate how customer relations management affected performance of their company. Respondents indicated that through customer relations management strategies, they are able to develop relationship with their customers and therefore gain their loyalty. They added that performance of the company was enhanced because these strategies helped the company to adopt modern technology that allows them to support customer relationship and therefore enhance sales. The adopted strategies have also allowed the company to effectively identify customers and differentiate them and therefore offer specialised products that meet their specific needs. Respondents added that the company has also benefited from these strategies because it has improved improved retention and acquisition ability of the company; to maximize the customer’s lifetime value; improving customer service, without an increase in costs.

Respondents were also asked to indicate other customer relationship management strategies that have been adopted in their company. Respondents indicated that with advancement in technology, their organization has embraced customer feedback system (CFS) which has enabled them to focus what customers think and say about company’s services and products. Respondents also indicated that their company has adopted networking sites, recommendation blogs, and wikis which improved the relationship existing between the company and its customers. In addition, respondents indicated that changes in technology have allowed the company to undertake alterations to their channel structure and adopt multichannel structures which are more cost effective in distribution and provide superior customization and market coverage.

Since respondents indicated that customer relationship management affected the performance of their company, they were asked to indicate the extent to which they think the strategy affects performance. The results obtained were analyzed and the findings were as presented in Table 4.5.
Table 4.5: Extent to which CRM Affects Performance

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>14</td>
<td>12.6</td>
</tr>
<tr>
<td>Great extent</td>
<td>90</td>
<td>81.1</td>
</tr>
<tr>
<td>Low extent</td>
<td>3</td>
<td>2.7</td>
</tr>
<tr>
<td>No extent</td>
<td>4</td>
<td>3.6</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the findings, 90(81.1%) of the respondents were of the opinion that customer relations management strategies affect performance of oil marketing companies to a great extent, 14(12.6%) indicated that its effect is to a very great extent, 4(3.6%) indicated CRM strategies have no effect on performance while 3(2.7%) indicated that the effect is low. Based on these findings it is evident that customer relations management strategies have a great effect on performance of oil marketing companies as supported by majority (81.1%) of the respondents.

Respondents were also asked their suggestions on what should be done on customer feedback, customer data base and customer hotlines to enhance performance of the company. They recommended that it is important for their company to adopt systems that are updated and using advanced technology to collect customer feedback systematically, analyze it, and disseminated via an institutionalized customer feedback. The respondents also recommended that it is important for the organization to conduct customer satisfaction surveys regularly to ensure that they are at per with changes from its customers. Respondents added that the company should ensure that the database it uses is effective and updated to ensure it provides key trends and essential information to identify different purchasing tendencies of clients.

4.5 Effect of Strategic Partner’s Management on Performance

This subsection is concerned with investigation of whether strategic partner’s management affects performance of the company. Respondents were asked to give their level of agreement or disagreement with various statements relating with strategic partners management and performance using the scale of scale of 1-Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree, and 5-Strongly agree. The study used means and standard deviation to interpret the findings. From the findings presented in Table 4.6, respondents agreed that: partner match has enabled
their company to form strategic alliance with mobile telecommunications as indicated by a mean value of 4.0450 and standard deviation of .49336; partner match has enabled their company to form strategic alliances with insurance companies as shown by a mean of 3.8559 and standard deviation of .67213; commitment and cooperation of partners increased their company market share as shown by a mean of 3.8468 and standard deviation of .87592. Respondents were also in agreement that: strategic orientation in their company has improved the banks performance as indicated by a mean of 3.7838 and standard deviation of .97613; commitment and cooperation of partners increase their company profitability as indicated by a mean of 3.7748, and standard deviation of .90136; strategic orientation enable the company to discover new customers as shown by a mean of 3.6667 and standard deviation of .90788; and that strategic orientation formed has helped in increasing customer numbers as indicated by a mean of 3.6306 and standard deviation of 1.06111.

**Table 4.6: Descriptive Statistics of Strategic Partner’s Management on Performance**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner match has enabled our company to form strategic alliance with mobile telecommunications</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>4.0450</td>
<td>.49336</td>
</tr>
<tr>
<td>Partner match has enabled our company to form strategic alliances with insurance companies</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8559</td>
<td>.67213</td>
</tr>
<tr>
<td>Commitment and cooperation of partners increased our company market share</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8468</td>
<td>.87592</td>
</tr>
<tr>
<td>Strategic orientation in our company has improved the banks performance</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.7838</td>
<td>.97613</td>
</tr>
<tr>
<td>Commitment and cooperation of partners increase our company profitability</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7748</td>
<td>.90136</td>
</tr>
<tr>
<td>Strategic orientation enables the company to discover new customers</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.6667</td>
<td>.90788</td>
</tr>
<tr>
<td>Strategic orientation formed has helped in increasing customer numbers</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.6306</td>
<td>1.06111</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Respondents were also asked to indicate how else the partner match, strategic orientation of the firm and cooperation affect performance of the company. Respondents explained that their organization uses this strategy as an entry strategy to new markets by partnering with existing
companies in that market arena. They added that by doing so, the company has been able to extend their strengths to competitive arenas that they would otherwise be hesitant to enter alone. Respondents also explained that through cooperation, their company was able to increase its input and thus increasing its output.

Respondents were also asked to indicate other strategic partner’s management strategies that have been adopted by their company. Respondents indicated that the first step that their company takes is to ensure that there is effective engagement of partners is defining a partner model that the organization will use to engage external service providers. They explained that the model helps the organization to establish the foundation and operating guidelines for selecting and interfacing with delivery partners. In order to ensure the success of the partner delivery program, respondents explained that their company has a solid performance management model in place. The model includes financial performance indicators as well as service delivery targets and measures to ensure success.

Respondents were of the opinion that strategic partner’s management affect performance of their company. They were therefore asked to indicate the extent of the effect. The findings obtained were as presented in Table 4.7.

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>34</td>
<td>30.6</td>
</tr>
<tr>
<td>Great extent</td>
<td>67</td>
<td>60.4</td>
</tr>
<tr>
<td>Low extent</td>
<td>6</td>
<td>5.4</td>
</tr>
<tr>
<td>No extent</td>
<td>4</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>111</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

From the findings, 67(60.4%) of the respondents were of the opinion that strategic partner’s management affects performance of oil marketing companies to a great extent, 34(30.6%) were of the opinion that its effect is to a very great extent, 6(5.4%) indicated that its effect is low, while 4(3.6%) indicated that the strategy has no effect on performance. Based on these findings, it is evident that strategic partner’s management affects performance of oil marketing companies to a great extent as supported by majority (60.4%) of the respondents.
Respondents were asked to give their opinion on what can be done on partner match, strategic orientation of the firm and commitment and cooperation to enhance performance of the company. Respondents suggested that managers of their organization should have to manipulate resources to get strategy activities completed efficiently and effectively through efforts in planning, organizing, leading and control which are core management functions. Also, they explained that whenever their company considers alliances it should first assess their potential partners’ strategy for aspects of compatibility; this is because, if the companies have similar strategies, they are likely to ally with each other. Respondents also suggested that the organization should have strategies in place to help find solutions to problems, create new capabilities, and improve business performance by allowing organizations and the managers to gather specific resources, recognize opportunities for providing valued products and services, and to convey those products and services for higher profits. They added that the company can achieve these goals by focusing on their strategic orientation since strategic orientation guides the direction that a firm intends to pursue in order to monitor its activities for better business performance.

4.6 Effect of Information Technology Deployment on Performance

This subsection is concerned with investigation of whether information technology deployment affects performance of the company. Respondents were asked to indicate their level of agreement or disagreement with various statements that relate with the effect of information technology deployment on performance using the scale of 1-Strongly disagree, 2-Disagree, 3-Neutral, 4-Agree, and 5-Strongly agree. The study used means and standard deviation values to interpret the findings. From the findings presented in Table 4.8, the respondents were in agreement that: their IT systems are compatible with other systems in this bank, which has led to increase in number of customers as indicated by a mean of 4.3153 and standard deviation of .48584; investment in IT systems has enabled the minimization of administrative costs as shown by a mean of 4.1441 and standard deviation of .44409; their company has invested in IT systems which has improve profitability as shown by a mean of 4.0090 and standard deviation of .53079. Respondents also agreed that: in their company, the IT systems are flexible enough to support the growth of the company market share as indicated
that a mean of 3.8378 and standard deviation of .84789; IT innovations has been crucial in delivering innovative customer services, which has increased their customer base as indicated by a mean of 3.8288 and standard deviation of .77311; and that in their company IT investments has been crucial in assisting employees to enhance company performance as shown by a mean of 3.6396 and standard deviation of .93218.

**Table 4.8: Descriptive Statistics of Information Technology Deployment on Performance**

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our IT systems are compatible with other systems in this bank, which has led to increase in number of customers</td>
<td>111</td>
<td>3.00</td>
<td>5.00</td>
<td>4.3153</td>
<td>.48584</td>
</tr>
<tr>
<td>Investment in IT systems has enabled the minimization of administrative costs</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>4.1441</td>
<td>.44409</td>
</tr>
<tr>
<td>Our company has invested in IT systems which has improve profitability</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>4.0090</td>
<td>.53079</td>
</tr>
<tr>
<td>In our company the IT systems are flexible enough to support the growth of the company’s market share</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8378</td>
<td>.84789</td>
</tr>
<tr>
<td>In our company IT innovations has been crucial in delivering innovative customer services, which has increased our customer base</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>3.8288</td>
<td>.77311</td>
</tr>
<tr>
<td>In our company IT investments has been crucial in assisting employees to enhance company performance</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.6396</td>
<td>.93218</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>111</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Respondents were asked to indicate the form of new technology that their company has invested in over the past five years. Respondents explained that their company has adopted the use of Artificial Intelligence which allows companies to uncover trends that pinpoint and predict inefficiencies. By using geospatial analytics, executives are increasing the efficiency of their supply and distribution networks through location planning and route optimization. There is also the aspect of Cloud Computing is another form of technological advancement that companies have adopted. This has allowed them to harness and further analyze sheer amount of data and therefore reduce operational expenses and lessen risk and therefore empower field workers to optimize production.
The findings above have shown that respondents consider information technology deployment to affect performance of their companies. Respondents were therefore asked to indicate the extent to which information technology deployment affect performance. The findings obtained were as presented in Table 4.9.

Table 4.9: Extent to which Information Technology Deployment Affects Performance

<table>
<thead>
<tr>
<th>Extent</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>41</td>
<td>36.9</td>
</tr>
<tr>
<td>Great extent</td>
<td>62</td>
<td>55.9</td>
</tr>
<tr>
<td>Low extent</td>
<td>6</td>
<td>5.4</td>
</tr>
<tr>
<td>No extent</td>
<td>2</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>111</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

From the findings, 62(55.9%) of the respondents were of the opinion that information technology deployment affects performance of oil marketing companies to a great extent, 41(36.9%) were of the opinion that the effect is to a very great extent, 6(5.4%) indicated that the effect was to allow extent while 2(1.8%) indicated that deployment of information technology had no effect on performance. Based on these findings, it is evident that information technology deployment affects performance of oil marketing companies to a great extent as supported by majority (55.9%) of the respondents.

Respondents were asked their opinion on what should be done on information technology deployment to enhance performance of their company. Respondents recommended their organization to adopt new technologies that will help the company achieve reduced transaction costs, information gathering and dissemination, inventory control, and quality control. It is also important for the companies to increase their investments on ICT which will have significant effect on productivity. Research should be conducted frequently to ensure the company is updated and well informed about the market environment and any innovation sin technology.

4.7 Performance of Oil Marketing Companies

This Section is concerned with assessing the performance the company. Respondents were asked to indicate the extent to which they agreed or disagreed with statements relating to performance of their company using the scale of 1-Strongly disagree, 2-Disagree, 3-Neutral,
4-Agree, and 5-Strongly agree, means and standard deviation have been used to discuss the findings. From the finding presented in Table 4.10, respondents were in agreement that: their company has experienced an increase in customers over the last 5 years as indicated by a mean of 4.0450 and standard deviation of .49336; their company strategic plan is important in directing the overall performance as indicated by mean of 3.7748 and standard deviation of .90136; their company has experienced an increase in employees over the last 5 years as indicated by a mean of 3.7297 and standard deviation of .83062. From the findings, it is also evident that the respondents agreed that: their company profitability is a key indicator of performance as indicated by a mean of 3.6757 and standard deviation of 1.03715; their company has experienced an increase in assets over the last 5 years as shown by a mean of 3.6306 and standard deviation of 1.06111; and that in their company motivated employees are important for better performance as shown by mean of 3.5676 and standard deviation of 1.00564.

**Table 4.10: Performance of Oil Marketing Companies**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our company has experienced an increase in customers over the last 5 years</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>4.0450</td>
<td>.49336</td>
</tr>
<tr>
<td>In our company strategic plan is important in directing the overall performance</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7748</td>
<td>.90136</td>
</tr>
<tr>
<td>Our company has experienced an increase in employees over the last 5 years</td>
<td>111</td>
<td>1.00</td>
<td>5.00</td>
<td>3.7297</td>
<td>.83062</td>
</tr>
<tr>
<td>Our company profitability is a key indicator of performance</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.6757</td>
<td>1.03715</td>
</tr>
<tr>
<td>Our company has experienced an increase in assets over the last 5 years</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.6306</td>
<td>1.06111</td>
</tr>
<tr>
<td>In our company motivated employees are important for better performance</td>
<td>111</td>
<td>2.00</td>
<td>5.00</td>
<td>3.5676</td>
<td>1.00564</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Respondents were also requested to indicate other ways through which response strategies affect performance of their companies. They explained that through capacity building as an organizational strategy has helped their company improve overall productivity, motivate staff to deliver high quality services and create an ongoing commitment to innovation and system...
improvement. Respondents also explained that it has helped the company to better understand customers and therefore be in a position to formulate ways to effectively meet those needs which in turn contributes to sales growth and performance. Through strategic alliances, respondents explained that it has enabled companies to extend their strengths to competitive arenas that they would otherwise be hesitant to enter alone. Also, by forming alliances, their company was able to accomplish bigger projects quickly and increase profitability. Respondents also explained that with proper application of ICT, there has been significant productivity gain in that processes are simplified; tasks automated; operational costs are reduced and the speed and accuracy of the decisions is improved.

Respondents were also asked their opinion on what should be done on response strategies to enhance performance of their company. Respondents indicated that it is important for their organization to embrace the capacity building strategies such as in-house and off-the job training as well as other training programs to enhance performance of employees. The organization has to allocate more resources and focus more on well-being of employees. Respondents also recommended management of their company to implement strategies on customer relations management which will help the company to have close relationship with its customers providing them with their needs and therefore ensuring their satisfaction and loyalty. Respondents also suggested that their company should adopt modern and advanced technology which eases activities in the organization saving on time, enhancing efficiency and accuracy and therefore increase profitability.

4.8 Correlation Analysis

Pearson R correlation was used to measure strength and the direction of linear relationship between variables. The bigger the correlation coefficient R, the stronger is the association between two variables. The relationship was considered small when \( r = \pm 0.1 \) to \( \pm 0.29 \), while the relationship was considered medium when \( r = \pm 0.3 \) to \( \pm 0.49 \), and when \( r = \pm 0.50 \) and above, the relationship was considered strong. Correlation analysis was used as a statistical tool that determines the association level between two variables. This study investigated the correlation between capacity building strategies, customer relations management strategies, strategic
partner’s management, and information technology deployment with performance. The findings were as presented in Table 4.11.

**Table 4.11: Correlations**

<table>
<thead>
<tr>
<th>Performance</th>
<th>Capacity Building</th>
<th>CRM</th>
<th>Strategic Partner’s Management</th>
<th>IT Deployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>111</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity Building</td>
<td>Pearson Correlation</td>
<td>.611**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>111</td>
<td>111</td>
<td></td>
</tr>
<tr>
<td>Customer Relations Management</td>
<td>Pearson Correlation</td>
<td>.752**</td>
<td>.457**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>111</td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td>Strategic Partner’s Management</td>
<td>Pearson Correlation</td>
<td>.905**</td>
<td>.600**</td>
<td>.665**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>111</td>
<td>111</td>
<td>111</td>
</tr>
<tr>
<td>IT Deployment</td>
<td>Pearson Correlation</td>
<td>.491**</td>
<td>.210*</td>
<td>.445**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.027</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>111</td>
<td>111</td>
<td>111</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).**

*. Correlation is significant at the 0.05 level (2-tailed).

From the findings, capacity building strategies had a strong positive correlation with performance ($r=.611$, p-value=0.000). The findings also showed that customer relations management strategies had a strong positive correlation with performance ($r=0.752$, p-value=0.000). Also, strategic partner’s management has a strong positive correlation with performance ($r=0.905$, p-value=0.000). Finally, the findings showed that Information Technology deployment had a medium positive correlation with performance ($r=0.491$, p-value=0.000). Based on these findings, it is evident that response strategies are related with performance of oil marketing companies. Specifically, the findings showed that capacity building strategies, customer relations management strategies, strategic partner’s management, and information technology deployment are positively correlated with performance.
4.9 Regression Analysis

Multiple regression models were fitted to the data in order to test how far the independent variables affect the dependent variable. This study used multiple regression models to establish the effect of response strategies on the performance of oil marketing companies in Kenya.

Model summary was used to establish the amount of variation in the dependent variable that can be explained by changes in the independent variables. In this study, the study sought to establish the amount of variation in performance of oil marketing companies that can be explained by changes in capacity building strategies, customer relations management strategies, strategic partner’s management, and information technology deployment. From the findings presented in Table 4.12, the value of adjusted $R^2$ was 0.872 an indication that 87.2% variation in performance can be explained by changes in capacity building strategies, customer relations management strategies, strategic partner’s management, and information technology deployment. The remaining 12.8% suggest that other than capacity building strategies, customer relations management strategies, strategic partner's management, and information technology deployment there are other factors that affect performance of oil marketing companies. The findings also showed that the variables under investigation are strongly and positively correlated as indicated by correlation coefficient value of 0.934.

**Table 4.12: Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.934a</td>
<td>.872</td>
<td>.868</td>
<td>.16685</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Information Technology Deployment, Capacity Building Strategies, Customer Relations Management Strategies, Strategic Partner’s Management

Analysis of variance was computed to establish how fit the model was. The fitness of the model was tested at 95% confidence interval. From the findings presented in Table 4.13, the significance of the model was 0.000 which is less than the selected level of significance 0.05, which suggests that the model was significant. In addition, the $f$-calculated value from the ANOVA table was 181.320 and is greater than the $f$-critical value (2.457), obtained from the $f$-distribution tables. These findings therefore suggest that the model was significant and that
capacity building strategies, customer relations management strategies, strategic partner’s management, and information technology deployment can be used to predict performance of oil marketing companies.

**Table 4.13: ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>20.191</td>
<td>4</td>
<td>5.048</td>
<td>181.320</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>2.951</td>
<td>106</td>
<td>.028</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>23.142</td>
<td>110</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance  
b. Predictors: (Constant), Information Technology Deployment, Capacity Building Strategies, Customer Relations Management Strategies, Strategic Partner’s Management

The beta coefficients values in table 4.14 were used to fit the regression model. The regression equation developed was:

\[ Y = -0.666 + 0.116 X_1 + 0.229 X_2 + 0.706 X_3 + 0.109 X_4 + \epsilon \]

Where \( Y = \) Performance; \( X_1 = \) Capacity Building Strategies; \( X_2 = \) Customer Relations Management Strategies; \( X_3 = \) Strategic Partner’s Management; and \( X_4 = \) Information Technology Deployment.

From the above regression equation, it is evident that holding all other variables to a constant zero, performance of oil marketing companies will be at a constant value of -0.666. The findings further showed that capacity building strategies have a positive significant influence on performance (\( \beta = 0.116; p = 0.040 \)). Therefore, capacity building strategies positively and significantly influences performance of oil marketing companies. This suggests that a unit increase in capacity building strategies will result to an increase in performance by 0.116 units.

The study findings also showed that customer relations management strategies have a positive significant influence on performance (\( \beta = 0.229; p = 0.000 \)). This suggests that a unit increase in customer relations management strategies will result to an increase in performance of oil marketing companies by 0.229 units. Therefore, customer relations management strategies have a positive significant influence on performance.
The findings also showed that strategic partner’s management has a positive significant influence on performance ($\beta=0.706; p=0.000$). This suggests that a unit increase in strategic partner’s management will result to an increase in performance of oil marketing companies by 0.706 units. Therefore, it can be said that strategic partner’s management positively and significantly influences performance.

Finally, the study findings showed that Information Technology deployment had a positive significant influence on performance ($\beta=0.109; p=0.007$). This suggests that a unit increase in Information Technology deployment will result to an increase in performance of oil marketing companies by 0.109 units. Therefore, Information Technology deployment can be said to positively and significantly influence performance.

Table 4.14: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-.666</td>
<td>.196</td>
<td>-3.396</td>
<td>.001</td>
</tr>
<tr>
<td>Capacity Building Strategies</td>
<td>.116</td>
<td>.056</td>
<td>.091</td>
<td>2.078</td>
</tr>
<tr>
<td>CRM Strategies</td>
<td>.229</td>
<td>.049</td>
<td>.226</td>
<td>4.678</td>
</tr>
<tr>
<td>Strategic Partner’s Management</td>
<td>.706</td>
<td>.057</td>
<td>.656</td>
<td>12.463</td>
</tr>
<tr>
<td>IT Deployment</td>
<td>.109</td>
<td>.040</td>
<td>.108</td>
<td>2.748</td>
</tr>
</tbody>
</table>

4.10 Chapter Summary

Chapter four has mainly described the research findings on the effect of response strategies on the performance of oil marketing companies in Kenya. The study established response strategies; capacity building strategies, customer relations management strategies, strategic partner’s management, and information technology deployment were statistically significant predictors of performance of oil marketing companies. The study also found that there was a positive relationship between performance of oil marketing companies and response strategies; capacity building strategies, customer relations management strategies, strategic partner’s management, and information technology deployment. The next chapter, chapter five, covered discussion, conclusion and recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the discussion of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn were focused on addressing the objective of the study. The researcher had intended to establish the effect of capacity building strategies on the performance of oil marketing companies in Kenya, to establish the effect of customer relations management strategies on the performance of oil marketing companies in Kenya, to determine the effect of strategic partner’s management on the performance of oil marketing companies in Kenya, and to determine the effect of information technology deployment on the performance of oil marketing companies in Kenya.

5.2 Summary

The general objective of the study was to establish the effect of response strategies on the performance of oil marketing companies in Kenya. The study was guided by the following specific objectives; to establish the effect of capacity building strategies on the performance of oil marketing companies in Kenya, to establish the effect of customer relations management strategies on the performance of oil marketing companies in Kenya, to determine the effect of strategic partner’s management on the performance of oil marketing companies in Kenya, and to determine the effect of information technology deployment on the performance of oil marketing companies in Kenya.

The study adopted a descriptive survey research design. The target population was 248 management level employees. Stratified sampling method was adopted in this study to select the sample for the study. The sample size of the study was 124 management level employees. Questionnaires were used to collect primary data where all respondents were issued with questionnaires but only 111 questionnaires were received back having been dully filled forming a response rate of 89.7%. Content analysis was used to analyze qualitative data and
presented in thematic form. Quantitative data was analysed by descriptive analysis like the mean, standard deviation, frequency and percentages using Statistical Package for Social Sciences (SPSS version 23). To test the relationship existing between the study variables, the study computed correlation and multiple regression analysis. The data was presented in form of tables, pie charts and bar charts.

The first objective of the study was to establish the effect of capacity building strategies on the performance of oil marketing companies in Kenya. The study found that capacity building strategies have a positive significant influence on performance. This suggests that a unit increase in capacity building strategies will result to an increase in performance. The study further established that oil marketing companies offer short training in form of seminars which improve customer service; through in-house training every new employee in the firm receives induction training; through training programs, morale in the company improved. The findings also showed that training programs have helped inculcating the sense of teamwork in the company and improving its market share; and that off job training are effective in improving employee skill which enhances company’s profitability. It was also established that in oil marketing companies, there is staffs exchange programs with other regional branches to improve work knowledge and productivity. In addition, off the job training was found to be important and effective in improving performance of these companies and lastly these companies are learning about the duties of the job included in the in-house training.

The second objective of the study was to establish the effect of customer relations management strategies on the performance of oil marketing companies in Kenya. The study found that customer relations management strategies have a positive significant influence on performance. This suggests that a unit increase in customer relations management strategies will result to an increase in performance of oil marketing companies. Therefore, it was deduced that customer relations management strategies have a positive significant influence on performance. The study also established that customer relationship management enables oil marketing companies to increase the number of customers; customer data base helps identify the most profitable customer; customer data base enables these companies discover new clients and increase profits; customers feedback enables oil marketing companies to analyze the
customer profiles, and that customer hotlines has assisted in improving the image the company over time.

The third objective of the study was to determine the effect of strategic partner’s management on the performance of oil marketing companies in Kenya. The study found that strategic partner’s management has a positive significant influence on performance. This suggests that a unit increase in strategic partner’s management will result to an increase in performance of oil marketing companies. These findings suggest that strategic partner’s management positively and significantly influences performance. The study also established that partner match has enabled oil marketing companies to form strategic alliance with mobile telecommunications; partner match has enabled companies to strategic alliances with insurance companies; commitment and cooperation of partners increased oil marketing companies’ market share. The study also established that strategic orientation in oil marketing companies has improved the banks performance, commitment and cooperation of partners increase their profitability; strategic orientation enables oil marketing companies to discover new customers; and that strategic orientation formed, has helped in increasing customer numbers.

The final objective of the study was to determine the effect of information technology deployment on the performance of oil marketing companies in Kenya. The study findings showed that Information Technology deployment had a positive significant influence on performance. This suggests that a unit increase in Information Technology deployment will result to an increase in performance of oil marketing companies. These findings therefore suggested that Information Technology deployment positively and significantly influence performance. The study also established that companies’ IT systems are compatible with other systems in this bank, which has led to increase in number of customers; investment in IT systems has enabled the minimization of administrative costs; companies’ have invested in IT systems which has improve profitability. The study also established that in oil marketing companies, the IT systems are flexible enough to support the growth of the company market share; IT innovations has been crucial in delivering innovative customer services, which has increased customer base; and oil marketing companies IT investments has been crucial in assisting employees to enhance company performance.
5.3 Discussions

5.3.1 Effect of Capacity Building Strategies on Performance

Capacity building strategies were found to positively and significantly influence performance of oil marketing companies in Kenya. This concurs with findings of Yamoah and Maiyo (2016) that firms that have training programs perform better in terms of productivity, revenues, profitability, viability and prospects. Training led to an increase in sales, quality and customer satisfaction. The study also established that each new employee receives induction training through in-house training which allows them to learn about the duties of their job. Performance and productivity can be enhanced through training because it ensures employees are equipped with relevant skills. Rauch and Rijsdijk (2015) Coaching from experienced employees could be part of the in-house training. In-house training is beneficial by providing flexibility of the company that seeks to implement this form of training, addressing specific needs of the business (Zwick, 2015).

The study also established that off the job training is important and effective in improving performance and employee skill which enhance company profitability. This concurs with Webster and Reid (2017) assert that off-the job training enables employee to transfer knowledge gained during training to actual job, develop problem solving and decision-making skills. In addition, through training the sense of team work in the company is inculcated and market share is improved. Also, training programs improves the morale in the company. This agrees with Ambardar (2016) who explains further that training programs foster a better learning process, improves employees’ competence, which leads to high organization performance.

The study further established that productivity and knowledge of its employees is improved by having exchange programs with other regional branches. Other form of training that improves customer service was found to be short forms of training such as seminars. According to Ngirwa (2016), any organization seeking to achieve competitive advantage has no alternative but to train its employees. Therefore, training is required when introducing new processes,
enhancing employee efficiency, for unskilled employees to enhance their value to the organization, decreasing level of supervision required, improving chances of promotions and communication behavior; decreasing chances of accidents. Effective employee-training program is important in enhancing long-term success in organizations.

Capacity building is responsible for enhancing organizational performance. It lowers the rate of employee turnover which has been found to be a significant inhibiting factor for enhanced organizational performance. Thus agrees with Vallejo and Whn (2016) that training provision in an organization highly affect turnover decisions by employees. When turnover rates are high, it suggests that the organization has invested less on the training of employees, which triggers employees to look for other organizations providing better training opportunities. This therefore can cause organizations to incur high costs as a result of low sales.

The study also found that training is offered to all employees. Training provision for all employees in different departments and levels of organization is important. Training employees at their work place allows them to be accustomed to the machinery and materials they will be using to work and also get used to the physical and the social environment. This agrees with Saks and Burke-Smalley (2014) who in their study found that training in organizations positively influenced client satisfaction, profitability, productivity, revenue and also, it was established that training provided alongside incentives increased significance of its effect. Dabale et al. (2015), points out that training and development is an important contributor in enhancing the employees’ overall performance.

The study found that in-house training was used in capacity building of employees in oil marketing companies in Kenya. Therefore, in order to bring reality into training programs, line managers should be involved to transfer learning with ease and make sure selection for employees to take part in in-house training is done carefully, receive briefing, monitored and evaluated to ensure that their contribution is appropriate. Bediako (2015) asserts that training conducted appropriately should be in a position to implement audits with the ability of effecting responsibilities in line with satisfying relationship, and making a mental atmosphere orchestrating each workers reaction close to accomplishment of organizational goals. Also,
off-the job training enables employees prove the return on investment showing how employees changed behavior enable organization achieves its strategic goals.

5.3.2 Effect of Customer Relations Management Strategies on Performance

The study found that customer relations management strategies have a positive significant influence on performance. Therefore, a unit increase in customer relations management strategies will result to an increase in performance of oil marketing companies. The best way to develop customer loyalty is by developing a relationship with them. Ibrahim et al. (2015) explained that developing relationship with customers is highly dependent on level of coordination between marketing departments and information technology. CRM offers firm strategic benefits, such as greater customer satisfaction and loyalty. This concurs with Boulding et al. (2015) who noted that through CRM, the organization can enhance its performance and also benefits to its customers through dual value creation.

Customers’ opinions regarding company products and services are very important in today’s competitive business environment; therefore, companies should pay attention to this. Any organization managing customer feedback accordingly will make sure that they satisfy all their needs and solve any issue that might arise and therefore will be in a position to outshine their competitors. The study also established that customer data base help companies to identify the most profitable customer and discover new clients and increase profits. It was also established that customer relationship management enables companies to increase the number of customers. This concurs with Elmasri and Navathe (2017) who asserts that using customer data assists in building relationship with customers. On the other hand, promotion of products or introduction of new products by managers to existing customers can be done using information on customers such as their preference, the category of products they explored and the price band.

The study also established that customer hotlines have assisted in improving the image of oil marketing companies over time. Empirical evidence shows that firms complementing their traditional channels with modern online channels tend to be more successful. However,
according to Homburg et al. (2015) there is considerable cost incurred in implementing multiple channel systems, in expanding channels and alteration of decision has long-term effect of organizational performance. Through the web, a company is provided with an opportunity to build a relationship with their customers which was rather impossible in the analog world. Through the combination of abilities to directly respond to requests from customers and providing customers with highly interactive, customized experience, companies have a great ability to establish, nurture and sustain long term relationships with clients than before. Payne and Frow (2015) asserts that Because of flexibility in web-interactions, companies can decide who they want to offer service and the quality level they will offer.

Customer relations were found to significantly influence performance. The best way to gain the loyalty of a customer is by developing a relationship with them. The findings concur with Ibrahim et al. (2015) who explained that developing relationship with customers is highly dependent on level of coordination between marketing departments and information technology. This has led to majority of organizations using set of tools, technologies and procedures to achieve CRM; they help support the link with clients in enhancing sales. Through customer relations management, the company has been able to enhance customer level of satisfaction and therefore enhancing their loyalty levels.

CRM has been found to enhance performance and satisfaction levels of customers. Through CRM, the organization has the ability of augmenting values extracted from customers while the customers get great values since the organization strives to meet all their needs. However, in the recent past, highly publicized CRM implementation failures have caused managers to be skeptic regarding its potential value to the company. This concurs with Thompson and Chmura (2015) who in an industry study established that most CRM projects fail to deliver strategic value since they do not focus on growing the loyalty of customers, profitability and revenues.

CRM cannot be successful on its own there is a lot of effort and practices that the company has to put in place. It is important for the company to understand who their clients are, and what their needs are in order to provide them products and services specific to their needs. The
organization should learn continuously of changes in demands of their customers. Additionally, it’s crucial that the company tracks the behavior and needs of its customers. Personalization process can be applied in increasing levels of customer loyalty. This concurs with Senge (2015) and a successful CRM program assists an organization in creating wealth and attaining sustainable growth by developing a link with customers and receives value through the relationship.

5.3.3 Effect of Strategic Partner’s Management on Performance

The study established that strategic partner’s management has a positive significant influence on performance. This suggests that a unit increase in strategic partner’s management will result to an increase in performance of oil marketing companies. The study’s findings concur with Amita, et al. (2015) assert that through strategic partnership, organizations are in a position to extend their strengths to competitive arenas which they would have hesitated to enter. These companies mutually benefit in marketing, distribution, production, R&D and outsourcing. The study also established that through partnership match, oil marketing companies have had strategic alliances with insurance companies and mobile telecommunications. When a company tries to obtain a business opportunity and enhance its performance through the creation of alliances, the compatibility of existing network resources affects composition of the portfolio and the company results. This concurs with Harrison et al. (2015) who asserts that companies are in a position of enjoying great improvement in performance when their value chains are in same level and their patterns for allocation of resources are similar. Therefore, companies that consider alliances conduct a thorough assessment of strategies used by their partners and how compatible they can be with theirs.

The study also established that strategic orientation formed has helped in increasing customer numbers, has improved company’s banks performance, and has enabled the company to discover new customers. This is in agreement with Al-Ansaari at al. (2015) who asserts that strategies assist companies in coming up with solutions, creating new capabilities, and improving performance of businesses, by making it possible for the company and its managers to collect specific resources, recognizing opportunities to provide value products as well as
services and conveying the same products and services for high profits. It is therefore important for organizations to focus on strategy orientation because it helps direct it towards appropriate direction for the purpose of monitoring its activities to enhance its performance.

Commitment and cooperation of partners was found to increase profitability and market share of oil marketing companies in Kenya. Companies taking part in the coordination practice for managing interdependence of tasks can flow from particular labor division or production technology in using and managing uncertainties arising from external sources and the internal activities. According to Raveendran and Puranam (2015) high interdependence levels and high uncertainty in tasks and the environment, require that the form of coordination be extensive. Failure in coordination can significantly affect the entire alliance because it results in delays and lack of efficiency and therefore inhibiting attaining of set goals. This concurs with Klein and Pereira (2015) who assert that failure of coordination can cause partners to be in doubt of feasibility of the joint and therefore can abandon the effort.

The study found that there are different forms of partnering that a company can get involved in. Through partnering, two companies get to work together to achieve certain objectives. Through partnering, companies can become global leaders. This agrees with Hit et al., (2015) that companies apply the use of alliances as a strategy allowing them to penetrate into new markets through partnership with already existing companies in the market. Partnering also helps companies to position and extend their strengths to competitive arenas which they would have hesitated to enter. This concurs with Amita et al. (2015) that companies mutually benefit in marketing, distribution, production, R&D and outsourcing and in cases where companies form alliances, accomplishing of bigger projects become quick and more profitable.

Partnership has been found to enhance company’s competitiveness. Kudate (2015) established that partnership is a good option for large and small businesses to enable them to gain competitive advantage. Strategic alliance’s ability to result in expected performance is greatly dependent on relationship management and ways the parent organization culture affects firm integration. This is in line with Gomez and Balkin (2016) who explained that performance of strategic alliances can be affected by conflict arising from partners as a result of lack of
compatible management structures, different cultures in the two organizations or the national culture between the host and home countries. When conflict arise it means there is low levels of coordination between the two companies. Failure in coordination can significantly affect the entire alliance because it results in delays and lack of efficiency and therefore inhibiting attaining of set goals. Klein and Pereira (2015) added that failure of coordination can cause partners to be in doubt of feasibility of the partnership and can therefore abandon the effort.

5.3.4 Effect of Information Technology Deployment on Performance

The study findings showed that Information Technology deployment had a positive significant influence on performance. This suggests that a unit increase in Information Technology deployment will result to an increase in performance of oil marketing companies. The use of ICT has become very vital to all organizations that intend to remain competitive in the market. According to Khaemba (2015), the result of these transformations is that companies have been forced to embrace activities that result to competitive advantage ad this includes ICT usage. This concurs with Gholami, et al. (2015) who asserts that ICT to be a key driver in globalization, and facilitates global flow of information, ideas, products, people and capital.

The use of ICT can assist to lower coordination cost and increase outsourcing in organizations. The study also established that oil marketing companies have invested in IT systems which have improved profitability by minimizing administrative costs. The findings concur with Ramsey et al. (2015) who explained that generally, the company will benefit through the use of ICT especially in areas relating with reduction in transaction cost, collection of information and disseminating it, controlling inventories and quality control. The study also established that the IT systems used in oil marketing companies are compatible with other systems in bank, which has led to increase in number of customers. The IT systems are also flexible enough to support the growth of the company market share. Through ICT, organizations can develop strategic and tactical tools which when applied and used properly can be of great advantage in enhancing competitiveness (Gholami et al., 2015).
IT innovations were found to be crucial in delivering innovative customer services, which has increased customer base and have also assisted employees to enhance company performance. Company responsiveness and speed id increased with the use of ICT which plays a role in ensuring innovations are successful. In the field of ICT, it is emphasized that one major task of ICT is creating business value by developing new products as well as services. Steinberg (2015) asserts that using ICT enhances effectiveness and ensures that implementation of the same innovation is successful. Corso (2015) states that ICT has the potential of enhancing the capacity of a company to process information which can enhance the ability to manage and integrate all activities contributing to overall innovation of products and processes in value chain.

The study found that competitive advantage can be maintained if the company integrates ICT in its daily activities. The world of today is constantly transforming and this has forced companies to embrace activities that result to competitive advantage and this includes ICT usage. This agrees with Gholami et al. (2015) who asserts that ICT is a key driver in globalization, and facilitates global flow of information, ideas, products, people and capital. Through ICT, organizations can develop strategic and tactical tools which when applied and used properly can be of great advantage in enhancing competitiveness.

Through globalization, internet proliferation as a mainstream media of communication and as a transaction infrastructure has resulted in a wide range of strategic implications for businesses. Other benefits of using technology are reduction in transaction cost, collection of information and disseminating it, controlling inventories and quality control. It also increases increase efficiency and effectiveness and also to enhance the quality of products and services. The findings agree with Bentley (2010) who asserts that using ICT enhances effectiveness and ensures that implementation of the same innovation is successful. Steinberg (2017) explains that task automation using ICT performs a crucial role in successfully implementing innovation.

The study also found that that introduction of computers has significantly reduced labor. Labor reduction is complementary to capital invested in ICT while complicates task resolution is a
substitute. Increased capital in an organization, productivity of highly skilled labor increases and the demand for this labor also increases. Also, high levels of productivity can only be achieved by those companies with incentives for ICT. This concurs with Moshiri (2016) who explained that service sector and the manufacturing industry reaped from investing on ICT more than the primary sector companies did.

5.4 Conclusions

5.4.1 Effect of Capacity Building Strategies on Performance

The study established a significant relationship between capacity building strategies and performance of oil marketing companies. The study further established that capacity building strategies positively and significantly influences performance of oil marketing companies. Therefore, based on these findings, the study concludes that a unit increase in capacity building strategies will result to an increase in performance.

5.4.2 Effect of Customer Relations Management Strategies on Performance

The study findings showed that customer relations management strategies had significant influence on performance. Further, the study established that customer relations management strategies have a positive significant influence on performance. From the study findings, the study concluded that a unit increase in customer relations management strategies will result to an increase in performance of oil marketing companies.

5.4.3 Effect of Strategic Partner’s Management on Performance

The study established that strategic partner’s management has significant influence on performance. The study also revealed that strategic partner’s management positively and significantly influences performance. Based on these study findings, the study concluded that a unit increase in strategic partner’s management will result to an increase in performance of oil marketing companies.
5.4.4 Effect of Information Technology Deployment on Performance

The study revealed a significant relationship between Information Technology deployment and performance. The study further established that Information Technology deployment positively and significantly influences performance of oil marketing companies. Based on these study findings, the study conclude that a unit increase in Information Technology deployment will result to an increase in performance of oil marketing companies.

5.5 Recommendations

5.5.1 Recommendations for Response Strategies

5.5.1.1 Effect of Capacity Building Strategies on Performance

Management of oil marketing companies should increase training opportunities in their company to benefit all employees. Also, it is important for the organizations to conduct research on training needs to ensure that training offered is effective and specific to the needs of specific employees. The company can also ask employees on areas they are not well competent with and therefore provide them with effective training programs. The company should also increase its budget on capacity building to cover the training needs of each employee.

5.5.1.2 Effect of Customer Relations Management Strategies on Performance

Oil marketing companies need to adopt systems that are updated and use advanced technology to collect customer feedback systematically, analyze it, and disseminated via an institutionalized customer feedback. Also, the organization should conduct customer satisfaction surveys regularly to ensure that they are at per with changes from its customers’ needs. In addition, the company should ensure that the database it uses is effective and updated to ensure it provides key trends and essential information to identify different purchasing tendencies of clients.
5.5.1.3 Effect of Strategic Partner’s Management on Performance

Managers of oil marketing companies should manipulate resources to get strategy activities completed efficiently and effectively through efforts in planning, organizing, leading and control which are core management functions. The study also recommends that whenever the company considers alliances, it should first assess their potential partners’ strategy for aspects of compatibility; this is because, if the companies have similar strategies, they are likely to ally with each other. The company should have strategies in place to help find solutions to problems, create new capabilities, and improve business performance by allowing organizations and the managers to gather specific resources, recognize opportunities for providing valued products and services, and to convey those products and services for higher profits.

5.5.1.4 Effect of Information Technology Deployment on Performance

Oil marketing companies should adopt new technologies that will help the company achieve reduced transaction costs, information gathering and dissemination, inventory control, and quality control. It is also important for the companies to increase their investments on ICT which will have significant effect on productivity. The study further recommends research to be conducted frequently to ensure the company is updated and well informed about the market environment and any innovations in technology.

5.5.2 Recommendations for Further Research

The general objective of the study was to establish the effect of response strategies on the performance of oil marketing companies in Kenya. This study was conducted among oil marketing companies; the study therefore recommends studies to be conducted in other marketing companies such as food and beverage companies to facilitate comparison and generalization of research findings. The study also explained 87.2% variation in performance; the study recommends a study to be conducted to establish other aspects that can explain the remaining 12.8% variation in performance of oil marketing companies.
REFERENCES


Appendix I: Participant Consent Form

A: Information Sheet

The respondents will be requested to participate in the study; those who are willing to take part in the study will sign the consent form. The respondents will be briefed on the purpose of the study and what is required of them when answering the questionnaire.

No one will be coerced to participate in the study. Every participant will do so at their won will. The study is voluntary. No penalties will come as a result of non-participation. Those who may discontinue participation will not be penalised. You may skip questions that you don’t feel comfortable answering.

The information will be available at the University database and it will be purely confidential.

I, ______________________________, agree to participate in the study since I understand what is required of me.

Signature ……………………………………… Date……………………………………

I, ______________________________, consent that have explained what the study is all about to the participant. Any further clarification is welcomed.

Signature ……………………………………… Date……………………………………
Appendix II Introductory Letter
Sheila Gesare Ombati

United States International University – Africa
NAIROBI.

Dear Sir/ Madam,

I am a post graduate student at United States International University conducting a research for my project to examine the EFFECT OF RESPONSE STRATEGIES ON THE PERFORMANCE OF OIL MARKETING COMPANIES IN KENYA.

I request for your assistance in gathering data for this study. The questionnaire should only take a few minutes of your time. Your participation is voluntary. Your completion and return of the questionnaire will constitute your implied consent. Your response is very important to the success of this study. All information will be kept completely confidential. Your identity will not be given to anyone. All questionnaire responses will be destroyed after the data is entered for analysis. Recognizing the many demands placed on your time, I am grateful for your participation and thank you in advance for your assistance.

Yours Sincerely,

Sheila Gesare Ombati

Masters of Business Administration
Appendix III: Questionnaire

This questionnaire is divided into six short sections that should take only a few moments of your time to complete. Please respond by ticking the appropriate box or filling in your answers in the blank spaces provided. This is an academic exercise and all information collected from respondents will be treated with a strict confidentiality. Thank you very much for your cooperation.

Section A: General Information

Instructions

Kindly tick or write in the spaces provided as appropriate.

1. Kindly indicate your gender.
   
   Male [ ] Female [ ]

2. For how long have you worked in the oil marketing industry?
   
   3 years and below [ ]
   4-7 years [ ]
   8-11 years [ ]
   12 years and above [ ]

3. What is your position in this organization?
   
   Top level managers [ ]
   Middle level managers [ ]
   Low level managers [ ]

Section B: Capacity Building Strategies and Performance

4. This subsection is concerned with investigation of whether capacity building strategies affects performance of your company. Please mark (x) in the box which best describes your agreement or disagreement.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
Through in-house training every new employee in the firm receives induction training

In our company learning about the duties of the job is included in the in-house training

Off the job training is important and effective in improving performance of our company

Off job training are effective improving employee skill which enhance our company profitability

Training programs have helped inculcating the sense of teamwork in this company and improving our market share

Through training programs, morale in this company has improved

In our there is staff exchange programs with other regional branches to improves work knowledge and productivity

Our company offers short training in form of seminars which improves customer service

5. How else does in-house training, of job training and training programs affect the performance of the company?

6. Indicate other capacity building strategies that have been adopted in your company

7. To what extent do capacity building strategies affect performance of your company?

<table>
<thead>
<tr>
<th>Very great extent</th>
<th>Great extent</th>
<th>Low extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>( )</td>
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<td>( )</td>
</tr>
</tbody>
</table>

   | No extent |
   | ( )      |

94
8. What do you think should be done on in-house training, of job training and training programs to enhance performance of the company?

Section C: Customer Relationship Management Strategies and Performance

9. This subsection is concerned with investigation of whether CRM strategies affects performance of your company. Please mark (x) in the box which best describes your agreement or disagreement.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers feedback enables our company to analyze the customer profiles</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer data base help our company to identify the most profitable customer</td>
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<td></td>
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</tr>
<tr>
<td>Customer relationship management enables our company to increase the number of customers</td>
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</tr>
<tr>
<td>Customer hotlines has assisted in improving the image of our company over time</td>
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</tr>
<tr>
<td>Customer data base enables our company discover new clients and increase profits</td>
<td></td>
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</tr>
</tbody>
</table>

10. How else does customer feedbacks, customer data base and customer hotlines affect the performance of the company?

11. Indicate other customer relationship management strategies that have been adopted in your company

95
12. To what extent do customer relationship management strategies affect performance of your company?

<table>
<thead>
<tr>
<th>Extent</th>
<th>Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
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<tr>
<td>Great extent</td>
<td>(</td>
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<tr>
<td>Low extent</td>
<td>(</td>
</tr>
<tr>
<td>No extent</td>
<td>(</td>
</tr>
</tbody>
</table>

13. What do you think should be done on customer feedbacks, customer data base and customer hotlines to enhance performance of the company?


...

**Section D: Strategic Partner’s Management and Performance**

14. This subsection is concerned with investigation of whether strategic partner’s management affects performance of the company? Please mark (x) in the box which best describes your agreement or disagreement.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner match has enabled our company to form strategic alliances with insurance companies</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Partner match has enabled our company to form strategic alliance with mobile telecommunications</td>
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<tr>
<td>Strategic orientation formed has helped in increasing customer numbers</td>
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</tr>
<tr>
<td>Strategic orientation in our company has improved banks performance</td>
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</tr>
<tr>
<td>Strategic orientation enables the company to discover new customers</td>
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<td></td>
</tr>
</tbody>
</table>
Commitment and cooperation of partners increase our company profitability

Commitment and cooperation of partners increased our company market share

15. How else does partner match, strategic orientation of the firm and commitment and cooperation affect the performance of the company?

16. Indicate other strategic partner’s management strategies that have been adopted in your company

17. To what extent does strategic partner’s management affect performance of your company?
   Very great extent ( )
   Great extent ( )
   Low extent ( )
   No extent ( )

18. What do you think should be done on partner match, strategic orientation of the firm and commitment and cooperation to enhance performance of the company?

Section E: Information Technology Deployment and Performance

19. This subsection is concerned with investigation of whether information technology deployment affects performance of the company. Please mark (x) in the box which best describes your agreement or disagreement.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our company has invested in IT systems which has improve profitability</td>
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<td>5</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
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<td>------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Investment in IT systems has enabled the minimization of administrative costs</td>
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<tr>
<td>Our IT systems are compatible with other systems in this bank, which has led to increase in number of customers</td>
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</tr>
<tr>
<td>In our company the IT systems are flexible enough to support the growth of the company’s market share</td>
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</tr>
<tr>
<td>In our company IT innovations has been crucial in delivering innovative customer services, which has increased our customer base</td>
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<tr>
<td>In our company IT investments has been crucial in assisting employees to enhance company performance</td>
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<tr>
<td>20. What new technologies has your company invested in the last five years?</td>
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<tr>
<td>21. How else does information technology deployment affect the performance of your company?</td>
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<tr>
<td>22. To what extent does information technology deployment affect performance of your company?</td>
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<td></td>
</tr>
<tr>
<td>Very great extent ( ) Great extent ( ) Low extent ( ) No extent ( )</td>
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<tr>
<td>23. What do you think should be done IT deployment to enhance performance of your company?</td>
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</tbody>
</table>
Section F: Performance

24. This Section is concerned with assessing the performance of your company. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our company has experienced an increase in employees over the last 5 years</td>
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<tr>
<td>Our company has experienced an increase in customers over the last 5 years</td>
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</tr>
<tr>
<td>Our company has experienced an increase in assets over the last 5 years</td>
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<tr>
<td>Our company profitability is a key indicator of performance</td>
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<tr>
<td>In our company motivated employees are important for better performance</td>
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<tr>
<td>In our company strategic plan is important in directing the overall performance</td>
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</tbody>
</table>

25. How else do response strategies affect performance of oil and marketing companies in Kenya?

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

26. What do you think should be done on response strategies to enhance performance of your company?

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

Thank you
Appendix IV: List of Oil Marketing Companies in Nairobi County

1. Total Kenya
2. KenolKobil
3. Kenya Shell
4. Libya Oil
5. Gapco Kenya
6. National Oil
7. Hashi Energy
8. Hass Petroleum
9. Galana Oil
10. Oilcom

Source: Energy and Petroleum Regulatory Authority website
Appendix V: Institutional Review Board Approval

USIU-AIRB/143-2020

USIU-A Institutional Review Board (IRB)

10th March 2020

Sheila Gesare Ombati
United States International University-Africa
Sheilaombati@gmail.com

Dear Sheila,

IRB-RESEARCH APPROVAL

The USIU-A IRB has reviewed and granted an ethical approval for the research proposal titled “Effect of Response Strategies on the Performance of Oil Marketing Companies in Kenya.”

The approval is for twelve months from the date of IRB. A continuing review application must be approved within this interval to avoid expiration of IRB approval and cessation of all research activities. A mid-term report and a final report must be provided to the IRB within the twelve months approval period. All records relating to the research (including signed consent forms) must be retained and available for audit for at least 3 years after the research has ended.

You are advised to follow the approved methodology and report to the IRB any serious, unexpected and related adverse events and potential unanticipated problems involving risks to subjects or others.

Should you or study participants have any queries regarding IRB’s consideration of this project, please contact irb@usu.ac.ke.

Sincerely,

Dr. Juliana Nangira
IRB Chair
Tel: +254-736-116-628
Email: jnangira@usu.ac.ke
Appendix VI: NACOSTI Permit

This is to certify that Miss. Sheila Omahito of United States International University Africa, has been licensed to conduct research in Nairobi on the topic: EFFECT OF RESPONSE STRATEGIES ON THE PERFORMANCE OF OIL MARKETING COMPANIES IN KENYA for the period ending: 18th December, 2020.

License No: NACOSTI/P/19/316

Applicant Identification Number: 310765

Verification QR Code

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Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 310765

Date of Issue: 18th December, 2019