

Research Application Summary

Correlations between marketing strategies and product lines: A case of cassava microenterprises in Migori County, Kenya

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Abstract

Cassava (*Manihot esculenta* L.) microenterprises ought to be strategic in marketing their products for relatively better marketing margins. Strategic marketing is one of the pathways that could be used in the transformation of rural smallholder agrienterprises into more potential entities that uplift them from the low-income farming. This stimulates the need for processing and marketing of various farm products for optimum market participation by cassava microenterprises hence transformed economic status. This study was carried out in Migori County with an objective to determine the relationships between marketing strategies and product lines in the major markets. It involved 267 cassava microenterprises using a structured questionnaire. Results revealed that the most prevalent marketing strategies were pricing, marketing alliances, product value addition, and product promotion. On the product lines, the most dominant product lines were the fermented and unfermented pellets, with relatively little cassava tubers and cassava-based products. Pearson Product-moment correlation analysis showed that marketing strategies and product lines significantly ($p < 0.05$) correlated and influence their coexistence among the cassava microenterprises. It was therefore concluded that cassava microenterprises should use marketing strategies with mutual effects with their cassava products for better turnovers and incomes.

Key words: Alliances, *Manihot esculenta*, market margins, Pearson-product moment, promotion

Résumé

Les microentreprises de manioc (*Manihot esculenta* L.) devraient être stratégiques dans la commercialisation de leurs produits pour des marges de commercialisation relativement meilleures. Le marketing stratégique est l'une des voies qui pourraient être utilisées dans la transformation des petites exploitations agricoles rurales en entités plus potentielles qui les élèvent de l'agriculture à faible revenu. Cela stimule le besoin de transformation et de commercialisation de divers produits agricoles pour une participation optimale au marché par les microentreprises de manioc, ce qui a transformé le statut économique. Cette étude a été réalisée dans le comté de Migori dans le but de déterminer les relations entre les stratégies de marketing et les gammes de produits sur les principaux marchés. Elle a été réalisée auprès des 267 microentreprises de manioc à l'aide d'un questionnaire structuré. Les résultats ont révélé que les stratégies marketing les plus répandues étaient la tarification, les alliances marketing, la valeur ajoutée des produits et la promotion des produits. Sur les gammes de produits, les gammes de produits les plus dominantes étaient les granulés fermentés et non fermentés, avec relativement peu de tubercules de manioc et de

produits à base de manioc. L'analyse de corrélation produit-moment de Pearson a montré que les stratégies de marketing et les gammes de produits étaient significativement ($p < 0,05$) corrélées et influençaient leur coexistence parmi les microentreprises de manioc. Il a donc été conclu que les microentreprises de manioc utilisent des stratégies de commercialisation ayant des effets mutuels avec leurs produits à base de manioc pour de meilleurs chiffres d'affaires et revenus.

Mots Clés: Alliances, *Manihot esculenta*, Marges, Moment Pearson-Product, Promotion

Introduction

Cassava (*Manihot esculenta* L.) microenterprises in Migori County in Kenya potentially could use strategic marketing alternatives for their products to attain better performance. Achievement of this would be through application of appropriate marketing strategies such as price variation, product promotion, value addition and marketing through alliances among other suitable strategies (Migori CIDP, 2018). According to the study by Tang *et al.* (2007) about marketing strategy and business performance of small firms in China, 'the long term differentiation marketing strategy' has positive effect on small firm's business performance. Marketing strategies among cassava microenterprises are aimed to increase market shares thus improved microenterprise performance (growth in sales and increased profits). According to Jaakkola *et al.* (2006), marketing strategy is a plan used by an enterprise in achieving its marketing goals by focusing on a particular market segment. This contributes to achievement of its general objective of making profits.

Pricing strategy has a significant relationship with cassava microenterprise performance in Kenya as espoused in the study of Owomoyela *et al.* (2013). Price of a product contributes largely and significantly to its marketability. Since cassava products are not relatively common in the Kenyan markets, pricing will be inelastic as the unit sales will not change in relation to change in prices offered in the market (Jones, 2007). However, cassava microenterprises in Kenya rely more on this strategy to increase their market shares (turnovers) and profits. Augmented promotion is another key strategy to cassava microenterprises, since the crop is one of the underutilised and less promoted compared with the other staple food crops in Kenya. Product promotion activities include but not limited to product display, advertising, customised selling schemes and decent packaging of cassava products to customers. These enable microenterprises to create products awareness among the potential consumers in the market leading to increment in their market turnovers. Cassava microenterprises will have to improve the quality of their products through value addition for them to attract consumers (Ngenoh *et al.*, 2020). Cassava value addition leads to product diversifications and the following are potential cassava products that could be marketed: Cassava flours, chips, crisps, animal feeds, boiled and roasted tubers, snacks, and chopped and dried cassava pellets. There are however, some microenterprises specialising in selling tubers without any form of value addition. Product diversification (value addition) is one of the marketing strategies used by cassava microenterprises in commercialising the crop in Kenya. Products diversification offers better marketing opportunities to cassava microenterprises. The achievement of this strategy is through the processing of various value-added cassava products such as cleaned tubers, fermented and unfermented pellets and flour. Value addition is a strategy that has the potential capability of transforming an unprofitable enterprise into a profitable venture (Fleming, 2005), which promotes commercialisation of cassava crop.

Cassava microenterprises also could have strategic marketing alliance to sell off their products.

Convincing new potential customers to consume cassava products is relatively uneasy. However, gaining their willingness to consume cassava products will require cassava microenterprises to collaborate with other groceries as their marketing outlets (joint ventures) in which each partnering business will have equity position. This eases products marketing and movement among cassava microenterprises. Appropriate use of strategic marketing alliances as marketing channels for product distribution channels is one of the marketing strategies to increase their sales turnovers.

Methodological approach

The study was done in Migori County (former Nyanza Province in South Western part of Kenya). The County borders Homa Bay County in the North, Kisii and Narok Counties to the East and the United Republic of Tanzania to the South. To its west is Lake Victoria. The County is located between Longitude 34° East and 34° 50' East and latitude 0° 24' South and 0° 40' South and it covers 2,591.8 km² including approximately 478 km² of water surface. Its headquarters is Migori town, which is the most diverse and developed commercially in the former Nyanza province after Kisumu. The County has eight Sub-counties namely Awendo, Kuria East, Kuria West, Nyatike, Rongo, Suna East, Suna West and Uriri (Migori CIDP, 2018; Ngenoh *et al.*, 2020).

A questionnaire was developed and used in collecting data from the area of study mainly on cassava processing, marketing and performance of cassava microenterprises. The study used both qualitative and quantitative methods during data collection. This was done through visitation by enumerators to cassava microenterprises in their markets to collect data on the marketing strategies and the product lines in Migori County. Descriptive statistics were used in analysing correlations between marketing strategies and product lines among cassava microenterprises in the area of study. The study used a multi-stage sampling procedure involving a sample size of 267 cassava micropreneurs since there was no systematic listing. The multi-stage sampling procedure involved clustering, purposive and random sampling approach. The County was initially segmented basing on the total number of sub-counties as clusters. Secondly, purposive sampling of the four sub-counties with many cassava agripreneurs (Kuria West, Suna East, Suna West and Uriri) was undertaken. The third and final stage involved the random sampling of cassava agripreneurs from each sub-county.

Results and Discussion

In a bid to determine the correlations among the identified cassava product lines and the marketing strategies used by cassava microenterprises in Migori County, the study used Pearson product-moment correlation analysis in achieving objective of the study. The study used correlation analysis to describe effects, associations and the linear relationships between the variables. Pearson Product-moment correlation coefficients were used to explain the strength of relationship and the interdependence between the product lines found in the market and the suitable marketing strategies among the cassava agripreneurs. The correlations of product lines and marketing strategies were both positive and negative hence influenced each other differently (Table 1).

Table 1. Correlation between Vectors of Values for Marketing Strategies and Product lines used by Cassava Microenterprises (N = 267)

	Raw tubers	Chopped and dried/ unfermented tubers	Fermented forms	Cassava-based products like local brew	Pricing strategy	Product promotion strategy	Product value addition strategy	Formation of strategic alliances
Raw tubers	1							
Chopped and dried/unfermented tubers	0.095*	1						
Fermented forms	-0.106	-0.490	1					
Cassava-based products like local brew	-0.037**	-0.032**	-0.155	1				
Pricing strategy	-0.002***	-0.110	0.081*	-0.205	1			
Product promotion strategy	0.069*	0.007***	0.021**	-0.068*	-0.104	1		
Product value addition strategy	0.076*	-0.024**	0.006***	-0.059*	0.097*	-0.391	1	
Formation of strategic alliances	-0.036**	0.068*	-0.035**	-0.019**	0.043**	-0.020**	0.053**	1

without the use of marketing strategies. Pricing strategy too could not affect the consumption and strategic alliances were not ideal because the products were delicate to transport and would need special transporting vessels, which the microenterprises could not afford. The product was also illegal to sell in public markets.

Conclusion

Relationships between the product lines and marketing strategies were found to be mixed correlations. On the other hand, other cassava-based products had complete negative associations with the marketing strategies used by cassava microenterprises: A scenario explained by dynamic logistics associated with the products. Raw cassava tubers had negative relationship with pricing but positively associated with product promotion. Fermented pellets positively related with the pricing strategy while discouraging the involvement of other marketers (marketing alliances). Unfermented cassava pellets recorded positive association with marketing alliances, who would acquire at relatively cheaper prices and transporting to distant markets for selling hence making good returns (marketing margins). Cassava-based products neither showed any effects from the marketing strategies. This could be explained by their inelastic demand from the consumers. Their prices were not of high influence on their consumption.

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Results show that given a product line that the cassava microenterprise was transacting on, the use of a marketing strategy to sell off was predicted (Table 1). Selling cassava tubers was highly and negatively associated with the pricing strategy at 1% significance level. This implied that pricing strategy was not useful to those selling raw cassava tubers. The bulk of cassava products are marketed with little value addition mainly within the production areas hence not sensitive to price variations (Munga *et al.*, 2012). With the advancement of the technology, cassava value addition is inevitable and it offers a wide array of cassava products hence expanding its markets and marketability. Value addition of cassava through various techniques results into diversified products, which is ultimately important in enhancing market participation and pricing strategy will play a significant role in marketing of the cassava products (Onya *et al.*, 2016).

With product promotion strategy, sales of raw cassava tubers was positively related at 10% significance level. Displaying cassava tubers would influence their purchase positively. With raw cassava tubers, cassava microenterprises also had a chance of adding value as shown by positive correlation at 10% significance level. By so doing, there will be an increment in sales for a given product line which result from stimulation on consumers to purchase more of the product. This will translates to positively significant business performance as acknowledged by Owomoyela *et al.* (2013) in a study on the impacts of marketing mix to the brewery businesses. Raw cassava tubers would discourage the use of strategic marketing alliances as depicted by negative correlations at 5% level of significance. According to Kotler (2007), promotion is a critical factor in product marketing mixes consisting a blend of advertising, public relations, personal selling, sales promotion and direct marketing tools used in pursuing sales and marketing objectives of a given industry.

Selling unfermented cassava pellets highly contributed the use of product promotion strategy among the cassava microenterprises at 1% significance level (Table 1). With product value-addition strategy, there was a dissociation with the sale of unfermented cassava pellets. The consumers were less likely to buy unfermented products. However, strategic marketing alliances would want to trade on unfermented cassava pellets, their correlation was positively associated at 10% significance level. This implied that dried and unfermented cassava pellets could be transported to distant markets for sale.

Fermented products would encourage price variations at 10% significance levels (Table 1). This would result in positive marketing margins among the cassava microenterprises. Fermented cassava pellets also encouraged the use of product promotion strategies such as displaying in the marketing points. Fermented cassava pellets were by default considered as value added products and the cassava microenterprises pivoted their sales on them. This was highly used at 1% significance level. Value added products remained attractive to consumers and majority of the cassava microenterprises were found to have invested in them, and consequently improved their livelihoods through relatively increased incomes (Ogendo *et al.*, 2016). With the involvement of strategic marketing alliances, it was negatively associated with the fermented cassava products. The possible reason for this is that the distant cassava marketers would quote relatively lower prices for the products regardless of the processing costs involved in fermenting the products. This discouraged cassava microenterprises from using the strategy with their fermented products. Finally, other cassava-based products such as local brews, ugali (maize meal) and porridge discouraged the use of any of the identified marketing strategies (Table 1). This could have been because their demand was not elastic per se. Consumers knew where to get the products even

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