

European Journal of
Business and Strategic Management
(*EJBSM*)

Strategy

**EFFECTS OF MANAGING THE EXTENDED MARKETING MIX ON
ORGANIZATION PERFORMANCE OF PARASTATALS IN NAIROBI**

MWANGI FAITH WANYI & JOSHUA NYAGINDI

EFFECTS OF MANAGING THE EXTENDED MARKETING MIX ON ORGANIZATION PERFORMANCE OF PARASTATALS IN NAIROBI

^{1*} Mwangi Faith Wanyi
Undergraduate Student
Kca University

Faithwanyi@Yahoo.Com

Joshua Nyagindi
Lecturer
Kca University

Abstract

Purpose: The study was an assessment of the effects of managing the extended marketing mix on organization performance of parastatals in Nairobi county.

Methodology: The study used a descriptive sectional research design. The target population was 67 parastatals in Nairobi. A sample size of 2 parastatals was taken. The data collection instrument was a questionnaire. The data was analysed using descriptive statistics such as means and frequencies. The data analysis tool was statistical package for social sciences (SPSS) version 17. The data was presented using bars and charts.

Results: Findings indicated that customer service personnel in parastatals are unreliable since it does not do things correctly the first time. This is evidenced by the majority of respondents who indicated they strongly disagree and disagreed. Results also indicated that parastatals do not have effective means to manage people as this was evidenced by the majority of respondents who disagreed and strongly disagreed with the statements. These results indicate that people management in parastatals had not improved profitability of parastatals. Results further indicated that parastatals had poor management of physical evidence on market share, this is evidenced by majority of the respondents disagreed and strongly disagreed with the statements that the reception of my organization is spacious, well aerated and comfortable, the offices of my organizations have lifts and escalators, the physical allocation of my organization is easily accessible, the physical allocation of my organization had adequate security.

Unique contribution to theory, practice and policy: This led to the conclusion that management of physical evidence had not improved the market share of parastatals. The study findings also indicated that majority of the respondents disagreed and strongly disagreed with the statements that their organization has clear processes for handling customer complaints, their organization has clearly laid out processes for identifying customer needs and requirements, their organization has clearly laid out processes for handling customer orders. This implies that

parastatals have poor process management on business development. This led to the conclusion that process management had not improved the business development of parastatals

Keywords: *Marketing mix*

1.1 INTRODUCTION

Marketing mix is the set of controllable variables and their levels that the firm uses to influence the target market. The elements of marketing mix are the basic, tactical components of a marketing plan. The traditional marketing mix has been always known as 4Ps. This implies Product, Price, Promotion and place. These are marketing activities, which are considered to make the marketing department in an organisation to have meaning. However, there is a great challenge to 4Ps due to the recent growth of the marketing of services. Services are now considered as products hence need to be professionally marketed. The service sector is more sensitive and delicate compared to the manufacturing sector. In services customers neither do they touch or see the products (services). They (customers) put their confidence on the additional 3Ps (Gabriel 2005).

Elements of the traditional Marketing Mix – The 4Ps

Product means what we produce. If we produce goods, it means tangible product and when we produce or generate services, it means intangible service product. Price focuses on what customers are willing to pay for a service. Place represents the manner in which goods or services is distributed by a firm for use by a consumer. It is the mechanism through which goods and/or services are moved from the manufacturer/ service provider to the user or consumer. Promotion includes all of the tools available to the marketer for 'marketing communication'. It represents any way for informing the marketplace that the organization has developed a product (Smith and Chaffey, 2001).

Elements of the extended Marketing Mix – The 3Ps

People refer to all people directly or indirectly involved in the consumption of a service, example employees or other consumers. Services are not tangible and need to be produced and used simultaneously. The value of people in the service delivery system becomes extremely important in the co-creation of value (Gabriel, 2005). Customers attach the value of the service to the characteristics of the service provider.

Physical evidence refers to the environment in which the service is assembled and in which the seller and customer interact. The physical evidence of service includes all the tangible representations of service such as brochures, letterhead, business cards, reports, signage, internet presence and equipment.

Process refers to the procedures, mechanisms and flow of activities by which the service is delivered i.e. the service delivery and operating systems. Because services are performances or actions done for or with the customers, they typically involve a sequence of steps and activities (Beckwith, 2001).

1.2 Problem Statement

Public firms show poor financial performance. This is according to Report on the Working Party on Government Expenditures done in 1982. The report concluded that productivity of state corporations was quite low while at the same time they continued to absorb an excessive portion of the budget, becoming a principal cause of long-term fiscal problem. It is also noted that public firms make less use of the extended marketing mix compared to private firms. This is according to The African Journal of Finance and Management Gabriel (2005) who noted that marketing mix is applied only in the private sector. The failure to manage the extended marketing mix may be the cause of poor financial performance. However, studies on the causal effect of marketing strategies on performance of public firms do not exist. And the one that exist, they either focus on private firms.

Empirical support for the relationship between the marketing mix and financial performance of a business has been provided by a number of studies. The majority of these studies have been based on the Profit Impact of Marketing mix and have focused on company performance in the United States of America (Faria and Wellington, 2005; Kyle, 2004). Various studies by Shim et al. (2004), O'Neill et al. (2002) and Patterson and Smith (2001) have suggested that overall business performance is influenced by the marketing mix. In the South African context, Cant and Brink (1999) studied the marketing perceptions of grocery shop owners whilst Martins (2000) studied grocery retail strategies based on the income and expenditure patterns of consumers. However, the results of the aforementioned studies are inconclusive and also fail to concentrate on parastatals/public enterprises. This forms a research gap.

It is for this reason that the study attempted to investigate the effect of managing the extended marketing mix on the financial performance of state corporations.

1.3 Study Objectives

- a) To establish the effect of people management on profit.
- b) To determine the effect of physical evidence management on market share.
- c) To evaluate the effect of process on business development

2.0 LITERATURE REVIEW

2.1 Empirical Literature Review

The discussion in this chapter presents the theoretical framework of the subjects covered in this study. This chapter also presents the work completed by other authors regarding the subject matter of the present study.

Traditionally, marketing and finance were thought of as two independent departments in most firms. However, when a marketing strategy is implemented at the customer level, the traditional boundaries between marketing and finance professionals seem to vanish. No longer can marketers cast out a wide net and expect to bring in large masses of customers each time. Customers are now demanding personalization and customization of products and services including video-on-demand and personal video recorders (e.g., TiVo) to niche brands and

product extensions that help customers feel unique and stand out from the crowd (Bianco, 2004). However, it is not enough for firms to focus solely on the changing culture in the market by creating new products and customizing current products for all consumers. The cost implications involved in marketing to and servicing all consumers in the marketplace are too high to be ignored. Careful and calculated selection processes need to be undertaken to ensure that the firm chooses to market to the right customer at the right time with the right message, taking into account the financial impact of all the relevant decisions. Therefore, an interface needs to exist between the marketing and finance departments of the firm (Zinkhan and Verbrugge, 2000) to establish a new customer-level marketing strategy that can also maximize the organization performance of the firm (i.e., profitability and shareholder value).

This marketing-finance interface does not need to be revolutionary compared to previous firm strategies; it just needs to adapt itself to the current business climate while continuing to achieve the most lucrative results. As noted by Srivastava, Shervani, and Fahey (1998), the traditional assumptions of the marketing-finance interface are not necessarily changing entirely; there just needs to be an emphasis on creating customer value within the firm rather than strictly creating value for the customer. In addition, executives of the firm need to systematically manage the ties between marketing and finance rather than assuming that product-market results translate directly into financial results. Successful firms are no longer relying on marketing and finance departments to work independently of each other; rather, they are requiring that the departments work hand in hand to maximize firm performance. To achieve this partnership, marketers are beginning to look at various financial metrics, such as firm and shareholder value, while finance professionals are trying to include variables in their analysis of firm success that traditionally come from marketing research, such as profitability and market share (Zinkhan and Verbrugge, 2000).

Gupta and Lehmann (2003) looked at ways to value their customers as intangible assets to the firm and leverage the value of those customers when determining overall firm value in order to guide firms toward making strategic decisions concerning mergers and acquisitions. Gupta, Lehmann, and Stuart (2004) explored even further as to how to value customers as off-balance-sheet intangible assets when determining firm value. Stahl, Matzler, and Hinterhuber (2003), adapted from the framework of Srivastava et al. (1998), sought out drivers that help in tying customer lifetime values to financial metrics. However, this recent research still does not directly tie actual marketing metrics and firm performance to an actionable customer-level marketing strategy. It is very important for a firm to realize that allocating marketing resources to customers by offering rewards or incentives to purchase products or services can and should be tied to optimal financial outcomes, such as by maximizing profitability, customer equity, and shareholder value. Spending resources on the wrong customers is a waste of time and money.

2.1.1 History of Parastatals/Public Enterprises in Kenya

After Kenya's independence in 1963, the establishment of the parastatals was driven by a national desire to: Accelerate economic social development, Redress regional economic imbalances. Increase Kenyan Citizen's participation in the economy, Promote indigenous entrepreneurship, Promote foreign investments (through joint ventures). This desire was

expressed in the Sessional Paper No. 10 of 1965 on African Socialism and its application to planning in Kenya.

The Report on Review of Statutory Board concluded that there was clear evidence of prolonged inefficiency, financial mismanagement, waste and malpractices in many parastatals; Government investments had largely been at the initiative of private promoters with government being brought in either as an indispensable partner or to undertake rescue measures; Many of the parastatals had moved away from their primary functions, especially the regulatory boards most of which had translated their regulatory role into executive one, resulting in waste and confusion.

The Report on the Working Party on Government Expenditures concluded that productivity of state corporations was quite low while at the same time they continued to absorb an excessive portion of the budget, becoming a principal cause of long-term fiscal problem. The report observed that; Nationalization had remained merely presentational through government ownership; State corporations' operations had become inefficient and unprofitable, partly due to multiplicity of objectives; existence of parastatals in commercial activities had stifled private sector initiatives; and many of the joint ventures had failed, requiring the Government to shoulder major financial burden.

2.2 Effect of Management of People on profitability.

The firms who have a little contribution in exports partially face problems to obtain right valuable export information sources (Armario et. al 2008). Francis and Collins-Dodd (2000) argue about the firm size that built the quantity of financial, human, and organizational capital and their prominent persuasion to the export orientation. Organizations that had businesses in the foreign markets are becoming more experienced also their awareness, familiarity and recognition with export markets will be increased. In the success and failure of the firm, information plays a critical role. Marketing department generated all the required customer information alone, it is probable that it is generated by service personnel when they conduct survey on clients.

Such type of information performs an instrumental use to solve a particular problem by directly using the information; also it can be used to increase managerial knowledge that helps them ultimately to make better decision making in future (Diamantopoulos and Souchon, 1999). According to Kacker (1975) top management philosophies key function is export commitment, also the goals of an organization are the responsibility of particular management to be committed more to export to become more beneficial. Become argued that resource availability is associated with commitment. Researchers have shown that without export commitment, a company cannot increase its performance (Beamish et al. 1993). In the history, export commitment is considered or possibility aspect that it had an affirmative affects at international marketing strategy, which is in the appearance of outcome shows performance. The responsibility of the exporters is to create strategies directing the possible ways that how to implement suitable Strategies by applying proper mechanism to accomplish their organizational objectives. Donthu and Kim (1993) have defined that export commitment like the management of firm's enthusiasm is to assign adequate decision-making, financial, and human assets to exporting activities.

Tariffs and tacit complicity between the present companies with emerging markets might discourage competition, with the development of country's markets have created complicated

consumers whose expectations are high quality due to competitive markets (Porter 1990). Miscellaneous results were founded while studying on the association among variation of standardization and company's performance (Calantone et al. 2004). Unless the markets have not been properly defined that is why strategies implementation problems arises which causes the lack of difference in performance (Samiee and Roth 1992). The business strategy is restrained by the association between market orientation and its performance (Matsuno and Mentzer, 2000). Competitive strategies of export companies are designed under the way of resource and potential exploitation that were maintained by the companies to compete their target customers and helpful in achievement of desired goals (Cavusgil and Zou, 1994). The dominant goal of exporting firms is to operational survival by increasing their growth and securing their assets regarding to other similar firms. A firm potential to achieve and maintain export performances is intimately associated with the efficiency and effectiveness of implementation to a deliberate export marketing strategy (Sousa et. al, 2008). Market orientation is defined as activities including the creation of market intelligence that is applicable with the exporting firms operations, distribution of an effective knowledge to make suitable assessment along with responses of export consumers helpful to design and implement strategies, factors like export competitors can influence the firm performance with its capability to offer greater importance to export customers. Export management operates funds and abilities in progressive strategic manner in order to accomplish competitive dominance in the form of efficient export performance in foreign markets (Morgan et. al., 2004). A foreign business operator's beneficial significance was providing to its consumers and price arrangement in creating the worth constrains its performance.

2.3 The Effect of Management of Physical Evidence on market share index.

Norton 1992, 1993, 1996a, 1996b) argue that Strategy is linked to performance by modelling the chain of performance drivers to outcomes. Day and Wensley (1988) specified a performance model that included a path structure instead of a model that included only the multiple performance measures.

Since many marketing decisions do not directly influence financial measures, such as ROI, performance path models form an attractive vehicle to explain the relationship between a marketing strategy and performance. This is especially true in the case of marketing support activities. In general, marketing efforts can be categorized as operational activities and support activities. Operational activities are those marketing efforts that directly influence customers and the market position of a company (e.g., advertising campaigns or sales promotions). Support activities enable marketers to create, design, execute, monitor, and evaluate operational activities. Examples of marketing support activities include training and education for marketing personnel, activities to motivate employees, the atmosphere and culture in the marketing department, internal communication, the organizational structure, and adequate support tools (ranging from fresh coffee and clean offices to high quality printers).

Not surprisingly, in marketing research most attention is being paid to the effectiveness of operational activities, but literature also contains several exceptions. Challagalla and Shervani (1996) suggest that capability control (e.g., developing individual skills and abilities) influences

the performance of salespersons, and Spies et al. (1997) argue that store atmosphere is related to several intermediate performance measures, such as customer satisfaction and purchasing behaviour. In the next sections we will propose and validate a performance path model that describes the effects of another marketing support activity, namely the efforts to maintain high quality customer information (e.g., training of call centre employees, calling a sample of customers to verify information, or developing advanced databases).

2.4 The Effect of Management of Process on business development.

This is the art of putting a customer first, anticipating the needs and problems, tailoring products and services to meet needs and establishing customer relationship. It is this notion of customer service, which necessitated a need for the expansion of traditional marketing mix (4Ps), so as to have 7Ps. This has been a result of the fact that, the 4Ps model is too simplistic hence does not capture the full complexity of services marketing in practice. It does not also recognize the cross-functional relationships in the services industry. The three additional elements are people, process information, and physical aspects. These three elements in the marketing mix represent elements of services marketing that are cross-functional in nature. They are more concerned with retaining the customer (relationship marketing), than catching the customer (transactional marketing). The cost of creating new customers is always higher than the cost keeping the existing ones. Good management of EMM will act as glue between a firm and the customers.

The service providers need to be well knowledgeable of the way the service is generated and delivered to the customers. In this case the aspect of communication, communication objectives and strategies forms part of process information. There should not be confusion between this component of marketing mix and that of traditional marketing mix, promotion. Process information is about the nature of the service creation and delivery system while promotion is about informing prospective and existing customers about the availability of the product-service. Since customers cannot see service they will build confidence on the information given to them by service providers about the whole process about the service. Some customers are argumentative, so they will need details about the process of the service. Once the service provider is not confident about the information he is giving about the service of the process, customers can object the offer. The power of IT needs to be integrated in this component as it can speed up the availability of the information hence a good customer's service to customers

Empirical support for the relationship between the marketing mix and organization performance of a business has been provided by a number of studies. The majority of these studies have been based on the Profit Impact of Marketing mix and have focused on company performance in the United States of America (Faria and Wellington, 2005; Kyle, 2004). Various studies by Shim et al. (2004), O'Neill et al. (2002) and Patterson and Smith (2001) have suggested that overall business performance is influenced by the marketing mix. In the South African context, Cant and Brink (1999) studied the marketing perceptions of grocery shop owners whilst Martins (2000) studied grocery retail strategies based on the income and expenditure patterns of consumers.

Other studies by Elisante G. (2005) have focused on managing the expanded marketing mix (EMM): A critical Perspective Approach, (From 4Ps to 7Ps) and by Fahd. K. A (2009) talked about the extended services marketing mix and emergence of additional marketing Ps

3.0 RESEARCH METHODOLOGY

The study used a descriptive sectional research design. The target population was 67 parastatals in Nairobi. A sample size of 2 parastatals was taken. The data collection instrument was a questionnaire. The data was analyzed using descriptive statistics such as means and frequencies. The data analysis tool was statistical package for social sciences (SPSS) version 17. The data was presented using bars and charts.

4.0 RESULTS AND DISCUSSIONS

4.2 Demographics

4.2.1 Gender of Respondents

The study sought to find the gender distribution of respondents. The findings areas illustrated in figure 4.1 below. The findings indicate that majority of the respondents were male (75%) while 25% were female. These findings imply that the organization gender was predominantly male. According to Ellis, Cutura, Dione, Gillson, Manuel & Thongori (2007), in spite of women being major actors in Kenya's economy, and notably in agriculture and the informal business sector, men dominate in the formal sector citing the ratio of men to women in formal sector as 74%:26%.

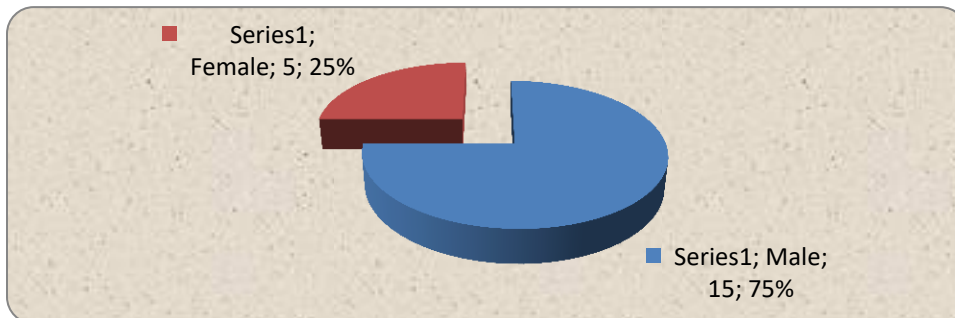


Figure 1: Gender of Respondents

4.2.2 Level of Education

The study sought to find out the highest level of education for the respondents. The findings indicate that majority 75% had reached university level, while 15% had reached post graduate level and 10% of the respondents had reached college level. These results imply that the respondents had high academic qualifications.

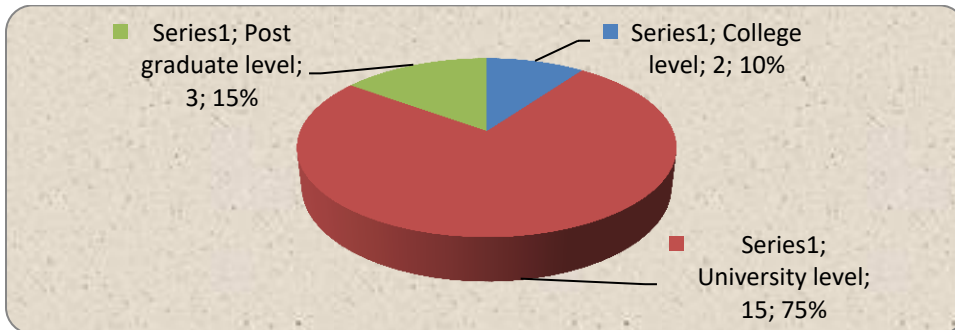


Figure 2: Level of Education

4.2.3 Number of years in Employment

As illustrated in figure 4.3, the findings reveal that majority 70% of the respondents had been in the organization for more than five years while 30% of the respondents had been in the organization for 3 to 5 years. The findings imply that most of the respondents had been in the organization long enough hence accurate responses.

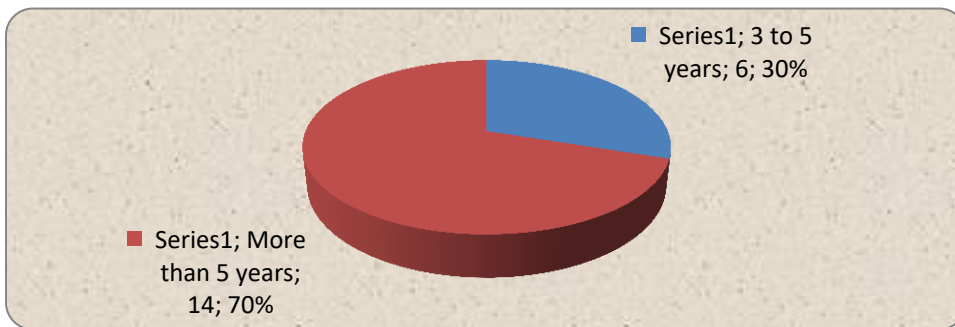


Figure 3: Number of years in Employment

4.3 The effect of people management on profit.

Results in figure 4.4 indicate that majority 55% of the respondents disagreed while another 25% strongly disagreed bringing to a total of (80%) of those who disagreed with the statement that customer service personnel of my organization is reliable since it does things correctly the first time, consistently. The findings also reveal that 60% respondents disagreed while another 20% strongly disagreed bringing to a total of (80%) of those who disagreed with the statement the customer's service personnel of my organization show willingness, interest and proficiency in giving service.

The findings further in figure 4.5 revealed that 65% respondents disagreed while another 5% strongly disagreed bringing to a total of (70%) of those who disagreed with the statement that the customers service personnel of my organization is knowledgeable and skilled in performing service. The findings also indicate that 75% disagreed while another 10% strongly disagreed bringing to a total of (85%) of those who disagreed with the statement that the customers service personnel of my organization is available, easily accessible and easy to contact. The result

finding reveal that majority 65% respondents disagreed while another 5% strongly disagreed bringing to a total of (70%) of those who disagreed with the statement that the customers service personnel of my organization is courteous, is polite, respectful and has a friendly attitude.

Finally the findings indicate that majority 50% respondents disagreed while another 25% strongly disagreed bringing to a total of (75%) of those who disagreed with the statement that the customers service personnel of my organization has good communication skills as they keep customers informed in a language they understand and always listen to them

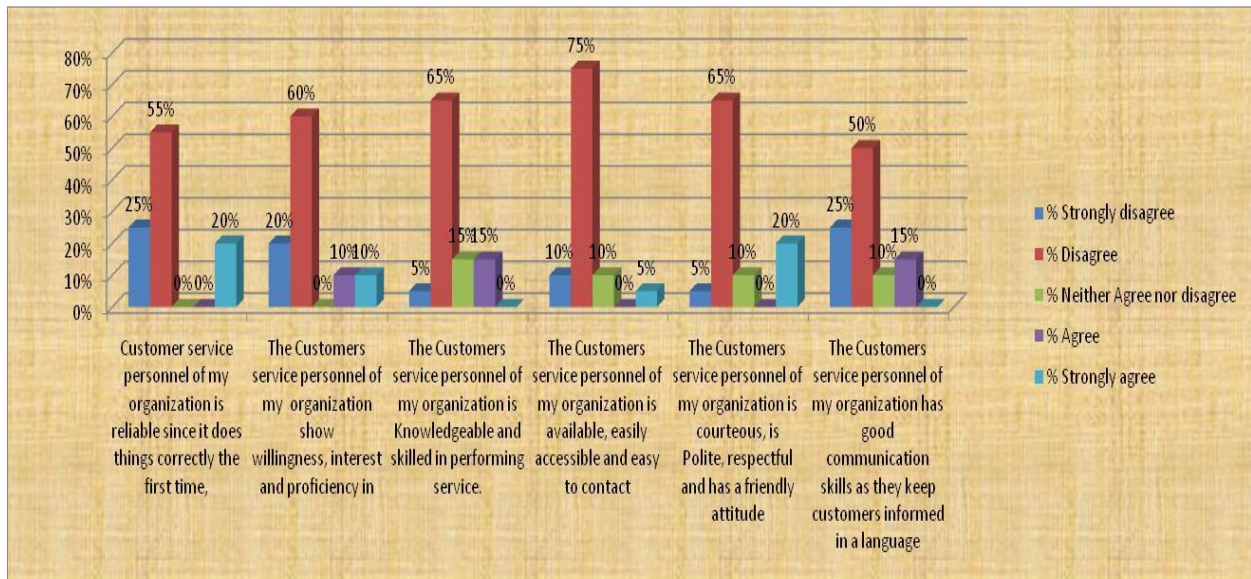


Figure 4: Effect of people management on profit.

4. 4 The effect of physical evidence management on market share.

As illustrated in figure 4.5, the findings indicate that majority 65% disagreed while another 10% strongly disagreed bringing to a total of (75%) of those who disagreed with the statement that the reception of their organization is spacious, well aerated and comfortable. The findings further revealed that 60% respondents disagreed while another 15% strongly disagreed bringing to a total of (75%) of those who disagreed with the statement that the offices of their organizations have lifts and escalators.

Results in table 4.5 reveal that majority 45% of the respondents disagreed while another 20% strongly disagreed bringing to a total of (65%) of those who disagreed with the statement that the physical allocation of their organization is easily accessible. The study findings also indicate that majority 60% disagreed while another 15% strongly disagreed bringing to a total of (75%) of those who disagreed with the statement that the physical allocation of their organization had adequate security.

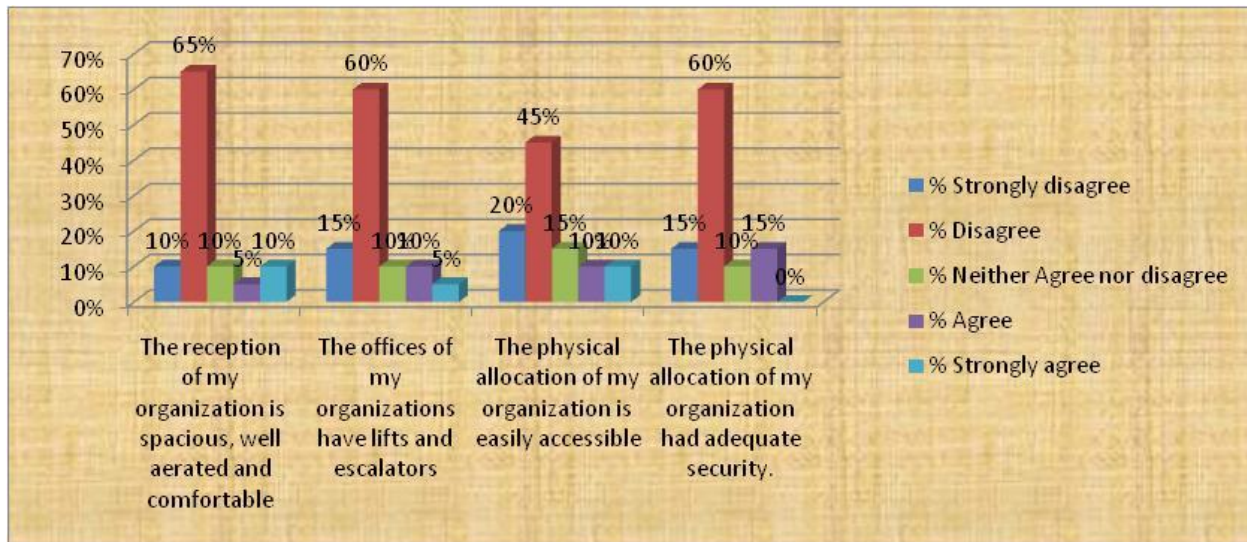


Figure 4: Effect of physical evidence management on market share.

4.5 The effect of process management on business development.

Results in table 4.6 reveal that majority 65% of the respondents disagreed while another 15% strongly disagreed bringing to a total of (80%) of those who disagreed with the statement that their organization has clear processes for handling customer complaints. The findings further revealed that majority 60% disagreed while another 15% strongly disagreed bringing to a total of (75%) of those who disagreed with the statement that their organizations have clearly laid out processes for identifying customer needs and requirements. The findings also reveal that 55% of the respondents disagreed while another 25% strongly disagreed bringing to a total of (80%) of those who disagreed with the statement that their organization have clearly laid out processes for handling customer orders.



Figure 5: Effect of process management on business development

4.6 Organization Performance

The study findings indicate that majority 60% of the respondents disagreed while another 10% strongly disagreed bringing to a total of (70%) of those who disagreed with the statement that their organization profitability has increased in the last five years. The findings further revealed that majority 60% disagreed while another 10% strongly disagreed with the statement that their organization market share has increased in the last five years. Finally, the study findings indicate that majority 70% of the respondents disagreed while another 15% strongly disagreed with the statement that their organization business plans have improved.



Figure 6: Organization Performance

5.2 Summary of Findings

The general objective of this study was to establish the effect of managing expanded marketing mix on organizational performance of parastatals in Nairobi. The specific objectives of this study were to establish the effect of people management on profit, to determine the effect of physical evidence management on market share, and to evaluate the effect of process on business development.

The research used a total population of 677 and a sample size of twenty parastatals. For purposes of collecting primary data, the use of a questionnaire developed by the researcher was used and their results analysed using various statistical methods such as graphs, charts and with the aid of Microsoft Excel.

Study findings indicated that majority (75%) of the respondents were male and (25%) were female. Majority (75%) of the respondents were university graduates. Majority (70%) respondents had been in the employment for more than five years. The finding implies that the respondents of the study were mature and probably ready to retire in the next decade.

Results indicated that customer service personnel of parastatals are unreliable since it does not do things correctly the first time. This is evidenced by the majority of respondents who indicated they strongly disagree and disagreed. Results also indicated that parastatals do not have effective

means to manage people as this was evidenced by the majority of respondents who disagreed and strongly disagreed with the statements that the customers service personnel of my organization show willingness, interest and proficiency in giving service, the customers service personnel of my organization is Knowledgeable and skilled in performing service, the customers service personnel of my organization is available, easily accessible and easy to contact, the customers service personnel of my organization is courteous, is polite, respectful and has a friendly attitude, the customers service personnel of my organization has good communication skills as they keep customers informed in a language they understand and always listen to them.

Results further indicated that parastatals had poor management of physical evidence on market share, this is evidenced by majority of the respondents disagreed and strongly disagreed with the statements that the reception of my organization is spacious, well aerated and comfortable, the offices of my organizations have lifts and escalators, the physical allocation of my organization is easily accessible, the physical allocation of my organization had adequate security.

The study findings also indicated that majority of the respondents disagreed and strongly disagreed with the statements that their organization has clear processes for handling customer complaints, their organization has clearly laid out processes for identifying customer needs and requirements, their organization has clearly laid out processes for handling customer orders. This implies that parastatals have poor process management on business development.

5.3 Discussion

This section presents the discussion of the key findings of the study based on the already reported research questions.

5.3.1 The Effect of People Management on Profit.

One of the study objectives was to establish the effect of people management on profit. Results indicated that majority 55% of the respondents disagreed while another 25% strongly disagreed bringing to a total of (80%) of those who disagreed with the statement that customer service personnel of my organization is reliable since it does things correctly the first time, consistently. The findings also revealed that 60% respondents disagreed while another 20% strongly disagreed bringing to a total of (80%) of those who disagreed with the statement the customer's service personnel of my organization show willingness, interest and proficiency in giving service.

The findings further revealed that 65% respondents disagreed while another 5% strongly disagreed bringing to a total of (70%) of those who disagreed with the statement that the customers service personnel of my organization is knowledgeable and skilled in performing service. The findings also indicated that 75% disagreed while another 10% strongly disagreed bringing to a total of (85%) of those who disagreed with the statement that the customers service personnel of my organization is available, easily accessible and easy to contact. The result finding reveal that majority 65% respondents disagreed while another 5% strongly disagreed bringing to a total of (70%) of those who disagreed with the statement that the customers service personnel of my organization is courteous, is polite, respectful and has a friendly attitude.

Finally the findings indicate that majority 50% respondents disagreed while another 25% strongly disagreed bringing to a total of (75%) of those who disagreed with the statement that the

customers service personnel of my organization has good communication skills as they keep customers informed in a language they understand and always listen to them.

5.3.2 The effect of physical evidence management on market share.

The other objective of the study was to determine the effect of physical evidence management on market share. The findings indicated that majority 65% disagreed while another 10% strongly disagreed bringing to a total of (75%) of those who disagreed with the statement that the reception of their organization is spacious, well aerated and comfortable. The findings further revealed that 60% respondents disagreed while another 15% strongly disagreed bringing to a total of (75%) of those who disagreed with the statement that the offices of their organizations have lifts and escalators.

Results revealed that majority 45% of the respondents disagreed while another 20% strongly disagreed bringing to a total of (65%) of those who disagreed with the statement that the physical allocation of their organization is easily accessible. The study findings also indicate that majority 60% disagreed while another 15% strongly disagreed bringing to a total of (75%) of those who disagreed with the statement that the physical allocation of their organization had adequate security.

5.3.3 The effect of process management on business development.

The study attempted to evaluate the effect of process on business development. Results revealed that majority 65% of the respondents disagreed while another 15% strongly disagreed bringing to a total of (80%) of those who disagreed with the statement that their organization has clear processes for handling customer complaints. The findings further revealed that majority 60% disagreed while another 15% strongly disagreed bringing to a total of (75%) of those who disagreed with the statement that their organizations have clearly laid out processes for identifying customer needs and requirements. The findings also revealed that 55% of the respondents disagreed while another 25% strongly disagreed bringing to a total of (80%) of those who disagreed with the statement that their organization have clearly laid out processes for handling customer orders.

5.4 Recommendations

5.4.1 The Effect of People Management on Profit.

Following the study findings, it is recommended that training be emphasized to parastatals so that the employees would know how to handle the customers, customer's complaints and retain them.

5.4.2 The effect of physical evidence management on market share.

Following the study findings, it is recommended that the organization be located at easily accessible areas where customers can reach easily. It is also recommended that the organizations to ensure safety and security measures for all the customers at all times.

5.4.3 The effect of process management on business development.

It is recommended that all parastatals to lay out clear processes and procedures for handling customer's complaints, orders and for identifying customer needs and requirements.

5.5 Recommendations for Further Studies

The study recommends that a comparative study be done for organizations in the private sector. In addition, comparative studies should be done for NGOS in an attempt to see whether they use the expanded marketing mix.

REFERENCES

- Bray, M. (2007). *The Shadow Education System*. Private tutoring and its implications for planners. Fundamentals of Educational Planning. IIEP-UNESCO. Paris
- Bray, M. (2009). *Confronting the Shadow Education System*. What government policies for what private tutoring? UNESO Publishing .International Institute for Educational Planning. Paris
- Dolton, P., Marcenaro, O. D. & Navarro, L. (2003). The effective use of student time: a stochastic frontier production function case study. *Economics of Education Review*, 22, 547–560.
- Kim, M. (2007). *School Choice and Private Supplementary Education in South Korea*. Paper presented at the Policy Forum Confronting the Shadow Education System: What Government Policies for What Private Tutoring. International Institute for Educational
- Tansel, A. & Bircan, F. (2006). Demand for education in Turkey. Tobit analysis of private tutoring expenditures. In: *Economics of Education Review*, 25(3), 303- 313.
- Tansel, A. & Bircan, F. (2007). *Private Supplementary Tutoring In Turkey*: recent evidence on its various aspects. Paper presented at the IIEP Policy Forum on Confronting the shadow education system: what government policies for what private tutoring? IIEP-UNESCO. Paris
- Taylor, D. (2007). Making good progress: The Use of One to one Tuition in Improving Rates of Pupil Progression. Paper presented at the IIEP Policy Forum on *Confronting the shadow education system: what government policies for what private tutoring?* IIEP-UNESCO. Paris
- World Bank (2004). Vietnam. Reading and mathematics assessment study. *Human Development Sector Unit, East Asia and Pacific Region*. World Bank. Washington DC:
- Xue, H. & Ding, X. (2009). A Study on Additional Instruction for Students in Cities and Towns in People's Republic of China. *Educational Research*, 30 (1) 39