

The Moderating Effect of Strategic Planning on the Relationship between Marketing Strategy and Poultry Farming Cooperatives' Performance in the Province of Gitega (Burundi)

Didace Hatungimana^{1,2*}, Patrick Rumeci¹, Thierry Bahizi¹

¹International Leadership University, Bujumbura, Burundi

²University of Burundi, Bujumbura, Burundi

Email: *didaceha@gmail.com, prumeci@gmail.com, tethy02@yahoo.com

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Abstract

The purpose of this study was to find out whether or not strategic planning moderated the relationship between marketing strategy and the performance of poultry farming in Gitega province (Burundi). The study used the quantitative method where the descriptive research design was applied. The population of this study comprised of members of seven poultry farming cooperatives from two communes of the province of Gitega, in Burundi. The total number of the members was 3252. From a total number of 3252 members of poultry farming cooperatives, a sample of 356 was obtained using Slovin's formula. 356 questionnaires were administered from which 352 were returned and analyzed. The findings revealed a positively significant moderating effect of strategic planning on the relationship between the marketing strategy and the performance of poultry farming in Gitega province ($\beta = 2.343$, $p = .001 < .05$). However, despite the fact that most of the analyzed cooperatives had some strategic planning practices, it is regrettable that strategic planning implementation is not widely practiced among poultry farming cooperatives in Burundi.

Keywords

Marketing Strategy, Cooperative, Strategic Planning, Performance, Gitega Province

1. Introduction

Despite the fact that, at all times, men and women have come together to freely

practice their socioeconomic activities, most of studies relating to the history of cooperative movement agree that its modern form started with the founding of the “Rochdale Society of Equitable Pioneers” by British weavers in 1844.

This cooperative movement is not new in Burundi. It was introduced in Burundi during the colonial period. At the eve of independence, the Prince Louis Rwagasore, the hero of Burundian independence, had made it as his motto to boost the economic production and to uplift the general social well-being of the local population. However, this movement did not last long. It remained dormant and neglected until very recently, with the end of the socio-political crisis marked by the ceasefire agreement signed on December 3, 2002 between the Burundian government and the main rebel movement, the National Council for the Defense of Democracy-Forces for the Defense of Democracy (*le Conseil National pour la Défense de la Démocratie-Forces pour la Défense de la Démocratie: CNDD-FDD*). Today, the cooperative movement is enjoying a very large support from the Burundian government, especially in the farming sector. It is the Burundian government’s policy to have at least one cooperative in each local community; and people must join these so-called “hill cooperatives”. Each cooperative is given by the government ten million Burundian francs (BIF 10,000,000) to carry out development projects. The government’s general budget for the 2020-2021 fiscal year allocated funds to support cooperatives in the form of loans. According to the law governing cooperatives in Burundi (2017), in its article number 89, cooperatives receive aid from the government in the form of technical assistance, grants, low interest loans, downstream loans, equipment, or any other assistance aimed at the development of cooperatives. So, the current Burundian government has realized the need to revitalize this sector as part of its aim to boost the national economy and improve the socioeconomic conditions of the population, especially in the rural areas where 86% of the Burundian population live according to the [World Bank \(2020\)](#).

According to [International Co-operative Alliance \(1995\)](#), “a cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise”. In fact, the purpose of a cooperative is to allow individuals to come together and put their resources together in order to achieve a common goal that would be difficult for them to achieve individually. For example, cooperatives help their members to find out appropriate strategies in order to market and sell their products.

The marketing strategy is a coordinated action plan implemented over the medium or long term by a company to achieve its commercial objectives. A good marketing strategy is guided by what is known as marketing mix in the business management studies. The marketing mix is a combination of marketing strategies that takes into account four elements, namely product, place, promotion, and price. These elements are generally known as the 4 Ps of marketing mix. Using those elements of the marketing mix, there are many ways that a cooperative

can take to improve its marketing strategy in order to achieve its performance. This study discusses one of them, namely strategic planning.

Strategic planning consists of establishing an overall development plan (as opposed to tactical planning that focuses on specific activities) in order to achieve a set of previously defined objectives. According to [Drucker \(1974: p. 125\)](#), strategic planning is a continuous process of making entrepreneurial decisions (involving risk-taking) and, based on a larger knowledge of their future development, the systematic organization of the efforts necessary to implement those decisions and measure their outcome against predictions through organized and systematic feedback. This process actually follows four steps, namely environmental analysis, strategy formulation, strategy implementation, and strategy evaluation and control.

Strategic planning is an important tool that can be used to increase cooperatives' performance in the whole world in general and in Burundi in particular. While it has been established by some scholars such as [Owolabi and Makinde \(2012\)](#) that there is a significant positive correlation between strategic planning and organizational performance, very few Burundian poultry farming cooperatives have a written strategic plan document.

The cooperative's performance refers to the cooperatives' financial and non-financial performance. Financial performance indicators are used to measure the success of a company/organization in terms of financial returns; while non-financial performance indicators are used to measure the level of the quality of the products or services, the degree of customer satisfaction, the motivation of employees, and the degree of innovation which directly affect the company/organization's profitability. Financial performance indicators are more tangible than their counterparts; and the ones which have been largely utilized to measure companies' performance. However, a combination of both financial and non-financial indicators is even better. Given the nature of cooperatives in terms of ownership, this combination can be deemed even the best to measure their performance.

So, this study sets out to measure the moderating effect of strategic planning on the relationship between marketing strategy and poultry farming cooperatives' performance in the province of Gitega in Burundi.

[Cacciolatti and Lee \(2016\)](#) analyzed the moderating role of market orientation, marketing strategy and organizational power on the relationship between marketing capabilities and firm performance. Through this study that concerned a representative sample of United Kingdom's firms drawn from the data of [Verhoef and Leeflang \(2009\)](#), these scholars found, among other things, that creativity contributes to the firm performance under general conditions. These conditions include organizational characteristics, industry context, competitive position and strategy. Among these conditions, strategy played a strong moderating effect on the creativity-performance relationship. Moreover, market orientation played a strong moderating role in collaboration-performance and innovation-performance

relationships. Their research results revealed significant moderating effect of marketing strategy on the firm's performance.

Donkor et al. (2018) did a quantitative analysis of 200 Ghanaian small- and medium-sized manufacturing and service firms. They found out that there is a positively-moderated relationship between strategic planning and the performance of SMEs in Ghana. However, despite the fact that most of the analyzed SMEs had some strategic planning practices, these authors regret that strategic planning implementation is not widely practiced among SMEs in Ghana.

Eneizan et al. (2019) analyzed 386 green car dealers in Jordan to find out the kind of relationships that exist between green marketing strategy and firm's performance (both financial and non-financial). They found out that variables such as size, education, experience, product, distribution, physical evidence, and process had significant and positive effects on the company's financial and non-financial performance. However, they found that age, product, and promotion had significant and positive effects only on the company's financial performance. More importantly, they found that government policy had a strong moderating effect on the marketing strategy-firm overall performance relationship.

Therefore, this paper intends to find out the moderating effect of strategic planning on the relationship between marketing strategy and the performance of Burundian poultry farming cooperatives in the province of Gitega. In order to achieve this objective, we ask the following question: is there any moderating effect of strategic planning on the relationship between marketing strategy and the performance of Burundian poultry farming cooperatives in the province of Gitega?

2. Materials and Methods

This study used quantitative method where descriptive and correlational research designs were applied. The population of this study comprised of members of seven poultry farming cooperatives from two communes of the province of Gitega (in Burundi), namely the Bugendana and Gitega communes. The total number of the members was 3252. From this population, a sample of 356 was obtained using the following Slovin's formula:

$$n = \frac{N}{1 + Ne^2},$$

where n is the desired sample size; N , the population size; and e , the margin error. So, this study tolerated 5% of the margin error. The sample size was therefore computed as follows:

$$n = \frac{3252}{1 + 3252(0.05^2)} = 356.18 \approx 356$$

The selection of the participants to this study was done using the probability sampling technique where simple random sampling method was applied. 356

questionnaires were designed administered by the author to respondents where 352 questionnaires were returned. The data gathered from the field were edited, coded and entered into SPSS (Statistical Package for Social Sciences) version 25.0. Furthermore, these data were analyzed using descriptive and inferential statistics. The validity of the instrument was verified using the expert judgment method. Using Microsoft Office Excel 2016, a Content Validity Index of .94 was found which is greater than .7. The reliability of the instrument was performed using SPSS where the Cronbach's Alpha Coefficients were respectively .767 for the strategic planning variable and .752 for Poultry farming cooperatives' performance variable. As we can realize these Cronbach's Alpha Coefficients are both above .7.

3. Results and Discussion

This section presents and discusses the results from the primary data collected from the field. It treats, first, the findings about the respondents' socioeconomic profile; and second, the findings about the moderation of strategic planning on the relationship between marketing strategy and the performance of poultry farming in the Gitega province.

3.1. Findings about the Socioeconomic Profile

This section sought to know the respondents' gender, age, marital status and their academic qualification as well as the location of the cooperatives.

3.1.1. Gender of the Respondents

As we can realize in the below **Table 1**, females (59.4%) were more than males (40.6%). These findings show that females are more interested in cooperative's businesses unlike their male counterparts. Therefore, the cooperative movement should be encouraged in order to strike a good gender balance.

3.1.2. Age of the Respondents

From the below **Table 2**, the majority of our respondents are between the age of 21 and 30 years (51.4%). This shows that our respondents were mature enough to give us mature and well-informed answers.

3.1.3. Marital Status

As shown by the below **Table 3**, the largest percentage of the respondents is composed of married people (49%); while the lowest percentage is composed of

Table 1. Gender of the respondents.

		Frequency	Valid Percent	Cumulative Percent
Valid	Male	143	40.6	40.6
	Female	209	59.4	100.0
	Total	352	100.0	

Source: Primary data (2022).

the divorced people. This shows how Burundians value the institution of marriage. The majority of Burundians are ready to sacrifice whatever it takes to keep their marriage going despite the marital and non-marital challenges that they may face. This is because marriage for Burundians is not an individual matter; but rather a community matter.

3.1.4. Time Spent in the Cooperative

The below **Table 4** indicates that the cumulative percentage of those who have spent more than one year in cooperatives is 61.6%; while the percentage of those who have spent less than one year is only 19.9%. This is a confirmation that respondents had enough experience with the cooperative to give well-documented answers to the various questions.

Table 2. Age of the respondents.

		Frequency	Valid Percent	Cumulative Percent
Valid	20 years and below	87	24.7	24.7
	21 - 30 years	181	51.4	76.1
	31 - 40 years	37	10.5	86.6
	41 - 50 years	28	8.0	94.6
	50 years and beyond	19	5.4	100.0
	Total	352	100.0	

Source: Primary data (2022).

Table 3. Marital status of the respondents.

		Frequency	Valid Percent	Cumulative Percent
Valid	Single	142	40.3	40.3
	Married	175	49.7	90.1
	Divorced	1	.3	90.3
	Widow (er)	34	9.7	100.0
	Total	352	100.0	

Source: Primary data (2022).

Table 4. Time spent in the cooperative.

		Frequency	Valid Percent	Cumulative Percent
Valid	Less than 1 year	70	19.9	19.9
	1 - 2 years	147	41.8	61.6
	2 - 4 years	134	38.1	99.7
	12.00	1	.3	100.0
	Total	352	100.0	

Source: Primary data (2022).

3.1.5. Academic Qualification of the Respondents

From the below **Table 5**, we find that a cumulative percentage of those who have not been at school and those who have a primary school certificate is 59%. This large percentage shows that those who are well educated (E.g.: diploma or bachelor) are not interested in cooperatives. This is explained by the fact that those educated people have some other sources of income.

3.1.6. The Location of the Cooperatives

Most of the cooperatives in Burundi are located in rural area (69%) as shown by the below **Table 6**. This is explained by the fact that farming is mostly a rural business activity.

3.2. Moderating Effect of Strategic Planning on the Relationship between Marketing Strategy and the Performance of Poultry Farming in the Gitega Province

In order to find out whether or not the strategic planning variable moderated the relationship between marketing strategy and the performance of poultry farming in the province of Gitega, an interaction term between the marketing strategy variable and the strategic planning variable was computed. Later on, a linear regression analysis model was used to find out the moderating effect of strategic planning on the relationship between marketing strategy and the performance of poultry farming cooperatives. The following **Table 7** illustrates how the moderating effect was computed.

According to the above findings, there is a significant and positive moderating effect of strategic planning on the relationship between marketing strategy and the performance of poultry farming in the Gitega province ($\beta = 2.343$, $p = .001 < .05$).

Table 5. Academic qualification of the respondents.

		Frequency	Valid Percent	Cumulative Percent
Valid	None	91	25.9	25.9
	Primary certificate	116	33.0	59.0
	Secondary certificate	82	23.4	82.3
	Diploma (1 to 2 years after secondary school)	8	2.3	84.6
	Bachelor degree	54	15.4	100.0
	Total	351	100.0	
Missing	System	1		
Total		352		

Source: Primary data (2022).

Table 6. The location of the cooperative.

		Frequency	Valid Percent	Cumulative Percent
Valid	Urban area	109	31.0	31.0
	Rural area	243	69.0	100.0
	Total	352	100.0	

Source: Primary data (2022).

Table 7. Moderating effect of strategic planning on the relationship between marketing strategy and the performance of poultry farming in the province of Gitega.

		Coefficients ^a			t	Sig.
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta (β)		
	(Constant)	7.171	2.127		3.371	.001
1	Marketing_Strategy	-1.698	.622	-1.276	-2.729	.007
	Strategic_Planning	-1.600	.571	-1.187	-2.805	.005
	Interaction_term_SP_MS	.570	.166	2.343	3.426	.001

a. Dependent Variable: PFC_Performance. Source: Primary data (2022).

These findings concur with the findings from a study conducted by [Donkor et al. \(2018\)](#) who did a quantitative analysis of 200 Ghanaian small- and medium-sized manufacturing and service firms in 2018. They found out that strategic planning positively moderated the relationship between marketing strategy and the performance of SMEs in Ghana. However, despite the fact that most of the analyzed cooperatives had some strategic planning practices, it is regrettable that strategic planning implementation is not widely practiced among poultry farming cooperatives in Burundi.

4. Conclusion

This study set out to find out whether or not there was a moderating effect of strategic planning on the relationship between marketing strategy and the performance of poultry farming cooperatives in the Gitega province. Therefore, from the findings of this study, we can rightly conclude that strategic planning positively and significantly moderated the relationship between marketing strategy and the performance of poultry farming in the Gitega province ($\beta = 2.343$, $p = .001 < .05$). This study dealt with the findings from only two communes of one province of the whole country of Burundi. Therefore, further similar studies need to be conducted in other provinces of Burundi in order to get a full understanding of the poultry farming cooperatives' performance in the whole country.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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