Marketing Capability and the Performance of Mobile Service Provider Intermediary Organizations in Nairobi County, Kenya

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Abstract
This study sought to determine the effect of marketing capabilities on the performance of MSP intermediary organizations. There is a high recognition of the major role played by the telecommunication sector towards Kenya's economic growth with multiplier effects on other aspects thus underscoring their importance in the country's development agenda. However, it still remains validly appreciated that there exist Intermediary organisations in the same fast-growing sector of Mobile Service Providers whose contribution in this acclaimed progress is little appreciated and the aspects affecting their not so good performance still scanty. Notably, the intermediary organisations must therefore develop the required marketing capabilities to implement appropriate distribution strategies that will enable them deliver their own objectives and those of their parent organisations. This study employed a descripto-explanatory cross-sectional survey research design. The study collected primary data from 219 respondents drawn from a target population of 397 selected using stratified and simple random sampling. It established that marketing capabilities contributed significantly to the MSP Intermediary organisations' performance. The study recommended that the management of MSP Intermediary organisations should improve their marketing capabilities through training in areas of marketing research, effective pricing, new product and range extension, channel relationship management and promotions to boost MSP Intermediary Organisation performance.

Key Words: Marketing Capability, Mobile Service Provider Intermediary Organizations, Organizational Performance

1.0   INTRODUCTION: An overview of the mobile service provider intermediary sector in Kenya

The telecommunications industry has experienced tremendous growth in the last several years to become one of the fastest growing sectors in Kenya. The sector enjoys a penetration growth rate of over 50 per cent, which is projected to increase to 70 per cent (CCK, 2011). A major contribution attributed to the MSPs, with which they are almost synonymous, is the mobile money transfer platform that has revolutionalised conventional banking and access to financial services. Kenya had 26.4 million mobile phone subscribers by September 2011 up from 25.3 million recorded at the end of June the same year, representing an increase of 4.8% (Communications Commission of Kenya (CCK), 2012). In addition, the total teledensity for July to September 2011 increased to 68.1% from 65.15%. This growth was possible through the use of intermediaries to reach consumers of telecommunication products in the country. Safaricom had approximately 661 intermediaries for consumer products while Airtel Kenya had 70 intermediary firms. Orange Telkom and Essar had 330 and 111 intermediaries respectively.

It is worth noting that this growth was possible through the use of intermediaries to reach consumers of telecommunication products in the country with the market leader (Safaricom) boasting of approximately 661 intermediaries for consumer products while Airtel Kenya had 70 intermediary firms. Orange Telkom and Essar had 330 and 111 intermediaries respectively. Yet it remains unclear if the growth experienced in the telecommunication sector is also reflected in the performance of intermediary business. Interestingly though is the question of whether the MSP intermediaries are developing their Marketing Capabilities in equal pace, and if so what these marketing capabilities would have on their performance.

2.0 THEORETICAL REVIEW OF THE LITERATURE
2.1 Theoretical Review
Various theories underpin the understanding of aspects that determine organizational growth with the diverse facets of the business landscape. Prominent among these theories and of particular relevance to the question of Capabilities and Intermediary Performance is the Resource-Based View; the Resource-Based View (RBV) explains those capabilities of the organisation that are immutable for competitive advantage and performance.

It is the suggestion of marketing literature that 'marketing planning capabilities refer to the ability to conceive strategies that appropriately align available resources and capabilities with marketplace' (Morgan *et al*., 2003) that first call this study into the application of the RBV theory. The resource-based view gives this study a basis for appreciating marketing capabilities and how they relate to intermediary performance. It proceeds to argues that firms possess some resources that enable them to achieve competitive advantage and some that lead to superior long-term performance. Valuable and rare resources can lead to the attainment of competitive advantage whose sustenance over a long time can protect a firm against resource imitation, transfer, or substitution.

The resource-based view of the firm focuses on decisions about the acquisition and use of both tangible and intangible resources within the firm (Darroch, 2005). Firms are thus described as bundles of tangible and intangible resources including firms' management skills, organisation process and routines, and the information and knowledge retained by the firm (Galbreath & Galvin, 2008, Kamasak, 2011). Consequently intermediary performance as affected by marketing capabilities is underpinned by this theory in this study; this owes to the resource-based view of the firm postulation that the sustained competitive advantage or performance of a firm results from the inimitability, rarity, and non-tradability of intangible resources that competitors cannot copy or buy easily (Penrose, 1959; Wernerfelt, 1984).

2.1.1 Marketing Capabilities
The development of key marketing capabilities is regarded as one of the main avenues by which firms can achieve innovation and competitive advantage (Weerawardena, 2003; Weerawardena & O'Cass, 2004). According to Vorhies et al. (1999), marketing capabilities are not resources in themselves but integrative processes whereby the collective knowledge, skills, and resources of a firm are applied to take care of the market-related needs of the business. Ultimately, marketing capabilities enable the business to add value to its goods and services, adapt to market conditions, take advantage of market opportunities, and overcome competitive threats (Day, 1994).

The capabilities required by intermediary firms to ensure performance take the form of quality and effectiveness of customer service; expertise in purchasing raw materials, inventory management, and sales; and effective use of logistics management techniques. Intermediary firms must also possess the ability to motivate, empower, and retain employees and show responsiveness to market trends. Through continued use, capabilities become stronger and more difficult for competitors to understand and imitate. Some of the more socially complex capabilities include the interpersonal relationships, trust, and friendships among managers, and between managers and employees of the firm's suppliers and customers (Day, 1994).

2.1.2   Intermediary Firm Performance

The concept of a firm's performance is an aggregate phenomenon. According to Itami and Roehl (1987) the multidimensional aspect of the concept of organisational performance is linked to several factors including the effects of structure, motivation, and group dynamics. The authors also associate organisational performance with such factors as job enrichment, decision making, leadership, goal setting, and planning.

Kaplan and Norton (1996) note that business enterprises must keep track of the non-financial measures of performance such as market share, speed of response, and product quality; pay attention to externally focused measures such as customer satisfaction and brand preference; and take into account forward-looking measures such as employee satisfaction, retention, and succession planning. Wiele, Boselie and Hesselink (2002) on the other hand, have demonstrated that business performance can be measured in terms of sales volume, sales margin, number of hours service was sold to the customer, and number of placement per customer. The resulting deduction is that organisational performance, therefore, is a multidimensional construct tapping into the financial, operational, and customer-related domains.

Business growth can therefore be perceived as a reflection of performance trends in terms of sales and market share gains as well (Vorhies, *et al*., 1999; Kaplan & Norton, 1996; & Venkatraman, 1989). With regards to Intermediary performance, as viewed from another perspective, performance may be regarded as resulting from two variables: firm specific which are the internal capabilities of the firm, including the marketing capabilities and non-firm-specific variables and what can best be described as environmental variables because they exist outside the immediate boundaries of the firm (Mugambi, K'Obonyo & Kibera, 2011). According to Mugambi *et al.,* (2011), the interaction of these environmental variables (contextual factors) and firm-specific variables produces performance outcome. The corporate strategy, which in this study refers to the distribution strategy, among other strategies, also affects intermediary performance.

2.2 Empirical Literature

Various efforts within and without the Kenyan context has gone into illuminating the relationship between firm performance and various firm-specific and non-specific factors. Prominent among this are works by Aosa (1996), K'Obonyo (1999) and Mugambi *et al.,* (2011) who discussed the importance of organisational, environmental, economic, cultural, political, and legal factors and their influence on business performance in Kenya.

Thomas (2001) also conducted a research on the methodology of linking customer acquisition to customer retention and found that analysing and focusing on customer retention enhances the

customer equity of the firm. This model focused on the internal capabilities to which marketing capabilities could be inferred but excluded the external environment. White, *et al.,* (2003), in a study on market strategy development styles, implementation capability, and firm performance found that implementation capability positively affects firms' performance. The study was based on the established parent producer, thus necessitating the importance of exploring if similar results would be obtained for intermediary companies.

On the other hand, Ingram (2004), in research work on the future themes in sales management complexity, collaboration, and accountability found that collaboration is inferred for success in sales. The study focused on relationships by collaboration but ignored intangible resources that are key contributors to sales success. Of importance is that the current study included intangible resources as a variable of marketing capabilities in relation to intermediary performance.

Similarly, Cho and Pucik (2005) found that innovativeness, quality, and profitability have inter-linkages with positive mediation relationship on market value. Other studies on heterogeneous firm effects of knowledge exchange on product innovation have asserted that research intensity, innovative revenue, and growth in revenue are indicators of innovative performance. Both study types, however, did not consider the effects of strategy choice, which is affected by intangible resources within the organisation. The current research work included this variable to establish the linkages and effect on intermediary performance.

Gachanja, *et al.,* (2008) established that there was a decline in total factor productivity in the manufacturing sector during 2001 and 2005. The study did not determine whether the decline was associated with the strategic choices of how products are distributed or with marketing capability or even the performance of the intermediaries. Finally, Mugambi, *et al.,* (2011) suggested further studies to evaluate the influence of strategic capabilities and contextual factors in small-and-medium enterprises because they form the bulk of business organisations in Kenya. This study, therefore, from the gaps eminent and the results obtained sought to establish the effect of marketing capabilities on MSP intermediary organisations' performance in Kenya.

2.3 Research Problem

Research and practice point towards an increasingly complex link between marketing capabilities and intermediary performance. Indeed, recent research has greatly enhanced knowledge concerning the link between marketing capabilities and firm performance (Vorhies & Morgan, 2005; Krasnikov & Jayachandran, 2008). Other scholars have explored the complementary role of functional capabilities, namely, marketing, operations, and research and development in an attempt to explain inter-firm differences in performance (Dutta *et al*., 1999). A unique aspect in this literature growth is that most of the research conducted on the aspect of marketing capabilities has focused on identification, adaptability, and implementation of the marketing capabilities necessary to take advantage of the rapidly changing technological environment to give firms a competitive advantage in the market (Day, 1994; Vorhies *et al.,* 2009). This has left a remarkably huge gap since these studies have paid little attention to the relationship between selected marketing capabilities and firm performance in terms of profitability among the MSP intermediary organisations.

The above situation necessitates a research into the effect that these Marketing Capabilities have in the context of MSP Intermediary organizations' performance. This comes as mobile service providers (MSPs) continues to invest in employing both human and physical resources to support

the growth of their intermediaries as well as build their capabilities while the performance of MSP Intermediaries themselves appear to have stagnated and is even on a declining trend in some cases. Indeed, the existing anecdotal evidence of the rapidly increasing complexity of intermediary performance is persuasive and the sharp contrast in Intermediary performance compared to the MSPs themselves compelling emphasize the importance of investigation in this area.

2.4 Research Objective

General Objective
This study sought to establish the effect of marketing capabilities on Mobile Service Provider intermediary organisations; performance in Nairobi County, Kenya.

The sspecific objective is to establish the effect of marketing capabilities on performance of MSP intermediary organisations in Nairobi County, Kenya.

3 .0 CONCEPTUAL FRAMEWORK AND HYPOTHESIS
The theoretical literature on performance maintains that there exists an effect of internal firm aspects on its performance thus marketing capabilities have an effect on firm performance. It is based on the Resource Based View (RBV) which focuses on the firm specific aspects in influencing firm performance. The RBV perspective is that performance is driven by internal to which class marketing capabilities belong rather than external factors. Notably though, the study appreciates that the shortcomings of the RBV literature in that it focuses on the firm while paying little attention to the interaction with and influence from other organisations thus rejecting Hakisson (1987) emphasises that relationships are one of the most valuable resources that a firm possesses.

3.1 Analytical Framework
The analytical framework underlying this position is fashioned in this study in line with positivism approach, which seeks to use existing theory to develop hypotheses that are tested and confirmed wholly, in part, or otherwise refuted leading to further development of theory to be tested with further research. Saunders *et al.,* (2009) affirms that through positivism the researcher is concerned with facts and not impressions. In achieving the study's objective, the following model was used to test the statistical significance of relationships involving the two variables of MSP intermediary organisations' performance and marketing capabilities; the Equation took the form of a linear regression.

The study hypothesized that;
Ho$_i$ - There is no statistically significant relationship between marketing capabilities and performance of MSP intermediary organisations in Nairobi County, Kenya.

The effect of marketing capabilities on MSP intermediary organisations' performance:

$$IP_{ij} = \alpha + \beta \, MC_{ij} + \square \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \tag{1}$$

Where;
    α is the model equation intercept
    β is the path coefficient
    $\square$ is the error term
    IPij = MSP Intermediary organisations' performance for firm performance *i* given operating context *j*,

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MCij =Marketing capability influence on the intermediary firm i performance given operating context j.

3.2 Operationalisation and Measurement of Variables
The dependent variable in this study was intermediary performance while marketing capabilities and distribution strategy were the independent variables

Table 1:   Operationalisation and Measurement of Variables

Variable	Nature	Operationalisation	Measures
MSP Intermediary Organisations' performance	Dependent variable (DV)/ Endogenous	The actual rating of performance variables in the study as in sales performance (financial and non-financial measures), market share (non-financial measures), and customer satisfaction (non-financial measures)	Interval measure, Interval scale for the weekly sales performance for question 2a and Sum of management/ respondents judgments on 1-5 scale for Questions 2b-d; ordinal measure.
Marketing capabilities	Exogenous independent variable (IV) and moderating the relationship between IV and DV	The appropriate capabilities required in the execution of business strategies to achieve desirable performance. The indicative skills appropriate are market research, pricing, product development, channel management, promotion, and market management capabilities	Sum of management / respondent judgments on 1-5 scale; ordinal measure

4.0 RESULTS AND DISCUSSION

As indicated, the study used a positivism approach of hypothesis testing to find the relationship that existed between the study variables thus a need to run a diagnostics of the relationship between the variables for multi-collinearity. Multi-collinearity exists when two or more variables are highly correlated with each other. A proper multi-collinearity diagnostic test must be conducted since highly correlated variables designed to test different concepts usually measure the same theoretical concepts**.**

4.1 Multi-collinearity Test
During multi-collinearity diagnostics analysis, Field (2009) suggests that a tolerance value of less than 0.1 suggests the existence of a serious collinearity problem. In addition, there is cause for concern when the variance inflated factor (VIF) values are greater than 10. The results of multi-collinearity diagnostics test for the study variables in the current study are shown in Table 2 below

Table 2:   Results of the Multi-collinearity Diagnostics for Study Variables

Dependent variable: MSP Intermediary organisations Performance	Multi-collinearity statistics	
	Tolerance value	**VIF**
Marketing capabilities	0.711	1.407

The tolerance values obtained for the variables of marketing capabilities, distribution strategy and contextual were 0.711, which was higher than the acceptable limit of 0.1. In addition, VIF value for the variable was less than 10, suggesting that the variables were not highly correlated with each other; hence the data set was free from multi-collinearity problems.

4.2 Research Design

The research design selected for this study was the descripto-explanatory cross-sectional survey. The purpose of adopting the selected research approach was specifically to obtain in-depth responses to achieve elaborate and better understanding of the phenomena under investigation including the relationships between study variables. Saunders *et al*., 2009) indicate that this approach to research helps establish causal relationships between variables by laying emphasis on studying a situation or a problem. The selected design was, therefore, considered suitable for the current study which entailed examination of relationships between variables.

The MSP intermediary organisations' performance was evaluated using the three measures of sales performance, market share, and customer satisfaction. Table 3 presents results of intermediary performance on the three indicators.

Table 3:   Performance of the MSP Intermediary organisations

Intermediary performance	Sample size	Mean	Standard error mean	t-value	p-value
Sales performance	213	3.8998	0.03614	107.915	.000
Market share	213	3.6667	0.02196	166.964	.000
Customer satisfaction	213	3.9077	0.02138	182.737	.000
Overall performance	213	3.8244	0.02076	184.192	.000
Overall mean score=3.82 *One sample t-test: test value=0(H$_o$: there is no significant difference between the means, at α=0.05. Reject H$_o$ if p-value $\leq \alpha$, otherwise fail to reject Ho if p-value> α*					

Source of data: Survey 2013

The results obtained by the study suggest that the MSP Intermediary organisations performed better on customer satisfaction (mean score =3.91) compared to the other performance indicators. The higher level of customer satisfaction was attributed to the delivery of accurate information to customers and ensuring that services were readily accessible. The intermediaries, however, registered moderate performance on the market share indicator (mean score=3.67), which was below the overall performance assessment score of 3.82.

The one-sample *t*-test for equality of means on the performance of the MSP Intermediary organisations established that the mean scores differed significantly from one intermediary to

another. The highest difference was registered in the overall assessment of intermediary performance (*t*-value=184.20, p< 0.05) while the least variance was noted in the sales performance variable (*t*-value=107.92, p< 0.05).

4.3 Marketing Capabilities and MSP Intermediary Organisations' Performance

The study analysed data to assess the marketing capabilities of the firms investigated. Regression analysis was used to determine the effect of marketing capabilities on MSP Intermediary organisations' Performance.

Marketing Capabilities

The marketing capabilities of the MSP Intermediary organisations were assessed using a set of six attributes including market research, pricing, product development, channel management, promotions, and market management. The relevant findings for these tests are highlighted in Table 4. A one-sample *t*-test with a theoretical test value of zero was conducted to establish whether the marketing capabilities varied among the MSP Intermediary organisations.

Table 4:   MSP Intermediary organisations Marketing Capabilities

Marketing Capabilities	Sample size	Mean	SEM	*T*-value	*P*-value
Market research	213	3.9742	.01829	217.271	.000
Pricing	213	3.8263	.02279	167.864	.000
Product development	213	3.9225	.02181	179.883	.000
Channel management	213	3.8873	.02674	145.357	.000
Promotions	213	4.1728	.02241	186.183	.000
Marketing management	213	3.9656	.02068	191.801	.000
Overall assessment	213	3.9581	.01154	343.026	.000
Overall mean score=3.958					
One sample t-test: test value=0(Ho: there is no statistical significant difference between the means, at α=0.05. Reject Ho if p-value ≤ α, otherwise fail to reject Ho if p-value> α					

Source of data: Survey (2013)

The most remarkable marketing capability among the intermediaries was the promotion of products and services with a mean score of 4.17 suggesting that the intermediaries were actively involved in the advertising programmes and trade development activities of the MSPs. The results also indicate that market research (3.97), product development (3.92), and marketing management (3.97) were significant marketing capabilities among the MSP Intermediary organisations.

The *t*-test statistics suggest that the marketing capabilities differed significantly from one intermediary to the next. The highest difference was noted in the overall assessment of the marketing capabilities (*t*-value=343.026, p<0.05) followed by market research (*t*-217.271, p< 0.05). The lowest statistical difference was noted in channel management (*t*-value 145.36, p< 0.05).

4.4   Effect of marketing capabilities on MSP Intermediary organisations' Performance

The study sought to establish the relationship between marketing capabilities and intermediary performance within MSPs in Nairobi County, Kenya. The null hypothesis tested in this study was stated as follows:

H1: There is no statistically significant relationship between marketing capabilities and   MSP Intermediary organisations' performance in Nairobi County, Kenya.

Testing the Hypothesis

To assess the influence of marketing capabilities on the MSP Intermediary organisations' performance, the marketing capabilities (independent variable) was regressed on intermediary performance (dependent variable). The Regression Model One capturing the hypothesised relationship is presented in equation 1.

Regression Model One: Equation 1

Equation 1 depicting the relationship between marketing capabilities and MSP Intermediary organisations' performance was given as follows;

$$IP_{ij} = \alpha + \beta\, MC_{ij} + \square \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots. \ (1)$$

Where; α is the model equation intercept

   β is the path coefficient

   $\square$ is the error term

   IPij = Intermediary performance for firm performance i given operating context j,

   MCij = Marketing capability influence on the firm i performance given operating context j.

The relevant results of the Regression Model One are presented in tables below

Table 5:   Summary Results of Regression Model One

R	R-Square	Adjusted R-Square	Std. Error of the Estimate
0.363	0.132	0.128	.28304
Predictors: Marketing capability			
Dependent variable: Intermediary performance			

Table 6:   Results of Significance of Regression Model One

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2.563	1	2.563	31.999	0.000
Residual	16.904	211	0.080		
Total	19.467	212	-		
Predictors: Marketing capability					
Dependent variable: Intermediary performance					

Table 7:   Results of Coefficients of Regression Model One

Model	Beta Coefficients		*t*	Sig.
	Beta (β)	**Std. Error**		
(Constant)	1.240	0.457	2.711	0.007
Marketing capabilities	0.653	0.115	5.657	0.000
Dependent variable: Intermediary performance				

Results of the Regression Model One revealed a statistically significant relationship between the MSP Intermediary organisations' Performance and marketing capabilities (β=0.653, *p*-value=0.000). The Adjusted R-Square statistic indicated that 12.8% of the variance in performance of the intermediaries was explained by the regression model. The overall model was statistically significant ($F_{(1,211)}$ = 31.999, *p*-value=0.000). These findings supported rejection of the null hypothesis of no statistically significant relationship between marketing capabilities and intermediary performance. Consequently, a simple regression equation that can be used to estimate the MSP Intermediary organisations' performance given a set of marketing capabilities was presented as follows:

Intermediary performance= 1.240 + (0.653*marketing capabilities)
The study ran a multiple regression model to assess the statistical significance of the individual marketing capabilities on the MSP Intermediary organisations' performance.

Earlier studies have demonstrated the existence of a link between marketing capabilities and organisational performance jointly measured using financial (profits, returns, etc.) and market-related (sales, market share, etc.) indicators. This approach is evident in the studies of Fahy *et al.* (2000), Tsai and Shih (2004), and Vorhies and Morgan (2003) who found a positive link between marketing capabilities and organisational performance. Vorhies and Morgan (2005) later introduced a new feature to the procedure by adding customer-related performance indicators (satisfaction, loyalty, and value) as a sub-dimension of the organisational performance construct. In the latter case, the authors also found a positive relationship between marketing capabilities and organisational performance. Results of the current study reaffirm those of earlier studies that marketing capabilities significantly influence MSP Intermediary organisations' performance (β=0.653, *p*<0.01) at 5% level of significance. These results led to rejection of the null hypothesis and acceptance of the alternate hypothesis, which postulated that marketing capabilities influence MSP Intermediary organisations' performance.

Summary results of hypothesis testing

Hypothesis	Hypothesis Test	Overall decision
Ho_i: There is no statistically significant relationship between marketing capabilities and intermediary performance	Ho_i: β_1=0 H_A: $\beta_1 \neq 0$ Reject H_0 if p-value $\leq \alpha$ Fail to reject H_0 if p-value is >α where α=0.05	P_o= 0.000<0.05 Rejected Ho_i

The results of the regression model revealed a statistically significant relationship between marketing capabilities and MSP Intermediary organisations' Performance (β=0.653, p-

value=0.000). These findings supported rejection of the null hypothesis of no statistically significant relationship between marketing capabilities and intermediary performance.

5.0 CONCLUSIONS
The study's data collection from administered questionnaires was presented in results of these thematic subsections.

5.1   Performance of MSP Intermediary organisations
It emerged from the study that the MSPs should improve service delivery to their MSP intermediary organisations and consumers by developing and adopting appropriate strategies. Some of the suggested strategies towards achieving this end are upgrading network coverage, frequent promotional activities, and developing unique products in order to remain competitive in the market. Similarly, the MSP should improve on customer care services by training their staff on the available range of products.

Towards support for the intermediaries, a loaning scheme was suggested with a specified repayment period. The MSP Intermediary organisations cited challenges resulting from the use of technological platforms by MSPs to promote and sell products such as airtime, Internet services, and customer registration among others through mobile money services. They indicated that application of technology to provide these services was driving the intermediaries out of business.

5.2 Marketing Capabilities
The marketing capabilities is considered as important for improvement of performance by the MSP Intermediary organisations included fair and balanced pricing, aggressive promotion of products, introduction of a wide range of unique products, improvement in customer care services, and market intelligence. Market intelligence was required to inform the MSPs about the customer needs and demand level for products thus guiding the development of suitable products to gain competitive advantage. Therefore, a high level of responsiveness to customer needs would increase the sales turnover of the intermediaries thereby improving their performance as reflected in levels of sales, customer satisfaction, and market share. The intermediaries also suggested a review of the profit margins to enable them cover the business running costs effectively in addition to raising profitability.

Managerial and Theoretical Implications
From the research findings, several policy implications can be drawn to guide the performance of mobile service providers intermediary organisations First, the sales manager need to lobby the management to set aside a training budget to be used in training the sales team to their marketing skills since marketing capability was found to significantly influence performance of the MSP intermediary organisation. Furthermore, the manager need to organise training of the sales team on marketing research skills that will enable them to identify, understand market trends and the need of new products and services that will enhance performance of the MSP intermediary organisation. The sales manager need to ensure training on effective pricing, new product and range extension, channel relationship management and promotions as they form key aspects in sales team marketing capabilities.

In respect to Kenya's economic pursuits as captured in Vision 2030, the study recommends the need to appreciate the importance of developing marketing capabilities development and enhancing

distribution strategies for improved performance. These recommendations underscore the existing need to supports the three pillars of the Vision 2030 development blueprint, namely, political, economic, and social elements. Since the Vision 2030 recognises the contribution of the retail and wholesale trade, which includes the MSP Intermediary organisations, a support to MSP intermediaries is a step towards such a realization. This could be through Kenya Investment Authority, Kenya Association of Manufacturers among others who could play a role beyond creating investment opportunities, but also promoting the capabilities of domestic small scale investors. The government should also boast the creation and uptake of science and technology, research among others which could be applied in areas of distribution networks and marketing to boast performance.

Lastly, the study recommends the MSP intermediary organisation management to invest in culture change programs that will ensure the sales team have the unity of purpose in doing business, good work ethics that will lead to improved organisation performance. The socio-cultural factors were found to significantly affecting the performance of the MSP intermediary organisation.

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