

**CHALLENGES AFFECTING PERFORMANCE OF MARKETING RESEARCH FIRMS
IN KENYA**

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15/06714

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS
ADMINISTRATION (MARKETING) IN THE SCHOOL OF BUSINESS AT KCA
UNIVERSITY**

SEPTEMBER 2018

DECLARARTION

I declare that this research proposal is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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ACKNOWLEDGEMENT

First and Foremost, I am grateful to the Almighty for the gift of grace and strength He granted to me throughout the entire period of my studies.

I am acknowledging my family for being with me all the way. I appreciate my parents Mr and Mrs Guandaru who gave their financial and moral support so that I may achieve my goals. Thanks for your endless prayers. My little two sisters Edel and Lucy who have been there for me throughout this journey.

My colleague Beryl Auma who has given me all her moral support for me to achieve this.

To my supervisor Dr. Bridget Okonga, who has helped me fine tune this research project and challenged me to gain a deeper understanding of my topic of study.

DEDICATION

I dedicate this work to my Mum and Dad.

ABSTRACT

This study sought to investigate the challenges affecting marketing the performance of marketing research firms in Kenya. To achieve this, the study's objectives were to determine the effect of impactful reporting, cost of research, regulatory framework and technological factors on the performance of marketing firms in Kenya. The study adopted a descriptive research design which allowed the researcher to observe the aforementioned challenges in a natural and unchanged environment and collect in-depth information from the respondents. The target population for this study, therefore, included all research firms in Kenya. The study used individuals in the marketing departments as they were in the best position to understand the challenges the company is facing. Therefore, four main target audiences sought were a finance manager, a marketing manager, a marketing PR consultant and an audit officer from each company that was included in the study. The study also used questionnaires to collect data which was analyzed using SPSS (Version 22). The findings indicated that impactful reporting (M=3.39) was the greatest challenge, followed by regulatory framework (M=3.04), cost of research (M=2.98) and finally technological factors (M=2.92). Further, a Pearson correlation coefficient of 0.151 and significant value of $0.048 < 0.05$ indicated a positive relationship between impactful reporting and performance of research firm. A negative relationship was established between performance of marketing research firms and cost of research as indicated by a Pearson correlation coefficient of -0.228 and a p value of $0.036 < 0.05$. Additionally, a Pearson correlation coefficient of 0.233 was obtained for the relationship between regulatory framework and performance of marketing research firms. Similarly, this relationship was found to be statistically significant given that its associated significant value was $0.032 < 0.05$. Finally, a significant Pearson coefficient of -0.281 was also found for the relationship between technological factors and performance of marketing research firms. This was also statistically significant as indicated by a significant value of $0.043 < 0.05$. Therefore, this study concluded that the performance of marketing firms is significantly affected by all these challenges. The study therefore recommended marketing research firm to not only ensure that they apply the right technology n research for impactful reports but also consider the costs and legal frameworks associated with marketing research.

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OPERATIONAL DEFINITION OF TERMS

Marketing: The philosophy that firms should analyze the needs of their customers and then make decisions to satisfy those needs, better than the competition (Davis, Golicic and Boerstler, 2011).

Research: Creative and systematic work undertaken to increase the stock of knowledge, including knowledge of humans, culture and society, and the use of this stock of knowledge to devise new applications (McDaniel and Gates, 2012).

Marketing Research: An organized activity that is conducted for the purpose of gathering information about specific target markets or customers (McDaniel and Gates, 2012).

Impactful Reports: Reports that have a forceful impact on the end result, a report that produces a marked impression on its outcome (Tellis (2017).

Regulatory Framework: The existence of the necessary infrastructure which supports the control, direction or implementation of a proposed or adopted course of action, rule, principle or law (Barratt, Choi and Li, 2011).

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The process of gathering information about a specific market or customer niche is a critical process that all business owners need. Marketing has for a long time been regarded as a key business strategy and decision making tool used by many successful businesses. Given the dynamic nature of the modern business environment, marketing consists of several initiatives, including the management of relationships as well as creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (Babin and Zikmund, 2015).

According to Leeflang, Verhoef, Dahlström and Freundt (2014), marketing practice was viewed as the act of advertising, distributing and selling goods and services in the past. However, they asserted that modern marketing goes above and beyond these three aspects as it considers many other social sciences such as psychology, sociology, mathematics, economics, anthropology and neuroscience. It is now understood that the process of bringing a product to the market does not simply entail getting the information out there for purposes of selling. On the contrary, it involves studying human consumer needs, purchasing patterns, financial aspects and many more. This therefore means that a marketer needs to consider market targeting and market segmentation, determine distribution, pricing and promotion strategies, develop a communications strategy, budget well and provide a vision for the long-term market development goals of the organization (Davis, Golicic and Boerstler, 2011).

All these aspects of marketing have therefore necessitated the need for both global and local organizations to procure marketing services from leading marketing firms through a process known as marketing service procurement. This refers to activities directly involved in purchasing and sourcing business services that enable a company to promote itself, and its products and services in the market as opposed to procurement of classical goods such as components, raw materials (Bals and Hartmann, 2008). The entities responsible for the provision of this service are known as Marketing Research Firms. In their quest to provide this service, marketing research firms encounter several challenges, key among which will be discussed in this research

paper. The researcher therefore sought to find out how these challenges are related to the marketing research firms in Kenya.

1.1.1 Marketing Research

Marketing research can be defined as an organized activity that is conducted for the purpose of gathering information about specific target markets or customers (McDaniel and Gates, 2012). From a global perspective, the American Marketing Association (2017) defines marketing research as the function that links the consumer, customer, and public to the marketer through information. This information can also be used to identify and define marketing opportunities and problems, generate, refine, and evaluate marketing actions monitor marketing performance, and improve understanding of marketing as a process. However, from the Kenyan perspective, marketing research simply involves tapping consumer power regarding a specific product by conducting extensive research to find out their consumer needs and how they perceive certain products in the market (Gichuki, Njeru and Tirimba, 2014). In the long run, conducting a market research on both global and local scale yields specific information that is required to address issues by collecting relevant information, managing and implementing the process of data collection, analyzing the results and communicating their findings as well as their implications (American Marketing Association, 2017).

Ritchie, Lewis, Nicholls and Ormston (2013) indicated that marketing research is a process that employs the use of both qualitative and quantitative data in as far as issues related to marketing services and products is concerned. It is through this process that leading business organizations get to understand, identify and assess the changing elements of the market and how they impact the consumer. This therefore implies that it can be looked at from two perspectives, Consumer marketing research (qualitative), and Business-to-business (B2B) marketing research (quantitative). The former concentrates on understanding the preferences, attitudes, and behaviors of consumers in a market-based economy. It also aims to understand the effects and comparative success of marketing campaigns. Thus it is often associated with sociology. The latter, on the other hand, is described as the systematic and objective identification, collection, analysis, and dissemination of information for the purpose of assisting management in decision making related to the identification and solution of problems and opportunities in marketing (McDaniel and Gates, 2012).

There are so many benefits linked to marketing research. For instance, it guides communication with current and potential customers making it easier to understand their needs so that they can be attended to in the most effective way. It also helps an organization identify opportunities that can be exploited in the marketplace. Furthermore, it helps to minimize risk, measure reputation and solve potential problems that would otherwise bring down the business. It is an essential part of planning too and just as Kagira, Kimani and Githii (2012) found out, it helps to identify and establish trends making it very easy to position the business in the market as a leader.

On the contrary, there are some challenges that are faced in pursuit of the above benefits. First, there is an overwhelmingly large amount of existing market research methodology making it difficult to choose the perfect methodology that would yield the best results. The other challenge comes in the form of the quality of data needed to get the best results. Data being collated manually has a risk of being of poor quality. With volume of data collected increasing, manual errors due to human fatigue can seep in and when the collected data is of poor quality, the insights into the mined data stands a high risk of being of bad quality as well (Kiragu, 2014). Additionally, it is also true that The expectations of clients are increasing due to the complex business dynamics. Clients expect actionable insights from market research companies, which can help them take quick informed business decisions. Insightful strategic reports delivered within stipulated timelines is becoming an increasing challenge for market research companies globally. Finally, Rao, (2017) asserted that with the ever increasing competition, clients need the latest and up-to-date insightful information delivered super-fast. This would help the clients get an edge over their competition and grow rapidly in the market. The clients often have constraints in terms of the timelines, budget and scope of work involved (Gichuki, Njeru and Tirimba, 2014).

Given the nature and complexity of the process of market research, several organizations have been developed to specifically offer it as a service. These are known as marketing research firms, and they will form the focus of this research paper. Specifically, the researcher investigated some of the key factors that affect marketing research in Kenya. An overview of the sector is provided for in the next section.

1.1.2 Market Research Firms in Kenya

Marketing can be defined as the action or business of promoting and selling products or services, including market research and advertising. Market research on the other hand is the activity of gathering information about consumers' needs and preferences (Lovelock, 2011). As illustrated by McDaniel and Gates (2012), market research is part and parcel of marketing and it is the action that results to the business of promoting and selling products and services. The Kenyan marketing research firms are guided by the Market and Social Research Association's Code of Conduct, whose main vision is to Provide a platform to bring together professionals interested in building a world class research industry in Africa. The body was established in 1998 and is the only professional association for individuals involved in compiling or using marketing and social research in the country. There are a total of 22 marketing research firms (see Appendix II). They offer quality, value for money research tools with data analytics capable of giving high quality feedback. The main benefits associated with them therefore include Increased efficiency, Enhanced quality, value addition Cost optimization and Speed (Davis, Golicic and Boerstler, 2011).

Some of the research techniques adopted by most of the research firms include online questionnaires, computer aided telephone interviews, mobile assisted personal interviews and mystery shopping or immersions (Babin and Zikmund, 2015). Online questionnaires are used to reach out for a multitude without inconveniencing their day to day activities. This technique is also preferred because it can simply be integrated into social media platforms such as twitter to achieve a more robust and widespread result. Computer aided telephone interviews on the other hand involved the use of a well-equipped call center to reach out to their current and potential customers. While this technique may be time consuming, its results are on point as they give the respondents the ability to give a wide range of feedback that can be used effectively. Market research firms also use mobile assisted personal interviews to collect real-time data for purposes of analysis. This not only reduces paper work but also saves time and money that would otherwise be used to move around collecting filled questionnaires. Finally, when using Mystery shopping/Immersion, research firms use their secret agents to help them get insights and trends while blending into the market. They also use sophisticated tools to observe and learn the market trends (Leeflang, Verhoef, Dahlström and Freundt, 2014).

Based on the number and technique of research used, it is clear that marketing research firms in the country are living up to the emerging trends in the marketing research sector. However, a number of challenges still affect the rate at which they effectively conduct research for their clients as pointed out by Reinartz, Dellaert, Krafft, Kumar and Varadarajan (2011). This paper intended to identify some of these factors and investigate the extent to which they affect this fast growing practice in the country.

1.1.3 Challenges Faced by Marketing Research Firms

The process of conducting marketing research by (Manzini & Mariotti, 2012) is characterized by a number of challenges. Several researchers have investigated these factors to a great extent. However, as observed by the researcher, there is need to categorize these factors into groups so as to effectively tackle them. The three biggest challenges marketing researchers are facing in the industry as brought out by (Lewis, 2015) can therefore be bucketed into challenges associated with impactful reporting, technology and data management. Impactful reporting refers to the ability to provide or receive consultative reports, to tell a cohesive story, and account for all the pieces of the puzzle in the client's world. Challenges related to technology on the other hand caters for its introduction, use, and reliability to answer business questions in more efficient or creative ways. Finally, issues related to Regulatory Framework regard how businesses gather, handle and integrate the vast amounts of data– from both primary and alternative research resources to make sense of all the data points.

As pointed out by Ganzenmüller (2016), the speed at which technology related to marketing research increases is so fast such that current industry practices will no longer be there. This is because of a shift towards digitization is looming in the market research industry that has largely been facilitated by shifts in culture and mobilization (Kaulartz, 2016). Indeed, it is true that a shift away from the traditional methods was already underway at the turn of the millennium. However, it is important to note that established practices of traditional survey research are still the foundation of market research and are indispensable. This new era requires the market research industry to react positively in order to competently support companies with the collection, analysis and interpretation of information. Ganzenmüller (2016) insists that the market research industry is tending towards becoming a highly specialized supplier of data or a premium provider of strategically important insights.

Getting actionable reports from any research is critical in as far as the interpretation of that data is concerned. Therefore, in order to have impactful reports, the methodology used to collect data will be important. Several challenges emerge here. For instance, using social media for data collection and analysis poses issues with data which can be clunky and messy, makes it difficult to quantify the qualitative insights while very few organizations have people who can interpret such data. Different methods also have different response rates since Consumers are bombarded with too many surveys thus they don't take any of them seriously (Levy & Weitz 2012). It is also difficult to get respondents to be cognitively engaged thus lack of representativeness. This makes the results less impactful. It can also be argued that there are too many competing techniques for researchers to choose from. Eventually, they don't receive enough training to become proficient at any of these tools. Privacy and security issues also makes it difficult for researchers as modern consumers are becoming increasingly more private and more suspicious of research organizations asking them questions about their thoughts/feelings/behaviors. All these make information gathered less impactful.

This problem is further complicated by client confusion as most clients simply have a vague idea of what they want in as far as marketing research is concerned. They have not grasped the concepts of market research, its methodologies, objectives and limitations and so they may not give researchers the exact information regarding what they need. This makes it difficult to process data into impactful results since the main objectives were not in alignment in the first place. However, it should be noted that market research is not infallible, which simply means that results will not be conclusive always. Sometimes, they may be inconclusive, forcing researchers back to the drawing board.

When looking at challenges associated with technology, then big data comes into mind. While many clients expect research firms to use this form of technology, many of them have less qualified staff to handle it. Mobile technologies are also the new way to collect and analyze data as computer-delivered surveys and data collection techniques are fast becoming obsolete. Mobile technologies gather data in real time, making them more efficient. This fast and dynamic change has left most research firms in the dark. Finally, social media platforms are giving research firms a run for their money. They are fast replacing traditional researching and there is need to understand them better so as to keep up with emerging trends.

Issues related to Regulatory Framework largely revolve around its quality. This is subsequently affected by the quality of respondents and insights. For instance, samples are no longer representative mainly because there is confusion around how to get a truly representative sample that contains a cross-section of all demographic segments. Respondents are also getting more dishonest or unthoughtful, making the quality of data collected very poor. Moreover, statistical assurances are not provided since probability sampling is not used and the margin of error is not reported. This interferes with interpretability.

In general, the demand for market researchers is high given the fact that global has become the new local. Some of the challenges that affect marketing research firms globally can be summarized as follows. For starters, they are required to deliver swift, highly relevant and insightful results. The issue of multiplicity of markets also brings about problems which ultimately augments the costs and problems involved in overseas market research. The collection of primary data is too erroneous while secondary data is not available for them to exploit. As such, market researchers suffer from lack of comparability of data. The issue of inadequate response cannot also be ignored. Respondents hesitate to furnish correct information to the research. Their reluctance to furnish data and providing incorrect data occasionally make the results of the study misleading. This makes data interpretation a big challenge.

1.2 Statement of the Problem

While marketing is very important to the sustainability and overall running of firms, there are several inherent challenges that researchers face. As pointed out by Ritchie et al., (2013), these challenges affect the quality of results obtained from any research activities conducted which consequently affects the nature of decisions that are made as a result of the conclusions drawn. Therefore, this presents a major problem to researchers and their clients, calling for the need to address them. This study therefore sought to help researchers understand some of the most common problems they are likely to encounter in the field and how they can solve them so as to provide better results which will in turn improve the quality of decisions made by researchers.

Indeed, several researchers have sought the right answer as to what marketing research firms should do. However, despite these numerous efforts put in place to ensure success in the marketing research front, the Kenyan marketing research sector in particular still faces a number of challenges. These unresolved marketing problems are brought about by three main factors

namely impactful reporting, technology and data management (Mwobobia, 2012). A lack of impactful reporting largely affects the outcome of any research while technology is fast changing the traditional way of doing things, thus introducing innovative ways that many research firms lack experience in. Poor data management on the other hand often results to spurious results thus making it very difficult for research firms to get it right. Through this paper, the researcher expanded on these challenges and find out to what extend do they affect marketing research in Kenya.

Several other researchers such as Tellis (2017), Gregor and Hevner (2013), Mwobobia, (2012) and (Chokera, 2011) have also investigated various sectors. Their perspectives were summarized in reports that were analyzed by the researcher to get an insight of what they believe to be the main challenges affecting marketing research. They were further structured into global, regional and the local perspectives. Globally, researchers found that marketing research firms around the world face a number of challenges in the execution of their operations. Rao (2017) pointed out that existing market research methodology is a problem especially given how overwhelming data analysis is. The quality of data as well as the complexity of research outcomes also emerged as top challenges facing market researchers. Perhaps the leading among them, as pointed out by Leeftang, Verhoef, Dahlström & Freundt, (2014), is how to differentiate themselves from key competitors. The demand for marketing research services has led to the formation of so many research firms making it difficult to stand out from the rest.

Regionally, the African continent has been identified as a marketing hub by many international organizations. As such, several research firms have engaged the respondents to try and get a better insight as to how organizations can tap this potential. However, as pointed out by Mwobobia, (2012), these research firms face three biggest challenges including difficulty in use of social media for the purpose of data collection, lower rate of response and hurdles faced in handling security issues and data privacy. Indeed, social media has the potential to be a leading source of data but the process of validating the data is difficult, making it impossible to rely on it (Babin & Zikmund, 2015)

In Kenya, several studies have been conducted to illustrate the challenging nature of marketing in the country. A study by Gichuki (2014) on factors influencing the choice of marketing strategies of commercial banks in Kenya revealed that the choice of marketing strategy is

influenced most by technology, employee competency and innovation. Similarly, a study by Gioko (2017) on factors influencing the success of mass marketing strategies in telecommunications industry, a case of Orange Kenya limited also revealed that macro environmental factors including competitive/industry environment, Brand awareness, market research options, product development efforts and resources affect the success of mass marketing strategies. From his findings, Kiveu and Ofafa, (2013) further suggested the use of ICT as the key solution to these challenges. According to them, this can be achieved by creating ICT awareness, improving ICT literacy levels and infrastructure, development of user friendly programs and databases that are easily accessible to all.

1.3 Research Objectives

The main research objective for this study was to investigate the challenges that affect marketing research firms in Kenya. The following were the specific objectives,

- i. To determine the effect impactful reporting on performance of marketing research firms in Kenya
- ii. To establish the effect of cost of research on performance of marketing research firms in Kenya
- iii. To establish the effect of regulatory framework on performance of marketing research firms in Kenya
- iv. To find out the effect technological factors on marketing research firms.

1.4 Research Questions

- i. Does impactful reporting affect the performance of marketing research firms in Kenya?
- ii. To what extent does cost of research affect the performance of marketing research firms in Kenya?
- iii. How does Regulatory Framework affect performance of marketing research firms in Kenya?
- iv. Do technological factors affect marketing research firms in Kenya?

1.5 Justification of the Research

This section provides an overview of how the government and marketing research firms would benefit from this research. It also highlights what the study adds to the knowledge base and the effect on theory and practice.

The government would benefit from this research because any investment in research and development is an important driver for innovation. The government would therefore be able to identify some of the leading research firms with which to invest in. It would also help it in stimulating economic growth through research by identifying the challenges that affect the research firm sector and making necessary improvements on them to help create a better environment for them to prosper.

The results obtained from this study would be useful to all management and players of the marketing research industry in Kenya. This is because they would be able to identify some of the major challenges that modern research firms face in their quest to conduct market research. For instance, it would determine if they should change their data management styles, be worried about the cost implications of their activities or whether their reports are impactful enough to warrant reliable results. All these are very important to their day to day operations and would help them overcome the challenges they face today.

The findings would also help in decision making to all stakeholders involved in the industry, including the millions of customers subscribed to marketing research firms in the country. This benefits the country economically as it will mean that the population is informed about current market trends that have an impact on the gross domestic output generated year in year out.

Finally, the results could also be used as reference to any studies being conducted by researchers in the future. They can quote the findings from the research or conduct similar research work on a different timeline of sector and make comparisons. The study also adds to the literature, theory and offers practical solutions to those practicing research in the country.

1.6 Scope of the research

The scope of the research provided the area of concern that this study will be addressing. The researcher identified the challenges that face marketing firms in Kenya. To accomplish this, therefore, the study investigated research firms in Kenya. Specifically, the study was confined to

Marketing Research Firms within Nairobi CBD. There are 22 registered marketing research firms within the city (See appendix II).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section presented the review of the literature available on the challenges affecting marketing research firms. A theoretical review on the philosophical theories related to the study was provided for, while the empirical review focused on analyzing previous studies conducted on the specific variables chosen for this study. A conceptual framework marrying the dependent and independent variables was then formulated along with a Table describing the operationalization of the variables. The chapter then closed by highlighting the research hypothesis developed for the study.

2.2 Theoretical Framework

The importance of theory to the development of any concept is very important. Researchers often rely on theories developed by scholars early in time to base their arguments on the occurrence of existing phenomena. This section highlighted the most relevant theories studied by marketing research theorists to explain marketing research and its associated phenomena. They included the attribution theory, economic choice theory and the grounded theory. These theories gave a clear picture regarding human behaviour towards various marketing research concepts brought forth in this paper.

2.2.1 Attribution Theory

Marketing experts have studied attribution for many decades, with current theory dating to the 1950s work of F. Heider. Heider believed that businesses must convince consumers that they need that particular item that they produce to solve a problem or improve their lifestyle. In order to do this, therefore, they have to study human behavior and how it relates to purchasing products and services. This is what attribution theory is all about as illustrated by Martinko, Harvey and Dasborough (2011). The theory assumes that people draw upon their past experiences when facing a new situation. This is to say that people assess the quality of a product as they are using it. Regardless of whether they are happy or disappointed with its performance,

people draw conclusions about the product, the manufacturer, or perhaps even the country of origin. Therefore, when the consumer sees a similar product on the market, his past experience will influence his future purchase decisions (Argyriou and Melewar, 2011).

According to Same and Larimo (2012), people influence the personality of others through their daily interactions which also extends to purchase decisions. They also asserted that since attribution and role playing are closely related, then people learn the responsibilities and expectations of different roles that they play. As such, their purchasing behavior can be attributed to those expectations. Additionally, consumers attribute a value to a product they are considering purchasing. They consider the brand name, or lack of brand name, as some prefer name brands while others are willing to try generics. Price is another factor in attributing value, as some consumers may attribute poor quality to a product with an exceptionally low price. The third factor in product value is the consumer's peer group. Most people prefer to fit in with their peers. Marketing experts consider product value when recommending pricing and packaging for a new line. If the target group is young singles, for example, then advertising will depict people in their 20s (Argyriou and Melewar, 2011).

This theory is relevant to the study because as illustrated by Heider's (1958) book, "The Psychology of Interpersonal Relations", research in social psychology is important and it is through it that findings have stemmed from and are used widely in marketing research in the areas of advertising, consumer behavior, marketing communications, employee performance among others. The researcher therefore believes that this particular theory is related to the study as it will help explain human behaviour in respect to marketing research, thereby identifying some of the major challenges experienced by researchers.

2.2.2 Rational Choice Theory Approach to Market Research

The Rational Choice Theory was first developed by early neoclassical economists who wrote about rational choice, including Adams Smith. At the time, they assumed that agents make consumption choices so as to maximize their happiness, or utility (Dowding, 2010). However, contemporary theorists base rational choice on a set of choice axioms that need to be satisfied, and typically do not specify where preferences and desires come from. Instead, it mandates just a consistent ranking of the alternatives. The basic premise of economic choice theory, as brought

forth by Jennings and Beaudry- Cyr (2014), is that aggregate social behavior results from the behavior of individual actors, each of whom is making their individual decisions.

Indeed, most human decisions are based on maximizing a person's own benefits, while minimizing that which can hurt the individual. This therefore means that the process of identifying individual desires will most certainly determine their most likely outcome when it comes to their purchasing behaviour (Hastie and Dawes, 2010). This is what market researchers investigate. For example, a consumer purchasing groceries needs to figure out how much he must spend to maximize his sustenance needs and wants. On the other hand, the seller must settle on a price that nets the most profit, either through pricing or volume. Identifying the balance between the consumer's needs and the sellers' most profitable price strikes a balance for the grocery market described in this case, making it efficient and "safe" to sell at a particular price for both parties (Manzini and Mariotti, 2012).

This theory demonstrates and stresses developments that permit use of data from psychometric and conjoint experiments to produce market demand forecasts. For instance, all businesses share a common goal when they create advertisements for magazines, newspapers, television or radio, which is to convince consumers to purchase a specific product or service. This theory is relevant to this study because it is through it that the rationality of such actions is explained. The researcher therefore holds strongly that this theory can be used to explain some of the challenges that market researchers encounter while seeking to devise the best ways for consumers and producers to coexist in market environments.

2.2.3 Grounded Theory

The Grounded Theory Institute asserts that all research activities are supposed to be "grounded" in data, meaning that they are supposed to follow a general methodology that can either be of qualitative or quantitative nature (Charmaz, 2014). Generally Grounded theory (GT) is regarded as a systematic generation of theory from systematic research. This therefore makes GT a methodology used in social sciences to develop simple concepts of data into categories which can then be analyzed into fully functioning theories. In this case, therefore, a researcher does not choose an existing theoretical framework as is the case traditionally. Instead, they begin with a question, or a simple collection of qualitative data and then review the data to yield a pattern that can be theorized (Kolb, 2012).

The entire process involved in GT can be summarized into 5 steps, preparation, data collection, analysis, memoing and finally sorting and theoretical outline (Martin and Gynnild, 2011). During the preparation stage, a researcher will conduct general search for a topic without necessarily having a pre-determined problem in mind. Once this topic has been established, the researcher undertakes a process of collecting data, both of qualitative and quantitative nature, often in the form of intensive interviews combined with participant observation. An initial analysis is then conducted to determine to go and what to look for next in data collection. Analysis and data collection continually inform one another. After the researcher is convinced that they have exhausted the amount of data available, Martin and Gynnild (2011) further suggested that a constant comparative analysis is conducted to relate data to the ideas being brought fourth. These ideas subsequently lead to the fourth stage, memoing, which basically involves theorizing a write-up of ideas about codes and their relationships. It is important to note that memos are always modifiable thus they give the researcher the ability to change and discover more ideas as they interpret the data and topic chosen. The fifth and final stage helps the researcher sort out the conceptual memos derived from stage four into an outline of the emergent theory. Once completed, an initial draft of the outline of the theory can be generated.

The process described above can be related to how market researchers often conduct research, which brings the researcher to the relevance of this theory. The dynamic changes in consumer perception and complex nature of modern markets fail to follow traditional theories suggested by scholars from the past. As such, the need to adopt a grounded theory perspective has grown over the years. Researchers are expected to venture into the market without a predetermined problem in mind. Instead, they are expected to develop theories based on what they find through a continuous comparative analysis conducted after continuous collection of data (Lawrence and Tar, 2013). In the long run, they will establish new theories that will be more applicable to the new era of marketing that presents several challenges as illustrated in this paper.

2.2.4 Diffusion of Innovation Theory

Diffusion of Innovation theory was developed by E.M. Rogers in 1962. The theory came about as a result of an explanation of how an idea is able to gain momentum in time and spread through a specific population. The end result of this diffusion is that people, as part of a social system, adopt a new idea, behavior, or product. According to Rogers (2010), innovation is described as

an idea that is perceived to be new from another persons of institution's perspective. Diffusion of innovation therefore can be described as the process through which an innovation develops over a period of time often through certain channels among members of a social system.

The theory asserts that individuals tend to adopt things or behaviour that they did not possess previously such that they begin to do things differently. For instance, individuals may start purchasing new products or acquire a new behaviour altogether. The theory also insists that the reason for adoption is often pegged on the person's ability to perceive the idea, behaviour or product as being new. This is what drives the process of diffusion, in a process described as the Innovation-Decision Process (Kaminski, 2011).

The Innovation-Decision Process Model points out that the adoption of an innovation is not a single act, but a process that occurs over time. There are five stages that potential adopters undergo described by Stoneman, (2001). The first stage involves innovators. These are the people who want to be the first ones to try out the innovation. They are venturesome and interested in new ideas. The second stage involves early adopters who basically represent opinion leaders. They are very comfortable adopting the new innovation because they are well aware of the need to change. Next stage involves early majority, who are neither leaders nor the average people but get to adopt new ideas before the average person. Fourth stage includes the late majority. These are skeptical to change and would only adopt new innovation if it works for a majority of the people. Finally, laggards are described in the fifth stage as they represent very skeptical and conservative individuals who are the most difficult to adopt any new innovation. Strategies to appeal to this population are statistics, fear appeals, and pressure from people in the other adopter groups (Stoneman, 2001). This theory is relevant to this study as it can be used to explain the impact that changes in technology has had in the marketing research field.

2.3 Empirical Review

This section presents an analysis of the existing literature on the variables selected to meet the specific objectives of this study. The researcher analyzed the literature conducted on impactful reports, cost implication, data management and changes in consumer market information on marketing research firms locally and globally. The methodology and results obtained were used to discuss the findings of this research such as making comparisons with the results obtained.

2.3.1 Impactful Reporting and Performance of Market Research Firms

While the process of market research involves the collection of a plethora of data and information on the research topic, consolidated data and statistics is not what clients are looking for. They need to get a report that conveys the story in layman's language while providing them with actionable insights that can help solve the prevailing problem. As such, simplifying the complexity of this data is very critical and it is the only way the research conducted will be of importance to a client (Malhotra, Melville and Watson, 2013). Therefore, while making the presentation, researchers in research firms should always remember that they should be able to create a mental image in the clients' mind, as a story exponentially increases their ability to comprehend. Also, connecting with the audience emotionally works more effectively than just dumping a pile of data on them.

From a global perspective, several studies have reported that impactful reporting is an important factor to consider. According to Tellis (2017), the fact that research involves the quest for knowledge does not make its results impactful. He asserts that research is only impactful if it refutes the assumption or belief of its audience. He noted that while every theory or proposition may ultimately be proven wrong with subsequent research, the most important thing for any research is to ensure that it runs counter to what is currently assumed as true. He insists on creating a simple explanation for any phenomenon as the best approach to being impactful. According to him, simplicity is not a limitation but a virtue. It is the paramount virtue of a theory and so making it as simple as possible fully explains the phenomenon.

Another study that provided a regional perspective highlighted the importance of impactful reports in research (Lucas, Agarwal, Clemons, Sawy, and Weber, 2013). In their paper, they acknowledged the fact that IT been one of the most important drivers of economic and social value in the last 50 years, enabling transformational change in virtually every aspect of society. Their objective was to indicate the use of IT to encourage more research that offers useful implications for policy. Their main argument is that researchers need to write papers based on their findings that inform policy makers, managers, and decision makers by taking advantage of IT resources available. This not only validates such research papers but also ensures that they are relevant to the problem they are meant to address (Lucas Jr, et al., 2013).

In their study on Positioning and Presenting Design Science Research for Maximum Impact, Gregor and Hevner (2013) propose the use of Design Science Research (DSR), a paradigm that has been established as an important and legitimate research tool. They noted that researchers should use it as an effort to identify appropriate ways of consuming and producing knowledge. Their main objective was to ensure that researchers understand and appreciate the levels and nature of knowledge they should produce while keeping in mind that it has to bring change in the field it was based on.

Finally, from the Kenyan perspective, it was revealed by Mwobobia, (2012) that impactful reporting is equally important. Marketing research firms need to ensure that the research designs they apply and the methodologies they choose to use have a greater impact on the results they provide, thus allowing the users of these results a better chance of achieving their desired results. Most firms that seek marketing services in the country simply intend to have a practical approach that is not only effective but also reflects exactly on what they do. This should also consider the nature of the Kenyan market and attend to their specific needs, without considering what other markets want. All these can only be achieved by having impactful reports.

From the studies above, it is clear that marketing research firms need to insist on creating impactful reports from the researches they conduct in order to ensure that their clients are satisfied with the kind of work they produce. It is also important for their own good that the findings they generate be correct and knowledgeable. This not only increases their reputation but also makes them efficient and reliable. It solves major problems associated with poor outcomes that eventually lead to loss of valuable time and resources.

2.3.2 Cost of Research and Performance of Market Research Firms

More often, clients seeking market research services aim to get accurate, up-to-date information obtained by marketing research. Indeed, these can be of enormous value to a business in gaining and/or maintaining its competitive edge. However, there are a number of reasons why, in reality, these potential benefits may not be realized. For starters, gathering and processing data can be very expensive. Take for instance, the global perspective portrayed by Chen and Hu (2010), that many organizations lack the expertise to conduct extensive surveys to gather primary data, whatever the potential benefits, and also lack the funds to pay specialist market research agencies to gather such data for them. In these cases, organizations may be forced to rely on data that is

less than 'perfect' but that can be accessed more cheaply, e.g., from secondary sources (Zikmund, Babin, Carr and Griffin, 2013). Another key global issue is time constraints. Babin, and Zikmund, (2015) pointed out that organizations are often forced to balance the need to build up as detailed a picture as possible regarding customer needs etc. against the desire to make decisions as quickly as possible, in order to maintain or improve their position in the market.

From a regional perspective, these issues still persist. In their study on Cost and Benefits of Market Research for Product Development, Ngurukie (2017) asserted that the cost of a specific market research program is determined by the research method used and the sample size needed e.g. face-to-face interviews are more expensive than phone interviews, for example. Larger firms will typically require a larger sample. Manlia (2013), while analyzing costs and benefits of market research firms, noted that traditional methods are expensive and that to get the most participants and statistical significance, organizations are having to spend money on incentives, as well as multiple survey phases, making the process extremely expensive.

Additionally, these issue is still inherent in the country. While studying the Challenges affecting coffee marketing by coffee firms in Kenya, Chokera (2011) identified cost as a major marketing problem affecting coffee marketing firms in the country. Other than that, he noted that the main issues at the time revolved around value addition, quality assurance, packaging and branding. All these activities one way or another add up to the cost incurred by the parent organization in an effort to market its product. The study therefore recommended that there is need to reduce the cost of certification and that farmers should be encouraged to adopt product differentiation into specialty coffees that can achieve premium prices in the specialty coffee markets. Coffee marketing firms should look for more market opportunities in the emerging coffee markets as opposed to the traditional coffee markets (Chokera, 2011).

Ali, (1012) while conducting a study on Value chain performance and the profitability of indigenous petroleum marketing firms in Kenya also found that that most of the indigenous petroleum marketing firms in Kenya have applied the value chain concept for a period of less than five years, they have managed to achieve reduction in transport costs, minimization of material costs, reduction in distribution costs, and reduction in inventory handling costs. This high reduction in cost is therefore associated with the adoption of the value chains. Ali (2012)

therefore concludes that for other sectors to reduce their cost, then there is need to ensure that they adopt appropriate strategies that would help them cope.

Having reviewed these studies, the researcher came to the conclusion that there is need to strategize ways through which these costs can be handles so as to give marketing research firms the ability to conduct effective researchers that offer clients insights into the reality of the markets. This study therefore intends to capture some remedies to this challenge based on the findings.

2.3.3 Regulatory Framework and Performance of Marketing Research Firms

Various regulatory bodies have been constituted to uphold the safety of subjects involved in research. It is imperative to obtain approval from the appropriate regulatory authorities before proceeding to any research. The constitution and the types of these bodies vary nation-wise and researchers are expected to be aware of these authorities. For instance, the list of various bodies pertinent to India is listed in an article known as “Research methodology II”. From a global perspective, consumer insights and current industry trends are some of the vital factors that help businesses formulate marketing strategy and make informed decisions. However, if the data is not well-organized and updated regularly, it can turn out to be ineffective for the organization (Barratt, Choi and Li, 2011). It is also important to analyze the legal aspects of the data and how it was collected. The value of any research findings depend critically on the legality and accuracy of the data collected. Data quality can be compromised via a number of potential routes, e.g., leading questions, unrepresentative samples, biased interviewers, as well as Regulatory Framework. Efforts to ensure that data is accurate, samples are representative and interviewers are objective will all add to the costs of the research but such costs are necessary if poor decisions and expensive mistakes are to be avoided. Moreover, data quality is questionable. Additionally, survey participation is low, and the type of people taking the surveys may not be indicative of the desired research subjects, resulting low-quality data. It is also true that by sticking to only one method, organizations miss out on the best quality data. This is because it is outdated and the fact that users are progressing in the way they interact with technology and, so should data management strategies applied by research firms (Briggs, Morrison and Coleman, 2012).

From the regional perspective, Schlomer, Bauman and Card (2010) brought the same case to attention. They insisted that the best practices for data management starts with having the latest legal data management tools installed. Technology has made it very easy for data to be mined and analyzed in the most efficient way. However, he noted that data continues to explode at unprecedented levels and that compliance is no longer an option, but a requirement. At the same time, the need to safeguard against data breaches is an absolute must. And, the necessity to gather as many insights from data as possible could be the difference between success and failure for many organizations. This therefore means that there is need to improve upon these practices to make sure that clients get the best out of market researchers conducted by these marketing research firms.

Closer home, a study by Mbaluka (2013) on Big data management and business value in the commercial banking sector in Kenya revealed that most data driven sectors such as finance and research face challenges associated with big data, including unprecedented quantities of structured and unstructured data stored in a variety of systems and formats. He defines big data as an environment in which data sets have grown too large to be handled, managed, stored and retrieved in an acceptable timeframe. The results of this research clearly indicate a great deal of activity around planning and implementing big data management environments. This study showed that indeed the banking sector in Kenya is in the very early stages of the big data management initiatives and banks are using various big data management techniques and tools and at the same time struggling to keep pace. It is still not clear whether the same can be said about marketing research firms. This study therefore proposes to find out this for sure.

2.3.4 Technological Factors and Marketing Research Firms

Babin and Zikmund (2015) defined market information as those patterns that shape markets and are largely affected by culture and partly implanted by information and knowledge of products and services. Global researchers including Bruwer, Saliba and Miller, (2011) have come to the conclusion that understanding customer preferences is key because customers are the determiners of how successful a company becomes. To achieve this, firms need to identify their customers based on their likes, dislikes and type of service they would associate themselves with. Finding out their buying behaviour is also critical as it will be able to identify any potential changes in the future regarding a specific marketing research product. Customer feedback is also

another key source of identifying changes in market information as indicated by Levy, Weitz and Grewal (2012). According to them, there is no better way of understanding customer preferences than listening to and addressing their complaints. However, they noted that Most organizations tend to side with their employees and not customers. While it is true that employees can also provide valuable feedback, careful analysis of the situation is highly encouraged (Bruwer, Saliba and Miller, 2011).

Additionally, from a regional perspective, Lowengart and Ghose (2011) indicated that taste tests are being increasingly used by marketers to influence consumers to change their preferences toward their brands. They used their research to indicate how perceptual and preferential taste tests can be used in conjunction with visual maps to provide support to marketing managers for making better brand positioning and targeting decisions on the basis of taste for different segments of consumers. Their results indicated that indeed, changing consumer needs can affect an organization a great deal. There is need to ensure that managers get to understand the perceptions regarding their organizations and what their consumers expect from them. This allows them to maintain a loyal customer base that fosters business growth.

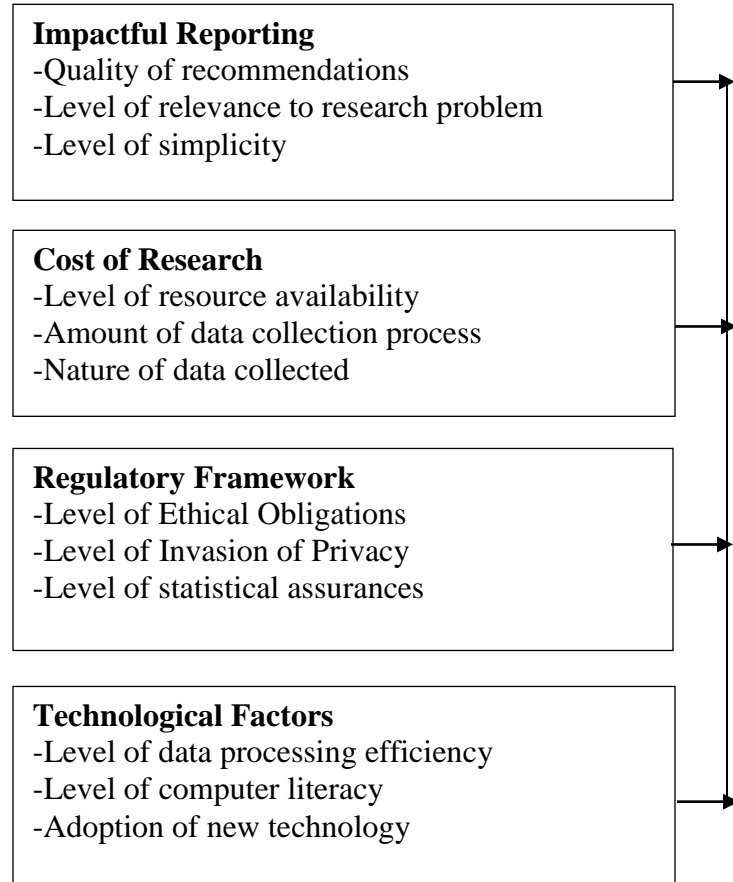
In Kenya, studies conducted by Mwai (2017) on Customer Relationship Management Practices, Firm Characteristics, Market Orientation, And Performance of Large-Scale Manufacturing Firms in Kenya asserted that the key issue the firms face is no longer simply about providing good quality products or services, but also retaining loyal customers who will contribute to long-term revenue to the firm. She identifies customer relationship management, which basically involves understanding a customer's market information, as a business strategy which identifies, cultivates and maintains long-term profitable relationships. The results obtained from her study presented various inferences for policy and practice which the researcher believes will be key in determining the way forward for marketing research firm in Kenya as far as customer relationships are concerned.

From the description, it is clear that marketing research firms in Kenya need to understand the consumer needs expressed by their clients. The fact that competition is stiff simply serves to make this more of a necessity than a need. The results from this study will therefore be crucial in determining how best to combat this challenge.

2.4 Conceptual Framework

The following conceptual framework will be adopted by the study

Independent Variables



Dependent Variable

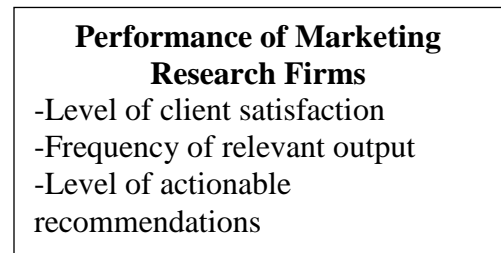


Figure 2. 1 Conceptual Framework

2.5 Operationalization of the Variables

Table 2. 1 Operationalization of the variables

Type of Variable	Variable	Indicator	Level of Measurement	Data collection Method
Dependent	Performance of Marketing Research Firms	-Level of client satisfaction -Quality of research outcomes -Level of benefits from research -Frequency of relevant output -Level of actionable recommendations	Ordinal	Questionnaire
Independent	Impactful Reporting	-Quality of recommendations -Level of relevance to research problem -Level of simplicity	Ordinal	Questionnaire
Independent	Cost of research	-Level of resource availability -Amount of data collection process -Nature of data collected such as secondary/primary.	Ordinal	Questionnaire
Independent	Regulatory Framework	-Level of Ethical Obligations -Level of Invasion of Privacy -Level of statistical assurances	Ordinal	Questionnaire
Independent	Technological Factors	-Level of data processing efficiency -Level of computer literacy -Adoption of new technology	Ordinal	Questionnaire.

2.6 Research Hypothesis

H₀₁: Impactful reporting does not have a significant effect on the performance of marketing research firms in Kenya.

H₀₂: Cost of Research does not have a significant effect on the performance of marketing research firms in Kenya.

H₀₃: Regulatory Framework does not have a significant effect on the performance of marketing research firms in Kenya.

H₀₄: Technological factors do not have a significant effect on the performance of marketing research firms in Kenya.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presented the research methodology adopted by the study. This included the research design, target population, sample and sampling procedure. It also disclosed instrumentation and data collection, validity and reliability, data analysis and presentation and finally provide the diagnostic tests to be carried out.

3.2 Research Design

A research design refers to the blueprint for the collection, measurement and analysis of data with the intention of solving a research problem (Lewis, 2015). It can be regarded as an overall strategy that is adopted to integrate the different components of a study. Merriam and Tisdell (2015) also stated that the choice of research design should reflect the topic of study and the variables chosen. In that case, this study went for the descriptive research design. This is because participants are observed in a natural and unchanged environment, making it easier for the researcher to collect real-time information. The data collection procedure under this design also allows for gathering in-depth information that may be either quantitative or quantitative in nature, through survey and observations or case studies respectively (Lewis, 2015). More importantly, this design is best used by researchers to study beliefs, attitudes, behaviors and habits of members of a target audience, company or other organization as is the case in this study.

3.3 Target Population

A target population represents the entire set of units for which the survey data are to be used to make inferences (Lewis, 2015). It defines those units for which the findings of the survey are meant to generalize. The target population for this study, therefore, was all research firm in Kenya. The study used individuals in the marketing departments as they would be in the best position to understand the challenges the company is facing. The four main target audiences sought were a finance manager, a marketing manager, a marketing PR consultant and an audit officer. The finance manager was able to provide the cost implications the marketing research firm faces while a marketing manager provided insights into marketing needs. An auditor helped

expand on the regulatory framework while a PR identified the impact of reporting. Considering we have one employee per designation, the target population will be a total of 88 respondents.

3.4 Instrumentation and Data Collection

This section describes the instrument that was adopted by the study. The study used questionnaires. As described by Merriam and Tisdell (2015), a questionnaire is a research instrument consisting of a series of questions for the purpose of gathering information from respondents. They are the most preferred research tool because of their increased speed of data collection, low cost requirements and higher levels of objectivity. The questionnaires that were adopted by this study included multiple choice questions, with the answers being represented by a-five point Likert scale.

The data collection procedure on the other hand describes the process that the researcher used to deploy the questionnaires to the respondents and collect the data. The researcher used drop-and-collect-later method of data collection where the researcher drops the questionnaires to the respondents and then collects them after they have been filled. It took two weeks to complete. Prior to the process, the purpose of the study as well as the objectives will be communicated to the respondents on time.

3.5 Validity and Reliability

Validity refers to the credibility of a research instrument. It can also mean that a test or instrument is accurately measuring what it's supposed to. In order to ascertain this, the researcher will counter check that each question included in the questionnaire makes sense to the study. For example, a survey designed to explore performance, but which actually measures relationships would not be considered valid. In general, therefore, validity is simply an indication of how sound a research is. This includes assessing the elements measured, clarity and precision. The researcher then sought the help of her supervisor to determine that all the questions included in the questionnaire are indeed valid.

Reliability on the other hand is a measure of the stability or consistency of test scores. It can also be used to mean the ability for a test or research findings to be repeatable. It is also used to determine how well the research instrument measures what it is supposed to measure. Additionally, it can be regarded as a way of assessing the quality of the measurement procedure used to collect data in a dissertation. In order for the results from a study to be considered valid,

the measurement procedure must first be reliable. To determine this, the researcher used a reliability coefficient known as Cronbach's alpha.

3.6 Data Analysis and Presentation

The process of data analysis began after the questionnaires have been filled and collected back. This process was done with the help of the Statistical Packages for Social Sciences (SPSS) version 22. The presentation of data began by a descriptive analysis of the demographic information collected from the respondents. Means, Frequencies and percentages were then used to present the results obtained regarding each deliverable. A Pearson correlation analysis was then conducted to determine the relationship between the dependent and each of the independent variables. A Pearson correlation coefficient, or Pearson's r , was obtained whose value would be between $+1$ and -1 , where 1 is total positive linear correlation, 0 is no linear correlation, and -1 is total negative linear correlation (Sedgwick, 2012).

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This chapter provided the data analysis and presentation of findings as obtained by the study from the field. A total of 88 respondents were provided with questionnaires in an effort to investigate the challenges affecting the performance of marketing research firms in Kenya.

4.2 Response Rate

A total of 85 questionnaires were duly filled and returned for analysis from the 88 questionnaires that were issued. This translated to a response rate of 96.5 %. As pointed out by Lewis (2015), a response rate of at least 80% is deemed sufficient to draw conclusions about the population from which the sample was drawn from.

4.3 Reliability Test Results

A Cronbach's reliability test was conducted to ascertain the reliability of the research instrument. The results indicated that indeed the questionnaire was a reliable research instrument given that the Cronbach's alpha obtained was 0.935. As pointed out by Goforth, (2015), this value must be between 0 and 1. When the value is below .05, then the scale is not reliable. A figure between 0.5 and 0.6 implies that the scale is not reliable but any figure above 0.6 is considered reliable. Results from this study are therefore reliable as indicated in Table 4.1 below

Table 4. 1 Reliability Test

Cronbach's Alpha	N of Items
0.935	45

4.4 Gender

As an ethical requirement, all researchers are required to include both gender in their quest to find answers to their research questions (Lewis, 2015). Similarly, the researcher included both genders in this study and the results indicated that 65% of the respondents were male while 35% were female. This meant that gender representation of both male and female was achieved.

4.5 Age Bracket

Most researches can only be conducted on individuals who are eligible. Walliman (2017) noted that eligibility is often described by the age of the respondents. which was sought by the researcher. Results obtained indicated that 42.4% of the respondents were above 31 years, while

37.5% were between 26 and 30 years. The remaining 20% were between 20 and 25 years as indicated in Table 4.2, This meant that the respondents were within the eligible age to partake in the research.

Table 4. 2 Age Bracket

Age Bracket	Frequency	Percent
20-25	17	20.0
26-30	32	37.6
31-35	36	42.4
Total	85	100.0

4.6 Level of Education

According to Harriss & Atkinson (2015), the level of education is very critical in determining the quality of answers provided by the respondents while conducting a research. As such, it is prudent to inquire about it so as to be certain about the answers provided. The researcher therefore collected this information from the respondent and found that all the respondents had at least an undergraduate degree. Specifically, 61% had undergraduate degree while the remaining 39% had a master’s degree. This meant that the respondents were knowledgeable about the topic of study and were therefore in a position to provide the information that was needed.

4.7 Position Held in The Organization

To further cement the eligibility of the respondents, the respondent sought to investigate the position they held in the organization. This is because the study wanted respondents belonging to the finance, audit and marketing departments. As results indicated in Table 4.3., most of the respondents were finance managers in their organizations, represented by 38.8%. Marketing managers were equally many, represented by 34.1% and auditors were 23.5%. There was only one marketing PR consultant, represented by 1.2%. This indicated that the data collected was obtained from the relevant individuals in the marketing firms who have knowledge regarding the challenges affecting them.

4.8 Working Experience

Finally, the researcher also wanted to ascertain the length of time the respondents had worked in their respective designations. This would provide an insight into the amount of knowledge or experience they have on the topic of study. It will further place them in the best position to

answer the questions presented to them in the subsequent sections of the questionnaire. Based on the results (See Table 4.4), the study found that 50.6% of the respondents have worked for less than 5 years, with a further 23.5% having worked for less than a year. 22.4% have between 5 and 10 years working experience with only 3.5% having worked for more than 10 years. This information meant that the respondents had interacted with their marketing research firms long enough to understand the challenges that they face. They were therefore in a position to provide the right information about the topic of study.

Table 4. 3 Working Experience

Years	Frequency	Percent
Less than 1 year	20	23.5
1 - 5 years	43	50.6
5-10 Years	19	22.4
Above 10 years	3	3.5
Total	85	100.0

4.9 Extent of the Challenges Affecting Performance of Marketing Research Firms

After ascertaining that the respondents were eligible, the researcher used the subsequent sections of the questionnaires to investigate the challenges affecting marketing research firms in Kenya. Four main challenges were identified as being impactful reporting, cost of research, regulatory framework and technological factors. Respondents identified technological factors as the least challenge, with a mean of 2.92 indicating that they believed it to be a challenge to a moderate extent. The next challenge was cost of research (M=2.98), followed by regulatory framework (M=3.04). Finally, the biggest challenge was impactful reporting, with a mean of M=3.39. This information is provided in Table 4.5.

Table 4. 4 Challenges Affecting Performance of Marketing Research Firms

Challenge	Very Low Extent,	Low extent	Moderate Extent	Large Extent	Very Large Extent	Mean
	F	F	F	F	F	
Impactful Reporting	1	13	32	30	9	3.39
Regulatory Framework	3	21	37	18	6	3.04
Cost of research	3	21	40	17	4	2.98
Technological factors	7	26	24	23	5	2.92

4.9.1 Impactful Reporting

This sub-section provides the specific results as provided by the respondents regarding impactful reporting as a challenge. From the mean scores in Table 4.6, it was indicated that a lack of representative sample was the biggest challenge with a mean of 3.09. Other challenges included a lack of statistical assurances (M=2.84), lack of actionable insights (M= 2.65), respondents are dishonest or unthoughtful (M=2.56), lack of timeliness (M=2.49), lack of experience and expertise (M=2.48) and the least of them all was innovative methodologies are confusing and unfocused (M=2.29). An average mean score of 2.62 implies that the respondents are neutral on whether they believe impactful reporting is a challenge.

Table 4. 5 Impactful Reporting

Challenge	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean
	F	F	F	F	F	
Samples are not representative	5	18	33	22	7	3.09
Statistical assurances are not provided	7	24	35	14	5	2.84
Lack of actionable insights	7	31	34	11	2	2.65
Respondents are dishonest or unthoughtful	18	26	21	15	5	2.56
Lack of timeliness	9	37	30	6	3	2.49
Lack of experience and expertise	17	27	26	13	2	2.48
Innovative methodologies are confusing and unfocused	21	31	23	7	3	2.29
Average						2.62

4.9.2 Cost of Research

Respondents were also asked to highlight their opinion on whether cost of research is a challenge. Respondents pointed out that the greatest challenge when it comes to cost is that bigger companies have more funding and can afford expensive (M=2.92). They also stated that securing enough budget is a problem (M=2.67) and that accurate data is expensive to get (M=2.46). Furthermore, it takes more time to acquire accurate and quality data (M=2.42), generating traffic and leads is costly (M=2.35). and that there are legal and ethical constraints associated with research that make it costly (M=2.18) (See Table 4.7). On average, however, a mean score of 2.5 indicate that the respondents were also neutral when it comes to cost of doing research as a challenge.

Table 4. 6 Cost of Research

Challenge	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean
	F	F	F	F	F	
Bigger companies have more funding and can afford expensive	0	29	37	16	3	2.92
Securing Enough Budget is a problem	8	34	27	10	6	2.67
Accurate data is expensive to get	10	31	39	5	0	2.46
Tit takes more time to acquire accurate and quality data	19	25	27	14	0	2.42
Generating Traffic and Leads is costly	16	35	24	8	2	2.35
There are Legal and ethical constraints associated with research	19	38	22	6	0	2.18
Average						2.50

4.9.3 Regulatory Framework

The existence of a regulatory framework was also identified as a major challenge facing marketing research firms. Results conducted by this study identified licensing as the least problem given that it is readily available (M=2.36) Furthermore, most respondents agreed that research ethics and legislation is a priority to the company (M=2.55) and that the organization is registered under all legal requirements (M=2.62). They also pointed out that their respective companies ensure anonymity while conducting research (M=2.72). It was also pointed out that the companies engage in responsible conduct of research (M=2.80) and that research subjects' awareness of the research (M=3.01). Furthermore, an average of 2.68 implies that the respondents are neutral in as far as regulatory framework in the country is concerned (See Table 4.8).

Table 4. 7 Regulatory Framework

Challenge	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean
	F	F	F	F	F	
Research subjects' awareness of the research	5	18	36	23	3	3.01
Responsible conduct of research	6	26	35	15	3	2.80
Company ensures anonymity while conducting research	3	36	32	10	4	2.72
The organization is registered under all legal requirements	9	32	29	12	3	2.62
Research ethics and legislation is a priority to the company	12	28	31	14		2.55
Licensing is readily available	20	32	21	6	6	2.36
Average						2.68

4.9.4 Technological Factors

The fourth and final challenge identified by the researcher regarded technological factor. Indeed, technology is a factor that determines the quality as well as accuracy of results is concerned. Besides changing very fast, technology also affects the way instruments measure various variables from the field. It is for this reason that the researcher identified it as a challenge. Respondents pointed out that customers expect insights far too quickly (M=2.28) and that they have dwindling budgets for Market Research (M=2.29). Privacy and security issues were also pointed out as a problem (M=2.41) and that consumers are bombarded with too many surveys, don't take any of them seriously (M=2.72). Due to changing technology, it was also pointed out that it is vital that customers need to be re-educated about value of data but are resistant (M=2.74). Finally, customers have constantly changing needs and are always chasing the next shiny object (M=2.88) that need taken into account with every new research. On average, however, the respondents pointed out that they were equally neutral in as far as this challenge is concerned (See Table 4.9).

Table 4. 8 Technological Factors

Challenge	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean
	F	F	F	F	F	
Customers have constantly changing needs and are always chasing the next shiny object	8	25	29	13	9	2.88
Customers need to be re-educated about value of data but are resistant	12	24	27	18	4	2.74
Consumers are bombarded with too many surveys, don't take any of them seriously	7	26	36	16	0	2.72
Privacy and security issues	15	30	30	10	0	2.41
Customers have dwindling budgets for Market Research	15	38	24	8	0	2.29
Customers expect insights far too quickly	18	28	36	3	0	2.28
Average						2.55

4.10 Correlation Analysis

To investigate the relationship between performance of marketing firms and the challenges identified, a correlation analysis was conducted. Table 4.10 indicates the Pearson correlation identified for each relationship. A Pearson correlation coefficient of 0.151 and significant value of $0.048 < 0.05$ indicated a positive relationship that is also statistically significant. A negative relationship was established between performance of marketing research firms and cost of research as indicated by a Pearson correlation coefficient of -0.228 and a p value of $0.036 < 0.05$ which meant that the relationship was statistically significant. Furthermore, a Pearson correlation coefficient of 0.233 was obtained for the relationship between regulatory framework and performance of marketing research firms. Similarly, this relationship was found to be statistically significant given that its associated significant value was $0.032 < 0.05$. Finally, a significant Pearson coefficient of -0.281 was also found for the relationship between technological factors

and performance of marketing research firms. This was also statistically significant as indicated by a significant value of $0.043 < 0.05$.

The implication of these results is that according to the study, impactful reporting and regulatory framework have a positive relationship with performance of marketing research while cost of research and technological factors have a negative relationship. This result is similar to what Lucas, Agarwal, Clemons, Sawy, and Weber, (2013) in their study on impactful research on transformational information technology. However, while investigating challenges and solutions for marketing in a digital era, Leeflang, Verhoef, Dahlström & Freundt. (2014) found different results, which indicated that impactful reporting does not statistically affect performance of marketing research because there are instances when clients do not provide the right information leading to spurious results.

Table 4. 9 Correlation Analysis

		Performance of Marketing firms	Impactful reporting	Cost of Research	Regulatory Framework	Technological Factors
Performance of Marketing firms	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	85				
Impactful reporting	Pearson Correlation	.151*	1			
	Sig. (2-tailed)	.048				
	N	85	85			
Cost of Research	Pearson Correlation	-.228*	.102	1		
	Sig. (2-tailed)	.036	.353			
	N	85	85	85		
Regulatory Framework	Pearson Correlation	.233*	.426**	-.004	1	
	Sig. (2-tailed)	.032	.000	.972		
	N	85	85	85	85	
Technological Factors	Pearson Correlation	-.281*	.140	.220*	.101	1
	Sig. (2-tailed)	.043	.201	.043	.356	
	N	85	85	85	85	85
*. Correlation is significant at the 0.05 level (2-tailed).						
**. Correlation is significant at the 0.01 level (2-tailed).						

4.11 Hypothesis Testing

This section provided the results for the hypothesis testing that was conducted using the student t test. T-statistic results indicated in Table 4.11 were obtained from t-test conducted on SPSS while a t-critical value was obtained from statistical Tables at 84 degree of freedom and 0.05 confidence level.

Table 4. 10 Students t Statistic Values

Variable	t statistic
Impactful reporting	3.843
Cost of Research	-2.062
Regulatory Framework	4.693
Technological Factors	-2.601

T Critical from statistical Tables 1.663197

The first hypothesis that was to be tested by the researcher stated as follows;

H₀₁: Impactful reporting does not have a significant effect on the performance of marketing research firms in Kenya.

Comparing the t statistic obtained from Table 4.8 to the t critical obtained from statistical Tables, the null hypothesis was rejected since the t statistic (3.843) is greater than the t critical 1.663. This therefore implied that impactful reporting has a significant effect on the performance of marketing research firms in Kenya.

The second hypothesis was stated as follows;

H₀₂: Cost of Research does not have a significant effect on the performance of marketing research firms in Kenya.

The t statistic obtained from Table 4.8 was -2.062. Taking its absolute value, this statistic is 2.062. Comparing this value to the t critical obtained from statistical Tables, it was revealed that 2.062 is greater than 1.663, and so we reject the null hypothesis. This meant that cost of research has a significant effect on the performance of marketing research firms in Kenya.

The third hypothesis stated as follows;

H₀₃: Regulatory Framework does not have a significant effect on the performance of marketing research firms in Kenya.

Similarly, the t-statistic obtained from Table 4.8 (4.693) was greater than the t critical value obtained from statistical Tables (1.663). it follows therefore that the researcher rejected the null hypothesis, which subsequently implies that regulatory framework has a significant effect on the performance of marketing research firms in Kenya.

The last hypothesis sought by this study was stated as follows;

H₀₄: Technological factors do not have a significant effect on the performance of marketing research firms in Kenya

A comparison of the t statistic obtained from Table 4.8 and the t critical value obtained from statistical Tables, then the absolute value 2.601 is greater than 1.663, which means that the null hypothesis is rejected. Subsequently, this implies that technological factors have a significant effect on the performance of marketing research firms in Kenya. Bruwer, Saliba & Miller, (2011) and Chokera, (2011) also found a similar result in their study.

4.12 Diagnostic Test Results

This section provided the result for the diagnostic test that were conducted to ascertain the statistical significance of the results obtained by the study.

4.12.1 ANOVA Test Results

The researcher also conducted ANOVA tests as a diagnostic test. Results in Table 4.12 indicated a statistically significant F test, 2.654 with a significant p value of 0.039 which is less than 0.05. This means that the independent variable identified by the study can be used to explain the dependent variable, meaning in this case that impactful reporting, cost of research regulatory framework and technological factor were challenges that could be used to explain the performance of marketing firms.

Table 4. 11 ANOVA Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.187	4	.547	2.654	.039 ^b
	Residual	16.482	80	.206		
	Total	18.669	84			
a. Dependent Variable: Performance of Marketing firms						
b. Predictors: (Constant), Technological Factors, Regulatory Framework, Cost of Research, Impactful reporting						

4.12.2 Heteroskedasticity Test Results

To test for heteroscedasticity, the following hypothesis was used;

Ho; Heteroskedasticity is not present

Ha; Heteroskedasticity is present

Table 4.13 indicated the results of the Breusch Pagan test conducted using SPSS.

Table 4. 12 Heteroskedasticity Test results

	LM	Sig.
BP	.845	.990

The rejection criterion is that the null hypothesis is rejected if the significant value is less than 0.05. Results indicated in Table 4.10 showed a significant value of 0.990 > 0.05 implying that the researcher failed to reject the null hypothesis. This, therefore, meant that Heteroskedasticity is not present, which is the case because the test result pointed out that the data collected had a constant mean and variance. Other studies including Bruwer, Saliba & Miller, (2011) and Chokera, (2011) conducted a similar test but their results were dependent on the quality of the data that they collected. This therefore meant that this result was independent of what other studies had done and is therefore unique to this study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section provided the summary, conclusions and recommendations of the study based on the findings. The limitations of the study were also stated as well as the areas of further study that the researcher recommended.

5.2 Summary of the Findings

This study was conducted to investigate the challenges affecting marketing research firms in Kenya. As a result of an increase in the need for marketing research services by organizations in Kenya, most marketing research firms have engaged themselves in providing this service. However, they face numerous challenges that prompted the researcher to investigate how their performance is affected as a result. To achieve this, the researcher identified four main objectives which were to determine the effect impactful reporting on performance of marketing research firms in Kenya, to establish the effect of cost of research on performance of marketing research firms in Kenya, to establish the effect of regulatory framework on performance of marketing research firms in Kenya and to find out the effect technological factors on marketing research in Kenya. The study therefore adopted a descriptive research design, allowing the researcher to not only gather in-depth information regarding the challenge but also allowed the respondents to be observed in a natural and unchanged environment. Further, the researcher also chose to use the questionnaire as the main research instrument, making it possible for the respondents to express themselves freely as pointed out by Lewis (2015). The researcher also conducted a reliability test to ascertain that the questionnaire was consistent in measuring the variables set for the study. Using a Cronbach's test, results pointed out that the questionnaire was indeed reliable after registering a Cronbach's alpha of 0.935. It is also important to note that of the 88 respondents involved, 85 managed to fill the questionnaires duly and submitted them for analysis. Once the results were obtained, the study found that majority of the respondents ranked the four challenges identified with impactful reporting being the largest extent, followed by regulatory Framework, cost of research and finally technological factors. The specific results are summarized as per each objective as follows.

5.2.1 Effect Impactful Reporting on Performance of Marketing Research Firms

Regarding the effect of impactful reporting on the performance of research firms, the respondents pointed out that a lack of representative sample was the biggest challenge. Other challenges included a lack of statistical assurances, lack of actionable insights, respondents are dishonest or unthoughtful, lack of timeliness, lack of experience and expertise and the least of them all was innovative methodologies are confusing and unfocused. These can be corroborated other studies done by Bruwer, Saliba & Miller, (2011) and Chokera, (2011).

5.2.2 Effect of Cost of Research on Performance of Marketing Research

On the effect of cost of research on performance of marketing research firms in Kenya, majority of the respondents pointed out that the greatest challenge when it comes to cost is that bigger companies have more funding and can afford expensive. They also stated that securing enough budget is a problem and that accurate data is expensive to get. Furthermore, it takes more time to acquire accurate and quality data, generating traffic and leads is costly and that there are legal and ethical constraints associated with research that make it costly. These have results also been pointed out by other researchers including Davis, Golicic & Boerstler, (2011), and Gichuki, Njeru & Tirimba (2014).

5.2.3 Effect of Regulatory Framework on Performance of Marketing Research

The existence of a regulatory framework also posed a challenge indicated by the respondents. Specifically, stated that pointed out that the least problem given that it is readily available. Furthermore, most respondents agreed that research ethics and legislation is a priority to the company and that the organization is registered under all legal requirements. They also pointed out that their respective companies ensure anonymity while conducting research. It was also pointed out that the companies engage in responsible conduct of research and that research subjects' awareness of the research. Furthermore, an average of 2.68 implies that the respondents are neutral in as far as regulatory framework in the country is concerned. Similar results have been pointed out by Bruwer, Saliba & Miller, (2011) and Gichuki, Njeru & Tirimba (2014).

5.2.4 Effect of Technological Factors on the Performance of Marketing Research

Finally, the respondents also pointed out to technology as a source of challenge, especially when it comes to the quality of research. Besides changing very fast, technology also affects the way instruments measure various variables from the field. It is for this reason that the researcher

identified it as a challenge. Respondents pointed out that customers expect insights far too quickly and that they have dwindling budgets for Market Research. Privacy and security issues were also pointed out as a problem and that consumers are bombarded with too many surveys, don't take any of them seriously. Due to changing technology, it was also pointed out that it is vital that customers need to be re-educated about value of data but are resistant. Finally, customers have constantly changing needs and are always chasing the next shiny object that need taken into account with every new research. These findings are also reflected in a study by Rao, (2017), and Leeflang, Verhoef, Dahlström & Freundt, (2014).

Statistical analyses conducted by the researcher revealed statistically significant Pearson Correlation coefficients for impactful reporting (0.151), cost of research (-0.228), regulatory framework (0.213) and technological Factors (-.281). This meant that impactful reporting and regulatory framework have a positive relationship with performance of marketing research while cost of research and technological factors have a negative relationship, similar to what Lucas, Agarwal, Clemons, Sawy, and Weber, (2013). ANOVA test results further confirmed the four challenged identified affect performance of marketing research firms as indicated by a statistically significant F value of 2.654 with a p value of 0.039 which is less than 0.05.

5.3 Conclusion of the Study

Based on the findings provided, therefore, this study concluded that the performance of marketing firms is largely affected by several challenges. Just as Manzini & Mariotti, (2012) pointed out, the process is generally four main challenges related to technology, the legal front, costs and finally the quality of results. From these, the researcher identified impactful reporting, cost of doing research, regulatory frameworks available and the technological factors as the four main challenges to investigate. After analyzing the results, the study concluded that they indeed affect performance, given that they were found to have a statistical significance, just as Manzini & Mariotti, (2012) did. This is also further confirmed by Ganzenmüller (2016), who noted that the speed at which technology related to marketing research increases is so fast such that current industry practices need to keep up or they may run out of business. This is due to a looming shift towards digitization in the market research industry that has largely been facilitated by shifts in culture and mobilization. Therefore, the results from this study insist on having to keep up with technology, failure to which performance will be affected negatively. There is also no doubt that

Getting actionable reports from any research is critical in as far as the interpretation of that data is concerned. Therefore, in order to have impactful reports, the methodology used to collect data will be important. In general, the demand for market researchers is high given the fact that global has become the new local. This therefore calls for organizations to adhere to the basic costs of conducting business s this is a major marketing problem affecting coffee marketing firms in the country (Chokera, 2011). The researcher therefore came to the conclusion that there is need to strategize ways through which these costs among other challenges identified can be handles so as to give marketing research firms the ability to conduct effective researchers that offer clients insights into the reality of the markets.

5.4 Recommendations of the Study

There is no doubt that the process of gathering information about a specific market or customer niche is a critical process that all business owners need (Babin and Zikmund, 2015). Having established that impactful reporting, cost of research, regulatory framework and technological factors affect the performance of marketing research firms in the country, this study made the following recommendations. Unlike the past when the process of marketing research involved simply getting the information out there for purposes of selling, this study pointed out that it involves studying human consumer needs, purchasing patterns, financial aspects and many more. A marketer needs to consider market targeting and market segmentation, determine distribution, pricing and promotion strategies, develop a communications strategy, budget well and provide a vision for the long-term market development goals of the organization (Davis, Golicic and Boerstler, 2011). It follows that marketing rsearch is an integral process in any business setting.

The study further noted that there will be challenges faced in pursuit of this information. Just like any other process of research, the information collected needs to be of high quality (Bals and Hartmann, 2008). Quality matters because it helps to provide reports that will have an impact when it comes to decision making. Therefore, as a recommendation, the study urges marketing researchers to concentrate on making sure that they have results that can provide impactful reports. It was also pointed out that cost is a factor that can hinder the performance of any marketing research firm. In their study on Cost and Benefits of Market Research for Product Development, Ngurukie (2017) asserted that the cost of a specific market research program is determined by the research method used and the sample size needed e.g. face-to-face interviews

are more expensive than phone interviews, for example. Larger firms will typically require a larger sample. Therefore, the study insists on ensuring that all factors related to cost are taken seriously.

5.5 Limitations of the Study

This section presents the limitations as identified by the researcher during the execution of the study. The first one is that most of the respondents were quite busy working in their organizations and complained that they may not have enough time to fill the questionnaires. The researcher however tackled this limitation by emphasizing to the respondents that the data was needed urgently in order to meet the academic deadlines, though they had up to two weeks to fill it. Furthermore, the accuracy of the data collected was mainly dependent on what was provided by the respondents from the manufacturing firms. As such, there was need for the respondents to answer the questions honestly and accurately. The researcher therefore handled this limitation from answering the respondents' queries on the questions that the respondents didn't understand. Finally, some respondents were reluctant to answer the questionnaires presented to them, citing confidentiality of company information. However, they were assured that this research was mainly for academic purposes, and that the information required to be filled would not compromise their companies in any way.

5.6 Areas of further Study

This study recommends further studies to be conducted on any other challenges affecting the performance of marketing research firms in the country. This would improve on the recommendations and conclusion made by this study.

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APPENDICES

APPENDIX I: RESEARCH QUESTIONNAIRE

SECTION A: DEMOGRAPHIC INFORMATION

Please tick as appropriate in the boxes using a tick (√) or cross mark (x).

1. Gender

Male [] Female []

2. Age Bracket in years

20-25 [] 26-30 []

31-35 [] 36-40 []

41 -50 [] 51 and Above []

3. Highest level of education

a) Undergraduate Level [] b) Post Graduate Level []

d) Any other (Specify)

4. Name of the Company.....

5. What position do you hold in this organization?

6. How long have you been in this position?

a) Less than 1 year [] b) 1 - 5 years []

c) 6 – 10 years [] d) above 10 years []

7. On a scale of 1-5, where 1-Very Low Extent, 2-low extent, 3-moderate extent, 4-large extent, 5-very large extent, how do the following challenges affect operations in your company?

Component	1	2	3	4	5
Impactful Reporting					
Cost of research					
Data Management					
Market information					

SECTION B: CHALLENGES FACING MARKETING FIRMS

In this section, you will be presented with questions regarding the challenges faced in your marketing firm. You will respond based on a scale of 1-5 where 1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5-Strongly Disagree

1. Impactful Reporting

Questions	1	2	3	4	5
Lack of actionable insights					
Lack of timeliness					
Samples are not representative					
Respondents are dishonest or unthoughtful					
Statistical assurances are not provided					
Lack of experience and expertise					
Innovative methodologies are confusing and unfocused					

Any Other.....

2. Cost of research

Questions	1	2	3	4	5
Generating Traffic and Leads is costly					
Securing Enough Budget is a problem					
Bigger companies have more funding and can afford expensive					
It takes more time to acquire accurate and quality data					
Accurate data is expensive to get					
There are Legal and ethical constraints associated with research					

Any Other.....

3. Regulatory Framework

Questions	1	2	3	4	5
Licensing is readily available					
The organization is registered under all legal requirements					
Company ensures anonymity while conducting research					
Research subjects' awareness of the research					
Research ethics and legislation is a priority to the company					
Responsible conduct of research					

Any Other.....

4. Fast Changing Market information

Questions	1	2	3	4	5
Privacy and security issues					
Customers expect insights far too quickly					
Customers have dwindling budgets for Market Research					
Customers have constantly changing needs and are always chasing the next shiny object					
Consumers are bombarded with too many surveys, don't take any of them seriously					
Customers need to be re-educated about value of data but are resistant					

Any Other.....

SECTION C: PERFORMANCE OF MARKETING RESEARCH FIRMS

9. The following are statements about performance of marketing firms. Kindly indicate your level of agreement with them according to the following scale:

1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5-Strongly Disagree

Statement	1	2	3	4	5
The sales revenue is stale					
The costs associated with running the company are high					
Customer feedback about the company is positive					
Inbound Marketing ROI is positive					
Cost of Customer Acquisition is moderate					
Number of Qualified Opportunities Created is high					
Conversion Rates are high					

Any Other.....

Thank you

APPENDIX II: LIST OF MARKETING RESEARCH FIRMS

1. Acnielsen (K) Ltd
2. Acnielsen Kenya Ltd
3. Azen Services Ltd
4. Consumer Experience Ltd
5. Consumer Options Ltd
6. CPS International
7. Daio Research Associates
8. Data Global (K) Ltd
9. Dataline International Ltd
10. DG Quandt Group Kenya Ltd
11. Global Research Insights
12. PARS Research (Pan African Research Services)
13. Ipsos Synovate
14. Pipal Ltd
15. Platform Ltd
16. Research and Marketing Services (EA) Ltd
17. Research Path Associates
18. Research Solutions Ltd
19. SBO Research Ltd
20. Shoreward East Africa Ltd
21. Strategic Africa
22. The AfriQuest Research Centre Ltd