



UNIVERSITY OF NAIROBI

**REMARKS MADE BY PROF. PETER M. F. MBITHI, DEPUTY
VICE-CHANCELLOR (A&F) DURING THE MEETING TO
DISCUSS MARKETING STRATEGIES FOR ROYAL SATIMA
WATER HELD ON JUNE 25, 2010**

As you are aware, the University started producing its own bottled drinking water in October 2009. The water was given the brand name “Royal Satima” and was tested and the go ahead given by KEBS.

The main idea behind producing the water was for it to be part of cost cutting and revenue enhancement measures pursued by Management in the last couple of years.

As a big corporate body where major resolutions are made by committees, the University finds itself holding several meetings in its several campuses, schools and departments. These meetings have in the past been served with bottled water from supermarkets, with attendant costs. Producing our own bottle water was meant to reduce the expense from that angle.

Using our own water also enhances the University image among staff, students and our stakeholders.

As you are aware, the production unit where our water is “manufactured” is located at the College of Agriculture and Veterinary Sciences, Upper Kabete Campus. The premises being used was a disused and abandoned students kitchen, when students increasingly opted to prepare their own meals. We in essence have revitalized an idle asset.

Having been involved in the process of starting this IGU from the outset, I am aware of the expenditure accrued in installing the equipment, together with piping and other materials. This amounted to Kshs.8 million. Within the period we have been in operation, gross earnings have reached Kshs.3 million. We have further hired staff to work at the production Unit; eight (8) on casual basis and one (1) on contract.

Challenges

Since inception, our branded Royal Satima has continued to satisfy our customers, and we have now secured the University's internal market, through SWA, Arziki Restaurant and other outlets.

It is therefore opportune that we move out to the external market. How to proceed from here is our challenge.

Some issues have to do with the following:

- **Other brands are well established.**
- **There was (is) some resistance even among some of our own staff.**
- **We need to be convinced that our brand is equal or better than those in the market.**

- **Issue of pricing**
- **Payment of taxes**
- **Need for sales and marketing staff**
- **Vehicles to distribute**
- **The name Royal Satima: Is it reflective of a University of Nairobi product?**
- **Publicity for the product.**
- **Handling an unpredictable market.**

We need to be ready to even consider penetrating towns outside Nairobi if we think this can give us a foothold. One method would be to negotiate packages with big hotels which consume a lot of water in seminars and workshops.

The above are only some of the issues that this brainstorming session should consider. Let us make it fully interactive as we look at various options and opportunities.

Thank you and welcome.