LEVERAGING MARKETING INNOVATION TO DRIVE COMPETITIVE ADVANTAGE

A CASE OF THE ALCOHOLIC DRINKS MARKET IN KENYA

BY

JERRY ARUAH OTIENO

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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JERRY ARUAH OTIENO

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

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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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 ………………………………………….

Jerry Aruah Otieno (Student Number: 654044)

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

Signed …………………………………… Date…………………………………………

Dr. Peter Kiriri

Signed …………………………………… Date…………………………………………

Dean, Chandaria School of Business
DEDICATION

This dissertation is dedicated to my mother, who continues to offer me countless nuggets of wisdom and inspiration as well as show the essence of true grit and perseverance in achieving one’s goals. I also want to thank Viola Bosire, who helped me in all things great and small as pertains to this project through her patience, verve and fortitude.
ACKNOWLEDGEMENT

For the ancestors, academic and professional giants who have paved the path before me upon whom whose shoulders I stand; I am cognizant of the fact that I stand on the shoulder of giants.

Many individuals have guided and walked alongside me during the past few years. This work would not have the spirit and verve it has without their invaluable psychological, academic and professional support.

I want to express my gratitude to my supervisor, Dr. Peter Kiriri, for the patience and guidance throughout this project.

I also want to acknowledge those who offered collegial support and guidance during the 1 year MBA course, more specifically, Prof. John Nyerere whose thought-provoking insights and provocations drove the required intellectual nourishment from this program.
ABSTRACT

The purpose of the research was to explore how best to leverage marketing innovation to drive competitive advantage within the alcoholic drinks market in Kenya. The research was guided by three questions which solely focused on: the short and long term effects/benefits of marketing innovations in organizations, the challenges faced by organizations in marketing innovation and, the innovation strategies that can be adopted by organizations in Kenya.

The research combined mixed methods and case study research designs. The company considered in the research was East Africa Breweries Ltd. (EABL). The population of research was the multidisciplinary marketing innovations team. Purposeful and simple random sampling techniques were employed. Using Cochran’s formula the computed sample was 60 but the research attracted a 90% response rate. Reliability was tested using Cronbach alpha returning 81.7% reliability rate. Data was collected using a questionnaire, analyzed using descriptive techniques and inferential statistics completed using Chi-square. The tool of analysis was SPSS and the ensuing results were presented in tables and figures.

On the first research question the study found that marketing innovations impacted organization’s performance in the short-term. However, it is mainly in the long-term that the organization gained competitive advantage from marketing innovations. The study also established that marketing innovations determined market success or failure of a company’s products and services. Overall, marketing innovations were seen as a source of growth in performance and competitive advantage.

On the second research question the study established that failure to conduct customer and/or consumer research, failure to properly consider product/service testing before launch, and failure to recognize marketing innovations’ role in the strategic goals of the organization were the main challenges. Other equally important challenges included failure to get mass adoption of marketing innovations especially where the innovations were directly linked to a product or service, inadequate market-focused learning, and inadequate resourcing, probably brought about by an organization focusing more on the reduction of costs from non-core
operations. Notably, the finance department did not respond to the questionnaire indicating why challenges in resourcing marketing innovations would be a challenge.

On the last research question, innovation leadership came out as the leading strategy in marketing innovations. The need for support from leadership in the organization was noted. Contrary to the popular belief that dominant or large organizations lead in marketing innovations, the study established that most participants did not necessarily consider the position to be true. There were more participants who believed that marketing innovations in global corporations were fast-paced compared to local firms due to a high affinity to organizational learning and global exposure in most multinational corporations.

In conclusion, marketing innovations were a source of competitive advantage and growth in performance. The marketing innovations should focus on the long-term considering short-term benefits were incidental to long-term advantages. Organizations should pursue innovation leadership strategy. The key challenges to marketing innovations included inadequate resources due to limited involvement of finance function in marketing innovations.

The study recommended placement of adequate investment in marketing innovations in the long-term so as to gain competitive advantage and subsequently, improve organizational performance. The research recommended investment in consumer research to ensure that marketing innovations were informed by consumer expectations and perceptions as opposed to hunches and/or gut feel by the marketing and/or leadership teams. Consumer surveys should be regular to ensure that organizational operations are customer-driven and the same is imbued within the fabric of the organization. Lastly, the study recommended the adoption of an inward-looking innovation leadership strategy that is supported by good leadership style in the organization. Businesses should track the global trends in marketing innovations as well as trends in technological advancement considering that technological advances drive marketing innovations among other innovations.
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<td>MNC</td>
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<td>MSME</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Drucker (2014) stated that there are only two things in a business that make money: innovation and marketing; everything else is a cost to the business. In Drucker’s context, innovation refers to changing processes or creating more effective processes, products and ideas. A business innovation means that there could be the implementation of new ideas, creation of dynamic products, or even improving the existing services.

Dr. Philip Kotler defines marketing as “the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures, and quantifies the size of the identified market and the profit potential. Part of the processes in marketing includes the product design, packaging, product placement, and product promotion (Chen, 2006). The latter are referred to as the 4P’s of marketing and they are used to create and define a marketing strategy.

On its own, innovation has been a buzzword in corporate institutions since the turn of the century. A quick look at Google brings up nearly 418 million responses to the search ‘Innovation in Business’. As a subject, the discipline has been covered ad-nauseam across the world. Though the word “innovation” has been mainly used to describe technological innovations, its simplest definition means the introduction of something new such as a new idea, method, or device (Cascio, 2011). In business, a new idea, method, or device must be focused on solving a problem or improving a product or process. The rest of this research focused specifically on marketing innovations.

Based on the definitions of both innovation and marketing, this research draws the definition of marketing innovation as the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing (Cascio, 2011). The definition captures the fact that innovation brings forth new ideas
to old concepts of marketing thereby allowing the marketer to creatively earn a higher profit from the product, service, or process in consideration (Cascio, 2011).

Marketing innovation enables a business organization to gain competitive advantage through human capital. The view was asserted by Skroupa (2017) in an article published on Forbes. Skroupa (2017) was emphasizing the words of Joseph Schumpeter who stated that innovation is the market introduction of technical or organizational novelty, not just its invention. The novelty referred to in this quote was vested in the people thereby justifying the assertion that through leveraging innovation a business entity was able to create competitive advantage from the people (Scherer, 1986).

According to Vorhies and Morgan, (2005) marketing innovation in an organization was a source of sustainable competitive advantage developed through the development of the people and through benchmarking marketing capabilities in the organization. Vorhies and Morgan (2005) also indicated that the benchmarking of marketing innovations and marketing capabilities and its implication on competitive advantage of an organization has been identified and recognized as appropriate for identifying and enhancing valuable marketing capabilities. Despite the widespread acceptance of this perspective by academia and managers, there has been limited research as this area of research has received limited empirical attention. Consequently, many organizations are still not aware of the potential that lies in marketing innovations as a way of creating and enhancing organizational competitive advantages.

Referencing both large firms and entrepreneurial organizations, Miles and Darroch (2006) indicated that the cycle of competitive advantage was quickly shifting with the small and medium-sized organizations leveraging marketing ideas and innovations as a way towards gaining sustainable competitive advantages. However, the authors also observed that with the increased globalization, the large firms can no longer fully depend on their size and financial muscle as the sources of competitive advantage (Miles & Darroch, 2006).

Instead, the large firms were required to reconsider their marketing strategies as a source of competitive advantage and leading to innovation in marketing approaches. Firms that would
hardly advertise their products and services are now spending more on advertisements, not only on the traditional mass media channels but also through the emerging online advertising industry. In fact, Miles and Darroch (2006) categorically indicate that large firms might leverage entrepreneurial marketing processes to gain and renew competitive advantage. This statement indicated just how important it was for businesses to consider marketing innovations as a vital source of competitive advantage.

The importance of an innovation culture in the development and creation of sustainable competitive advantages was elucidated in a study conducted by Knight and Cavusgil (2004). The study, which focused on international firms, indicated that the internationalization process was characterized by innovation not only in the product and services provided but also in the process of delivery and in the marketing innovations process. This view was based on the finding that a global company needed to deliberate on a market entry approach for every single market and every market may have been characterized by a different culture indicating that the marketing strategies used in venturing into one country may not be applicable in any other country or region (Knight & Cavusgil, 2004).

These challenges and cultural differences then implied that the international companies had to be innovative not only in terms of ring-fencing their market but also for the purpose of maintaining the company’s position as a leader in an industry.

In the book titled Managing Innovation Integrating Technological, Market and Organizational Change the authors approached marketing innovations from the perspective of knowledge management and the consequent derivation of competitive advantages (Tidd, Bessant & Pavitt, 2005). The authors indicated that every new marketing strategy was informed by the success or failure of past marketing approaches as well as the experiences of the organization on the developments in the marketing and advertising space. Secondly, the authors indicated that with the adoption of every new marketing strategy, the business was creating a knowledge base that would be used in projecting not only the future success of the business but also in the projection of future direction of marketing strategies (Tidd, Bessant & Pavitt, 2005). It was these projections that enabled innovative organizations to become market leaders both in product innovations and marketing innovations. As an implication, the
authors found that marketing innovations were important both in the creation of sustainable competitive advantages for the organization and in the creation of a knowledge base that enhances the organizations marketing capabilities (Tidd, Bessant & Pavitt, 2005).

Kumar, Scheer and Kotler (2000) tied together the views on the importance of marketing innovations in the development of competitive advantages in the article titled *From Market Driven to Market Driving*. The article cites the long held view requiring firms to be market-driven. This view requires that firms conform to market standards. However, there was not a single firm that derives competitive advantage by conforming to the current standards. Rather, firms derive competitive advantage by driving the market and this requires the firms to be innovative in their marketing strategies.

The researchers indicated that while market driven processes are excellent in generating incremental innovation, they rarely produce the type of radical innovation which underlies market driving companies. Market driving companies, who are generally new entrants into an industry, gain a more sustainable competitive advantage by delivering a leap in customer value through a unique business system and unique marketing strategies. Market driving strategies entail high risk, but also offer a firm the potential to revolutionize an industry and reap vast rewards. The competitive advantages derived from the marketing innovations are hence part of the vast rewards that the firm generates from assumption of the risks of marketing innovations (Kumar, Scheer & Kotler, 2000).

In the international research space there was a lot of research focusing on the relationship between marketing research and competitive advantage. In the Kenyan context most research studies focus on the relationship between marketing innovations and performance of firms (Kiragu, 2014; Letangule, Letting & Nicholas, 2012). Most studies on marketing innovation in Kenya primarily focused on the effect the industry had from a social and economic fabric (Ngari & Muiruri, 2014). This study went a step further to analyze the impact marketing innovation had in the growth of the industry taking into consideration the rapid development in social technologies as well as changing consumer preferences.
The research presented herein borrows a leaf from the vast research conducted on international companies, both large and entrepreneurial, in the consideration of the impact that similar research would have on the local firms in the industry. Similarly, the research has given due consideration to authoritative voices in the profession of marketing, including Peter Drucker and Philip Kotler, and hence sought to apply the principles thereby established in order to demonstrate how marketing innovations have changed over the years as well as how companies can learn from the marketing innovations and be able to derive competitive advantages.

In other words, the fact that other firms have leveraged marketing innovations and succeeded in creating competitive advantage out of innovation, acts as a motivator in the pursuit of the current research which focused on the East Africa Breweries Limited (EABL) as the company of interest.

East African Breweries Limited (EABL) is East Africa's leading branded alcohol beverage business with an outstanding collection of brands that range from beer, spirits and adult nonalcoholic drinks (ANADs) reaffirming its standing as a total beverage alcohol (TBA) company. With breweries, distilleries, support industries and a distribution network across the region, the group's diversity was an important factor in delivering the highest quality brands to East African consumers and long-term value to East African investors. As a consumer driven business EABL takes time to study the market and understand consumer needs and wants as well as how best to satisfy them. This was the reason as to why the company increasingly innovated in the application of marketing strategies.

1.2 Statement of the Problem

There exists a research gap with regard to the understanding of how mature businesses can leverage marketing innovations to drive competitive advantages. Majority of the available research focused on marketing innovations currently applied by entrepreneurial startups (Brem, Maier & Wimschneider, 2016). However, there was little evidence from the large companies with respect to the application of marketing innovations as a source of competitive advantage. This implied that the large business organizations probably do not
consider marketing innovations as a source of competitive advantage. Instead, the large companies focus so much on financial strength and industrial experience than on the opportunities that general innovations offer to such companies. The persistence of this problem was an indication that the large businesses could be missing out on the unique marketing capabilities that come with market driving innovations as compared to market driven innovations as emphasized by many businesses (Ambala, 2014).

The research gap also exists specifically in Kenya’s FMCG sector. A quick review of research on marketing innovations indicates that while Kenya’s FMCG sector is a major sector in the economy there has been little to no research that specifically links marketing innovations and competitive advantage. Instead, majority of research focused on marketing strategies in general and in a few cases with a focus on the SMEs and the MSMEs in the country (Ambala, 2014). The research also fails to consider marketing innovations as a possible path towards market driving and sustainable competitive advantage and instead, follows the path of what strategies the SMEs and MSMEs can use to penetrate the market and compete effectively.

As this happened, there were highly innovative companies in Kenya that continued to push the boundaries of marketing innovations (Letangule, Letting & Nicholas, 2012). Focusing the research in this area therefore ensured that the research did not only address the impact of innovative marketing but also told the reader what strategies were prevalent as marketing innovations and how large and small businesses could employ these strategies. To some extent there was research on marketing innovations and competitive advantage in the financial and insurance sector (Ngari & Muiruri, 2014).

In a nutshell, the study sought to address the research gap on marketing innovations in the subject areas of large versus small businesses, the context of seeking short-term gains versus driving long-term sustainable competitive advantage and, marketing innovations in the context of bringing to light what it entails and how they can be applied, not for purposes of market-driven marketing initiatives, but for the purposes of market-driving marketing initiatives (Kiragu, 2014). The study sought to close the identified research gap as herein explained.
1.3 Purpose of the Study

The purpose of the research was to explore how best to leverage marketing innovation to drive competitive advantage within a consumer category in Kenya.

1.4 Research Questions

1.4.1 What are the short and long term effects/benefits of marketing innovations to organizations?
1.4.2 What are the challenges faced by organizations in marketing innovation?
1.4.3 What innovation strategies can be adopted by organizations in Kenya?

1.5 Significance of the Study

The research topic focused on a subject area that may interest a number of micro, small, medium, and large businesses in the country, summarily referred to as the business organizations. Other interest groups include the researchers and academicians, Fast Moving Consumer Goods [FMCG] industry and East Africa Breweries Limited.

1.5.1 Business Organizations

Focusing on the significance of the study to business organizations, this study sought to demonstrate how different marketing strategies and product innovations can enable a company attain sustainable competitive advantage as well as other vast returns for venturing into the innovative marketing space. Notably, the study emphasizes that the benefits of marketing innovations would be as important to large corporations as they are to micro, small, and medium-sized enterprises that have consistently shown results of employing innovative marketing strategies.

1.5.2 Fast Moving Consumer Goods (FMCG)

To the FMCG industry in Kenya, the research provides the basis and opportunity for organizations to leverage their product portfolio in pursuit of sustainable competitive
advantage in addition to other marketing goals such as sales, market share and return on investment among other short and medium-term goals of marketing innovations.

1.5.3 East Africa Breweries Limited

The study greatly impacts on the approach to marketing by East Africa Breweries Limited because the study it gauged the effectiveness of marketing innovations against the performance of the firm thereby revealing and explaining all underlying trends. The case study enables EABL to determine whether marketing innovations were a boon or bane for the business.

1.5.4 Researchers and Academicians

To the academia and professional community in marketing, the research expands on the currently available knowledge and information on marketing innovations as a source of competitive advantage. The research raises valid questions on how organizations approach creation of sustainable competitive advantage without considering marketing innovations. By responding to those questions the research provokes the academic community to focus on expanding the empirical evidence and for the marketing professionals and decision makers in the industry to implement strategies that deliver market-driving innovations that create a sustainable competitive advantage in market.

1.6 Scope of the Study

The scope of the study was limited within the confines of East Africa Breweries Limited [EABL]. The study was conducted on the marketing innovations periodically adopted by the company since January 2007. The rationale of electing the company was due to the fact that I, the researcher, had experience with the operations of the company and would like to actually be able to determine whether marketing innovations, if any, in the company had any impact on the performance of the alcoholic beverages industry. Furthermore, the facts that EABL is a leader in the industry as well as its regional and international reach were considered.
Other than the above, the study was limited to the study of marketing innovation as the only independent variable with the performance being the dependent variable. The parameters of measuring performance are defined elsewhere in the report. The importance of this definition of scope was to inform the reader that the study explained the impact of marketing innovations and not any other factor.

1.7 Definitions of Terms

1.7.1 Competitive Advantage

Competitive advantage is a condition or circumstance that puts a company in a favorable or superior business position. Michael Porter defined two ways in which an organization can achieve competitive advantage over its rivals (Porter, 2011). These include cost advantage and differentiation advantage. Cost advantage is when a business provides the same products and services as its competitors, albeit at a lesser cost. Differentiation advantage is when a business provides better products and services than its competitors. In Porter's view, strategic management should be concerned with building and sustaining competitive advantage (Porter, 2011).

1.7.2 Marketing

The term marketing has evolved over time. Marketing is more than promoting one’s product; it involves all activities from before you have developed your product through to after you have sold your product to the customer, allowing development of products that satisfy customer wants and needs as well as secure and retain customers for the long term. Kotler and Armstrong (2013) defines the term marketing as the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines measures and quantifies the size of the identified market and the profit potential (Kotler & Armstrong, 2013).
1.7.3 Innovation

Innovation can be defined as the process of implementing new ideas to create value for an organization. This may mean creating a new service, system, or process, or enhancing existing ones. Innovation can also take the form of discontinuing an inefficient or out-of-date service, system, or process (West & Bogers, 2014).

1.7.4 Marketing Innovation

Marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing with the objective of either solving an identified problem in or with the goal to attain competitive advantage or any other measure of performance (Kotler & Keller, 2006).

1.7.5 Leveraging

Leveraging is defined as using something to maximum advantage. For instance, an organization needs to leverage its key resources. More comprehensively, leveraging is defined as the ability to influence a system, or an environment, in a way that multiplies the outcome of one's efforts without a corresponding increase in the consumption of resources. In other words, leverage is the advantageous condition of having a relatively small amount of cost yield a relatively high level of returns (West & Bogers, 2014).

1.8 Chapter Summary

In summary, purpose of the research as highlighted was to explore how best to leverage marketing innovation to drive competitive advantage within the alcoholic beverages industry in Kenya. A case study on East Africa Breweries Limited was conducted. The completion of the study filled research gaps in the study of marketing innovations considering that this was an area that consistently received limited empirical attention. The chapter that follows, the study provides a review of both empirical and theoretical literature while chapter three discussed the research methodology. Chapters four and five broadly focus on results of the study as well as the discussion of findings, conclusions, and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

Literature review is the second chapter of the proposed study. The chapter focused on providing the review of both empirical and theoretical literature. The objective of literature review was to establish grounds upon which the proposed study was founded by looking into theories that address the problem under study as well as establishing what previous researchers found on the same topic. The chapter was organized into four main sections that include the review of theoretical literature, review of literature on short-term and long-term effects of marketing innovations, review of literature on challenges faced in marketing innovations, and review of literature on innovation strategies that can be adopted by organizations in Kenya.

2.2 Short-Term and Long-Term Effects of Marketing Innovations

2.2.1 Short-Term Effects of Marketing Innovations

The proposed study was anchored on the diffusion of marketing theory. Diffusion of marketing theory is one of the oldest social science theories. It sought to explain how, why, and at what rate new ideas and technology spread (Dibb & Carrigan, 2013). According to Everett Rogers (2003) who proposed the theory, diffusion refers to the process by which an innovation is communicated over time among the participants in a social system. Consequently, the theory can be used to demonstrate the evolution of marketing innovation from the short-term to the long-term.

Rogers (2003) explains that there are four main elements that influence the spread of a new idea. These include innovation, communication channels, time, and a social system. The process is heavily dependent on human capital. Rogers (2003) also emphasized that the innovation must be accepted and adopted widely or by the mass market in order for it to be self-sustaining. At some point in the rate of adoption, innovation reaches a critical mass
which is a sufficient number of adopters of an innovation in a social system and it was the basis of further growth.

The application of diffusion theory in marketing helped in explaining how the customers adopt new and innovative ideas and topics; at the same time, it provides a timeline for the adoption (Oldenburg & Glanz, 2008). It was important to note that the adoption and application of the theory to the case helped in explaining the adoption of new and innovative technologies with the assumption of attained critical mass (Straub, 2009). This implied that the strategies applied by the research subject were not just innovative marketing strategies but innovative strategies that were accepted by the critical mass and whose impact was felt both in the costs of marketing and advertising as well as the returns that a business makes out of the application of innovation in marketing strategies (Kukafka, Johnson, Linfante & Allegrante, 2003).

A marketing innovation refers to the implementation of a new marketing method involving significant changes in the product design or packaging, product placement, product promotion, or pricing. The definition of marketing innovations captures the four areas of innovation defined by the 4 P’s of marketing model (Kotler & Armstrong, 2013). The importance of this definition was in ensuring the reader was not transfixed to the definition of marketing innovations from the perspective of technological innovations. Rather, it led the reader to the aspect of changes that were significant and transformative of the marketing process as the critical components of marketing innovations of innovation of marketing strategies (Tanev, Thomsen & Ma, 2010).

The definition of marketing innovations points to four areas where the organization may focus the innovations. According to Bowonder, Dambal, Kumar, and Shirodkar (2017) marketing innovations provide an opportunity for the organization to develop competitive advantages. Competitive advantage refers to a condition or circumstance that puts a business in a favorable or superior position to that of the competing businesses.

Development of competitive advantages were noticeable both in the short-run and in the long-run. In the short-run marketing innovations created competitive advantages where a
company leads innovation in the industry such that it forces the competitors to match its pace in innovations by copying, mimicking and replicating the innovations in the industry. Being in such a position helped the company in three ways that include exciting the customers, outperforming competitors, and building new product portfolio (Bownder et al 2017).

2.2.2 Long-Term Effects of Marketing Innovations

The long-run is characterized by an unpredictable business environment. In this environment the business faces challenges and a requirement to continually innovate in order to remain ahead of competition or even to retain its market share. During this period other businesses replicate and mimic the innovations of the company thereby venturing in the company’s areas of competitive advantage (Amiri, NShirkavand, Chalak & Rezaeei, 2017). In order to deal with the challenges of innovating and remaining relevant in the long-term business environment the business was required to continually innovate and to ensure that all new ideas were quickly diffused into the market such that the company reports consistent results in being ahead of competition based on the benefits derived from sustainable marketing innovations. This is how companies gain market leadership and according to Bownder et al. (2017) it is through strategic market innovations that 100 leading global companies dominate their markets and outperform the competition through innovation.

Bownder et al. (2017) asserted that short-term benefits of marketing innovations should only be incidental on the strategic marketing innovations of the firm. The bases of the assertion were the view that it is the long-term strategic goals that should drive the marketing innovations and not the short-term goals. In any case, the short-term goals and hence short-term gains should present the image of the long-term goals of the firm. Notably, it is the strategic goal of the firm that is split to multiple tactical and operational goals of the firm. In a similar way, long-term competitive advantage manifests firstly through multiple short-term goals and gains. These show whether the firm is moving towards its short-term goals.

The sections above focused more on creation of long-term competitive advantage. However, marketing innovations do not only lead to development of competitive advantages in the long-run but also the long-term performance of the firm. Tavassolli and Karlsson (2015)
addressed marketing innovations from the aspect of firm’s performance. Particularly, the authors referenced labor productivity as the critical measure of the firm’s performance. Tavassolli and Karlsson (2015) tracked the behavior of firms over a period of ten years between 2002 and 2012. The study differentiated between simple innovation strategies and complex innovation strategies. The study indicated that an innovation strategy is simple if it is merely focused on the product, process, marketing, and organizational innovations. On the other hand, the organization engages in complex innovation strategies when it balanced between technological innovations involving product and process and the non-technological innovations including organizational and marketing innovations. These considerations were important to the business since they were instrumental in informing the marketing innovations that a business would consider and in determining whether they were complex or simple. It was important to note that simplicity in marketing innovations would be synonymous with the derivation of short-term benefits while complexity in marketing innovations would result in long-term strategies that were more difficult to replicate and as a result, the business would be able to reap long-term benefits from the marketing process.

The long-term implication of marketing innovations on small businesses was well hypothesized and studied by Soltani, Azadi, Hosseini, Witlox, and Passel (2015). The researchers studied the rural small food industries in Iran where the findings established that the long-term success of the small business would be fully determined by the innovations that the company applies. These strategies enable the businesses compete with the larger firms and encroach on their market share not by replicating ideas but through innovations. Consequently, the analysis asserted that marketing innovations were important for company and product growth in the markets. This assertion follows the argument that large businesses would also benefit from the marketing innovations. The only challenge was that the large businesses often focus a lot on the product instead of focusing on the wider scope of services and solutions to some of the pressing issues faced by the businesses (Soltani, Azadi, Hosseini, Witlox, & Passel, 2015).

Applying the case of small businesses to a company such as East Africa Breweries, the use of marketing innovations can focus on a single product or a few products where the firm considered that it would be able to derive value and competitive advantages as opposed to
applying a blanket approach to marketing strategies (Soltani, Azadi, Hosseini, Witlox, & Passel, 2015). In essence, the article favored the use of discriminative marketing strategies with emphasis on products in which the company believed it would derive the most value and the highest competitive advantage. These considerations ensured that marketing innovations were informed by the need to respond to a challenge or a problem in the big organization thereby explaining the process of value creation in innovative marketing strategies.

Soltani, Azadi, Hosseini, Witlox and Passel (2015) posited long-term performance of a firm depended not only on marketing innovations but on innovation in general. The researchers indicated that a business has to focus marketing innovations on innovative products. They established interdependence between marketing innovations and product or service innovations. In the words of the researchers, a marketing innovation would only be as visible as the product behind it. Besides, in the end the firm seeks to sell a product or a service where the marketing innovations was just a tool to drive the product of service to the market. The researchers emphasized that a bad product in an innovative marketing strategy would not be any different from an innovative product in a poor marketing strategy whether in the short-term or in the long-term because in both cases the firm faces failure and poor performance. Marketing innovations should thus be treated with equal importance as product innovations.

In summarizing this section, researchers established a consensus on the impact of marketing innovations in the long-term where marketing innovations were considered from a strategic perspective and not an operational perspective. The review of literature also established that while marketing innovations were different from product innovations, they were given varied attention and marketing innovations were under-resourced. This created the need to understand how marketing innovations were applied and handled to drive long-term competitive advantage and performance.
2.3 Challenges Faced in Marketing Innovations

2.3.1 Short-term Challenges faced in Marketing Innovations

Innovations were born out of challenges or rather innovations were as a result of attempts to find solutions to prevailing problems in the society in consideration. However, there were also many challenges in the process of marketing innovations. To start with there was the challenge of innovations failing to reach the critical masses (Hurley & Hult, 1998). This implied that the innovations though off the ground may never get to the mass market and were thus discarded in early stages of development and adoption. This challenge was common in marketing innovations where key players voted on the innovation and select one that they considered the perfect reflection of the business environment in the organization and one that would lead to the resolution of prevailing business challenges.

Another challenge linked to the user experience aspect of marketing. According to research, many businesses produce a product without initially considering the aspect of customer or user experience (Bownder et al, 2017). Consequently, when such a product hits the market it hardly generates any sales and the simplest explanation to this was the fact that the business failed to consider the user experience or rather the core factors that interest the customers. As an implication, the product flops.

Marketing innovations were not any different from product innovations and developments (Hurley & Hult, 1998). This was because the innovation process followed the same logic as product innovation. In particular, a marketing innovation should be designed with the interests of the audience in mind. This would ensure that the marketing strategy and campaign were well-received by the market and as a result the innovation gained the required critical mass. However, failure to address this challenge was likely to result in challenges for the business and especially in link to acceptance by the target audience (Hurley & Hult, 1998).

Research indicates that despite the many challenges that marketing innovations and strategies go through, the business may consider the application of user experience research to deal with some of the problem of short-term challenges to marketing innovations. Before an
advert is rolled out to the public, the advertiser ought to get an opinion on how the market feels about the advert. It is of paramount importance to ensure that the organization tests the innovation in the real world.

The strategy of using strategy to deal with challenges in marketing innovations has been successfully applied in other areas of study including in testing the efficacy and effectiveness of a product on the need that it is supposed to meet. However, there were many businesses that fail to consider the fact that a simple survey may be the only thing required to mark the difference between success in marketing innovations and failure of the same.

The challenges presented above consider the challenges in marketing innovations from the perspective of acceptance by the marketing or target audience for the changes. However, there was another challenge faced mainly by large corporations that are highly mechanistic. In such organizations, the need to have an innovation approved at different levels of the organization means that an innovation may be bypassed or even expire before it is approved (Pisano, 2015). This challenge was an important consideration for the innovators who experience resistance to change through the installation of long and hierarchical processes of having an innovation to be considered for investment. Such challenges are best dealt with through continuous lobbying and ensuring change in structures in the organization to allow and encourage more innovative endeavors in the organization (Pisano, 2015). Ideally, innovation thrives in an environment of high fluidity and where the members of the organization are allowed to express their ideas and hence be innovative.

Njeru (2012) studied the challenges facing innovation strategy implementation at Equity Bank. The researcher indicated that new ideas, practices, and technologies are always faced with uncertainty and skepticism especially from the employees. Consequently, the management faces the challenge of ensuring that organization members accept the innovation. Other challenges include inadequate communication, inadequate market-focused learning capability, the scale of entrepreneurship, lack of resources, and the type of leadership in the organization. Njeru (2012) also indicated that the identified challenges were not unique to Equity bank or even the banking sector. Rather, these would be considered as generic challenges facing innovation efforts. Consequently, analysis avers that these
challenges would also be identified in the case of innovation in marketing strategies. The author recommended that in the consideration of innovations, the organization should be strategic rather than tactical. The importance was that the marketing innovations and all other innovations in the organization are presented with a focus on the long-term impact on the business. According to Aeker (2011) in an article published in the Harvard Business Review, the fluid nature of innovations makes most of the more tactical than operational especially where innovations are quickly phased out. Taking the example of Coca Cola’s marketing innovations, the company noted that the reason why advertising costs were its greatest expenditure was because the company’s marketing innovations are quickly phased out new developments and marketing strategies.

2.3.2 Long-term Challenges Faced in Marketing Innovations

Long-term challenges in marketing innovations are basically questions on the long-term marketing strategies adopted by a firm. Aeker (2011) averred that marketing innovations may not be successful if the company only changes its marketing strategies or promotion strategies but fails to innovate and deliver product innovation. The author indicated that marketing innovations would only be relevant to the organization and would succeed in the marketplace only if marketing can influence or deliver real offering innovation. Aeker (2011) believed that the customers needed to feel that there was some level of change in the product and not just in the marketing strategies. The author noted that an old product was likely to regain a market share if the marketers used a strategy that painted the product as new and improved rather than plainly offering the product in its old form. Notably, the innovations may have only touched on the packaging of the product and the delivery mechanism yet this would still count as an innovation on the product thereby attracting more customers. There were many enterprises and businesses that failed to consider this aspect of marketing innovations thereby failing on delivering in the marketplace even after the supposed marketing innovations and the investment therein.

Marketing is a core function in every business. However, marketing innovations hardly get a chance at the strategic management table because they are often treated as a back office issue in the organization whereby the marketing department is given goals and targets and they are
supposed to determine how the to attain the targets. The importance of this perspective indicates what and who drives innovation in the organization. The challenge however, is that the marketing department may not have enough budgetary allocation for market innovations if it is not well represented on the strategic table. As an implication, the greatest challenge to marketing innovations is the provision for finances for marketing innovations. This allocation makes the difference between businesses that have highly innovative marketing strategies and those that hardly innovate. Pisano (2015) asserted the need for proper budgetary allocations to marketing innovations in an article titled You Need an Innovation Strategy, a title that emphasized the need for marketing innovations position in the strategic discussions in the organization.

Kim & Mauborgne (2014) in the title Blue Ocean Strategy asserted that failing to match marketing strategies to customer expectations and perceptions may be the greatest challenge to marketing innovations. For instance, when the discussion in the business environment is about sustainability then the business must derive a marketing strategy that is around sustainability. If the trend in the industry is about going green then the organization must be believed to be meeting the same expectations. These expectations in the market change with time and as a result, there was the need for the organization to ensure the marketing strategy and innovation is relevant to the context of the time as it is this aspect that drives the business success. The blue ocean strategy emphasizes on the need for the strategy to ensure that he business finds a niche in an environment of stiff competition and the need to meet the expectations of the customers while at the same time gaining control of the marketplace. The business must hence ensure that the goals are pursued together in order to succeed in marketing (Kim & Mauborgne, 2014).

A study of marketing strategies and innovations across the world indicates that marketing processes are broadly the same across the world. Consequently, challenges faced by marketers in a highly innovative firm such as Coca Cola which is the greatest spender on marketing and a smaller firm in Kenya are the same. The only difference is in regard to how these business seek to handle challenges. In corporations such as Coca Cola, research marks the beginning and the end of all marketing innovations such that the business allocates ample budget to research endeavors geared to the understanding of how certain advertisements
would make the customers feel and how the customers are likely to respond to marketing strategies (Aeker, 2011). A quick review of the strategy by Coca Cola indicates that before a marketing campaign can begin the company engages many clients with attempts to gain the reaction to the campaigns. The impact is what then drives the marketing innovations. Research indicates that in every one hundred marketing ideas at Coca Cola only less than five percent end up in advertisements since after every campaign is tested through surveys only the advert with the greatest impact is presented to the customers through advertising (Aeker, 2011).

The Kenyan context of marketing innovations was different from that applied by global corporations such as Coca Cola (Aeker, 2011). This was because in a market where there were dominant firms such as East Africa Breweries Limited and Safaricom Limited, among others, there was more concentration on the brand rather than what the customers considered to be the key driver of value. Consequently, the dominant firms got away with scrutiny in marketing innovations but in the long-run, the differences in the impact made by marketing innovations were felt through the sales and market share changes recorded by the firm. In particular, this perspective asserts that dominance among the leading firms in the market may be considered as a key hindrance to marketing innovations (Aeker, 2011). In such cases the innovation on the product may be defined as a marketing innovation while it would pass as a product innovation in a global context. These considerations are important to the business as they provide for the distinction between success and failure in the business especially if the competitive environment dynamics are altered.

In summarizing this section, the analysis considered that there were many challenges facing marketing innovations. Dominance of firms in a market was by itself a challenge. Lack of market testing of ideas or rather lack of impact research was another challenge facing marketing innovations. The greatest challenges however were concerned with budgetary allocation and finding a position for marketing innovations at the strategic decision-making table in the business. These and other challenges identified in the review of literature were addressed in the research.
2.4 Marketing Innovation strategies that can be adopted by organizations in Kenya

2.4.1 Innovation Leadership

Collins (2001) in the title *Good to Great: Why Some Companies Make the Leap and Others Don't* established grounds upon which a business attains greatness. By addressing the characteristics of high successful business the author provided ground upon which the strategies of a business should be founded. These include having humble leadership, taking a lot of interest in the “who” aspect of business that include the people resources including both the employees and the customers before focusing on the “what” aspect of the business, and confrontation of facts about your business especially with reference to strategies and decisions that failed. The analysis considered that these three characteristics are some of the most important considerations in making successful marketing strategies in a company (Collins, 2001).

Marketing innovations are driven by good leadership in the organization. Leadership must encourage the new ideas. The importance of leadership in marketing strategies and innovations is based on the fact that innovations are built on ideas and no one single person has autonomy on ideas. Consequently humble and approachable character in leadership ensured that the employees, even the junior employees were able to approach the leadership with ideas. Notably, this meant that there were many ideas that were rejected with reasons. However, it also ensured that the employees in the organization were able to present their voices on what ideas a business would adopt.

Many marketing campaigns across the world ride on prevailing events across the world (Aeker, 2011). This has been necessitated by the fact that events are quickly carried through the internet through hashtags on social media and discussions in the media. By riding on current events, the businesses are able to attract what would be considered as free airtime. The only challenge is that the businesses lack autonomy even if they are mentioned in a hashtag or two. However, this helped the businesses in remaining active and alive to the customers. Though simplistic, the process of riding on the current events ensured that a business is also aware of those things that matter to the business. Riding on events is
however only important and impactful if it has a perspective that the business can take advantage of (Aeker, 2011).

Taking advantage of world events such as sporting events requires many firms to innovatively use the opportunity to drive marketing innovations. The need for marketing innovations during such periods results from the observed rise in advertising costs across many platforms especially due to competition for airtime during such events (Aeker, 2011). Mostly the smaller firms are crowded out on the marketing spaces and airtime during such times yet it is during such times when the greatest opportunities for advertisements are needed. To deal with such a competitive environment it becomes critical that the marketing organizations and business firms choose new avenues for marketing and advertisements. The channels chosen during such times have often become some of the most innovative marketing solutions across board (Aeker, 2011).

Keeping up with the competition was considered another approach to successful marketing innovations. This perspective was based on the fact that by addressing the gaps that were not filled by the competition while at the same time improving the current strategies ensured that the business controls its market share while at the same time encroaches on the competition. However, this strategy is only important to business environments where there was weak form competition in the market and where a firm may consider itself nearly dominant with no strong need for innovation (Hult, Hurley & Knight, 2004). However, in profitable industries dominance is hardly sustained unless there was real and tangible improvement in the marketing strategies through innovation.

Dominant or large corporations are required to lead innovations across the world and thereby be able to maintain market leadership. According to research by Hurley and Hult (1998) the large corporations innovate majorly through organization learning. Organizational learning refers to the process of creating, retaining, and transferring knowledge within an organization. According to Hurley and Hult (1998) developing innovations through organizational learning ensured that an organization developed knowledge on what impacts the customers positively and how best the organization can ensure that it delivers to the customers. For instance, an organization is able to determine how well previous marketing
strategies worked as well as the areas of failure in the marketing strategies. The implications are that by continuously innovating to addressing the failure the company records continued improvements in innovations. Consequently, organizational learning becomes the best grounds for innovation in the organization.

2.4.2 Organizational Learning and Knowledge Management

The importance of organizational learning as an approach to marketing innovations is well expressed in the marketing approaches adopted by global corporations that probably had no comparable firms in the process of global expansion (Aeker, 2011). Research indicates that such organizations were forced to innovate to not only meet the interests of customers in the nations of origin but also to meet expectations of customers from different cultural extractions. Through learning, the organizations mastered the art of ensuring that the interests of every group of customers are addressed separate from those of other groups in the appreciation of the fact that different factors appeal to different communities and groups of customers. This strategy is best demonstrated by Coca Cola across the world whereby the company may be sending the same message to all customers globally but it makes adjustments to fit the customers in different market segments.

The evolution of marketing innovations has for the most part been driven by technological innovations. In particular, the marketing environment has changed with the changes in technology such that at one point in time there was only the level of marketing innovations in which only newspapers and brochures were used. In the information age marketing innovations entail use of social media platforms, YouTube, podcasts, websites and other technologically driven channels of relaying the message (Gupta & Malhotra, 2017). The cost of marketing has consistently been pushed down while the numbers reached by the message increase. The greatest impact however has been on the manner in which the companies relay their information. In particular, the analysis considered that marketing innovations in the modern age were not defined from the perspective of technologies used in marketing but in the packaging of the message. The implications are that innovations in marketing are quickly focusing on the people and organization of resources in the organization as opposed to the previous approaches where channels carried a lot of weight. Noticeably, one message can be
sent through all channels of communication and this explains the choice of marketing innovations and strategies. This perspective was upheld by Gupta and Malhotra (2017) in their article titled *Marketing Innovation: A Resource-based View of International and Local Firms*.

Organizations have the opportunity to track the marketing innovations over their life to determine the areas of success and hence drive knowledge on what strategies work for each and every organization as well as industry. This was the basis of making innovations knowledge-centric thereby influencing how organizations select strategies for effective attainment of organizational goals. The businesses are able to determine which strategies worked in the past and those that did not, they are able to track the market effect of every strategy, and they are also able to determine the costs and resources associated with every strategy. All the variables has been proven to help in the improvement of marketing decisions, strategies, and innovations considered by organizations across the world. Most important, there were marketing innovations experts including Jim Collins (2001) of *Good to Great* and Kim and Mauborgne (2014) of *Blue Ocean Strategy* who widely studied the resource-based perspective to marketing innovations thereby providing key recommendations on how to improve decision-making in marketing outside the ordinary decisions of the promotion channels and other such decisions in the organization.

Advances in technology create opportunity for organizations. Unlike in the past where organizations fully dependent on limited information for organizational learning, the organizations can now access information that drives organizational learning. Through technology it has become easier to collect data about products, marketing innovations, and on all key market indicators. Organizations can utilize the information to drive marketing innovations, competitive advantage, and performance in ways that older organizations could not. Kim and Mauborgne (2014) asserted that new technologies offered a paradigm shift in how organizations consumed data and that the future of every industry would be as good as the consumption of data and innovation in the industry.

In summary, business firms can and should leverage organizational learning to drive marketing innovations. Organizational learning must not be from the history of the firm but
also from the current interaction with the market and data. By supporting organizational learning the businesses would find new opportunities for growth, in addition to the use of data drive competitive advantage. Based on the findings from the review of literature, the study considered it important to focus on whether the FMCG industry in Kenya considered organizational learning aspects as drivers of marketing innovations.

2.5 Chapter Summary

In summary, Chapter Two of the study provides the review of both theoretical and empirical review of literature. The study considered diffusion of marketing theory which explains the diffusion of innovations and how they impact a business organization. The review indicates that the marketing strategies and decisions adopted by corporations do no vary with region. Rather, the strategies and decisions are adopted based on the industry-specific factors including the competitive environment. The literature also revealed that there was the need to consistently pursue knowledge-centric and resource-based approaches to marketing innovations that are informed by research and it is on these grounds that the current research was founded. Chapter Three of the study focused on the research methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

Chapter Three of the study deliberated on the research methodology. The content in this chapter fell under various titles that included research design, population and sampling, data analysis methods, and research procedures. The research methodology in its entirety was structured to meet the objective of the research which was to explore how best to leverage marketing innovation to drive competitive advantage within a consumer category in Kenya; with specific emphasis on East Africa Breweries Limited.

3.2 Research Design

By design, the research was a mixed methods study that included both qualitative and quantitative traits. Qualitative research is primarily exploratory research (Creswell, 2013). It is used to gain an understanding of underlying reasons, opinions, and motivations. It provides insights into the problem or helped to develop ideas or hypotheses for potential quantitative analysis.

The application of a qualitative approach to the current study was informed by the fact that innovations are qualitative in nature and not quantitative, even though they have a quantitative phase that could be expressed in terms of cost savings for the advertising and marketing business entity as well as the impact on sales of the organizations. Innovations are about ideas, perceptions and opinions that cannot be expressed quantitatively (Creswell, 2013).

The research applied a case study design and approach. Case study is empirical inquiry that investigates a contemporary phenomenon within its real-life context, where the boundaries between phenomenon and context are not clearly evident, and in which multiple sources of evidence are used (Creswell, 2013). The real-life context in this consideration was the context in which innovations took place at the EABL. A case study about EABL provided
information that was more important to the company than to any other firm within the larger FMCG industry. However, the fact that many companies in the FMCG sector were going through the same phases in technological innovations meant that the findings could be actively applied to other sectors.

3.3 Population and Sampling Design

3.3.1 Population

In research and statistics, a population is defined as a complete set of elements, persons or objects that possess some common characteristic defined by the sampling criteria established by the researcher (Creswell, 2013). Population in a study is often defined from one of two perspectives that include target population and the accessible population. A target population refers to the entire group of people, objects, or elements of study and for which the researchers intends to generalize study findings (Creswell, 2013).

Banerjee (2010) in an article titled Statistics without Tears: Populations and Samples indicated that as opposed to descriptive studies where a study population is defined and then observations are made on a representative sample from it, in case control studies observations are made on a group of patients. This is known as the study group, which usually is not selected by sampling of a defined larger group. Further, Turner (2013) asserted that the general population of interest in a particular case differed from other general populations defined in other ways.

The population of research in this study took into account the 77 people involved in marketing innovations at EABL. Marketing innovations were accorded a multi-disciplinary and multi-departmental approach at EABL drawing on six core departments that included brand marketing, customer marketing, innovation, finance, supply, and sales departments. The population of those involved in critical decision-making on marketing innovations was as provided in Table 3.1.
Table 3.1: Population

<table>
<thead>
<tr>
<th>Department</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Marketing</td>
<td>12</td>
<td>15.6%</td>
</tr>
<tr>
<td>Customer Marketing</td>
<td>15</td>
<td>19.5%</td>
</tr>
<tr>
<td>Finance</td>
<td>3</td>
<td>3.9%</td>
</tr>
<tr>
<td>Innovations</td>
<td>4</td>
<td>5.2%</td>
</tr>
<tr>
<td>Sales</td>
<td>40</td>
<td>51.9%</td>
</tr>
<tr>
<td>Supply</td>
<td>3</td>
<td>3.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>77</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Source: EABL (2018)

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Sampling is a term in statistics used to refer to the methods used by researchers in determining the number of respondents or objects that participate in a study (Cresswell, 2013). The sampling approach must ensure that the sample selected in the study is both representative of the population and that it is adequate for making statistical conclusions (Zikmund et al., 2013). The current study is purely a case study focusing on one firm. The sampling frame is the population involved in marketing innovations as defined in the population Table 3.1 above.

3.3.2.2 Sampling Techniques

The two sampling techniques selected for the study include purposeful sampling and simple random sampling. Purposeful sampling focused specifically on the study group as defined by Banarjee (2010). In this case, the study group included only those employees who were involved in marketing innovations at EABL as at the time of the research. Purposeful sampling approach is a non-probabilistic sampling technique.

The second technique applied in the research was simple random sampling. Simple random sampling approach assigns equal probability to all objects in the population of study, for
inclusion in the research (Creswell, 2013). The simple random sampling as applied in this 
research entailed sending out the data-collection tool to all persons involved in marketing 
innovations and accepting responses randomly until the sample size was attained. The 
approach ensured that the research process was objective.

3.3.2.3 Sample Size

A sample is a smaller group obtained from the accessible population (Bryman & Bell, 2015). It is a subset of the population and consequently, should be representative of the population 
under research (Creswell, 2014). Cochran's Sample Size Formula was used in determining 
the appropriate sample size for the research (Bryman & Bell, 2015). The formula allowed the 
researcher to calculate an ideal sample size given a desired level of precision, desired 
confidence level, and the estimated proportion of the attribute present in the population.

\[ n_0 = \frac{Z^2pq}{e^2} \]

Where \( e \) was the desired level of precision, \( p \) was the (estimated) proportion of the 
population which in support of marketing innovations as a source of competitive advantage, 
\( q \) as the proportion of the population which did not consider marketing innovations as a 
source of competitive advantage and was equal to \( 1 - p \). The study assumed that the 
proportion of those who supported marketing innovations as a source of competitive 
advantage was equal to the proportion of the population that did not consider marketing 
innovation as a source of competitive advantage.

With a known population of 77, the study applied the modified Cochran formula to 
determine the actual subset of the population that would be studied.

\[ n = \frac{n_0}{1 + \frac{(n_0 - 1)}{N}} \]
Where \( n_0 \) was Cochran’s sample size recommendation (385), \( N \) was the population size (77), and \( n \) was the new, adjusted sample size.

\[
385 / (1 + 384/77) = 60
\]

The adjusted sample size was therefore 60 research participants who were involved in marketing innovations at the time of the research.

Table 3.2: Sample Size Distribution

<table>
<thead>
<tr>
<th>Department</th>
<th>Sample</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Marketing</td>
<td>9</td>
<td>15.0%</td>
</tr>
<tr>
<td>Customer Marketing</td>
<td>12</td>
<td>20.0%</td>
</tr>
<tr>
<td>Finance</td>
<td>2</td>
<td>3.3%</td>
</tr>
<tr>
<td>Innovations</td>
<td>3</td>
<td>5.0%</td>
</tr>
<tr>
<td>Sales</td>
<td>31</td>
<td>51.7%</td>
</tr>
<tr>
<td>Supply</td>
<td>2</td>
<td>3.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

Data was collected from the marketing innovations team of East Africa Breweries Limited. The data was collected through a questionnaire that was administered electronically through email. The tool was sent to all members of the company involved in marketing innovations with a cover letter that explained the purpose of the questionnaire.

The study collected primary data on the perceptions, views, and opinions of the marketing innovations teams at East Africa Breweries Limited. The data collection tool was fully structured. It contained four sections that included general information in Part A, benefits of marketing innovations to organizations in Part B, challenges of marketing innovations to organizations in Part C, and adoption of innovation strategies in organizations in Part D.

Respondents gave responses on a Likert scale. The application of the Likert scale was informed by the objectives of the study and it was used to simplify the process of data
analysis while at the same time ensuring that the study met the research purpose and that it answered the defined research questions.

3.5 Research Procedures

Research procedures included the preparation of the data collection tool, pretesting of the data collection tool, and administration of the tool. On preparation, the data collection was submitted to the research supervisor for corrections, adjustments, and approval. After adjustments the tool was pretested with 11 participants at the pretesting stage. Pretesting was done using Cronbach Alpha and an alpha value of 0.817 was obtained as shown in table 3.3.

Table 3.3: Reliability Statistics

<table>
<thead>
<tr>
<th>Cronbach's Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.817</td>
<td>26</td>
</tr>
</tbody>
</table>

The acceptable Cronbach alpha allowed the research to proceed to the tool administration stage where the tool was coded into an electronic format and sent out to the participants through email. To ensure a high response rate, the researcher called the participants and shared the tool through WhatsApp for ease of execution. The researcher explained the importance of the study to all would-be participants. The researcher’s close work and personal relationships with most of the would-be respondents aided in driving participation in the research.

3.6 Data Analysis Methods

After data collection the questions and responses were coded into SPSS and a code book obtained ready for data analysis. The data was analyzed quantitatively. In the analysis, the data was organized into key thematic areas informed by the research questions. The rationale in the organization of data was to ensure that the research adequately responded to all research questions introduced in Chapter One of the research and discussed consistently in the document.
Data was analyzed using descriptive statistics and, Chi-square test and ANOVA whose f-statistics were used for inferential statistics. Data and research findings were presented in tables and figures. Cross tabulation of related themes ensured holistic understanding of the views, opinions, and perceptions of the participants towards marketing innovations, the challenges to marketing innovations, and the strategies.

3.7 Chapter Summary

In summary, Chapter Three of the study provided the research methodology. The study applied mixed methods and case study research designs. From a population of 77, a sample size of 60 participants was targeted using Cochran formula. A questionnaire was administered through email and at the close of the data collection the research obtained 54 responses at 90% response rate. The next chapter, Chapter Four, provides the results and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

Chapter Four provided results and findings of the study whose purpose was to explore how best to leverage marketing innovation to drive competitive advantage within the alcoholic drinks market in Kenya. The research was guided by three questions focusing on the short and long term effects/benefits of marketing innovations to organizations, the challenges faced by organizations in marketing innovation, and the innovation strategies that could be adopted by organizations in Kenya.

4.2 General Findings

4.2.1 Response Rate

Data was collected from a sample of 54 research participants. The response rate was recorded at 90%. The study targeted a population of 80 key players in marketing innovations in the organization of study from which the computed sample size, using Cochran’s formula, was 60 respondents.

4.2.2 Respondents Gender

The sample size comprised 68.5% male participants and 31.5% female. The statistics were as shown in Table 4.1.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>37</td>
<td>68.5</td>
</tr>
<tr>
<td>Female</td>
<td>17</td>
<td>31.5</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.2.3 Respondents Department

The targeted participants were from 6 core departments of the organization in the case study. The departments included brand marketing which attracted 14.8% of the participants, customer marketing with 18.5%, innovation with 7.4%, supply with 1.9%, and sales which had the greatest contribution to the research at 57.4%. While the research considered that contributions from the finance department would be essential, there were no willing participants from the department. Notably, the data collection was sent to members from all the six departments. Table 4.2 provides the summary of the participants by department.

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Marketing</td>
<td>8</td>
<td>14.8</td>
</tr>
<tr>
<td>Customer Marketing</td>
<td>10</td>
<td>18.5</td>
</tr>
<tr>
<td>Innovation</td>
<td>4</td>
<td>7.4</td>
</tr>
<tr>
<td>Supply</td>
<td>1</td>
<td>1.9</td>
</tr>
<tr>
<td>Sales</td>
<td>31</td>
<td>57.4</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.2.4 Respondents Experience

The study also considered the experience of the participants an important factor in explaining knowledgeability and experience on the importance and impact of marketing innovations. Data from the case study demonstrated that majority of the participants at 48.1% had more than 5 years of experience working with the organization in the case study. With majority of the participants having worked the organization for more than four years, the study considered that the findings would be accorded a high level of validity. Figure 4.1 below summarizes the experience of the participants.
Figure 4.1: Respondents’ Experience

The study sought to explain whether the participants had been involved in any marketing innovations while in the organization. A total of 83.3% of the participants indicated that they had been involved in at least one marketing innovations project in the organization. The finding is important in demonstrating that those who participated in the study had hands-on experience in marketing innovations in that they had been involved in the innovations at least once. Table 4.3 demonstrates the distribution of the number of projects that the participants had been involved in during their tenure in the organization.
Table 4.3: Involvement in Marketing Innovation Projects

<table>
<thead>
<tr>
<th>Have you been involved in any marketing innovation project during your tenure in the organization?</th>
<th>If YES, how many marketing innovations project have you been involved in during your work tenure?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1-2</td>
<td>3-4</td>
</tr>
<tr>
<td>14</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>No</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>22</td>
<td>19</td>
</tr>
</tbody>
</table>

4.3 Short-Term and Long-Term Effects of Marketing Innovations

4.3.1 Competitive Advantage
This section presents findings on the short-term and long-term effects of marketing innovations on the organization. Core factors considered in the analysis included performance and competitive advantage.

Marketing innovations lead to improved business performance both in the short-term and in the long-term. As demonstrated in the cross tabulated data in table 4.5, 18.5% of the research participants strongly agreed that marketing innovations lead to improved business performance in the short-term and in the long-term. All research participants were affirmative of the view that marketing innovations lead to improved business performance in the long-run; there was no participant who considered that marketing innovations do not lead to improved business performance in the long-term.

Focusing on short term business performance, 9.3% of the participants considered that marketing innovations did not lead to improved performance. Contrasted with the views on
long-term performance, the findings demonstrated that marketing innovation strategies must focus on the long-term and in the process, short-term benefits may be realized. Table 4.5 demonstrates the views of the respondents on impact of marketing innovations on business performance.

**Table 4.4: Improvement in Business Performance**

<table>
<thead>
<tr>
<th>Marketing innovations leads to improved business performance in the short-term.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>Marketing innovations leads to improved business performance in the long-run.</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>27.8%</td>
</tr>
</tbody>
</table>

**4.3.2 Performance**

The study also sought to determine the impact of marketing innovations on competitive advantage both in the short-term and in the long-term. A total of 33.3% of the participants strongly agreed that marketing innovations significantly contribute to an organization’s acquiring competitive advantage in the market both in the short-term and in the short-term. The data also showed that 72.2% of all participants strongly agreed that marketing innovations significantly contribute to an organization’s acquiring competitive advantage in the long-term with another 24.1% agree with the same position. This left only 3.7% who did not feel that marketing innovations were important to an organization’s long-term competitive advantage.

Compared to long-term competitive advantage, 38.9% of the participants strongly agreed that marketing innovations significantly contribute to an organization’s acquiring competitive
advantage in the market both in the short-term with an additional 53.7% agreeing with the same position. It then follows that marketing innovations as a strategy to acquisition of competitive advantage must have a long-term focus with short-term impact being incidental. The chart and figure below demonstrate the findings of the study on marketing innovations and competitive advantage.

**Table 4.5: Acquiring Competitive Advantage**

<table>
<thead>
<tr>
<th>Marketing innovations significantly contribute to an organization’s acquiring competitive advantage in the market in the long-term.</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing innovations significantly contribute to an organization’s acquiring competitive advantage in the market in the short-term.</td>
<td>18</td>
<td>3</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>33.3%</td>
<td>5.6%</td>
<td>0.0%</td>
<td>38.9%</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>9</td>
<td>2</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>33.3%</td>
<td>16.7%</td>
<td>3.7%</td>
<td>53.7%</td>
</tr>
<tr>
<td>Total</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>5.6%</td>
<td>1.9%</td>
<td>0.0%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Total</td>
<td>39</td>
<td>13</td>
<td>2</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>72.2%</td>
<td>24.1%</td>
<td>3.7%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

A major concern in the consideration of marketing innovations is the level of complexity of the innovations. Complexity of an innovation determines the extent to which competitors can copy or mimic the innovation. Based on the popular position about complexity, the study considered whether the level of complexity determined success or failure in the market both in the short-term and in the long-term.

Complex marketing innovations that are hard to copy and which present high barriers to entry, were found to have a significant impact on an organization’s success or failure in the market. This was interpreted to mean that organizations with complex marketing innovations
that are hard to copy are likely to succeed more in the market than those organizations whose marketing innovations are less complex and easily copied. The table and chart below demonstrate the findings of the study on the impact of level of complexity on the marketing failure or success.

**Table 4.6: Complexity of Marketing Innovations**

<table>
<thead>
<tr>
<th>The level of complexity of a marketing innovation determines its success or failure in the market in the long-term.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>Agree</td>
</tr>
<tr>
<td>The level of complexity of a marketing innovation determines its success or failure in the market in the short-term.</td>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>12</td>
</tr>
<tr>
<td>Agree</td>
<td>22.2%</td>
</tr>
<tr>
<td>Agree</td>
<td>5</td>
</tr>
<tr>
<td>9.3%</td>
<td>25.9%</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
</tr>
<tr>
<td>3.7%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>0</td>
</tr>
<tr>
<td>0.0%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Total</td>
<td>19</td>
</tr>
<tr>
<td>35.2%</td>
<td>37.0%</td>
</tr>
</tbody>
</table>

At times, marketing innovations are equated to product innovations even though the two are different. Consequently, we considered whether mass adoption of a product and/or service determines the success of an innovation. Mass adoption was found to play a critical role in the success of marketing innovations especially when considering that mass adoption also influences investments in innovations. Table 4.8 demonstrates the cumulative percentages of participants who agreed and strongly agreed on the critical importance of mass adoption of innovations.
Table 4.7: Mass Adoption of Marketing Innovations

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>25</td>
<td>46.3</td>
</tr>
<tr>
<td>Agree</td>
<td>22</td>
<td>40.7</td>
</tr>
<tr>
<td>Disagree</td>
<td>7</td>
<td>13.0</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3.3 Inferential Statistics
The research tested the hypotheses by use of nonparametric tests including chi square. The p-value was lower than 0.05 in majority of the instances indicating that the study should reject null hypothesis on all factors hypothesized to be key effects marketing innovations. The study indicated there was statistically significant effect of marketing innovations on competitive advantage and performance of the firm as shown in table 4.8.
<table>
<thead>
<tr>
<th>Null Hypothesis</th>
<th>Test</th>
<th>Inferential Statistic</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing innovations do not lead to improved business performance in the long-run.</td>
<td>One sample Binomial Test</td>
<td>0.134</td>
<td>Retain the null hypothesis</td>
</tr>
<tr>
<td>Marketing innovations do not lead to improved business performance in the short-term.</td>
<td>One Sample Chi-square Test</td>
<td>0.005</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Mass adoption of a product and/or service does not determine the success of an innovation.</td>
<td>One Sample Chi-square Test</td>
<td>0.006</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Marketing innovations do not significantly contribute to an organization’s acquiring competitive advantage in the market in the short-term.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Marketing innovations do not significantly contribute to an organization’s acquiring competitive advantage in the market in the long-term.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>The level of complexity of a marketing innovation does not determine its success or failure in the market in the short-term.</td>
<td>One Sample Chi-square Test</td>
<td>0.005</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>The level of complexity of a marketing innovation does not determine its success or failure in the market in the long-term.</td>
<td>One Sample Chi-square Test</td>
<td>0.002</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Marketing innovation is the only growth avenue available to organizations.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
</tbody>
</table>
4.4 Challenges Faced in Marketing Innovations

The study identified some of the strategic challenges in marketing innovations. This section provides findings on the short-term and long-term challenges affecting marketing innovations.

4.4.1 Customer and/or Consumer Research
Customer and/or consumer research is the first challenge facing marketing innovations. Most often, research is done after the innovations and not before the innovations, as required. The implications are that many marketing innovations backfire on the company. Failure to conduct customer and/or consumer research before innovations is thus one of the main challenges that the organization must consider. The figure below shows the findings of the
study on the importance of consumer research in marketing innovations.

Figure 4.2: Lack of Customer and/or Consumer Research

4.4.2 Product Testing
Product testing before launch should be an integral part of marketing innovations. However, many organizations ignore this integral part leading to the failure of both the product and the innovations around the product. When the marketing innovations launch before product testing and the product turns out to be of lower than expected market success, then it negatively impacts the marketing innovations. This is especially important for marketing innovations that are constructed around product or service innovations. The figure below indicates that majority of the respondents strongly agreed with the view that product testing
is critical in marketing innovations, especially those marketing innovations that are tied to launch of new products.

Figure 4.3: Product or Service Testing in Marketing Innovations

4.4.3 Matching Marketing Strategies to Customer Expectations and Perceptions
Consumer research helped in the identification of the expectations of the consumers. If an organization does not conduct research then it does not identify the consumer expectations correctly. The organization’s marketing innovations would therefore fail if they failed to match the expectations of the consumers. Notably, it is through marketing that the organization addresses customer expectations and perceptions and this should be communicated innovatively. The figure below shows that majority of the participants strongly felt that failing to match marketing strategies to customer expectations and
perceptions lead to failure in marketing innovations.

Figure 4.4: Matching Marketing Strategies to Customer Expectations and Perceptions

4.4.4 Acceptance of Marketing Innovations
Acceptance of marketing innovations is another important consideration. Marketers have to struggle not only with the development of the marketing innovations but also their acceptance. This includes acceptance by the media through which the marketing campaigns are relayed to the recipients of the marketing innovations. Sometimes, acceptance was a challenge even within the organizations themselves. The figure below demonstrates the feelings of the participants on acceptance of marketing innovations.
4.4.5 Inadequate Market-Focused Learning

The other challenge considered in the research was inadequate market-focused learning in the organization. At times, organizations may fail to consider the developments in marketing innovations by the competition. This happens when the organization focused more on what the competition and other external players market than on how they market. Failing to keep tabs on the marketing innovations would mean that the organization fails to focus on market-focused learning. The figure below demonstrates the importance of market-focused learning as presented by the participants.

Figure 4.5: Acceptance of Marketing Innovations
4.4.6 Inadequate Resources

The last factor considered in the research was inadequate resources. Lack of resources was considered to be as a result of organizations striving to maintain low operating costs. As they do so, they reduce budgets for marketing hampering innovations especially if the marketing innovations attract high costs. Notably, many companies prioritized product innovations over marketing innovations and they failed to consider that failure may result not from poor product design but from poor marketing design. This created the need to channel resources to marketing innovations.
Figure 4.7: Lack of/Inadequate Resources

4.4.7 Inferential Statistics
Using Chi-square tests on all the questions provided, the study tested the hypothesis on challenges facing marketing innovations. The results of the inferential statistics were as shown in table 4.9 below indicating that the null hypotheses should be rejected in majority of the instances. The study found that except for mass marketing, all other factors in the analysis were statistically significant.
Table 4.9 Inferential Statistics on Challenges Facing Marketing Innovations

<table>
<thead>
<tr>
<th>Null Hypothesis</th>
<th>Test</th>
<th>Inferential Statistic</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Innovation strategies are not determined by consumer taste &amp; preferences.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Mass adoption of a product and/or service does not determine the success of an innovation.</td>
<td>One Sample Chi-square Test</td>
<td>0.056</td>
<td>Retain the null hypothesis</td>
</tr>
<tr>
<td>Customer and/or consumer research should not be undertaken before undertaking any form of market innovation.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Product/service testing before launch should not be an integral part of marketing innovations.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Acceptance of marketing innovations is not a big challenge across most organizations.</td>
<td>One Sample Chi-square Test</td>
<td>0.004</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Inadequate market-focused learning capability across the organization does not affect market innovation.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>A lack of resources does not affect market innovation.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>The type of leadership in the organization does not affect market innovation.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Failing to match marketing strategies to customer expectations and perceptions does not lead to a failure in marketing innovations.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Marketing innovations has no strategic role to play within an organization.</td>
<td>One Sample Binomial Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
</tbody>
</table>
4.5 Marketing Innovation strategies that can be adopted by organizations in Kenya

4.5.1 Innovation Leadership
Majority of the respondents strongly agreed that leadership in an organization is greatly influences marketing leadership. This indicates that innovation leadership can only be as successful as the type of leadership in the organization. If the leader appreciates news ideas and innovations, then the organization is most likely to also have innovation leadership. However if the leader does not take interest in new ideas and innovations, the innovation leadership would not be possible.

Figure 4.8: Innovation Leadership
4.5.2 Organizational Leadership
Closely related to innovation leadership is great organizational leadership style. A leadership style that decentralizes decision-making encourages innovation while bureaucratic leadership style may easily hamper marketing innovations. The findings were presented in figure 4.11.

![Bar chart showing the relationship between great leadership and successful marketing innovations.](image)

**Great leadership drives successful marketing innovations within a firm.**

**Figure 4.9: Organizational Leadership**

4.5.3 Strategic Role of Marketing Innovations
The study found that marketing innovation has a strategic role within the organization. There were no participants who disagreed with the view. Marketing innovations are critical in communication the strategy of the firm to the customers and the public. The study considered
that marketing innovations are used by organizations for strategic position of the form. The figure below shows the views of the respondents on the strategic role of marketing innovations.

![Figure 4.10: Strategic Role of Marketing Innovations](image)

**Figure 4.10: Strategic Role of Marketing Innovations**

**4.5.4 Following Global Events**

Following global events as strategy is also important in developing marketing innovations. During major global events, the business entities got the chance of accessing global audiences that were probably larger than when there were no events whatsoever. However, getting audience during such events also attracted high marketing costs. This created the need for organizations innovative in order to enjoy the global audience in marketing endeavors.
and to ensure that marketing costs were maintained low. Figure 4.13 showed the views of the participants on global events and marketing innovations.

**Figure 4.11: Following Global Events**

4.5.5 **Following Global Trends in Marketing Innovations**
Closely related to global events is the issue of global trends, particularly in marketing. Global trends have consistently pushed organizations to be increasingly innovative so as to reach more customers and to reduce costs. While the global trends are critical, many organizations have in the past failed to keep up with the global trends leading to market failure. Global trends should be used as a pointer of the direction taken by marketing innovations. The following chart provides a perspective on the importance of global trends as a beginning point for marketing innovations strategy.
When considering marketing innovations, the companies would choose either an inward-looking strategy or an outward-looking strategy. An inward-looking marketing innovation strategy focused on developing marketing innovations based on the strategic focus of the organization. However, there were those who considered it important to look at what the competition is doing in their marketing innovations. Overall, an inward-looking marketing innovation strategy was preferred by the respondents. Table 4.9 showcases the importance of the two strategies.
Table 4.10: Organizational versus Competition Marketing Strategy

<table>
<thead>
<tr>
<th>Marketing innovations within an organization should be determined by the market strategies employed by the competition.</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing innovations within an organization</td>
<td>4</td>
<td>5</td>
<td>9</td>
<td>1</td>
<td>19</td>
</tr>
<tr>
<td>should be determined by the market strategies</td>
<td>1</td>
<td>13</td>
<td>12</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>employed in the organization</td>
<td>0</td>
<td>1</td>
<td>6</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>19</td>
<td>27</td>
<td>3</td>
<td>54</td>
</tr>
</tbody>
</table>

9.3% 35.2% 50.0% 5.6% 100.0%

4.5.7 Dominant versus Global Corporations in Marketing Innovations

The study considered the perspective of large or dominant corporations in driving marketing innovations. Findings of the study indicated that while that would be the expectation, the participants did not consider it to be true. Majority of the participants did not feel that large and dominant firms necessarily drive marketing innovations. The study also established that global corporations have more exposure to marketing innovations. Findings were as established in table 4.11.
Table 4.11: Dominant versus Global Corporations in Marketing Innovations

<table>
<thead>
<tr>
<th>View</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global corporations leverage on</td>
<td>Strongly</td>
<td>Agree</td>
<td>Disagree</td>
<td></td>
</tr>
<tr>
<td>organizational learning in order</td>
<td>12</td>
<td>3</td>
<td>0</td>
<td>15</td>
</tr>
<tr>
<td>to drive marketing innovations.</td>
<td>22.2%</td>
<td>5.6%</td>
<td>0.0%</td>
<td>27.8%</td>
</tr>
<tr>
<td>Dominant or large</td>
<td>6</td>
<td>13</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td>corporations within a market</td>
<td>11.1%</td>
<td>24.1%</td>
<td>1.9%</td>
<td>37.0%</td>
</tr>
<tr>
<td>lead the majority of marketing</td>
<td>6</td>
<td>8</td>
<td>3</td>
<td>17</td>
</tr>
<tr>
<td>innovation launches.</td>
<td>11.1%</td>
<td>14.8%</td>
<td>5.6%</td>
<td>31.5%</td>
</tr>
<tr>
<td>Strongly</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Disagree</td>
<td>0.0%</td>
<td>1.9%</td>
<td>1.9%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>25</td>
<td>5</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>44.4%</td>
<td>46.3%</td>
<td>9.3%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

4.5.8 Trailing Technology to Drive Marketing Innovations

Lastly, the study looked into the possibility of following technology to drive marketing innovations. The study considered that by matching marketing innovations to technological advances, they would be innovative in their marketing strategies. The figure below demonstrates the extent to which the participants agreed that technology drives marketing innovations.
Figure 4.13: Trailing Technology to Drive Marketing Innovations

4.5.9 Inferential Statistics
The research tested the hypotheses by use of nonparametric tests including chi square. The p-value was lower than 0.05 in majority of the instances indicating that the study should reject null hypothesis on all factors hypothesized to be key strategies influencing marketing innovations. The study indicated that the strategies were statistically significant in influencing marketing innovations. Results of the inferential statistics were as provided in table 4.12.
Table 4.12 Inferential Statistics on Marketing Innovation Strategies

<table>
<thead>
<tr>
<th>Null Hypothesis</th>
<th>Test</th>
<th>Inferential Statistic</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great leadership does not drive successful marketing innovations within a firm.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Global events should not be used to drive market innovations.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Changing global trends should not be used to drive market innovations.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Marketing innovations within an organization should not be determined by the market strategies employed in the organization.</td>
<td>One Sample Chi-square Test</td>
<td>0.002</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Marketing innovations within an organization should not be determined by the market strategies employed by the competition.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Dominant or large corporations within a market do not lead the majority of marketing innovation launches.</td>
<td>One Sample Chi-square Test</td>
<td>0.003</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Global corporations do not leverage on organizational learning in order to drive marketing innovations.</td>
<td>One Sample Chi-square Test</td>
<td>0.001</td>
<td>Reject the null hypothesis</td>
</tr>
<tr>
<td>Technology does not drive marketing innovations.</td>
<td>One Sample Chi-square Test</td>
<td>0.000</td>
<td>Reject the null hypothesis</td>
</tr>
</tbody>
</table>

4.6 Chapter Summary

In summary, Chapter Four provided the results and findings of the research. The results and findings were presented through tables and graphs. Nonparametric tests were also provided indicating that by considering the factors, challenges, and strategies in the analysis, business organization can use marketing innovations to drive competitive advantage. The following chapter, Chapter Five, provided a discussion of the results and findings, conclusions, and recommendations of the study.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

Chapter Five of the study provides a discussion of the results and findings provided in Chapter Four by linking the findings with the literature reviewed. The chapter is organized into the summary, discussions, conclusions, and recommendations section. Under recommendations there were recommendations for improvement as well as recommendations for further studies.

5.2 Summary

The purpose of the research was to explore how best to leverage marketing innovation to drive competitive advantage within the alcoholic drinks market in Kenya. The research was guided by three questions focusing on the short and long term effects/benefits of marketing innovations to organizations, the challenges faced by organizations in marketing innovation, and the innovation strategies that can be adopted by organizations in Kenya.

The research combined mixed methods and case study research design. The company considered in the research was East Africa Breweries Ltd. (EABL). The population of research included all stakeholders in the multidisciplinary and multi-departmental task of marketing innovations. The two sampling techniques selected for the study include purposeful sampling and simple random sampling. Using Cochran’s formula the computed sample was 60 out of which 54 participants gave consent and participated in the study resulting in a 90% response rate. The reliability of the tool was tested using Cronbach alpha 81.7% reliability rate. The data was collected using a questionnaire, analyzed using descriptive techniques mainly using measures of central tendency and measures of distribution. In testing the hypothesis, the study used non-parametric tests mainly Chi-square. The tool of analysis was through SPSS and the ensuing results were presented in tables and figures.
On the first research question focusing on short and long term effects/benefits of marketing innovations to organizations, the study found that marketing innovations impact the organization’s performance in the short-term. However, it is mainly in the long-term that the organization gains competitive advantage from marketing innovations. The study also established that marketing innovations determine the market success or failure of a company’s products and services, implying that how well the company innovated determined its success or failure in the market. As an implication, marketing innovations are seen as a source of growth in performance and competitive advantage, though not the only source of growth.

On the second research question focusing on challenges faced by organizations in marketing innovation, the study established that failure to conduct customer and/or consumer research, failure to properly consider product/service testing before launch, and failure to recognize marketing innovations’ role in the strategic goals of the organization as the main challenges. Other equally important challenges included failure to get mass adoption of marketing innovations especially where the innovations are directly linked to a product or service, inadequate market focused learning, and inadequate resources probably because the finance department metrics focus more on reduction of costs from non-core operations. Notably, the finance department did not respond to the questionnaire indicating why challenges in resourcing marketing innovations may be a challenge.

The last research question focused on innovation strategies that can be adopted by organizations in Kenya. Innovation leadership came out as the leading strategy that business in Kenya should adopt in marketing innovations. However, this needs adequate support from the leadership style adopted in the organization. Contrary to the popular belief that dominant or large organizations lead in marketing innovations, the study established that most participants did not necessarily consider the position to be true. There were more participants who believed that marketing innovations in global corporations are fast-paced compared to local firms considering organizational learning and global exposure in the multinational corporations. Business organization can drive competitive advantage through marketing innovations by having a marketing strategy focusing more on organic marketing innovations, tracking global trends in marketing innovations, and trailing technological advances which
are the key drivers of marketing innovations. The findings are discussed in detail in the paragraphs that follow.

5.3 **Discussions**

5.3.1 **Short-Term and Long-Term Effects of Marketing Innovations**

This section presented discussions on the short-term and long-term effects of marketing innovations on the organization. Core factors considered in the analysis included performance and competitive advantage.

Bowonder, Dambal, Kumar, and Shirodkar (2017) emphasized that marketing innovations provide an opportunity for the organization to develop competitive advantages. Competitive advantage refers to a condition or circumstance that puts a business in a favorable or superior position to that of the competing businesses (Porter, 2011). Development of competitive advantages is notable both in the short-run and in the long-run. In the short-run marketing innovations create competitive advantages where a company leads innovation in the industry such that it forces the competitors to match its pace in innovations by copying, mimicking and replicating the innovations in the industry. Being in such a position helped the company in three ways that include excite the customers, outperforming competitors, and building new product portfolio (Bownder et al. 2017).

Findings of the study were consistent with the views of Bowder et al. (2017). From the study, marketing innovations lead to improved business performance both in the short-term and in the long-term. A total of 18.5% of the research participants strongly agreed that marketing innovations lead to improved business performance in the short-term and in the long-term. All research participants were affirmative of the view that marketing innovations lead to improved business performance in the long-run; there was no participant who considered that marketing innovations do not lead to improved business performance in the long-term.

Kukafka, Johnson, Linfante and Allegrante (2003) held a strategic view on innovations in general and marketing innovations in particular. Later, Bowder et al. (2017) reiterated the
importance of marketing innovations as a long-term strategy. They further indicated that short-term benefits were incidental to long-term goals of the firm.

The research findings on short term business performance confirmed the positions held by Bowder et al. (2017) as well as those of Kukafka, Johnson, Linfante and Allegrante (2003). A 9.3% of the participants considered that marketing innovations did not lead to improved performance. Contrasted with the views on long-term performance, the findings demonstrated that marketing innovation strategies must focus on the long-term and in the process, short-term benefits may be realized.

The study also sought to determine the impact of marketing innovations on competitive advantage both in the short-term and in the long-term. Consistent with the positions proposed by Kotler (2011) about developing competitive advantage in the short-term and long-term and the views of Collins (2001) on moving from good to a great company, marketing innovations are indeed a source of competitive advantage. The study agreed with this position considering a total of 33.3% of the participants strongly agreed that marketing innovations significantly contribute to an organization’s acquiring competitive advantage in the market both in the short-term and in the long-term. The data also showed that 72.2% of all participants strongly agreed that marketing innovations significantly contribute to an organization’s acquiring competitive advantage in the long-term with another 24.1% agree with the same position. This left only 3.7% who did not feel that marketing innovations were important to an organization’s long-term competitive advantage. Again, this finding confirmed the long-term approach to developing competitive advantage as asserted by previous researchers and authors, affirming that competitive advantage is a long-term asset with short-term benefits for the firm.

Compared to long-term competitive advantage, 38.9% of the participants strongly agreed that marketing innovations significantly contribute to an organization’s acquiring competitive advantage in the market both in the short-term with an additional 53.7% agreeing with the same position. It then follows that marketing innovations as a strategy to acquisition of competitive advantage must have a long-term focus with short-term impact being incidental.
A major concern in the consideration of marketing innovations is the level of complexity of the innovations. Complexity of an innovation determines the extent to which competitors can copy or mimic the innovation (Tavassolli & Karlsson, 2015). Based on the popular position about complexity, the study considered whether the level of complexity determined success or failure in the market both in the short-term and in the long-term.

Complex marketing innovations that are hard to copy and, which present high barriers to entry, were found to have a significant impact on an organization’s success or failure in the market. This was interpreted to mean that organizations with complex marketing innovations that are hard to copy are likely to succeed more in the market than those organizations whose marketing innovations are less complex and easily copied. The findings were consistent with those of Tavassolli and Karlsson (2015)

At times, marketing innovations are equated to product innovations even though the two are different (Soltani, Azadi, Hosseini, Witlox & Passel, 2015). Consequently, the study considered whether mass adoption of a product and/or service determines the success of an innovation. Mass adoption was found to play a critical role in the success of marketing innovations especially when considering that mass adoption also influences investments in innovations. The finding was consistent with the views of Soltani, Azadi, Hosseini, Witlox and Passel (2015) who asserted that marketing innovations thus be treated with equal importance as product innovations.

5.3.2 Challenges Faced in Marketing Innovations

Njeru (2012) studied the challenges facing innovation strategy implementation at Equity Bank. The researcher indicated that new ideas, practices, and technologies are always faced with uncertainty and skepticism especially from the employees. Consequently, the management faces the challenge of ensuring that organization members accept the innovation. The study identified some of the strategic challenges in marketing innovations. This section provides findings on the short-term and long-term challenges affecting marketing innovations.
This study found that marketing innovations face challenges such as inadequate resources, consistent with the findings of Pisano (2015). Pisano (2015) asserted the need for proper budgetary allocations to marketing innovations in an article titled *You Need an Innovation Strategy*, a title that emphasized the need for marketing innovations position in the strategic discussions in the organization. Lack of resources was considered to be as a result of organizations striving to maintain low operating costs. As they do so, they reduce budgets for marketing hampering innovations especially if the marketing innovations attract high costs. Notably, many companies prioritized product innovations over marketing innovations and failed to consider that failure may result not from poor product design but from poor marketing design. This creates the need to channel resources to marketing innovations.

Customer and/or consumer research is the first challenge facing marketing innovations. Most often, research is done after the innovations and not before the innovations, as required. The implications are that many marketing innovations backfire on the company. Failure to conduct customer and/or consumer research before innovations is thus one of the main challenges that the organization must consider. The finding was in line with the views of Kim & Mauborgne (2014) who asserted that failing to match marketing strategies to customer expectations and perceptions may be the greatest challenge to marketing innovations.

Product testing before launch should be an integral part of marketing innovations. However, many organizations ignore this integral part leading to the failure of both the product and the innovations around the product. When the marketing innovations launch before product testing and the product turns out to be of lower than expected market success, then it negatively impacts the marketing innovations. This is especially important for marketing innovations that are constructed around product or service innovations. Majority of the respondents strongly agreed with the view that product testing is critical in marketing innovations, especially those marketing innovations that are tied to launch of new products.

Consumer research helped in the identification of the expectations of the consumers (Kim & Mauborgne, 2014). If an organization does not conduct research then it does not identify the consumer expectations correctly. The organization’s marketing innovations would therefore fail if they do not match the expectations of the consumers. Notably, it is through marketing
that the organization addresses customer expectations and perceptions and this should be communicated innovatively. Majority of the participants strongly felt that failing to match marketing strategies to customer expectations and perceptions lead to failure in marketing innovations.

Acceptance of marketing innovations is another important consideration. Marketers have to struggle not only with the development of the marketing innovations but also their acceptance (Aeker, 2011). This includes acceptance by the media through which the marketing campaigns are relayed to the recipients of the marketing innovations. Sometimes, acceptance was a challenge even within the organizations themselves.

The other challenge considered in the research was inadequate market-focused learning in the organization. At times, organizations would fail to consider the developments in marketing innovations by the competition. This happened when the organization focused more on what the competition and other external players market than on how they market. Failing to keep tabs on the marketing innovations would mean that the organization failed to focus on market-focused learning.

5.3.3 Marketing Innovation Strategies that can be adopted by Organizations in Kenya

Majority of the respondents strongly agreed that leadership in an organization greatly influenced marketing leadership. This indicated that innovation leadership would only be as successful as the type of leadership in the organization. If the leader appreciates new ideas and innovations, then the organization is most likely to also have innovation leadership. However if the leader does not take interest in new ideas and innovations, the innovation leadership would not be possible (Gupta & Malhotra, 2017).

Closely related to innovation leadership is great organizational leadership style. A leadership style that decentralizes decision-making encourages innovation while bureaucratic leadership style may easily hamper marketing innovations (Collins, 2001).

The study found that marketing innovation played a strategic role within the organization, consistent with Bowder et al. (2017). There were no participants who disagreed with the
view. Marketing innovations were critical in communicating the strategy of the firm to the customers and the public. The study considered that marketing innovations were used by organizations for strategic position of the firm.

Following global events as strategy is also important in developing marketing innovations (Gupta & Malhotra, 2017). During major global events, the business entities got the chance of accessing global audiences that are probably larger than when there were no events whatsoever. However, getting audience during such events also attracted high marketing costs. This created the need for organizations to innovative in order to enjoy the global audience in marketing endeavors and to ensure that marketing costs were maintained low.

According to Gupta and Malhotra (2017), YouTube, podcasts, websites and other technologically driven channels of relaying the message drive marketing innovations in the information age. Through the innovations, the cost of marketing is consistently pushed down while the numbers reached by the message increase. Marketing innovations in the modern age are not defined from the perspective of technologies used in marketing but in the packaging of the message. Such factors get considered as key drivers in marketing innovations including during major global events.

Closely related to global events was the issue of global trends, particularly in marketing. Gupta and Malhotra (2017) noted that global trends consistently pushed organizations to be increasingly innovative so as to reach more customers and to reduce costs. While the global trends were critical, many organizations in the past failed to keep up with the trends leading to market failure. Global trends should be used as a pointer of the direction taken by marketing innovations. The research provided a perspective on the importance of global trends as a beginning point for marketing innovations strategy.

When considering marketing innovations, the companies may choose either an inward-looking strategy or an outward-looking strategy. An inward-looking marketing innovation strategy focused on developing marketing innovations based on the strategic focus of the organization (Kim & Mauborgne, 2014). However, there were those who considered it important to look at what the competition was doing in their marketing innovations. Overall,
an inward-looking marketing innovation strategy was preferred by the respondents, consistent with the recommendations of Kim and Mauborgne (2014).

The study considered the perspective of large or dominant corporations in driving marketing innovations. Aecker (2011) indicated that dominance for large firms may be a hindrance to marketing innovations as the firms base their competitive advantage on dominance. Consistent with the views of Aecker (2011), majority of the participants did not feel that large and dominant firms necessarily drove marketing innovations. However, the study established that global corporations had more exposure on marketing innovations and were thus more likely to be leaders in marketing innovations. The findings emphasized the view that despite the size of the firm, marketing innovations were equally important if all other factors were held constant.

Based on the nonparametric tests, specifically Chi-square tests, the research established it was critical for organizations to adopt innovation leadership, good organizational leadership, and to follow both global events and global trends in technology and marketing innovations. The strategies were found to be key drivers of marketing innovations. Notably, the study also established that large and dominant firms do not necessarily lead in marketing innovations and in fact, the large size could be a hindrance to marketing innovations as the firms’ base competitive advantage on their large sizes and less on marketing innovations.

5.4 Conclusions

5.4.1 Short-Term and Long-Term Effects of Marketing Innovations

On the first research question focusing on short and long term effects/benefits of marketing innovations to organizations, the study found that marketing innovations impact the organization’s performance in the short-term. However, it is mainly in the long-term that the organization gains competitive advantage from marketing innovations. The study also established that marketing innovations determined market success or failure of a company’s products and services, implying that how well the company innovated determined its success or failure in the market. As an implication, marketing innovations are seen as a source of growth in performance and competitive advantage, though not the only source of growth.
5.4.2 Challenges Faced in Marketing Innovations

On the second research question focusing on challenges faced by organizations in marketing innovation, the study established that failure to conduct customer and/or consumer research, failure to properly consider product/service testing before launch, and failure to recognize marketing innovations’ role in the strategic goals of the organization as the main challenges. Other equally important challenges included failure to get mass adoption of marketing innovations especially where the innovations are directly linked to a product or service, inadequate market focused learning, and inadequate resources probably because the finance department metrics focus more on reduction of costs from non-core operations. Notably, the finance department did not respond to the questionnaire indicating why challenges in resourcing marketing innovations may be a challenge.

5.4.3 Marketing Innovation Strategies that can be adopted by Organizations in Kenya

The last research question focused on innovation strategies that can be adopted by organizations in Kenya. Innovation leadership came out as the leading strategy that business in Kenya should adopt in marketing innovations. However, this needs adequate support from the leadership style adopted in the organization. Contrary to the popular belief that dominant or large organizations lead in marketing innovations, the study established that most participants did not necessarily consider the position to be true. There were more participants who believed that marketing innovations in global corporations are fast-paced compared to local firms considering organizational learning and global exposure in the multinational corporations. Business organization can drive competitive advantage through marketing innovations by having a marketing strategy focusing more on organic marketing innovations, tracking global trends in marketing innovations, and trailing technological advances which are the key drivers of marketing innovations.
5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Short-Term and Long-Term Effects of Marketing Innovations

On the short and long term effects/benefits of marketing innovations to organizations, the study recommended adequate investment in marketing innovations with a long-term goal so as to reap the benefits of competitive advantage and organizational performance. The recommendation was based on the observation that many of the short-term benefits are incidental to the long-term marketing strategy of the firm.

5.5.1.2 Challenges Faced in Marketing Innovations

The research recommended adequate investment in consumer research to ensure that marketing innovations are informed by consumer expectations and perceptions as opposed to hunches and/or gut feel by the marketing and/or leadership teams. The surveys should be periodic and regular in order to ensure that organizational operations are customer-driven.

5.5.1.3 Marketing Innovation Strategies that can be adopted by Organizations in Kenya

The study recommended the adoption of an inward-looking innovation strategy that is supported by good leadership style in the organization. Businesses should also track the global trends in marketing innovations as well as trends in technological advancement considering that technological advances drive marketing innovations among other innovations.

5.5.2 Recommendations for Further Studies

The research recommended further research focusing on the extent of investment on marketing innovations by business organizations in Kenya. Research should focus more on the key performance indicators in marketing innovations as well as the metrics used in allocating resources to marketing innovations in business organizations. Additionally, future
research should focus on investments in marketing strategy and marketing innovations as a proportion of the sales revenue in various industries.
REFERENCES


Tanev, S., Thomsen, M. S., & Ma, Z. (2010). Value co-creation: from an emerging paradigm to the next practices of innovation.


APPENDICES

Appendix I: Cover Letter

Jerry Aruah  
C/O  
United States International University – Africa (USIU – Africa),  
Off USIU Road, Off Thika Road (Exit 7),  
P. O. Box 14634 - 00800,  
Nairobi, Kenya

Dear Sir/Madam,
I humbly request you to participate in a research study entitled Leveraging Marketing Innovation to Drive Competitive Advantage: A Case of the Alcoholic Drinks Market in Kenya by filling in the attached questionnaire.

I am currently enrolled in the Masters of Business Administration (MBA) Program at United States International University - Africa, and I’m in the process of writing my Master’s Project. The purpose of the research is to explore how best to leverage marketing innovation to drive competitive advantage within a consumer category in Kenya.

Your participation in this research project is completely voluntary. There are no known risks to participation. If you agree to participate in this project, kindly answer the questions honestly and to the best of your knowledge. It should take approximately 15-20 minutes to complete. I really do appreciate your time and contribution to the research.

If you have any questions about this project, feel free to contact the researcher through the email below. Thank you for your assistance in this important research project.

Sincerely,
Jerry Aruah
Email: jaruah@gmail.com
Appendix II: Data Collection Tool

QUESTIONNAIRE

PART A: General Information

1. Are you:
   1. Male
   2. Female

2. How long have you worked in your organization?
   1. 0 – 1 Yrs
   2. 2 – 3 Yrs
   3. 4 – 5 Yrs
   4. +5 Yrs

3. Which department do you operate under within your organization?
   1. Brand Marketing
   2. Customer Marketing
   3. Innovation
   4. Finance
   5. Supply
   6. Sales

4. Have you been involved in any marketing innovation project during your tenure in the organization?
   1. YES
   2. NO

5. If YES, how many marketing innovations project have you been involved in during your work tenure?
   1. 1 – 2
   2. 3 – 5
   3. 6 – 8
   4. 9 – 10
   5. +10
PART B: Benefits of Marketing Innovations to organizations

Read the following statements and then indicate by a tick whether you: Strongly Agree, Agree, Disagree or Strongly Disagree with the statement.

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>STRONGLY AGREE</th>
<th>AGREE</th>
<th>DISAGREE</th>
<th>STRONGLY DISAGREE</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Marketing innovations lead to improved business performance in the long-run.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Marketing innovations lead to improved business performance in the short-term.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 Mass adoption of a product and/or service determines the success of an innovation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 Marketing innovations significantly contribute to an organization’s acquiring competitive advantage in the market in the short-term.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Marketing innovations significantly contribute to an organization’s acquiring competitive advantage in the market in the long-term.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 The level of complexity of a marketing innovation determines its success or failure in the market in the short-term.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 The level of complexity of a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STATEMENT</td>
<td>STRONGLY AGREE</td>
<td>AGREE</td>
<td>DISAGREE</td>
<td>STRONGLY DISAGREE</td>
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<tr>
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<tr>
<td>marketing innovation determines its success or failure in the market in the long-term.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13  Marketing innovation is the only growth avenue available to organizations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PART C: Challenges of Marketing Innovations to Organizations

Read the following statements and then indicate by a tick whether you: Strongly Agree, Agree, Disagree or Strongly Disagree with the statement.

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>STRONGLY AGREE</th>
<th>AGREE</th>
<th>DISAGREE</th>
<th>STRONGLY DISAGREE</th>
</tr>
</thead>
<tbody>
<tr>
<td>14 Marketing Innovation strategies are determined by consumer taste &amp; preferences.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 Mass adoption of a product and/or service determines the success of an innovation.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>16 Customer and/or consumer research should be undertaken before undertaking any form of market innovation.</td>
<td></td>
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<tr>
<td>17 Product/service testing before launch should be an integral part of marketing innovations.</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>18 Acceptance of marketing innovations is a big challenge across most organizations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 Inadequate market-focused learning capability across the organization affects market innovation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 A lack of resources affects market innovation.</td>
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<td>21 The type of leadership in the organization affects market</td>
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<td>innovation.</td>
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<td>22 Failing to match marketing strategies to customer expectations and perceptions leads to a failure in marketing innovations.</td>
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<tr>
<td>23 Marketing innovations has a strategic role to play within an organization.</td>
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## PART D: Adoption of Innovation Strategies in organizations

Read the following statements and then indicate by a tick whether you: Strongly Agree, Agree, Disagree or Strongly Disagree with the statement.

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>STRONGLY AGREE</th>
<th>AGREE</th>
<th>DISAGREE</th>
<th>STRONGLY DISAGREE</th>
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<tbody>
<tr>
<td>24 Great leadership drives successful marketing innovations within a firm.</td>
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<td>25 Global events should be used to drive market innovations.</td>
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<td>26 Changing global trends should be used to drive market innovations.</td>
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<td>27 Marketing innovations within an organization should be determined by the market strategies employed in the organization.</td>
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<td>28 Marketing innovations within an organization should be determined by the market strategies employed by the competition.</td>
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<td>29 Dominant or large corporations within a market lead the majority of marketing innovation launches.</td>
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<td>30 Global corporations leverage on organizational learning in order to drive marketing innovations.</td>
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<td>STATEMENT</td>
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<td>31 Technology drives marketing innovations.</td>
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