THE EFFECTIVENESS OF BUSINESS INTELLIGENCE IN STRATEGIC MARKETING: A CASE STUDY OF ATHI RIVER MINING LIMITED (ARM CEMENT)

BY

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AUGUST, 2013
DECLARATION
This project is my original work and has not been presented for any award in any other university.

Sign: ____________________________________

Date: _____________________________

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SUPERVISOR’S DECLARATION
This project has been submitted for examination with my approval as the University Supervisor.

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Date: _____________________________
DEDICATION

I dedicate this project to all organizations that have the zeal to succeed by adopting modern and innovative technologies to assess their performance in a more efficient and effective manner. This project is specifically dedicated to my family, husband, son and parents who have encouraged me throughout the process. Thanks to the almighty God for the good health and favor granted to us during the study period.
ACKNOWLEDGEMENT

First and foremost, I thank the almighty God for being my all in all. I acknowledge the support of my family especially my husband, son, parents and friends who have stood with me and supported me throughout my studies and particularly for their unending encouragement.

I pay my gratitude to my Supervisor Ms. Ngahu and Moderator Dr. Kinoti for the guidance in this research and for the support, patience and understanding throughout this research period. I also thank the entire fraternity of University of Nairobi.

Thank you all and may God bless you abundantly.
ABSTRACT

The marketing management process and the marketing mix can be complex. Effective marketing planning requires not only intelligence on customers but also intelligence across a wide spectrum of areas such as product lifecycle and supply chain. The reality is that, strategic marketers struggle to get information from diverse parts of the business for analysis and decision making. This ultimately leads to untimely, inaccurate and unreliable decision making. The power of Business Intelligence is to combine data from diverse areas of the business into a single version of the truth referred to as enterprise data warehouse. Once this is achieved data can be pooled and turned into information. Many companies have minimum information about their customers. Such customer could be people who started using a given product while seeking a solution for an apparently unrelated need. These typical customers represent an untapped opportunity to grow the business in a new direction at minimal risk and cost, thereby achieving competitive advantage. The aim of strategic marketing is to know and understand the customer so well and match the product or service to their needs. Understanding of customer information and trends can be achieved using Business Intelligence. In today’s business environments, organizations have to utilize their full potential to continuously improve and become more competitive in portfolio analysis, portfolio balancing and performance measurement. BI and analytical tools have become a necessity for organizations to help them make informed decisions from data gathered. This data can be collected from different systems namely: ERP, CRM, transaction systems and any other system that contains information about the customer and Marketing mix elements. BI tools play a vital role in the simplification of such complex operations and presenting unified reports. Activities such as monitoring of business processes, analysis and presentation of the large volume of data and execution of marketing strategies can be measured for their effectiveness using Business Intelligence. In addition, Business Intelligence can be used in enforcing product cross selling and analyzing of marketing mix elements for profitability purposes. This research was aimed at exploring the effectiveness of Business Intelligence in strategic marketing to empower marketers and directors with the right information at the right time for subsequent decision making. It discusses in detail about how business intelligence could be used by marketers in order to carry out customers’ segmentation for the purpose of understanding the customer better. This research also looked at the effectiveness of Business Intelligence in measuring the organization’s performance and opportunities available in the market. The research depicts how Business Intelligence aids in exploring ways of increasing profitability through the use of information and analyzing the market potential in terms of sales forecasting. The research adopted a case study research design and primary data collection method through an interview guide. The researcher interviewed two executives from ARM Cement. Content analysis method was used to analyze the data collected from the respondents since it is qualitative in nature. The organization under study encountered the following problems in strategic marketing. Firstly, there was inaccurate, untimely and unreliable reporting. Secondly, the company adopted sales oriented strategies as opposed to marketing oriented strategies and finally, the organization’s goals were not measured using information as a guide. Furthermore, the external environment is becoming more competitive through the entrants of new players in the market. Business Intelligence was recommended for effective strategic marketing in the organization to support timely, accurate and reliable reporting. Moreover, marketers would benefit from targeted marketing initiatives, efficient media selection and simplified analysis of Return on Investment. This could aid in achieving sustainable competitive advantage and attaining customer retention in the organization.
**LIST OF ABBREVIATIONS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ARM CEMENT</td>
<td>ATHI RIVER MINING LIMITED</td>
</tr>
<tr>
<td>EAPCC</td>
<td>EAST AFRICAN PORTLANDS CEMENT COMPANY</td>
</tr>
<tr>
<td>BI</td>
<td>BUSINESS INTELLIGENCE</td>
</tr>
<tr>
<td>CRM</td>
<td>CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM</td>
</tr>
<tr>
<td>ERP</td>
<td>ENTERPRISE RESOURCE PLANNING</td>
</tr>
<tr>
<td>SWOT</td>
<td>STRENGTH WEAKNESSES OPPORTUNITIES AND THREATS</td>
</tr>
<tr>
<td>GDP</td>
<td>GROWTH DOMESTIC PRODUCT</td>
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<tr>
<td>PWC</td>
<td>PRICE WATER HOUSE COOPERS</td>
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<tr>
<td>SDI</td>
<td>SELECTION DISSEMINATION OF INFORMATION</td>
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<tr>
<td>CEO</td>
<td>CHIEF EXECUTIVE OFFICER</td>
</tr>
<tr>
<td>ICT</td>
<td>INFORMATION COMMUNICATION AND TECHNOLOGY</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENT

DECLARATION...........................................................................................................i  
DEDICATION...........................................................................................................ii  
ACKNOWLEDGEMENT.............................................................................................iii  
ABSTRACT...............................................................................................................iv  
LIST OF ABBREVIATIONS.....................................................................................v  
TABLE OF CONTENT............................................................................................vi  
LIST OF FIGURES...................................................................................................viii

CHAPTER ONE: INTRODUCTION.........................................................................1  
1.1 Background of the study .................................................................................1  
1.1.1 Business Intelligence .................................................................................2  
1.1.2 Strategic Marketing ....................................................................................2  
1.1.3 Cement Industry in Kenya .........................................................................3  
1.1.4 Athi River Mining Limited (ARM Cement) ................................................4  
1.2 Research Problem ............................................................................................4  
1.3 Research Objectives .........................................................................................7  
1.4 Value of the Study .............................................................................................7

CHAPTER TWO: LITERATURE REVIEW..........................................................9  
2.1 Introduction ....................................................................................................9  
2.2 Theoretical foundation of the Study ...............................................................9  
2.3 Business Intelligence ......................................................................................10  
2.4 Strategic Marketing .........................................................................................11  
2.5 Business Intelligence and Strategic Marketing ............................................11  
2.5.1 Business Intelligence Support for Portfolio planning ...............................11  
2.5.2 The applicability of business intelligence in making key marketing decisions ....12  
2.5.3 Measurement of Business Intelligence ......................................................14  
2.6 Summary ......................................................................................................15  
2.7 Conceptual Framework ...................................................................................16

CHAPTER THREE: RESEARCH METHODOLOGY ......................................18  
3.1 Introduction ...................................................................................................18  
3.2 Research Design ............................................................................................18  
3.3 Data Collection ...............................................................................................18  
3.4 Data Analysis ................................................................................................19

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION ..........20  
4.1 Introduction ...................................................................................................20  
4.2 Demographic information ............................................................................20  
4.3 General awareness and appreciation of Business Intelligence ....................20
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ....... 25
5.1 Introduction ..................................................................................... 25
5.2 Summary of the findings .................................................................... 25
5.3 Conclusion .......................................................................................... 27
5.4 Limitations of the Study ..................................................................... 27
5.5 Recommendations ............................................................................. 28
5.5.1 Recommendations with policy implications .................................... 28
5.5.2 Recommendation for further research ............................................. 28
5.6 Implications on Policy, Theory and Practices ...................................... 29
REFERENCES ......................................................................................... 30
APPENDICES ............................................................................................ i
Appendix 1: Cement Companies in Kenya ................................................. i
Appendix 2: Interview Guide ..................................................................... ii
LIST OF FIGURES

Figure 1: Balancing the business portfolio .............................................................. 12
Figure 2: Conceptual framework ........................................................................... 16
CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Marketing strategy is a process that allows an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage. Marketing strategies serve as the fundamental underpinning of marketing plans designed to fill market needs and reach marketing objectives (Aaker, 2008). Plans and objectives are generally tested for measurable results using Business Intelligence. Strategic marketing is a process for creating, communicating and delivering value to customers. Particularly, in the fields of business, the executives can improve their insight of market scenarios by analyzing information and making strategic decisions based on facts in a proactive as opposed to reactive manner. This information enables managers to maximize revenue and manage costs more effectively.

The power of Business Intelligence is that it combines data from diverse areas of the business into a single version of the truth referred to as an enterprise data warehouse. Once this is achieved, data can be turned into information. That means using data to make factual business decisions. Many business owners neglect to put business intelligence at the core of otherwise sophisticated marketing strategies. They hire marketers and spend thousands and millions on campaigns, only to find themselves on the losing end of a major marketing push because the marketing teams does not take time to assess the ways in which people interact with their brands. Successful companies analyze business intelligence information at both micro and macro levels (Ramb, 2013).

In Athi River Mining (ARM Cement), sophisticated business intelligence practices can help a marketing team design a digital strategy that helps the business reach out directly to a target group. It can also help in analyzing the performance of their marketing strategies and consequentially making decisions that positively affect the company’s profitability. In so doing, the company stands to gain competitive advantage by providing the right information, at the right time which is relevant and accurate.
1.1.1 Business Intelligence

Business intelligence (BI) is concerned with Information Technology solutions for transforming output from large data collections into intelligence through the integration of sales, marketing, servicing, and support operations. Business Intelligence often covers such activities as Customer Relationship Management (CRM), Enterprise Resource Planning (ERP), and E-commerce using Data-Mining techniques (Clearci, 2013).

In the area of business intelligence, data mining is a process aimed at discovering meaningful correlations, patterns, and trends between large amounts of data collected in a dataset. Once an objective of strategic marketing has been established, the system needs a wide dataset including as many data as possible not only to describe customers, but also to characterize their behavior and trace their actions (Howson, 2012). Dataset on customer, product, price, place, and promotional activities are important in successful BI implementation for strategic marketing.

Business Intelligence requires a conscious approach and the blending of enterprise resources to deliver complete, consistent, and reliable source of information. The BI initiative is of no use if it is not driven by the objectives of the enterprise. Implementing the solution helps the firm achieve the objective through the use of information. The firm must ensure that business strategy and enterprise objectives drive the implementation. The purposes of building BI strategy is to help business with long-term planning, help middle management with tactical reporting, and help operations with day-to-day decision making to run the business efficiently. BI is all about providing people with the information they need to do their jobs more effectively (Pant, 2009).

1.1.2 Strategic Marketing

Strategic Marketing is the way a firm effectively differentiates itself from its competitors by capitalizing on its strengths both current and potential, to provide consistently better value to customers than its competitors. Armed with a thorough understanding of the firm’s capabilities, aspirations, market and the competitive landscape, the goal of strategic marketing is exercised to maximize a firm’s positive differentiation over competitors in the eyes of its target market. It does this by answering three key questions; where, how and when should the business compete. In understanding this, strategic marketing plan will often lay a
framework for fundamental change in the way a firm works and how it engages its markets with the marketing mix in mind (Davies, 2011).

The aim of strategic marketing is to know and understand the customer so well and match the product or service that fits them (Drucker, 2009). Using Business Intelligence, understanding customer information including customer trends is made possible. Strategic marketing initiatives range from product development enhancements to customizing marketing messages. Therefore, measurement tool that can capture a wide range of activities is important (Keith, 2006). The establishment of an effective marketing strategy starts with a detailed, and creative, assessment both of the company’s capabilities; its strengths and weaknesses relative to the competition and the opportunities and threats posed by the environment (SWOT analysis). On the basis of this analysis the core strategy of the company will be selected, marketing objectives identified and the broad focus of achieving them developed (Hooley, 2008). Measurement of the strategies during and after execution is essential.

Most dynamic companies embrace Business Intelligence in Strategic Marketing as a tool in sustaining competitive advantage and improving the effectiveness of marketing activities. Meaningful information can be extracted from the database to make strategic decisions on customer, product, price, promotion and supply chain.

1.1.3 Cement Industry in Kenya

According to Dyer and Blair Investment Bank research, (2012), Kenya’s building and construction sector is amongst the most rapidly growing, experiencing an average growth rate of 14.2% for the period 2006 – 2011. Over the same period, Kenya’s economic growth, as measured by the real Gross Domestic Product (GDP) rate averaged only 4.3% declining to 4.38% in 2011 from 6.33% in 2006. The Cement industry depends squarely on the building and construction sector. The Cement industry in Kenya has recently been experiencing competition due to the entrants of new players namely National Cement, Mombasa Cement and Savannah Cement. These new players have led to reduced market share of dominant players. The bigger players namely Bamburi (Market Share 40%), East African Portland Company (Market Share 24%), and Athi River Mining Limited (Market Share 16%) now have to be innovative in ensuring customer retention and market share retention amidst rising competition.
For many years, bigger cement manufacturing have only been surviving on sales strategies as opposed to marketing strategies. This is because; demand for cement has always surpassed supply. Due to this, it is becoming more and more critical for cement manufacturers not to shun strategic marketing. Companies are now embracing business intelligence to analyze a wide range of information. This includes customer information analysis, attrition rates, product perceptions, pricing strategies, distribution strategies, predictions, what if analysis, ROI analysis and analysis of promotional activities that would attract more customers in a more cost effective manner.

1.1.4 Athi River Mining Limited (ARM Cement)

Athi River Mining Limited (ARM Cement) is a cement manufacturer. It has been in operation since 1974. The company is engaged in the manufacturing of cement, quick and hydrated lime, fertilizers, sodium silicate, industrial minerals and special building products. Its plants are located in Kenya, Tanzania, Rwanda and South Africa. The company’s major operations are through two manufacturing plants in Kenya at Nairobi and Mombasa. ARM Limited operates its business through five business divisions namely, Rhino Cement, Sodium Silicate, Minerals, Special Products, Lime and Mavuno Fertilizers. It also operates its business through five group companies namely, ARM Kenya; ARM Tanzania; ARM Rwanda; ARM South Africa; and Mavuno Fertilizers. Its headquarters is in Nairobi, Kenya (ARM Newsletter, 2012).

ARM Cement’s strength in business growth can be attributed to a number of factors which include strong customer focus and relationship management, raw material and supply side value chain management, strong in house capabilities for engineering and project management of new capacity expansions, senior leadership is closely involved in monitoring progress and in making key decisions, vigorous program management and governance processes with dedicated resources and clear accountability process. This makes ARM cement the lowest capital cost; the lowest cement manufacturing cost in the region (The Economic Insight, 2012).

1.2 Research Problem

For a company to achieve competitive advantage it must be strategic. Strategic decisions in marketing need to be timely, relevant and accurate in order to fetch the desired outcome.
Business Intelligence tools facilitate marketers with information as per their requirements in order to make informed decision. Companies that adopt such analytical techniques end up attaining competitive advantage in being market leaders, concentrating on ventures that bring in money and spending it on worthwhile campaigns and promotions (PWC Advisory services, 2007). Product and Service delivery with a vision and a purpose is made possible through the use of information as a guide. Information can be analyzed in many forms in order to understand the customer, products, price, and promotional activities and in effect market effectively. It’s therefore important for organizations to analyze customer behavioral analytics, positioning themselves deep in the market through the foresight of business intelligence.

Business performance is measured by a number of financial indicators such as revenue, margin, profitability, and cost to serve. In marketing, performance gains can be achieved by improving response rate from particular campaigns, identifying characteristics of more responsive customers and products cross selling (Howson, 2012). Indeed, a successful Business Intelligence program can provide executives with the visibility they need into the performance drivers that propel the business forward.

For many years, Kenya’s Cement industry had been dominated by three players namely, Bamburi, East African Portland and Athi River Mining (ARM Cement). The total capacity for the three cement producers was below demand. This sector is identified as one of the core industrial sectors, with ample scope to boost the other sectors of the economy, especially the building and construction industry. There is growing demand of cement from within and outside the country; this includes places such as Southern Sudan, Rwanda and Burundi (National-Development and Vision 2030 publication, 2008).

According to Dyer and Blair investment bank research (2012), Kenya has experienced rapid growth of the Cement Industry and for this reason; there have been entries of new players in the market. Consequently, the three big players no longer enjoy market dominance and they have to work extra hard to ensure they produce quality products at affordable rates. In addition, they have to ensure they work to capture new markets. Cement companies are hard-pressed to adopt marketing strategies in their quest to capture and retain the market and gain competitive advantage.
ARM Cement Limited has diversified its product base and is currently working on rampant expansion projects (ARM Financial Statement, 2012). It’s therefore becoming inevitable for ARM Cement to embrace business intelligence concepts and models that facilitate strategic marketing. Business Intelligence solution creates an opportunity for ease analysis of customer information and analysis of marketing mix elements for strategic decision making. This analysis would be timely, accurate, reliable and visual. Using business intelligence, the company can easily develop reports that are visible to senior management on the profitability attributed to promotional activities or any other venture. Similarly, marketing departments can optimize the use of Business Intelligence in order to understand the customer purchase behavior and customer’s demographics which will enable the marketers to grab opportunities and identify gaps. The monetary effects on any changes in the marketing mix can be analyzed in a timely and accurate fashion. In doing so, the company would gain competitive advantage (Howson, 2012).

Several researchers have analyzed the topics of strategic positioning and strategic marketing. (Frates, 2005) and (Sharp, 2005) of California State University Long Beach studied the use of Business Intelligence to discover new market opportunity. In their study, it was noted that to continually discover new customers requires analysis of both attitudinal and behavioral information using Business Intelligence. Their study basically concentrated on the importance of Business intelligence in acquiring new markets. (Kisienya, 2012) and (Atieno, 2012) researched on the strategic responses to competitive environments and gaining of sustainable competitive advantage respectively. Their studies focused on product differentiation and service differentiation. However, none of the studies explained how this would be measured. Strategic Marketing concepts and its effect on firm’s performance has received considerable attention and acceptance by both marketing scholars and practitioners (Hooley et al, 2001); (Hooley and Sanders, 1993); (Kalra and Goodstein, 2002), there is limited empirical research on how these activities affect the performance of the organization. (Kinyua, 2007) studied the strategic responses by the Cement manufacturing companies in Kenya. In this study it was noted that the Cement industry is facing new challenges. These challenges include slow GDP and competition. From the above studies, none has highlighted the effectiveness of business intelligence in strategic marketing. This study aims to answer the research question, what is the effectiveness of business intelligence in Strategic Marketing in ARM Cement Limited?
1.3 Research Objectives
To determine the effectiveness of Business Intelligence in Strategic Marketing in ARM Cement Limited.

1.4 Value of the Study
During this research, it was inevitable that organizations need to monitor and analyze their customer information and marketing ventures in order to remain competitive. The value of this study is to understand the effectiveness of Business Intelligence in Strategic Marketing and how these concepts can be applied.

The concept of BI for strategic marketing can be adopted by players in the Cement Industry in order to understand their customers, product, pricing strategies, promotional activities and supply chain. As the external environment gets more competitive, cement manufacturers can adopt business intelligence models in order to analyze the existing information to gain competitive advantage over their competitors. The strategy of cross selling products and awarding credit to faithful clients can be exercised based on information. Decision to modify the product, price, packaging and supply chain variables can be analyzed in a timely and more accurate manner. Business Intelligence includes making the best use of information for strategic, tactical, and operational needs. The purpose of building Business Intelligence strategy is to help business with long-term planning, help middle management with tactical reporting, and help operations with day-to-day decision making to run the business efficiently. In this study, it’s clear that different functions such as; marketing, ICT, finance, procurement and supplies, customer care, and executive managers need to work together and leverage on each other’s strengths in order to create synergies that bring value to the organization. Students and academia can derive value from this where they learn to work together to meet the overall organization’s objectives.

The building and construction sector plays a big role for the government to attain vision 2030. The Cement industry supplies raw materials to the building and construction sector. Using Business Intelligence models, cement manufacturers would be able to make decisions based on facts. The government and any other consumer would benefit in purchasing superior products for their construction work due to product analysis strategies derived from BI. The firm would benefit from reduced cost of operation thus improved revenues. Finally, better prices and improved supply chain systems can be set up to benefit the consumer. This will
lead to more affordable housing and better infrastructure development leading to economic growth (The Economic Insight, 2012).
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction
This chapter looks at the past studies on Business Intelligence and Strategic Marketing and the relationship between the two variables in relation to the organization’s performance. This chapter also depicts how the introduction of business intelligence has been of importance in portfolio planning, decision making and its influence on customer analysis and marketing mix analysis.

2.2 Theoretical foundation of the Study
The term business intelligence and its key concepts originated with the Gartner Research in 1989. Howard Dresner of Gartner Research, who is also widely recognized as the father of Business Intelligence, first coined the term as “a broad category of software and solutions for gathering, consolidating, analyzing and providing access to data in a way that lets enterprise users make better business decisions”. However, through this research they found that the term business intelligence was used as early as 1958 by Luhn in an IBM journal article entitled “A Business Intelligence System”. Using a selective dissemination of information (SDI) technique, Luhn’s paper presents a concept which is similar to the modern notion of business intelligence. Business is a collection of activities carried on for whatever purpose, be it science, technology, commerce, industry, law, government, defense etc. The communication facility serving the conduct of a business (in the broad sense) may be referred to as an intelligence system. The notion of intelligence is also defined here, in a more general sense, as "the ability to apprehend the interrelationships of presented facts in such a way as to guide action towards a desired goal (Luhn, 1958).

It was noted that a strategic, enterprise business intelligence program offers higher value to our companies, especially in today's fast-paced, changing environment. A successful Business Intelligence program increases collaboration and leverage the decision-support structure across the enterprise to increase overall business effectiveness. Used effectively, Business Intelligence allows organizations to improve performance (Howson, 2012).

Strategy is what defines the general principles for reaching objectives related to the specific business unit and target markets. It contains the main directives of the marketing expenditure, marketing actions, and resource allocation in this area. It includes decisions like: segmentation strategies, positioning, and communication.
Marketing is the action or business of promoting and selling products or services. It is a more desirable alternative to increase volume of sales (Morine, 1980). Companies wishing to thrive in an economic downturn should not be cutting back on marketing and product development but should instead increase the budget for marketing activities (Palmer 1991). The primary purpose of a marketing strategy is to effectively allocate and coordinate marketing resources and activities to accomplish the firm’s objectives within a specific product market. Therefore decisions about the scope of a marketing strategy involve specifying the target-market segment(s) to be pursued and the product line to be offered. A firm that seeks a competitive advantage and synergy, planning a well-integrated program of marketing mix elements is practicing strategic marketing (Walker, Boyd, Larreché, 1992).

2.3 Business Intelligence

Business Intelligence Platform will enable one to build out Business Analytics helping the organization to save time and money expediting the ability to engage data as information. Information lies at the core of strategic marketing. But, with all of the information that is available, many companies are unable to access and leverage the information that will be central to their marketing success. Furthermore, many companies find that they do not have the tools available to them that place the information in a meaningful and easy to understand format for quick analysis.

The marketing management process and the marketing mix can be complex. Effective marketing planning requires not only intelligence on customers but across a wide spectrum of areas such as product lifecycle and supply chain. The reality is that strategic marketers struggle to get information from diverse parts of the business for analysis and decision making in their plans. When initiating an outcome based marketing effort, one needs access to comparative information. It’s important to access comparative information that measures outcomes, utilization and profitability at a customer level. Analysis at the customer level enables one to do the subset analysis that provides one with the information to engage in niche marketing (Rooney, 2004). By capturing comparative information at the customer-level, one has access to financial, outcome and granular information through drill downs and drill through operations of business intelligence (Teece, 2009). Roll-up and roll-down view of the data can be done in different ways – by sales person, by region, by county, by country and much more. Thus, it’s possible to evaluate the profitability of customers, benchmark the outcomes of the sales persons against the set budgets and have the data to prove the value of
services in conjunction with niche marketing efforts. Business Intelligence offers the flexibility desired in access of information for the purpose of making informed decisions.

2.4 Strategic Marketing

Strategic Marketing is a statement of how the marketing objective is to be achieved, e.g. by acquiring a competitive company, by price reductions, by product improvement, by supply chain improvement, or by intensive advertising. The strategy becomes the basis of the marketing plan (Hart & Stapleton, 1977). Strategic marketing has also been defined as a process consisting of analyzing environmental, market competitive and business factors affecting the firm and its business units, identifying market opportunities and threats, and forecasting future trends in business areas of interest for the enterprise, and participating in setting objectives and formulating corporate and business unit strategies. This entails selecting market target strategies for the product, price, promotional activities, and supply chain in each business unit, establishing marketing objectives as well as developing, implementing and managing the marketing program positioning strategies in order to meet market target needs (Drucker, 1973).

Ketter consulting described strategic marketing as an umbrella management process for creating, communicating and delivering value to customers. The process of strategic marketing guide the following organizational decisions: Developing a marketing strategy, selecting market types, audiences and market segmentation, designing competitive and cooperative behaviors, shaping the internal organizational environment: market orientation in research and development, organizational culture and market knowledge, shaping the external organizational environment: customer relations, marketing communications and corporate social responsibility.

2.5 Business Intelligence and Strategic Marketing

Business intelligence provides information on a timely, accurate and reliable fashion in order to facilitate effective strategic marketing. This is widely applied in making key strategic decisions and product portfolio planning.

2.5.1 Business Intelligence Support for Portfolio planning

BI solution support for marketing strategic goals means allowing them to monitor a particular customer's information, understand why, where, when customers make purchases and understand the effect of marketing mix on the overall profitability of the company. A tested
foundation for such integration is master data management, usually accompanied by some form of data visualization which enables the marketing personnel to slice and dice data in different dimensions and incorporate all measurable attributes in order to make a decision (IBM 2005). For instance, after a certain marketing campaign, the marketers can analyze data of new customers during the promotion period and ascertain the value brought in by these customers.

Development of business strategies and allocation of resources (both financial and management) can be a daunting task. Products in declining sectors may be less deserving of resource allocation unless turnaround strategies are likely to reverse market trends. In declining markets, products are often managed for cash flow to enable resources to be reallocated to areas of portfolio with more potential (Hooley 2008).

**Figure 1:- Balancing the business portfolio**

![Figure 1](image_url)

*Source: Adapted from Hooley G, Nigel F. Piercy, Nicoulaud B (2008).*

In addition to suggesting strategies for individual businesses, portfolio analysis assists in the assessment of the overall portfolio balance in terms of cash flow, future prospects and risk assessment (see figure 1.1). Cash flow balance is achieved where investment in businesses with potential are met through surpluses from the current or past breadwinners. Business intelligence is powerful in portfolio analysis (Hooley, 2008).

### 2.5.2 The applicability of business intelligence in making key marketing decisions

Business Intelligence combines data from diverse areas of the business into a single version of the truth referred to as an enterprise data warehouse, (Communications of the Association
for Information Systems, 2004). Once this is achieved data can be combined and turned into information.

Strategic marketing solution uses a generic but customizable strategic marketing plan template as its core. The plan comprises of two key components; analysis and decision. At each relevant stage of the plan the marketer can access reports that provide the latest data for that stage of the plan. Other than providing intelligence, the solution gives the ability to plan, monitor and introduce contingency if veering off track (Teece, 2009). This information is provided on time and with high level of accuracy thus enabling marketing managers to make strategic decisions that are relevant and reliable.

Business Intelligence plays a big role in helping firms grow their market share. To continually discover new customers requires both attitudinal and behavioral changes in a company’s business intelligence function and in the way it obtains information from and about its customer. Analyze the customer data base to ascertain who is using the company’s products and services, and why. Study those who are atypical to discover how they became customers. When feasible and appropriate, reward their input and publicize their innovative use of the company’s product. Identify their information sources and develop pertinent marketing communications to attract more atypical customers like them (Zikmund, 2003). There is a big gap for marketers in unearthing their growth strategy. Data is not easily converted into meaningful information. There is therefore need to closing this gap in order to promote quick decision making. A marketing department may not be in a position to visualize where they are and where they want to be without proper analysis. Information generated within the firm is especially valuable because it tends to be unique, specific, and tacitly held. It is therefore more difficult for competitors to imitate, making it potentially strategically valuable.

Once companies have developed their marketing strategy, marketing mix should be used to continually evaluate and re-evaluate business activities (Tracy, 2004). The four P’s are: product, price, promotion, and place. As products, markets, customer’s needs change rapidly, one must continually revisit their Marketing Mix to make sure they on track and achieving the maximum results possible in today's market place. This is done effectively using Business intelligence as the source of timely and accurate information.
2.5.3 Measurement of Business Intelligence

The measurement of business intelligence performance has long traditions in organizations. It is a practical managerial tool that can be applied in various situations for decision making. Some authors have identified its measurement as an important task (Solomon 1996; Viva Business Intelligence Inc. 2000). A common view among scholars is that the measurement of Business Intelligence is difficult to carry out (Gartz 2004; Hannula and Pirittimäki 2003; Simon 1998) and only a few organizations have any mechanisms in place to measure the value of Business Intelligence (Marin and Poulter 2004). Thus, measurement is considered an important aspect of Business Intelligence but at the same time it is considered difficult to carry out in practice.

Generally, the most common way of measuring business intelligence performance requires measurement of the set goals or Key Performance Indicators that the system is expected to achieve. This normally ties in nicely with measuring Return on Investment. Measurement parameters could include, but are not limited to: timeliness, usability, reliability, quality of information and adoption/usage of BI. The key organization’s objectives and KPIs have to be put in place before implementing a BI solution. Measuring business intelligence performance is based on successful attainment of these goals, but certainly using them as indicators of BI performance can be helpful. ROI often is closely related to an organization’s goals and can be used as an easily quantifiable measure of BI success, making it perhaps the “strongest” measure available.

‘Time is money’ a phrase used by Benjamin Franklin clearly shows the importance of timeliness. BI assists the organization to make timely decisions thus enabling them to be market leaders as opposed to market followers. If information is availed on time, decision making becomes a less time consuming activity.

Adoption/usage has the potential be a really good indicator, if able to be correctly quantified. A common problem with this type of parameter is that it’s sometimes quantified too late in the measurement process to be able to make any constructive changes. For example, if very few people are using your BI system, but you don’t know why, it’s more a case of too little too late since people have already lost interest. In terms of usability, people suggest that as long as the system is being used and is easy enough to use, then it is performing.
Quality could refer to the quality of data used with the system, the quality of the system itself or the quality of the results derived from the BI analysis. Data quality can highly affect the performance of the BI system as well as the outcome, placing it as a strong measure of business intelligence performance.

Reliability – everyone wants a reliable BI solution, one which will give consistent and accurate results. A BI solution could be considered as well-performing if it always delivers what the user wants. But this measure alone is probably not enough to quantify the performance level of a business intelligence system. The information on BI should be accurate and dependable.

To crown it all, the employees’ productivity will be enhanced through working more efficiently and effectively for the common good of the organization.

2.6 Summary
Leveraging on information for competitive advantage requires strategic marketing to be practiced in a more creative way. For internal strategic development, it is vital to examine the firm’s customer base to identify non-typical users with potential to become or lead the company to a new market segment (Frates and Sharp, 2005).

Developing an understanding of the competitive landscape starts to take us into the realm of competitive intelligence and data mining, which requires access to data (DecisionPath Consulting, 2011). Using business data in an intelligent way leads to a major competitive advantage. For instance credit scoring mechanism can be used to ascertain the customer’s credit rates leading to identification of good customers, where more credit can be given or credit duration can be increased owing to good credit rates.

Acquiring, retaining and understanding of customers is one of the biggest opportunities for marketers – given that there is so much information that customers provide freely to organizations (Bickert, 1992). Marketers who have a solid understanding of Business Intelligence are able to leverage on not just customer data across channels but also able to better coordinate their internal processes to meet customer demands. This includes; using demand forecasting to reduce shortages thus increasing customer satisfaction, better manage product lifecycles and understand lifetime customer value. Marketing Mix parameters can be measured effectively to ascertain their effectiveness.
The challenges marketers face will continually evolve as markets and technology change. The major challenge is, as more companies embrace Business Intelligence, the harder it becomes for late adopters to seek out any competitive advantages. Measurement of the effectiveness of business intelligence can be complex especially when its value is intangible. However, its measurement is very important in order to determine the return on Investment for this venture (Gartz 2004; Hannula and Pirttimäki 2003; Simon 1998). The key drivers of investing in Business Intelligence for strategic marketing are the system objectives and goals. These are the system’s KPI’s that the BI is expected to achieve. Measurement parameters include timeliness of information flowing from different systems, reliability, dependability and quality of the information in the system. This leads to efficiency and effectiveness of workforce thus leading to higher productivity rates.

2.7 Conceptual Framework

Figure 2: Conceptual framework

![Conceptual Framework Diagram]

Source: Rachael Ongalo (2013).

The conceptual framework refers to Figure 2. It shows the independent variable (X) and dependent variable (Y). The Business intelligence and its models represent the independent variable while Strategic Marketing practices represent the dependent variables.
This framework simply depicts how Business performance can be measured through the use of Business intelligence in order to gain competitive advantage. Customer characteristics can be identified for purposes of product cross selling and identifying responsive customers (Howson, 2012). Analysis of the financial implication of promotions, modification/improvements of products, price and distribution channel can be achieved using BI. It also provides visual reports from reliable sources for timely and accurate decision making.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the approach that was used to conduct the research. It encompasses the research design, data collection, and data analysis.

3.2 Research Design

A research design is the determination and statement of the general research approach or strategy adopted for the particular project. It is basically the structure and plan of investigation (Kumar, 2005). The research design for this paper was a case study. This is because it seeks to gain insights and ideas as well as clarify the concepts under study (Churchill & Iacobucci, 2010). In addition, data was collected from a few study units only. This design encouraged in depth exploration of issues in a phenomenon. Qualitative design was used to gain insight and explore the depth, richness and complexity of the subject matter. The concept to be clarified was the effectiveness of Business Intelligence in Strategic Marketing in Athi River Mining Limited (ARM Cement).

3.3 Data Collection

The data collected was primary in nature. Data was collected from the CEO of Athi River Mining Limited (ARM Cement) and the Sales Commercial Director. It was collected through administering interviews with the use of an interview guide. The interview guide was unstructured to allow the respondents to raise issues and questions that the researcher had not previously considered. For the purpose of this study the respondents were the key informants. The guide was sent to the key informants at least 3 days prior to the interview to allow them to familiarize with the questions.

The interviews were carried out at the respondents’ office to ensure minimal interruptions in the collection of data. The researcher was the moderator of the interview. The interview guide was divided into three major parts. Part 1 covered general awareness and appreciation of the business intelligence concept; Part 2 looked at strategic marketing concepts and Part 3 looked at the effectiveness of Business Intelligence in strategic marketing and how they can be measured.
3.4 Data Analysis

The qualitative primary data collected during the interviews was analyzed through thematic content analysis and presented in prose form. The rationale is that there are large volumes of qualitative data that needed to be matched and grouped. Content analysis is defined as a systematic replicable technique for compressing many words of text into fewer content categories (themes) based on explicit rules of coding (Berelson, 1990). The analysis of content is a central activity whenever one is concerned with the study of the nature of verbal materials (Kothari, 2004).
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. Findings in this chapter have tried to fulfill the objectives of this study. The results are presented on the effectiveness of Business Intelligence in Strategic marketing at ARM Cement. The study targeted two executive members namely; the CEO and the Sales Commercial Director. Two out of the two targeted were interviewed therefore generating 100% response rate. Research design was a case study since it attempts to seek details on the variables relevant to the subject under study (Polit and Hungler, 1983).

4.2 Demographic information

The demographic information section was aimed at finding out general information about the respondents. The respondents were the CEO and the Sales Commercial Director who work in the Executive Office and the Sales Office respectively. Both executives have worked for more than 10 years implying that they had enough experience in the company to be able to provide relevant information. They have a Masters degree hence they understand what the study aimed to achieve. The company has a total of 300 employees, of which 20 are in the sales office. The responsibilities of the 20 sales officers includes data collection and report writing. These activities take about 50 percent of their day to day time. The reports prepared by them are put together and summarized as one report for board presentations.

ARM Cement is experiencing many challenges in their sales strategies. One of the major external environment challenges is entrant of new players in the market. The new entrants are; Mombasa Cement, Savannah Cement, and National Cement. Besides the existing competitors namely Bamburi Cement and East African Portlands Cement. The environment is becoming more competitive and therefore requires innovative methods to gain competitive advantage and maintain existing customers. In addition, it’s becoming inevitable for the organization to apply more progressive techniques that facilitate efficiency.

4.3 General awareness and appreciation of Business Intelligence

Business Intelligence was well understood as an efficient method of collecting data for reporting in an easier, faster and a more accurate way. The company has started developing a
data warehouse for storing both historical and current data. Previously, information was scarcely located in different systems thus making it difficult for the sales officers to gather and generate reports. Moreover, it would take approximately 2 day (48 hours) for the sales officers to generate a simple profitability report. These reports have no functionality of drill down and drill through. This makes analysis difficult. The reports are purely figures with no visual or graphical representation. A lot of time is consumed in converting the data into graphical presentations used in board meeting reports. As a result, two sales officers have been employed to analyze data and generate reports into graphical representations. Graphical representations of reports were highly preferred because they lead to easy and faster interpretation of information.

The organization would benefit from the implementation of business intelligence by easy retrieval of accurate information. This would lead to improved decision making, faster dissemination and access to reliable information. The organization would also appreciate the use of information as a guide in marketing initiatives. Such initiatives are; target marketing and efficient media selection process. Due to stiff competition in the industry, the firm’s marketing initiatives needs to be timely. This would enable them understand their customers needs, react to the needs on time and maintain customer loyalty.

4.4 General awareness and appreciation of Strategic Marketing

Strategic Marketing was understood as the concept of coming up with sale and marketing plans. The plans should be executed in a cost effective and timely manner to benefit both the customer and the organization. ARM Cement adopts the sales strategies rather than the marketing strategies in executing their mandate. This has been attributed to the fact that in the past, demand for Cement surpassed the supply. For cement manufacturing, sales strategies worked perfectly. With the entrants of new market players, this trend is slowly being reversed. In ARM Cement, efforts are being put in place to establish a Sales and Marketing department that will implement strategic marketing concepts. Currently, the organization is using sales promotion, quantity discounts and advertisement to increase its sales. Moreover, it’s also deploying the strategies of entrants to new markets and reduced pricing to increase its market share.

The opportunities created by Strategic Marketing initiatives would lead to changes in policy of the organization. Strategic Marketing would allow the organization to concentrate its
resources on optimal opportunities with the aim of increasing sales and achieving sustainable competitive advantage. Customer segmentation strategy based on customer characteristics can be part of strategic marketing. Evaluation of portfolio balance and portfolio planning is also important in building strategies around the BCG product growth Matrix (dog, question mark, star, and cash cow). Segmentation strategy in ARM focuses on the following main segments; Distributors, Retailers, Wholesalers, and Constructors. This is conceptual and not based on facts (information as a guide). Their niche market is the constructors since they influence the actual purchase. The customers constantly rely on constructors for advice on the best products to use during construction. Customer profile analysis would present an opportunity for product cross selling since the products produced by the firm are related. In essence, if a customer purchases Cement, they are likely to purchase finishing materials such as marble, tiles and roofing materials from the special products unit.

The business uses turnover realization from previous sales in order to know their market, market price, quantities and promotion activities. This could help them to answer the question of ‘how’ to compete. Product improvement was done on the basis of Customer feedback. In the past, Cement brands were perceived to have very little differentiation. Today, the concept of product differentiation is noted for possible exploration in the near future as the organization sets up the sales and marketing departments. The company’s promotional strategies are not based on facts, but the use of information in the organization. Customer demographics could be utilized to determine the appropriate promotion activities. Supply chain expansion decisions ought to be based on strategy. Adopting of proactive model rather than reactive model should be embraced during the supply chain expansion decision.

4.5 The effectiveness of Business Intelligence in Strategic Marketing

The study sought to find out the effectiveness of Business Intelligence in Strategic Marketing. Business Intelligence for Strategic Marketing is prominent to a number of advantages namely; timely decision making and accurate information. BI enables the marketers to know their customers better, easily identify marketing mediums, effectively carry out sales forecasting, efficiently facilitate simulations of ‘what if’ analysis on price changes, enables product differentiation strategies, facilitate supply chain expansion strategies and empowers the users to carry out portfolio planning and balancing. ARM managers currently are not able to obtain the right information at the right time. With the adoption of Business intelligence, it will provide timely and more accurate information as compared to manual data analysis.
The firm also practices long term planning based on targets. Targets are generated from the following variables; past turnover information, percentage of regional presence and ability of sales person(s) to deliver. These methods were more subjective as opposed being objective. Information which was used for planning was difficult to access because it was generated from manual reports. This posed a challenge of its reliability and accuracy hence trend analysis and forecasting was not practiced.

In addition, customer demographic analysis on Gender, Income, Industry, Occupation and County could add value to the strategic marketing process of niche marketing and targeted publicity. Business intelligence reports with graphical presentation could increase staff productivity since they would focus on the specific areas of interest, i.e. tactical decision making, rather than wasting time in data gathering and report generation. Reports generated based on fact would enhance the productivity of the strategic marketing staff. Currently, the senior management suffers from inaccurate and unavailable information to make strategic decisions. Furthermore, lack of visualization also makes the whole process of decision making difficult. Most of the decisions were reactive ‘after the fact’ and not proactive ‘before the fact’ due to ineffective way of information gathering and reporting.

**4.6 Role of Business Intelligence in strategic marketing in ARM Cement**

This section pursues the importance of developing Business Intelligence in strategic marketing in ARM Cement and how it can lead to competitive advantage. Business intelligence helps in enforcing proactive decision making. It also facilitates analysis of Marketing Mix elements to be done in a more timely, reliable and accurate manner. This could be done by embracing the following strategies; product differentiation, pricing based on the value given to customers, product promotion based on market characteristics, distribution expansion based on projected sales in the area and product cross selling on the basis of customer characteristics. Business intelligence is powerful in discovering products that can be matched with certain customers. Therefore the value of BI can be measured through increased sales based on proactive cross selling of products, awarding credit to faithful clients. Also through reduced costs of publicity gathered from targeted medium of advertisement. Modification of the product, price, packaging and supply chain variables can be analyzed in a timely and more accurate manner in order to make accurate, timely and reliable decisions.
Despite the many benefits, the organization does not have any budget allocated in the development of business intelligence due to lack of knowledge of how to measure its effectiveness in strategic marketing. The organization is however ready to initiate strategic marketing concepts, and thereafter commence the development of Business Intelligence for strategic marketing. This initiative will help the organization in attaining the organization overall goal of increasing profitability, reducing costs and increasing productivity of employees. This will therefore be made more effective due to mechanization and smart decision making process provided by the adoption of Business Intelligence.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the summary of the findings on the effectiveness of Business Intelligence in Strategic Marketing in ARM Cement. The chapter also provides a summary of the findings, conclusion and gives recommendations based on the results discussed in the previous chapter.

5.2 Summary of the findings

This research sought to find out the effectiveness of Business Intelligence in Strategic Marketing in ARM Cement. These findings were classified into five sections namely; demographic information, general awareness and appreciation of Business Intelligence, general awareness and appreciation of Strategic Marketing, the effectiveness of business intelligence in strategic marketing and finally the role of business intelligence in strategic marketing in ARM Cement. There were many employees in the organization whose function was to work on data collection and report generation. Information on planning is collected in an unreliable and inaccurate manner thus posing a challenge in the planning and budgeting process.

The Cement Industry has been experiencing numerous challenges in the recent years to date. One of the major challenges is the competitive environment. This has been brought about by entrants of new players in the market. The market dominance that the main stream cement manufacturers have enjoyed is being threatened by new competition. It is therefore inevitable for the firm to adopt more modern methods of data collection and reporting in order to remain competitive and respond to customer’s need in a timely manner.

Business Intelligence concept is highly understood by the executives of the organization. The company has invested in a data warehouse for storage of current and historical data for reporting purposes. Initially, data was scattered across many different systems. It takes approximately 48 hours for the sales officers to generate simple reports such as revenue and profitability reports. These reports however have no visual or graphical presentations. A lot of time is consumed in converting data into meaningful information for reporting purposes. In addition, a lot of time is spent in converting the information into graphical presentations for
board meetings. ARM Cement would have numerous advantages over its competitors if they implemented Business Intelligence for strategic marketing. This information would be availed at the right time and to the right people in order to make strategic decisions.

Strategic marketing concepts have not been adopted by the firm. The organization practices sales oriented strategies as opposed to market oriented strategies. This is attributed to the fact that in the past, there has been little competition in the Cement industry and majorly, demand outshone the supply. As competition is setting in, the concept of strategic marketing is appreciated. Marketers come up with sales and marketing plans where they execute them in a cost effective and timely manner, to benefit of the customer and the organization at large. The organization is now coming up with a marketing department which will be practicing strategic marketing concepts. In order to increase sales, ARM Cement adopts sales promotion, quantity discounts and advertisement. Sales promotion is done based on Market segmentation. To increase market share, ARM cement is using the strategy of market expansion, price differentiation and price discounts. Customer profile analysis is not being practiced in the firm therefore this opens up a window of opportunity on customer segmentation, product cross selling and credit awarding system. BI tools are strong in customer profile analysis.

In ARM Cement, sales forecasting and budgeting is untimely, inaccurate and unreliable. The pricing strategy is dictated by the market price, demand, product quality, and quantities bought. Prospects generated by “What If” analysis on pricing can help the organization sell at optimum prices. The concept of product differentiation is appreciated for possible exploration in order to add value to the product and create value proposition. Supply chain expansion strategy is only based on demand hence it is reactive as opposed to proactive.

Business Intelligence is found to be effective not only in strategic marketing but also in measuring and analyzing the performance of the organization. The advantages of developing BI for strategic marketing are; Firstly, BI provides information in a timely, more accurate and reliable manner. Secondly, it enables marketers to know and understand their customers much better and match products to them. Thirdly, it helps in forecasting and budgeting. Fourthly, it provides a smart way of media selection which leads to more cost effective ways of creating publicity. Finally, BI assists the marketing team in generation of what if analysis on price changes, product differentiation and supply chain expansion. Customer demographics such as gender, income and occupation can be adopted for niche marketing and targeted publicity.
The effectiveness of business intelligence in strategic marketing would be to ensure the managers get the right information at the right time, with a high degree of accuracy. This will enable them make factual decisions. The role of BI in strategic marketing is to ensure the business remains competitive. However; the organization had not set aside the budget for developing BI. This initiative will be commence after the marketing department has been set up. This project will help the marketing department in the implementation of the organization goals, measuring them and making smart strategic decision.

5.3 Conclusion

As more performance data becomes available, marketing is slowly becoming more analytical. Through the use of business intelligence, marketing managers can now use the data to establish best practices, make decisions that better align with company’s strategy and improve the reporting of marketing data. A major factor in marketing is, understanding the needs of the customer. Speed and accuracy in decision-making is critical in attracting new customers and managing customer relationships. Most successful organizations are customer-centric – structuring their business processes to respond quickly to customer’s needs. In addition, organizations empower staff to exceed customer’s expectations. BI provides strategic marketers with information to enable them make the right decision at the right time thus promoting efficiency and effectiveness.

Sales strategies are slowly being eroded and marketing concepts adopted. This is crucial in building stronger brands and enhancing customer satisfaction. With the support of Business Intelligence, customer information and marketing mix elements can easily be analyzed at the right time to enable marketers make proactive decisions. Companies that adopt the use of business intelligent tools in strategic marketing and information analysis are able to make timely, reliable and accurate decisions that pertain to their customers and marketing campaigns. The organization hence benefits from informed decision making that leads to better understanding of their customers, efficient allocation of resources (in the right campaigns) and monitoring / measuring return on investments of marketing initiatives.

5.4 Limitations of the Study

The research was faced with some limitations which were addressed in various ways. The respondents were reluctant to provide information. There was fear that some information will be used against the company by their competitors. However, the researcher handled this
problem by producing an introduction letter from the university and assured the respondents that the information they gave would be treated confidentially and that it was purely for academic purpose.

The study faced time limitations. The period over which the study was to be conducted was limited. Therefore, exhaustive and extremely comprehensive research could not be undertaken on the effectiveness of business intelligence in strategic marketing. In addition, the respondents were top executives of the company and getting their time to carry out the survey was a challenge. However, the researcher minimized this challenge by scheduling the survey during non-official hours hence increasing the chances of accessing the executives.

5.5 Recommendations

The study makes several recommendations and gives suggestions for further research.

5.5.1 Recommendations with policy implications

The organization adopted the traditional sales strategies and has not embraced the current marketing strategies. It’s therefore recommended that the organization should set up a marketing department and develop marketing strategies in order to survive in the current competitive environment. Most functions in the firm operate in silos. It is therefore recommended that the senior management should involve all the staff in suggesting strategies of how to grow the market share and the company’s revenue. The implementations of Business Intelligence require both time and resources. The study therefore recommends that the company should prioritize the implementation of BI and allocate the necessary resources to this project.

5.5.2 Recommendation for further research

This study focused on the effectiveness of Business intelligence in Strategic Marketing in ARM Cement. Therefore, this study recommends a similar study should be carried out on the effectiveness of Business intelligence in Strategic Marketing in the Cement Manufacturing industry. This will allow generalization of the study findings on the effectiveness of Business Intelligence in Strategic Marketing in the Cement Industry. There is also a need to study the effectiveness of Business Intelligence in strategic decision making for all the function in any organization. This will facilitate synergies of all key performance indicators from all
departments and divisions that make up the organization. This should tie to the overall strategic goal of the firm.

5.6 Implications on Policy, Theory and Practices

The study is important not only to ARM Cement management but also to other members of staff in ARM Cement and any cement manufacturing company. It helps them understand the effectiveness of Business Intelligence in Strategic Marketing. It will also assist them to understand how performance of different marketing initiatives can be measured in a faster, accurate and more reliable way. The research emphasizes on the importance of understanding customer information to ensure ‘customer is king’ and product cross selling. The study will be a source of reference material for future researchers on other related topics. It will help academicians to understand the same topic different areas of operations. The study also highlights other important relationships that require further research. This could be in the area of relationship between the implementation of Business Intelligence models and performance of an organization.

On policy, the findings of this study would be important to policy makers in establishing the effectiveness of Business Intelligence in Strategic marketing. It aids in measuring the marketing performance indicators of a firm and assists top level management in long-term planning. In addition, it assists the middle management with tactical reporting and the operations managers in day-to-day decision making. This leads to efficiency and effectiveness of marketing management.
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APPENDICES

i.) Appendix 1: Cement Companies in Kenya

Athi River Mining Limited (ARM Cement)
Bamburi Cement Limited
East Africa Portland Cement Company Limited (EAPCC)
Mombasa Cement
National Cement
Savannah Cement
ii.) Appendix 2: Interview Guide

THE EFFECTIVENESS OF BUSINESS INTELLIGENCE IN STRATEGIC MARKETING A CASE STUDY OF ATHI RIVER MINING LIMITED (ARM CEMENT)

1. Introduction and Ice-breaking (15mins)
   i. Moderator introduces himself and purpose of the meeting.
   ii. What position do you hold in the organization?
   iii. What is your current department? (Please specify)
   iv. What is your current section? (Please specify)
   v. For how long have you worked in ARM Cement?
   vi. What is your area of professionalism and your highest academic qualification?
   vii. How Many Employees are there in your department? What is their general responsibility as far as reports are concerned?
   viii. Who are your major competitors?
ix. What changes have been experienced in the past few years in the Cement industry in Kenya?

Main Discussion (40mins)

2. (A) Business Intelligence: General awareness and appreciation.
   i. What is Business Intelligence according to your understanding?
   
   ii. Do you think it’s important for ARM Cement to implement BI and adopt its concepts? Why?

   iii. Do you have a data warehouse in place?

   iv. What advantage would an organization have over its competitors if they implemented Business intelligence for strategic decision making?

   v. How long does it take to get information related to company’s profitability?

   vi. Would visual report assist you and other managers in making strategic decisions accurately and on time?

(B) Strategic Marketing: General awareness and appreciation.

i. What is Strategic Marketing according to your understanding?
ii. Does Athi River Mining (ARM Cement) practice Strategic Marketing concepts? Why?

iii. What strategies does ARM use to increase sales and increase market share?

iv. How is customer segmentation for niche marketing carried out in ARM?

v. How does ARM carry out portfolio balancing? (Cash cow, star, question mark, dog)

vi. How does the business decide where, when, and how to compete with its competitors?

vii. Does the business practice sales strategies or marketing strategies? Why?

viii. What consideration does ARM put in to account in order to improve its products?

ix. What consideration does ARM put in to account in order to increase or decrease its prices?

x. What factors does ARM consider when selecting their promotional strategies?

xi. How does ARM make decisions on supply chain expansion?
3. The effectiveness of Business Intelligence in Strategic Marketing

i. What are the advantages of developing Business Intelligence for Strategic Marketing?

ii. Do managers get the right information at the right time with high degree of accuracy?

iii. How does the firm practice long term planning, tactical reporting and day to day report making?


v. How does business intelligence assist the organization in predicting the future earnings of a product?

vi. Do you think with the implementation of business intelligence, reports will be available on time and with high degree of accuracy?

vii. Does senior management suffer from inaccurate information and lack of visualization on marketing information?

viii. Is decision making on marketing initiative proactive or reactive?

ix. How is the Marketing Mix performance analyzed? (Price, Product, Place, Promotion).
How does the firm carry out product cross selling strategies and rewarding faithful customers?

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4. Role of Business Intelligence in strategic marketing in ARM Cement
In your opinion, do you think that developing Business intelligence would be valuable for strategic marketing? In what ways? (Probe for external and internal importance).

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5. Final Remarks
Does your organization have any budgets allocated to the development of Business Intelligence? What are some of the reasons for that? Where do you see the future of Business intelligence for strategic marketing? Does this development help in attaining the organization’s goals?

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THANK YOU RESPONDENTS