THE INFLUENCE OF STRATEGIES IN SUSTAINING
AGRICULTURE: A CASE OF POULTRY FARMERS IN
KASARANI, NAIROBI.

BY

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DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ________________________  Date: _____________________

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This project has been presented for examination with my approval as the appointed supervisor.

Signed: ________________________  Date: _____________________

Fred Newa

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ABSTRACT
The purpose of the study was to assess influence of strategies used by poultry farmers to sustain business. The research objectives used are; determining influence of cost leadership on sustainability of poultry business, establishing the influence of differentiation on the sustainability of poultry business and determining influence of niche strategy on sustainability of poultry business in Kasarani, Nairobi.

A descriptive and explanatory research design was used by the researcher in this study. The dependent variable was sustainability while independent variables were Cost Leadership, Differentiation and Niche. The opinions of the stakeholders regarding strategies to sustain an agribusiness through Porter’s Generic strategies were explored using questionnaires. The study adopted cluster sampling which involves segmenting the sample into regions. Normally done if a population is found in a specific geographic area which is the case of poultry farmers in Kasarani. The population was approximately 250 and a sample size of 71 was picked. Out of the 71 questionnaires issued, only 68 were correctly filled and returned giving a response rate of 96%. Statistical software, SPSS, was used to enter, clean and analyze coded data collected. Pearson’s correlation coefficient analysis was used to analyze the relationships that exist between the variables and data presented on tables.

The first objective set to establish whether cost leadership influences sustainability of poultry business. It was the main strategy used emphasis on restructuring cost chain to eliminate unnecessary cost producing activities. The researcher found out that business supports its products for a suitable cost advantage to outdo competitors and rely heavily on efficiency by cost controlling over value chain. It was also revealed that respondents were uncertain whether poultry business is low cost producer due to substantial capital it holds. However, respondents disagreed business sets industry price to earn a profit around its market position.

The second objective set to establish whether differentiation influences sustainability of poultry business. Differentiation strategy was as well used but highly controlled by cost cutting. It was revealed that majority are uncertain whether business markets unique products for varied customer groups. An analysis on quality products supported by good services at premium prices a majority were uncertain if the business creates customer value. The findings also established uncertainty in use of technology to remain on the cutting edge of innovation.
The study also revealed uncertainty in increase of market share due to high quality products as well as a unique source that competitors cannot imitate quickly. Nonetheless, a majority disagreed that customers are less sensitive to prices.

The third objective set to establish whether niche influences sustainability of poultry business. Cost leadership a type of Niche strategy was used to some extent in this study. The findings revealed that a majority had identified a market niche and the business targets specific customers within the market. A majority were uncertain whether business focuses entirely on low cost strategy or produces unique products that enhances value. It was established that most respondents disagreed business expansion on broader line which competitors cannot serve. Furthermore, most respondents disagreed on specialization of business in activities competitors cannot perform. It was also noted that majority were not in agreement with business developing its own set of barriers to make products difficult to imitate.

The study concluded that poultry business achieves cost advantage by restructuring cost chain eliminating unnecessary cost producing activities. Efficiency in poultry business is fundamental for sustainability as cost cutting come into play to maintain status quo. It is very difficult for poultry business to set prices in the industry as most entities have low yearly revenues hence cut costs as much as possible. Differentiation is a challenge as customers are price sensitive. Most poultry firms try to incorporate technology to cut costs rather than innovate their products for a premium charge. Poultry business has a niche market that it serves targeting a specific customer in the market. The products enhance value to customers with unique attributes. Importantly, poultry business niche strategy focuses on cost leadership for efficiency.

The study recommended poultry business to benchmark itself against competitors to determine if they are low cost producers. It also recommended poultry business to incorporate technology not only for cost cutting but innovate quality products that consumers want and lastly expand on broader line that competitors cannot serve.

This study was only based on generic strategies: cost leadership, differentiation and niche. As much as regression analysis showed that all generic strategies were significant only 40.8% explained sustainability of agribusiness. Other strategies like Resource Based View and factors should be considered for more research to explain sustainability of agribusiness.
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DEDICATION

To my loving parents and friends who have always believed in my abilities and cheered me on. Thank you all for your unconditional love and support.
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1.0 INTRODUCTION

1.1 Background of the Study

Strategic management is a challenge to companies globally. The dynamics of management become complex every other day due to nature of industries. Michael Porter sees competitive strategy as broad formula for a business to compete (Nickolas, 2016). Strategic Management has been identified in several literatures as a critical management tool which organizations utilize to gain competitive advantage over their competitors. Strategic management is the process and approach that involves the combination of strategy formulation, implementation and evaluation of specifying a firm’s objectives, developing its policies and plans to achieve and attain these objectives, and allocating resources so as to implement the set policies and plans (Ologba, Oluwatosin & Okyere-Kwakye, 2012). The purpose of management is to exploit and create new and different opportunities for tomorrow, long range planning, in contrast, tries to optimize for tomorrow the trends of today. It’s a process that varies with every other business entity. This is due to turbulent situations in distinct industries. The executives in a business need to manage activities coherently for success (Pearce & Robinson, 2011).

According to Leis et al. (2011), most firms in the European Union (EU) agribusiness sector are micro sized enterprises with fewer than ten employees and an annual turnover of €2 million or less. Many small businesses in the agriculture sector, particularly in the EU, operate in a business environment of increasing competition because of greater globalization, the reduction of trade barriers, and the consolidation of food retailers (Brinkmann et al., 2014). As a result, many of these firms struggle to meet food retailers’ demands for more reliable supply, greater bulk, higher hygienic standards, and other quality requirements. New EU laws and regulations, harsh international competition, and the growing presence of powerful players in the value chain partly explain the fact that large scale production economics today influence the development of the agriculture sector in many EU countries (Tell et al., 2016). This combination of factors has increased the pressure on small and medium sized agribusiness firms to be more innovative. Thus, many such firms need to adapted new business strategies if they are to become more productive and competitive (Tell et al., 2016).

The agribusiness entrepreneurs who have developed a more specialized managerial outlook usually have adopted new strategies based on the network approach (Brinkmann et al., 2014;
Lawson et al., 2008). In Sweden, for instance, networks of agribusiness have replaced the large primary producers in the agriculture sector. These strategic networks assume responsibility for resource mobilization and use (Tell et al., 2016). According to Brinkmann et al. (2014) the network approach allows agribusinesses to overcome their size related disadvantages while still retaining the advantages of small producer independency. In addition, these agribusiness networks, with their focus on environmental sustainability and community involvement, support the position of the individual entrepreneurs as integrated members of society. These strategies based in such value systems can contribute to agribusinesses’ long-term profitability (Tell et al., 2016).

The hybrid strategy is new in the agriculture sector in this century. Such businesses lie between for profit sector and non-profit sector (Boyd et al., 2009). Typically, hybrid agribusinesses pursue the social and environmental goals that are characteristic of non-profit entities while still focusing on revenue generation that is characteristic of for-profit entities (Tell et al., 2016). Research since the mid-1990s reveals an increasing interest by academics and practitioners in business strategies and use of business strategies as descriptive and analytical constructs (Tell et al., 2016) Some research claims that a business strategies are essential for a company’s competitiveness, renewal, and growth (e.g. Campbell et al., 2013; Johnson, 2010; Lambert and Davidson, 2012; Teece, 2010).

The European broiler sector is expected to grow in 2016 and 2017, benefiting from slowly increasing demand, since it has been less affected than other meats by the economic downturn in Europe. Brazil and Thailand will remain the largest suppliers of broiler meat to Europe, with Ukraine becoming the third largest supplier. European broiler meat exports are expected to increase in 2016 and 2017, despite the continuing Russian embargo, driven by booming exports of low-priced cuts, bone-in cuts, and mechanically deboned meat (MDM) to Sub-Sahara Africa and Asia (USDA, 2016). Contract farming has been the dominant means of coordinating broiler production in the United States since the mid-1950s. Initially, feed companies used contracts with broiler producers to increase and stabilize demand for their products. Later in the 1960s, they also became involved in broiler processing and marketing. Product differentiation and market segmentation are evident in broiler exports from the United States, Brazil, and Thailand.

The rise in demand for agriculture produce in developed countries and the consequent inability of local producers to meet this demand has been identified as one of the major factors that
accounted for the growth of agribusiness in developing countries (PWC, 2016). Another factor that underlies this growth includes the promotion of agribusiness in developing countries as a reliable development tool for addressing food security, and enhancing rural livelihood conditions and smallholders’ productivity (Bakewell Stone, 2006). After years of neglect, agriculture is once again seizing the attention of African governments, business leaders, communities, and development donors, as a powerful driver of the continent’s relentless growth. Africa now earns an average of 24 per cent of its annual growth from its farmers and their crops (Africa Development Bank, 2012). If matched with more electricity and irrigation, smart business and trade policies and a dynamic private agribusiness sector that works side by side with government to link farmers with consumers in an increasingly urbanized Africa, the World Bank estimates that agriculture and agribusiness together could command a US$ 1 trillion presences in Africa’s regional economy by 2030 (Africa Development Bank, 2012).

In most African countries, agribusiness has been losing in the competitiveness race. Competitiveness as crudely measured by Africa’s share of global agricultural exports has fallen for most countries and for many export commodities, even as higher commodity prices have stimulated a commodity boom over the current decade (Africa Development Bank, 2012). Many developing countries, such as Brazil, Indonesia, and Thailand, now export more agricultural products than all of Sub-Saharan Africa combined (PWC, 2016). While its export shares are falling, Africa’s imports of many food products have been rising. Continued growth in domestic demand could increase food imports rapidly, despite the abundance of land and water available for African agriculture (Africa Development Bank, 2012). Poultry industry has grown over years in Kenya. There is an aspect of sustaining productivity to maintain status quo. Many entrepreneurs are entering the business. It makes agribusiness very competitive. Therefore, strategies put in place are essential for launch and sustainability (KPMG, 2010).

Agriculture contributes 25% of GDP in Kenya with poultry playing a major role, representing 30% of the agricultural contribution to GDP. Some poultry companies in Kenya have operations that qualified it to be classified as a sector one farming system, with contract farming as part of their strategy. A substantial number of day old chicks produced in Kenya (42%) are exported to neighboring countries. Kenya has an estimated poultry population of 31 million birds. Of these, 75% consist of indigenous chicken, 22% of broilers and layers and 1% of breeding stock. Other poultry species like ducks, geese, turkeys, pigeons, ostriches, guinea fowls and quails make up 2 % of the poultry production (MOLFD, 2012). While indigenous
chicken is mainly found in rural areas, broilers and layers are kept in urban areas. The commercial poultry sector is producing over one million chicks per week, (Head Breeders Association, 2012). The features of the commercial market are a growing urban population and growing retail sector (fast food branches, supermarket branches and restaurants). The demand of commercial chicken (whole, half, parts, grilled and fried chicken) and eggs is high and growing.

1.2 Statement of the Problem
Scozzi et al. (2005) claim small firm size, combined with a deficiency of management skills, limits the innovative capability of many agribusinesses. Owners of these businesses, who often lack a clear vision of how to develop their business strategically, tend to act as producers and suppliers rather than as contractors, product developers or entrepreneurs (Tell et al., 2016). International Development Research Centre (IDRC), estimate that in 2050, Africa will experience food shortage due to the vast increasing population. Currently, intensive research is going on in Kenya for insects for feed and food. Poultry feeds are to be obtained from insects to save on food that human can consume alternatively (PWC, 2016). Therefore, the poultry sector has been identified as an opportunity to help solve current and future food shortages. The Kenyan economy relies heavily on agribusiness. Importantly, it creates nutritious food to the society. Lack of enough proteins that cause child mortalities can be reduced through enough production of eggs and white meat. Nevertheless, poultry business is among the most difficult ventures to start and poorly managed. This calls for an action to investigate the possible strategies that can sustain poultry business (PWC, 2016).

Agribusiness is faced with management issues worldwide. Research shows that failure rate of agribusiness is high and 70% of businesses will not exist in 5 years time. Most SMEs fail to start while those running fail to survive in the near future (Africa Development Bank, 2012). Poultry farms in Nairobi are characterized by inadequate management practices (Msoffe & Ngulube, 2015; Karanja, 2014). Strategy gaps among farmers have hindered successful running of poultry enterprises. The poultry industry therefore requires a systematic approach of farm management largely supported by information availability and dissemination to the farmers as this influences effective and efficient decision making. Adei & Asante, (2012) observed a general lack of an adequate legislative environment to support efficient functioning of poultry farms which is reciprocated in most African countries. Most empirical research has been done
on information technology whereas little attention has been paid to agribusiness strategies (Ulvenblad et al., 2014).

In agriculture most farmers are faced with issue of managing feed costs. This is due to high cost feeds that cut across agriculture sector. Poultry farmers experience similar challenges of feed scarcity, quality and price fluctuations (Katongole, et al., 2013; Katongole et al, 2011). Feed costs account for about 70% of a poultry farm’s costs (Katongole, et al., 2013) hence any increase in cost or changes in availability or quality largely affects farmers’ revenue. Cost leadership strategy will ensure that costs are effectively evaluated across value chain. The prices of feeds in the East African region are highly susceptible to fluctuations leading to unstable returns for poultry farmers. Currently, chicken compete with humans for their primary feed ingredients such as maize, soya bean and fish, which makes such feed ingredients scarce and expensive. In Uganda for example, from September 2010 to September 2011, the price of maize bran, a major source of energy for chicken, increased by 400%, forcing farmers out of business (Kyesimira & Batte, 2011).

Most countries in Africa don’t have quality control measures for chicks. A day old chick is always the main raw material for poultry farming hence the business. If the input is garbage the end results as well is trash. This makes it difficult for consistent differentiation of products. As a result, major setback to satisfy consumers. Due to managerial shortcomings of farmers, poor quality of chicks is not realized early enough to salvage the situation. After incurring costs on raising the chicks, farmers have no choice but try and differentiate them instead of discarding those which don’t meet criteria. In differentiation strategy, it’s very vital to ensure consistency on products that consumers are willing to pay more. Due to this, poultry business loses market and hopes of large scale production vanishes (Adeyemo & Onikoyi, 2012). The same problem of poor quality leads to turbulences in niche market. Challenges stemming from feed cost, quality and availability cast a shadow of uncertainty among poultry farmers as this is a key input of the production process. In response to the challenges cost leadership, differentiation and niche strategies respectively will look into those matters critically and provide a sustainable solution (Tumwebaze, 2016).

1.3 Purpose of Study
The purpose of the study was assessing strategies to sustain poultry business in Kasarani, Nairobi.
1.4 Research Questions
This research will be guided by following research questions.

1.4.1 Does cost leadership influence sustainability of poultry business?

1.4.2 Does differentiation influence sustainability of poultry business?

1.4.3 Does niche strategy influence sustainability of poultry business?

1.5 Significance of Study

1.5.1 Poultry farmers
This research will help poultry farmers determine strategies to use when faced with turbulence. It will highlight on strategies that work best for poultry business. Those in business will realize their shortcomings and work on them for growth and development.

1.5.2 Agribusiness
The study will help create awareness to existing and new entrants. Agribusiness will be able to develop strategies and adopt them for sustainability. This will help in quality products and reduce food shortage.

1.5.3 Scholars
This research helps academicians gain knowledge generated by this study on the influence of strategies on sustaining agribusiness from a perspective of poultry farmers. There is little research done on generic strategies in the agribusiness sector. Therefore, this research provides a basis in which future scholars can expound and base their research on.

1.5.4 Policy Makers
The Ministry of Agriculture would use the findings of this study to establish a committee to assist in formulating friendly policies for agribusinesses to be sustainable in achieving vision 2030.

1.6 Scope of the Study
The study was conducted among poultry farmers in Kasarani, Nairobi. It only applied to farmers who kept poultry for business purposes. The study was carried out in July 2017. The limitation was unwillingness of some farmers to give correct information. To mitigate this limitation, the researcher assured farmers confidentiality.
1.7 Definitions of Terms

1.7.1 Strategic Management

Strategic management is an art and science of formulating, implementing, evaluating cross functional decisions which enable organizations achieve objectives (Pearce & Robinson, 2011).

1.7.2 Sustainability

Sustainability is defined as a concept of the holistic perspective of development integrated with organizational goals, internal incentives and evaluation systems, and organizational decision support systems (Radomska, 2015).

1.7.3 Generic Strategies

These are basic approaches to strategic planning that can be adopted by any firm in any market or industry to improve its competitive performance (Porter, 1985).

1.7.4 Cost Leadership Strategy

A firm which finds and exploits all sources of cost advantage and aims at becoming a lot cost producer in the industry is said to pursue a sustainable cost leadership strategy (Tanwar, 2013).

1.7.5 Differentiation Strategy

This is the creation of a product or service that is perceived as unique throughout the industry (Thomas & Walters, 2016).

1.7.6 Focus Strategy

This is a niche or segmentation strategy that involves concentrating on a particular customer, product line, geographical area, and channel of distribution, and stage in the production process or market niche (Thomas & Walters, 2016).

1.7.7 Agribusiness

Agribusiness refers to the systematic way in which activities of farming are integrated into a much larger industrial complex, including the manufacture and marketing of technological
inputs and of processed food products, under highly concentrated forms of corporate ownership and management (Whatmore, 2000).

1.7.8 Poultry Business
In this research, poultry business is the sale of eggs or meat to earn revenue or generate source of income to owners.

1.8 Chapter Summary
The chapter entails background of study by introducing strategic management. It starts by giving an overview of agribusiness management from a global perspective. The chapter has highlighted its main objective of the study which is to determine cost leadership, differentiation and niche strategies applied by poultry farmers to sustain business. The purpose of the study was to determine generic strategies that influence sustainability of agribusiness. The study was conducted on poultry farmers in Kasarani, Nairobi. This chapter also provided definitions of key terms used.

Chapter two will review literature and consequent chapter discuss theoretical framework. In details the chapter explored information available on the study objectives. The research objectives will guide the literature review. Chapter three discusses research methodology that was used in the study. It describes the research design, population sample and sampling techniques, data collection methods, data analysis and presentation. Chapter four shows results and findings, and presents them in tables. In chapter five, there is a discussion of results and findings which are deduced to make conclusions and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter examines previous research work and information related to research objectives of the study which are to determine the effect of cost leadership, differentiation and focus strategies to sustain poultry business.

2.2 Cost Leadership Strategy for Sustainability

2.2.1 Sustainability

The environment in which organizations exist has drastically evolved over the centuries. Trends such as climate change, globalization, demographic change and social inequality have created a significant challenge to the traditional business model (Wales, 2013). The corporate scandals have led to a loss of trust in business. Nowadays firms are faced with pressure from stakeholders to demonstrate that they will survive in turbulence and hold principle of going concern of a business. Research shows how poultry firms will struggle to survive and be relevant in the next five years. An issue of sustainability becomes key in how agribusiness is run. Colbert and Kurucz (2007) note that for many years, business owners, academics and activists have debated the role of business in society, with those calling for social justice pitted against those arguing for unfettered managerial capitalism. Porter and Kramer (2011) believe capitalist system is under siege. In recent years, business has been viewed as a major cause of social, environmental and economic problems. Poultry firms are perceived to be prospering at the expense of the broader community. Research done in Kenya, showed how maize serves both man and chicken as food and feed.

Colbert and Kurucz (2007) say sustainability is continuity of a business while another frequently used term in this context refers to future proofing of a business. Boudreau and Ramstad (2005), describe sustainability as achieving success today without compromising the needs of the future. ICIPE and ICDRC are working tirelessly to get right species of insects to be used as feeds for chicken in East Africa. This will foresee reduction in feeds and a relief to man in terms of maize shortage. The Charter of the Sustainability Committee created by the Board of Directors at Ford focuses on sustainable growth, which is ability to meet needs of present customers while
taking into account needs of future generations (Ford, 2012). Sustainable growth encompasses a business strategy that creates value consistent with the long term preservation and enhancement of financial, environmental and social capital. According to the Chartered Institute of Personnel and Development (CIPD, 2012), the essence of sustainability in an organizational context is enhancing the society, environmental and economic systems within which a business operates. It means firms have to consider the three facets to attain sustainability (Wales, 2013).

Eccles et al (2011) note that firms are developing sustainability policies, but they highlight that these policies are aimed at developing an underlying culture of sustainability. The policies are meant to highlight importance of society, environment and financial performance of a business. These policies seek to develop a culture of sustainability by articulating the values and beliefs that underpin the firm’s objectives. In this context, agribusinesses have been left behind in terms of policies that govern feeds. Such research gives stakeholders an advantage to represent agribusiness through Ministry of Agriculture to Government. The CIPD (2012) also emphasizes the importance of agribusiness culture in seeking to understand business sustainability, which is creation of meaningful values that shape strategic decision making and building a culture that reinforces desirable behavior. Eccles et al. (2011), argue that research evidence suggests that businesses are adopting sustainability policies for both public relations and substantive changes in business world. Sustainable poultry business will outperform competitors in the long run in terms of financial position and market share. Nidumolu et al. (2009), claim that combining sustainability with innovation today, poultry firms can lay the groundwork that will make them lead the industry. Basically there is no alternative to sustainable development. Ballinger (2011), announcing the launch of a Business Sustainability Research project by the Chartered Institute of Personnel and Development, identifies the reasons for the drive for a more sustainable approach to business as including: the pressures of globalization; corporate scandals; the global economic crisis; calls for greater scrutiny of business by external stakeholders. It is perhaps significant that globalization is at the top of this particular list.

Many large scale poultry producing companies are actively integrating sustainability principles into their businesses. According to a recent McKinsey survey, poultry firms are pursuing goals that go far beyond earlier concern for reputation management. Currently areas of cutting costs and pursuing opportunities in new markets and products are keenly looked at in terms of
sustaining business. These can be looked at as generic strategies of Porter; Cost leadership in terms of cutting costs; Differentiation which is basically product development and Niche that is pursuing new markets (Bonin, 2012). McKinsey 2010 survey, respondents say their companies’ top reasons for addressing sustainability and lowering costs went up 14% compared to previous year. The concern for costs replaces corporate reputation as the most frequently chosen reason; at 32%, reputation 5% is the second most cited reason, followed by alignment with the company’s business goals, mission, or values at 31% and new growth opportunities at 27%. Therefore, executives of these companies agree in cost reduction, product development to reduce wastage and achieve high margins through new markets. Michael Porter had in mind a business model that would sustain firms; the generic strategies (Bonin, 2012).

2.2.2 Cost Leadership

Cost leadership seeks to reach the lowest cost structure possible while reducing costs throughout the value chain (Sumer, 2012). A cost leader venture puts products with limited standard features and an acceptable quality on the market to maximize its market share while gaining competitive advantage. Typical of poultry industry in Nairobi, Kenya where consumers get ready made chicken from butcheries and supermarkets. Most of the chicken are of standardized feature in that some parts; head, internal organs and talon are always missing. This is seen as processing of chicken to a certain norm in poultry industry (Essays, 2013). Such kinds of enterprises appeal to a wide group of customers. In this kind of processing, the manual procedure is relatively cheap hence cost saving. Warm water being basic resource to remove feathers. Majority of poultry farmers use this important method to attain and maximize profits during sales. Poultry farmers create networks that link them across borders. This is a strategy that they used to cut down costs when demand rises while producing standardized chicken for consumers (Essays, 2013). The networks enabled farmers to get contracts which would enable them produce a certain target while their counterparts also produce a maximum number they could possible do. Economies of scale is created when the cost of chicken decreases as a firm is able to increase production (Essays, 2013). Partnership in this industry seems to work well and large scale production is achieved cumulatively. The end result sees business grow and sustainable in the long run through profits gained. Cost leadership necessitates a reduction of costs in fields such as research and development and advertising (Sumer, 2012). In this strategy, cost reduction through experience curves, economies of scale and strict control over costs and overhead costs are very vital to poultry farmers. Technology enhances how poultry farming
can be sustained for a longer period. In the modern day, technology can be defined as any innovative way to accomplish a task using less resources. Large scale poultry firms have invested in superior technologies that is sustaining growth of business (Sumer, 2012).

In cost leadership, quality and services are normally compromised to maintain low costs. A cost leader is able to charge low prices for chicken and eggs than its competitors and still make a satisfactory profit. In Nairobi, some vendors sell eggs at kshs. 13 while others are as low as kshs. 10. Some poultry business sort to ferrying birds from rural areas to urban cities. This is because of relatively low prices in rural areas. As the chickens are brought to town, the merchant markets at a cheaper cost than competitors. Having a low cost position yields the business above average returns in poultry industry despite the presence of strong competitive forces. A firm’s cost position gives it defense against rivalry from competitors since low costs still earn returns after competitors have depleted their resources in rivalry arena (Munyaka, 2016). Poultry businesses compete in a price sensitive market; cost leadership is the strategic imperative of the entire business. It is vitally important for these enterprises to have a thorough comprehension of their costs and cost drivers in order to pursue a cost leadership strategy (Essays, 2013). They also need to fully understand their targeted customer group, definition of quality, usually denoted in terms of specifications, contractual requirements, delivery and services at the lowest possible cost (Pidun et al., 2012).

According to Pidun et al. (2012) of particular importance will be for the business to attain a cost level that is low relative to its competitors. For ventures not competing on price, a cost leadership strategy is still vitally important.

A business that chooses to follow cost leadership strategy has an objective of being able to realize its offer at the lowest possible cost. The competitive advantage of cost leadership is achieved by performing important value chain activities at a lower cost than competitors (Khan et. al 2011). Low cost leaders must either have or develop some unique capabilities in order to achieve and sustain that position. Examples of such capabilities and resources are: a dominant market share, secured supplies of scarce raw materials or having developed more efficient linkages to suppliers. In urban settlements, poultry business has dominance share in terms of geographical positions where they either serve an entire estate with eggs or chicken. Ventures striving for cost leadership in poultry industry usually look constantly for cost reductions and efficiency (Khan et. al 2011). Insect protein is one option, with farmers in Asia and the Pacific
using various types of insect as an ingredient in homemade poultry feeds (Essays, 2013). In West and Central Africa, researchers have documented the use of termites, house flies, and cockroaches in poultry feed, but research is ongoing in East Africa on the use of insects as an alternative protein source for livestock (Essays, 2013). The major input of poultry is feeds. This determines the final product hence can be manipulated to cut down on costs. Minarik (2007) says that, sources of cost advantages that tend to be difficult thus costly to duplicate is differential access to cost productive inputs.

Organizing to implement a cost leadership strategy requires particular consideration to poultry business structure and management controls. The organizational arrangements and implementation tools should not only fit but reinforce the strategy. Porter (1980) has divided requirements of overall cost leadership strategy into commonly required skills and resources and common organizational requirements. Commonly required skills and resources when implementing overall cost leadership are sustained capital investment and access to capital, processing skills, intense supervision of labor, products designed for ease to produce and low cost distribution systems. Common organizational requirements constitute of tight cost control, frequent, detailed control reports, structured organization and responsibilities, and incentives based on meeting strict quantitative targets. Most poultry firms which are family based use family members to incorporate the skills. This mostly cut down on costs of employment. Large scale poultry producers can implement Porters’ ideology for sustainable growth. According to Barney & Hesterley (2006), few layers in the reporting structure, simple reporting relationships, small corporate staff, and focus on narrow range of business functions are elements of organizational structure that allow firms to realize the full potential of cost leadership strategy. Management control systems that support the implementation of cost leadership include tight cost control systems, quantitative cost goals, close supervision of labor, raw materials, inventory, and other costs, and a cost leadership philosophy (Minarik, 2007).

A proposition by Katila et al. (2008) is that entrepreneurial venture should invest to research on lowering production cost of existing products and offer low cost products to market segments that are price sensitive. Crossbreed chickens are resistant to diseases and mature faster than local Kienyeji chicken. Research has helped poultry business to identify best breeds that don’t fall sick easily and mature faster (Essays, 2013). Secondly, exploratory research and development moves are performance enhancing for entrepreneurial ventures because such moves can often be executed ahead of large firms. The nature of big poultry firms cannot allow
immediate responses without serious board meetings that take time to agree. Probably members of board want their interests first be pursued instead of rapid response to market (Sumer, 2012). As a result of their small size and speed, poultry businesses can move early, thus gaining market share. It is referred to in strategic management as first move advantage. This was refuted by Sumer (2012), that cost reductions should be in research and development departments to pump in the cash to produce more products as the cost leadership strategy appeals to mass marketing. Nevertheless, it’s important in this century of business turmoil for every venture to understand their customers. Primary objective is to take advantage of the potential growth in other areas, to establish a strong position and to develop image. Key success factors are cost savings through R&D, innovations and use of new technology to work efficiently. These success techniques will lower costs and increase profits in poultry industry (Essays, 2013).

2.2.3 Cost Leadership and Sustainability

Cost leadership will result in above average performance if only the poultry business can sustain it. Improving relative cost position in unsustainable ways may allow a venture to maintain cost parity or proximity, but a poultry business attempting to achieve a cost leadership strategy must also develop sustainable sources for it (Bordes, 2009). Cost advantage is sustainable if there are entry or mobility barriers that prevent competitors from imitating its sources. Poultry businesses use specific suppliers to get their produce into market. Use of loyal suppliers gives competitors hard time to access that market. Sustainability varies for different cost drivers and from one industry to another. The sources of low cost advantage are not enduring or sustainable without continuous improvement and ongoing searches for improved process yields, streamlined product design, or more efficient means of delivering a product (Bordes, 2009). Price fluctuation in poultry feeds increases the risk of the business sustainability. Maize is used as the major source of crude starch in poultry feeds. Kenya however, does not produce enough maize and has on several occasions’ imported maize when there is a shortage in the country (Velmerugu, 2013). A study by Kang’ethe et al. (2013) showed that there was a decline in poultry production in the year 2011 when there was a severe drought which affected the production of maize in the country. This had a direct effect on the prices of poultry feeds leading to a decline in poultry production in that year.
Hasan et al. (2015) developed a generic decision support system for poultry feeding which assists poultry farmers to get the optimum combination of available feed ingredients that can satisfy the nutritional requirements of a bird at the least cost possible for India. Meanwhile, downplaying research and development can slow cost leaders’ ability to respond to changes once they are detected (Essays, 2013). Lagging rivals in terms of detecting and reacting to external shifts can prove to be a deadly combination that leaves cost leaders out of touch with the market and out of answers (Essays, 2013). Various studies have shown that firms with high market share, for a number of reasons, can command above average industry profitability over extensive periods of time. Some of the empirical findings that appear to explain, at least practically, the relationship between high market share and profitability include economies of scale, risk avoidance by customers, strong market presence, and focused management (Munyaka, 2016). Risk avoidance by customers means that purchasers who are currently conversant with the low cost leader’s products are not likely to change to a competing brand of a similar product, unless that brand offers something very different or unique. Thus, low cost firms that achieve a leading market share position may induce risk aversion on the part of the industry’s customers (Porter, 1998). Customers often opt to buy from recognized, dominant share ventures because they feel these businesses will still exist a long time after their purchase. In relation to poultry products, consumers want consistency from them.

A low cost venture ensures that it has strong market presence by persuading their competitors not to start price wars within the industry. This means that low cost poultry firms can be used as the standard by setting the discipline of pricing within a sector. According to Homerange Poultry Kenya (2012), the Kari Improved kienyeji chicken is a local indigenous chicken that can set prices in poultry industry. The breed was developed by Kenya Agricultural Livestock Research Organization (KALRO) in 2012 as a dual purpose chicken which is ideal both for meat and also for egg production. The breed is comparatively cheaper to rear as it can be free ranged and is highly resistance to diseases. The breed also matures faster i.e. it starts production at 4.5 months of age. In turn, by keeping prices stable enough this guarantees some degree of profitability in all poultry ventures in that sector (Robinson, 1988). The arrival of intense global competition however has made this type of discipline hard to enforce. Low cost enterprises have the capability of keeping prospective competitors out of an industry through their price cutting ability, which create barriers to new entrants (Porter, 1980). Another way to put it is that, when low cost leadership strategies are effectively implemented and understood by
potential entrants, this becomes an effective barrier to entry that governs industry rivalry. According to Munyaka (2016), low cost poultry ventures can maintain prices passed on by suppliers.

2.3 Differentiation Strategy for Sustainability

2.3.1 Differentiation

Product differentiation is a strategy used by poultry farmers in creating and exploiting differences between their products and those offered by competitors. These differences may lead to competitive advantage if customers value the uniqueness and prefer that product to substitutes (Yang, 2010). Differentiation gives entrepreneurs a competitive edge by improving a products’ quality through innovation. Launching new products with entirely new performances is a radical change, often leading to changes in market shares and industry structures. Even though, KFC seems to have an emotional attachment to their original chicken recipe that made it successful, they definitely need to move on and develop new products that customers want in order to increase their financial performance and value (Essays, 2013). Boston and Popeye's are stealing customers away from KFC because they understand what customers want and started offering healthier chicken pieces (Essays, 2013). KFC should certainly do the same and enhance their menu on chicken variety. Differentiating a product gives its producer more pricing power and even a degree of monopoly. There are a number of ways in which a company can seek to differentiate its products. Yang (2010) explains Edward Chamberlin 1933 Theory of Monopolistic Competition were product differentiation was a process of distinguishing a product from others making it more attractive to a certain target market.

Differentiation is important because it creates barriers to entry, protection against imitation and customer loyalty. Working with indigenous guinea fowl and layers, model farm in Ghana hopes to establish integrated model with local producers (Essays, 2013). Innovation and product development should constitute unique selling propositions and a strategy towards gaining new markets. According to USDA (2017), an 8-piece is 2 split breasts with back and rib portions, 2 drumsticks, 2 thighs with back portions and 2 wings that many fast food hotels use to sell poultry products. Large firms use innovation as a competitive weapon, a compound of systematic innovative activity within the firm. In the turbulent world, not only large firms are required to be innovative but also small firms (Yang, 2010). Product differentiation is one of Porter’s generic strategies and has often been considered the opposite of a cost leadership
strategy. Firms may differentiate their products in several different ways; for instance, increasing their technological sophistication, increasing their innovative features, offering higher quality standards, improving their image and by projecting a reputation as a socially and environmentally responsive product, among others. In general terms, product differentiation may present itself with a differentiated image or as of higher quality (Yang, 2010).

Differentiation is a generic strategy that involves creation of a slightly or significantly differentiated offering, for which business may charge a premium. A whole bird without giblets with all parts, including the breast, thighs, drumsticks, wings, back and abdominal fat normally sold at a premium (USDA, 2017). It’s mainly associated with brand image or design, technology features, merchant network, or customer service (D’aveni, 2010). This strategy is viable for earning above average returns in a specific business as the resulting brand loyalty lowers customers’ sensitivity to price. Customer loyalty serves as an entry barrier also. New ventures therefore must develop a distinctive competence for their products to successfully compete. Poultry business offer unique products to customers. Poultry in terms of eggs can be packaged in way that customers associate themselves with it. Eggs can be painted or even marked differently. For kienyeji eggs, some customers prefer those with droppings on the shell. Product quality is a competitive factor and may refer to several product characteristics such as product performance, durability, reliability, and consistency with specifications, among others. Superior product quality may translate into a superior product quality image. Therefore, quality and product image may become associated. As a consequence of higher perceived product quality, export sales may increase. Exporters may also be in a position to charge a higher price for their products. Hence, performance measured by sales volume, revenue, market share or profitability is likely to rise (Boehe, 2009).

2.3.2 Differentiation and Sustainability

Differentiation is a strategic choice, not a feature of the market, and as such needs to be based on creating a bundle of resource capabilities. Product experiences that complement consumers’ lifestyles, brands that communicate their aspirations may allow poultry business to prosper in future. In offering a unique experience, a higher cost is necessary to cover extra costs incurred (Enz, 2011). The leading hypothesis is that sustained superior performance arises from sustainable competitive advantages. From the viewpoint of strategic management, such fundamental strategy for survival is to reinforce the competitiveness of market price through cost reduction or to develop a new market. Nowadays, however, such conventional manner
came to an end. The true winners in a new era will be ventures which succeed in preparing peerless competition manners through daring ideas and constant innovation, which has already come out in all industries (Hamel, 2002). Thus, the management should seize a good opportunity for promising future business, invest constantly in the development of means to compete and ultimately improve the internal execution power (Woo, 2007).

The importance of indigenous chicken (IC) in income generation, improving the nutritional status and food security in rural areas has been widely discussed in various studies in most developing countries (Bett et al. 2012). Unlike other livestock species, IC is widely distributed across most African countries. Their meat is also preferred by consumers in view of the perception that they are healthier and possess unique attributes such as distinct flavor, leanness, tenderness, and color (Islam & Nishibori, 2009). A business may become more unique in performing its existing value activities or it may reconfigure its value chain in some way that enhances its uniqueness. Becoming more unique in its value activities requires that a firm manipulate the drivers of uniqueness. In any case, a differentiator must simultaneously control the cost of differentiation so that it translates into superior performance. White meat, which includes poultry and pig meats accounts for about 19 percent of the meat, consumed in Kenya locally and for export. The indigenous chicken contributes 71 percent of the total egg and poultry meat produced and therefore, influencing significantly on the rural trade, welfare, and food security of the smallholder farmers (Bett et al. 2012). Successful differentiators are characterized by the following approaches; increasing the sources of uniqueness, making the cost of differentiation an advantage, creating uniqueness by changing the rules, reconfiguring the value chain to be unique entirely new ways. According to Enz (2011) to profit from differentiation strategy in the agriculture sector, it is important to understand customer lifestyles and aspirations. Differentiation can be achieved in an almost unlimited number of ways such as product features, complementary services, technology embodied in design, location, service innovations, superior service, creative advertising and better supplier relationships leading to better services.

The sustainability of differentiation depends on two things namely; it’s continued perceived value to buyers and the lack of imitation by competitors. The sustainability of a venture’s differentiation vis a vis competitor depends on its sources. To be sustainable, differentiation must be based on sources where there are mobility barriers to competitors replicating those (Guerras, 2007). Differentiation will be more sustainable under the following conditions; the
business’s sources of uniqueness involve barriers; the firm has a cost advantage in differing. The sources of differentiation are multiple and a firm creates switching costs at the same time it differentiates (Porter, 1998). Moreover, the demand for chicken meat in the urban areas has tremendously increased, consequently raising production of chicken in the rural, urban and peri urban areas. The growth in consumption especially for chicken is to some extent, attributed to its perception as a healthy alternative to red meats besides the low retail prices and ease of preparation (Bett et al., 2012). There are resources that are more effective as a source of sustainable differentiation than others. Reputations and brands are difficult to imitate, for example, whereas particular service features may be easy to imitate. In general, intangible resources such as a high-performance organizational culture are hard to imitate and are a stronger basis of competitive advantage, whereas a tangible resource such as packaging and distribution channels are easy to imitate. So creating value extends beyond just the product. The key to success when deploying a differentiation strategy is that customers must be willing to pay more for the product. Therefore, a critical aspect of the differentiation strategy is to keep costs low in the areas that are not directly related to the sources of differentiation.

2.3.3 Empirical Review

In Kenya, indigenous chicken (IC) consumption will facilitate redefining of production schemes and strategies targeting food security and alleviation of poverty, which is prevalent especially in most of the rural households (Bett et al., 2012). In this respect, the estimates on meat demand will assist in providing insights into the appropriate policies for the IC subsector and the livestock sector in general. According to Pearce & Robinson (2011), differentiation strategy seeks to build competitive advantage with its product or service by having it different from other available competitive products based on features, performance, or other factors not directly related to cost and price. In Kenya we have broilers, layers, kenbro, poultry feed production, hatchery, jua kali industry manufacturing poultry houses and poultry consultants. The difference among those poultry businesses it would be one that is hard to create or difficult to copy or imitate. Entrepreneurs tend to use brands to differentiate products from competitors and to create superior value to customers. Some business in Nairobi Central Business District, poultry business is identified by either drumsticks, mostly sold out of night clubs, chicken wings, tender, and thigh or breast fillet tenderloin. The most important step in creating and
delivering a superior value to customers is by adding meaningful brand associations that create value beyond the intrinsic characteristics of a product. One of the most important characteristics of a brand is the self-expressive function (Keller, 2008). Brands have the power to communicate valuable information and can be used and perceived in many different ways by consumers. A lot of customers tend to use brands as a means to express their identity and lifestyle (Munteanu & Pagalea, 2014).

In this century people tend to make inferences about others based on their lifestyles. Brands have become instruments of status signaling, that satisfy consumer prevalence of a need for status (Han et al. 2010). Each individual strives to create a unique identity that is based on his choices, background and past experiences. Brands can reinforce or supplement this identity by adding perceptual anchoring points that other people can relate to. For example, the main reason of consumers purchasing chicken at KFC, is to show they can afford and then followed by health benefits. For a brand to become a relevant mean of self-expression it must be easy to recognize and must encompass a large array of future positive associations (Aanand & Shacar, 2004). In addition to serving as an external signal, brands can be used to create and confirm a consumer self-concept and unique identity (Fournier, 1998).

Individuals try to express their identity through all means they have at their disposal. By choosing a particular brand, a person may reaffirm both his own and people's perception about his desired identity. As a result, people use brands to reassure themselves and to signal others what kind of person they are. For example, purchasing free range chicken signals traditional preferences than broilers which are consider uptown (Munteanu & Pagalea, 2014). It is common to find baby boomers appreciating kienyeji chicken more than millennials. In particular, consumers tend to prefer brands that are convergent with their perceived ideal identity. As a result of self-expression, a predilection for a certain brand is the result of only sociological factors because a person's need for self-expression is the result of interactions with other members of the community (Fournier, 1998). On the other hand, psychological factors have an effect upon identity projection. Not only consumers analyze how a brand can relate to their life goal and values but also they are also self-aware that brands can be used to project these values to the "outside world". In other words, as a mean of expressing their own identity, brand predilection is the result of intrinsic factors and brand preference is the result of extrinsic factors. Therefore, a successful brand must have a certain degree of resonance with both consumer personal identity and social identity (Berger & Chip, 2007). Lifestyle can be seen as
a sum of daily life patterns that each individual deliberately and voluntarily applies through his daily life. Consumers will prefer brands that "fit" into their lifestyle and disregard brands that do not reinforce their self-image in a positive manner. Common knowledge dictates that the cause of this behavior is people's constant need to be happy and to have a positive life (Munteanu & Pagalea, 2014).

As a consequence, consumers will rely on more than one brand and also on alternative means of self-expression to convey their identity and lifestyle. When expressing their identity, consumer’s need for self-expression is finite (Chernev et al. 2011) because they always seek to fulfill their needs and will be subject to need satiation when those needs have been met in a desirable manner. Need satiation has a great impact on consumer behavior. For example, a hungry person is willing to consumer chicken from Chicken Inn if KFC is distant. As a consequence, consumers need for self-expression can be satiated not only by using certain brands but also by other available means of self-expression (Chernev et al. 2011). This is particularly important when analyzing the correlations between brands and lifestyle because the lines between personal identity and everyday doings are becoming more blurred as society evolves (Munteanu & Pagalea, 2014).

2.4 Niche Strategy for Sustainability

2.4.1 Niche Strategy

Porter’s (1980, 1985) focus strategy, part of three generic strategies, is generally described as a concentrated attention on a narrow portion of total market and serving of this target market niche at a lower cost. It can be described as appealing to unique preferences and needs of a narrow, well defined group of consumers better than potential rivals (Thompson et al., 2010). The process of segmenting, targeting and positioning efforts and resources of the business is often core in focus marketing strategy (Toften & Hammervoll, 2013). Kotler (2010) explains niche as the process of dividing large, heterogeneous markets into smaller segments that can be reached more efficiently and effectively with products and services that match their unique needs. In addition, the actual (positive or negative) outcomes and managerial implications of niche strategy remain unclear. It has been claimed, however, that increasing diversity in consumer tastes and habits and the changing needs of business and organizational markets are likely to favor firms that can better tailor their offerings to this fragmented market (Toften & Hammervoll, 2013). The essence of this thinking is that niche strategy enables customer needs
to be better matched, and as a result, the niche marketer can charge a substantial mark up over costs because of the added value. In other words, niche strategy is assumed to provide high margins, while mass marketing is believed to provide high volumes (Kotler, 2010). Few empirical studies have addressed such outcomes and implications of niche strategy, but one such study is provided by Linneman and Stanton who found that niche strategy is profitable. For practitioners, however, it is vital to know whether using niche strategy is beneficial, in what situations niche strategy should be used, how niche strategy should be used and what awareness is needed to avoid pitfalls (Toften & Hammervoll, 2013).

Majority of previous research has focused on how a business can identify a potential niche market simply by looking at their customer base. Entrepreneurs start from needs of a few customers and gradually build up a larger customer base. From there, a business should aggregate based on similarities, with an emphasis on the individual consumer. A business should think of customers as individuals and respond to their special needs. Linneman and Stanton (1992) agree that the best place to probe for new niches is a firm’s present customer base, and perhaps that present market could be redefined into smaller segments. Even though most researchers agree that the first step in developing a niche market is to examine the customer base, others point out the importance of product development. Niche markets are not easily identified in their infancy. It is, therefore, important for managers to keep one foot in the technology to know its potential and one foot in the market to see opportunity (Parrish, Cassil & Oxenhan, 2006).

The focus strategy is further subdivided into two variants, namely: cost focus and differentiation focus. Cost focus is where a business seeks cost advantage in its target segment and differentiation focus is where the firm seeks differentiation in its target segment. Both variants of the focus strategy rest on differences between focuser’s target segments and other segments in the industry. Cost focus is a low-cost strategy that focuses on a particular buyer group or geographic market and attempts to serve only this niche, to the exclusion of others. In using a cost focus strategy, the company seeks a cost advantage in its target (Porter, 1998). In Kenya for example, because of lifestyle poultry products are sensitive to customers. The urban markets are very cautious in what they consume in terms of calories and how product is processed. It is relatively clear to distinguish consumers in this market. Regardless of the price, such customers are particular in how they want chicken or eggs prepared. A business using the
focus strategy can pursue many of the target market as the broader low-cost or differentiation approaches to building competitive advantage within a particular targeted market or niche of customers.

2.4.2 Niche Strategy and Sustainability

Firms can build a focus by either adopting a cost based focus thus serving a particular niche or market segment, or they can assume a differentiation based focus. The scope of the target market differentiates focus strategies from low-cost leadership and differentiation strategies. Thus, many of the sources of competitive advantage also apply to focus strategies at the niche or segment level as they do in the cost and differentiation strategies. Focus strategies attempt to pursue low-cost or differentiation in relation to a much narrower targeted market niche or product segment. Thus, specialization of the resources and skills that the firm or business uses is necessary (Bordes, 2009). This strategy does not necessarily mean that a firm charges lowest prices in an industry, instead it charges low prices relative to other firms competing for the same target market. A focus strategy may provide a means for achieving a cost advantage that rests on using focus to control cost drivers, reconfiguring the value chain, or both. Since the cost value activities as well as the most efficient value chain may differ for different segments, a firm that dedicates its efforts to a well-chosen segment of an industry can often lower its costs significantly (Porter, 1998).

According to Parrish, Cassil and Oxenhan (2006), an important factor in the success of niche strategy is relationships. Relationships are key because strong, long-term relationships can help build a barrier to deter potential competitors and sustain long term profitability as well as customer retention. Another concept of major importance to a niche strategy is reputation. Niche marketing depends on word of mouth references. Customer’s opinions play a crucial role in a product’s success. In niche marketing, a business does not only market their product, but it also markets its business (Parrish, Cassil & Oxenhan, 2006). Parrish (2010) found that upstream businesses used both a push and pull marketing approach. Push marketing is when a product is initially developed by the company and then marketed to the consumer, i.e. giving the customer what they did not know they needed. Pull marketing is defined when a product is developed based on customer needs, i.e. learning about voids in current markets/products, and developing or enhancing a product in order to fill this void. Poultry businesses were more likely to use both push and pull marketing strategies in their niches. In order to identify the market
potential of a niche market, the most commonly used strategy was market research. On the other hand, to identify the market potential of a niche product, the most commonly used strategy was research and development. Once the market potential of a niche market/product has been determined, the research uncovered certain variables that need to be in place in order for success. Some variables overlapped between niche market and product, and the most important variable in the success of both is knowledge of the consumer (Parrish, 2010).

2.4.3 Empirical Review

Consumers’ rising demand for niche products i.e. more individualized products tailored to the needs of a very specific target group rather than to the mass market has received widespread attention. Targeting niche markets thus represents an option for businesses beyond saturated mass markets. By pursuing a niche marketing strategy, these businesses focus on a smaller market for the advantages of higher prices and less competition. Moreover, what starts out as a relatively small niche market can offer growth potential, and thus develop into a larger and more attractive market over time (Schaefers, 2014). A product that has been successful in a niche position can therefore gain a head start from competitors when the niche market grows (Dalgic & Leeuw, 1994). Identifying consumers who are prone to purchasing niche products is therefore vital for niche businesses. However, a recent literature review by Toften and Hammervoll (2013) reveals that much of the previous academic research focusses on the business perspective evaluating a niche marketing strategy as a potentially successful option (Dalgic & Leeuw, 1994), how niche marketing strategies can be implemented (Shani & Chalasani, 1992) or which factors determine the success of such strategies (Parrish et al., 2006; Toften & Hammervoll, 2010). Little is known about niche market customers, especially about variables affecting their preference for niche products.

According to Schaefers (2014), consumers are assumed to prefer a niche product if it satisfies their need better, at an acceptable price than other mainstream products. However, as niche customers make very distinct purchase decisions in a product domain, it can be assumed that they differ from respective mass market customers. Individual differences variables should thus also account for niche product choice (Schaefers, 2014). For instance, because niche products are clearly distinguished from mass market alternatives, niche customers may purchase such a product to also distinguish themselves, i.e. engage in conspicuous consumption. Understanding which factors actually influence consumers’ choice of niche products is important for both
research and management (Toften & Hammervoll, 2009). A focused strategy should target market segments that are less vulnerable to substitutes or where a competition is weakest to earn above-average return on investment. According to Kotler (1997), the focus strategy has two variants: In cost focus, a firm seeks a cost advantage in its target segment, it exploits differences in cost behavior in some segments. For instance, Southwest Airlines, famous for its low cost focus follows basically a linear route structure. It only flies one type of airplane and it wants to stay in high-density markets and has been highly efficient. Differentiation focus a firm seeks differentiation in its target segment. It exploits the special needs of buyers in certain segments.

Differentiation through focus or a focused differentiation strategy requires offering unique features to fulfill the demands of a lean market. Some ventures using a focused differentiation concentrate on a particular sales channel, such as selling over the internet only, targeting particular demographic groups (Ketchen & Short, 2012). Experiments to develop ‘two product lines in parallel’ to increase strategic flexibility can also achieve competitive advantage as indicated by Shimizu and Hitt (2004). In particular, the hypothesis is that the more frequently the entrepreneurial business engage in exploitative research & development moves the more they reduce the cost of their products and the higher their performance in established market landscapes.

Katila and Chen (2008) proposed that low-cost products are relatively more advantageous for entrepreneurial business because such products avoid expensive product development races with large firms. Given entrepreneurial business’s limited R&D resources and initially less attractive products, they typically cannot afford to win development races with large firms.

2.5 Chapter Summary
This chapter discussed research objectives to assess the influence of cost leadership, differentiation and focus on sustainability of poultry business. The literature review examined relationships between cost leadership, differentiation and focus to sustainability of poultry business. The following chapter covers the research methodology used in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
The chapter presents research methodology used in the study. The research design used discussed study population, sample design, data collection method, and research procedure and data analysis method.

3.2 Research Design
Research design is a framework for collection and analysis of data to answer research question and objectives giving justification for data choice, sources, analysis techniques and collection methods (Saunders, Lewis & Thornhill, 2016). The study used both descriptive and explanatory research designs. Descriptive refers to the investigation in which data is collected and analyzed in order to describe the specific phenomena in its current trends, events and linkages among different factors at the current time (Chiteli, 2013). The research was concerned with generic strategies for a sustainable poultry business in Kasarani, Nairobi. Descriptive studies show which strategy and how it suits poultry farmers (Cooper & Schindler, 2008). Explanatory research design on the other hand tries to explain relationships among variables. Yin (1989) further states that a case study is an empirical inquiry that investigates a contemporary phenomenon within its real life context using multiple sources of evidence. The approach used was critical in organizing, summarizing and presenting results of the sample data (Harshbarger & Reynolds, 2007), for drawing conclusions and describing characteristics associated with the subject population from which the sample was drawn. It also discovered and measured cause and effect relationships among variables (Cooper & Schindler, 2008). Both descriptive and explanatory research design are appropriate for the study because it enabled generalization of findings to a larger population and relationships between the test variables.
3.3 Population and Sampling Design

3.3.1 Population

Population may be viewed as a complete set of individuals, cases, objects with some common observable characteristics of a particular nature distinct from other population (Chiteli, 2013). The target population is the population to which a researcher generalizes the results of a study or what Okiro and Ndungu (2013) define as the total collection of elements about which the researcher wishes to make some inferences. An element in this context is the subject on which the measurement is taken thus, the unit of the study. The target population for this study consisted of approximately 250 farmers who keep poultry for business. The target farmers operate in Kasarani, Nairobi region of Kenya.

Table 3.1: Population

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Target Population</th>
<th>Distribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claycity</td>
<td>40</td>
<td>16</td>
</tr>
<tr>
<td>Mwiki</td>
<td>70</td>
<td>28</td>
</tr>
<tr>
<td>Kasarani</td>
<td>90</td>
<td>36</td>
</tr>
<tr>
<td>Roysambu</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>250</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Ministry of Agriculture

3.3.2 Sampling Design

In probability sampling, the elements in the population have some known non zero chance or probability of being selected as sample subjects. This design is used when representatives of the sample is important for interest of wider generalization (Sekaran & Bougie, 2013).

3.3.2.1 Sampling Frame

Sampling frame is a complete list of all the cases in the population from which sample will be drawn. It represents a list of all those within a population who can be sampled (Zikmund et al., 2012). The population of the study included all farmers keeping poultry for business in Kasarani.
3.3.2.2 Sampling Technique

The sampling frame for any probability sample is a complete list of all the cases in the target population from which sample is drawn (Saunders, Lewis & Thornhill, 2016). It is important to determine whether the sample is a true representative of whole population. The findings of the study are assumed as a true representative of the study population (Cooper & Schindler, 2014). The study adopted cluster sampling technique. Researcher divided the population into groups in terms of geographic position in Kasarani. The clusters were Kasarani, Mwiki, Roysambu and Claycity. Thereafter, snowballing was used to pick out poultry business.

3.3.2.3 Sampling Size

Garson (2012) defines a sample size as any combination of sampling units that does not include the entire set of sampling units that has been defined as the population. It represents the actual population elements from which data is to be collected.

\[ n = \frac{N}{1+N(e^2)} \]

Where \( n \) = number of samples, \( N \) = total population and \( e \) = error margin / margin of error.

\[ N = 250 \text{ and } e = 0.1 \]

\[ n = \frac{250}{1+250(0.1^2)} = 71.43 \]

Table 3.2: Sampling Size

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Frequency</th>
<th>Distribution (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claycity</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>Mwiki</td>
<td>20</td>
<td>28</td>
</tr>
<tr>
<td>Kasarani</td>
<td>26</td>
<td>36</td>
</tr>
<tr>
<td>Roysambu</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>71</td>
<td>100</td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

Primary data was collected by use of questionnaires distributed to the respondents. The data collected aimed to provide answers to the research objectives as to determine the influence of cost leadership, differentiation and niche strategies in poultry business. Similarly, questionnaires facilitated easier coding and analysis of data collected (Saunders, Lewis & Thornhill, 2016). The questionnaire was aligned to the research objectives. Section one of the questionnaire had questions on the general demographics of the study population and section
two explored the different business strategies employed. The questionnaire consisted of structured questions. The closed ended questions used the Likert scale offering the respondents options of indicating levels of agreement with statements provided. The Likert measurement scale used five criteria including strongly agree, agree, not sure, disagree and strongly disagree. The likert scale was preferred as they are easy to understand and draw conclusions. This was effective in collecting enough information in a limited time frame.

3.5 Research Procedures
The questionnaire was developed and pretested using a sample of ten respondents before the actual study. Respondents participating in the pilot were selected randomly from the clusters. The role of piloting was to identify any errors in the questionnaires and ambiguous questions for correction before the actual study. The respondents who participated in the pilot were excluded from the final study. For the actual study, services of field research assistants were engaged to distribute the questionnaires to respondents. The research assistants explained to respondents the objective of study as well as assuring confidentiality of information collected and anonymity. The respondents were given 15-20 minutes to fill the questionnaires. The research assistants called farmers to book their calendars. It ensured high response rate. The research assistants were kept on toes through phone calls and WhatsApp messages for any clarifications and evening assessments from field.

3.6 Data Analysis Methods
Data analysis is the process of analyzing, cleaning, transforming data collected into meaningful output that can be digested by interested parties. Bryman and Bell (2003), describes data analysis as technique used to make inferences from data collected by means of systematic and objective identification of specific characteristics. Saunders, Lewis and Thornhill (2016), in addition suggests that once data is collected it has to be edited to verify to the completeness of data, coded in order to assign numbers or symbols to the various answers for effective categorization/classification, entered in order to convert the information gathered to a medium for viewing and manipulation.

Likewise, in this study, the primary data was first coded before entering into SPSS for analysis. The descriptive statistical analysis involved measures of central tendencies such as means, frequencies and percentages before carrying out statistical tests in form of correlations and one-way analysis of variance (ANOVA). The results were presented in form of tables.
3.7 Chapter Summary
Chapter three explained meanings of the designs and showed how the study was carried out. The study used both descriptive and explanatory research designs. The target population for this study consisted of poultry farmers who get income from the business. The target farmers were approximately 250 operate in Kasarani, Nairobi. The study used cluster sampling technique due to geographic mapping of farmers in Kasarani. This chapter has shown the research procedure and data analysis methods. Chapter Four presents the findings from the study. Chapter five has discussions, conclusions and recommendations.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results established from the data analysis done. This included results relating to demography and research objectives aimed at influence of strategies in sustaining agribusiness.

4.1.1 Response rate

The research issued a total of 71 questionnaires and 68 of them were filled and returned hence a response rate of 96%. This was sufficient for the study as indicated in table 4.1

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filled and returned</td>
<td>68</td>
<td>96</td>
</tr>
<tr>
<td>Non-response</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>71</td>
<td>100</td>
</tr>
</tbody>
</table>

4.1.2 Reliability Test

A reliability test was done by use of Cronbach Alpha on the variables of cost leadership, differentiation, niche and sustainability. Cronbach’s alpha measure assesses the reliability or internal uniformity, of a set trial items. The desired Cronbach alpha value should be above 0.6 ($\alpha > 0.6$). For the study all values were above 0.6, hence making the variables reliable as indicated in table 4.2
Table 4.2: Reliability Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Leadership</td>
<td>.780</td>
<td>7</td>
</tr>
<tr>
<td>Differentiation</td>
<td>.650</td>
<td>7</td>
</tr>
<tr>
<td>Niche</td>
<td>.691</td>
<td>7</td>
</tr>
<tr>
<td>Sustainability</td>
<td>.663</td>
<td>5</td>
</tr>
</tbody>
</table>

4.2 Demographical Factors

The research analysed data with regard to the demographic factors and the results were presented as follows:

4.2.1 Highest Level of Education

To analyse the literacy levels, the result established that majority of respondents accounting for 67.6% were degree holders while 16.2% had reached tertiary level, 4.4% were post graduates and 11.8% secondary level as shown in table 4.3 below. This implies response received was precise as respondents were literate to comprehend the questions asked.

Table 4.3: Highest Level of Education

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary Level</td>
<td>8</td>
<td>11.8</td>
</tr>
<tr>
<td>Tertiary Level</td>
<td>11</td>
<td>16.2</td>
</tr>
<tr>
<td>University</td>
<td>46</td>
<td>67.6</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>3</td>
<td>4.4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>68</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.2.2 Business Ownership

To analyse business ownership, results showed that majority of respondents accounting for 58.8% were sole proprietorship, 32.4% family owned, 5.9% partnership and only 1.5% were both inherited and others as shown in table 4.4. This implies response received was relevant as ownership was partial or full by the poultry farmers.
Table 4.4: Business Ownership

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inheritance</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>Family Owned</td>
<td>22</td>
<td>32.4</td>
</tr>
<tr>
<td>Sole proprietorship</td>
<td>40</td>
<td>58.8</td>
</tr>
<tr>
<td>Partnership</td>
<td>4</td>
<td>5.9</td>
</tr>
<tr>
<td>Others</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>68</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

4.2.3 Type of Business

To establish type of business the respondents are doing, the findings revealed that majority of the respondents which is 36.8% keep broilers, 33.8% do both broiler and layers, 23.5 keep layers and 5.9% keep Kienyeji for business as shown in table 4.5.

Table 4.5: Type of Business

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broiler</td>
<td>25</td>
<td>36.8</td>
</tr>
<tr>
<td>Layer</td>
<td>16</td>
<td>23.5</td>
</tr>
<tr>
<td>Kienyeji</td>
<td>4</td>
<td>5.9</td>
</tr>
<tr>
<td>Both</td>
<td>23</td>
<td>33.8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>68</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

4.2.4 Business Period

To establish the period respondents have been in poultry business, the findings revealed that majority of the respondents have been in poultry business for 1-2 years representing 32.4%, those of between 3-4 years were 26.5%. The study also established that those of 5 years and above were 20.6% while less than a year were 17.6% and 2.9% were between 4-5 years as shown in table 4.6.
Table 4.6: Business Period

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a year</td>
<td>12</td>
<td>17.6</td>
</tr>
<tr>
<td>1-2 years</td>
<td>22</td>
<td>32.4</td>
</tr>
<tr>
<td>3-4 years</td>
<td>18</td>
<td>26.5</td>
</tr>
<tr>
<td>4-5 years</td>
<td>2</td>
<td>2.9</td>
</tr>
<tr>
<td>Above 5 years</td>
<td>14</td>
<td>20.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>68</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.2.5 Number of Chickens

To establish number of chickens the respondents have for poultry business, the findings revealed that majority of the respondents have more than 40 birds representing 48.5%, between 31-40 chickens were 32.4%, 21-30 chickens were 7.4%. The study also established that those between 10-20 were 8.8% while less than 10 chickens were 2.9% as shown in table 4.7.

Table 4.7: Number of Chickens

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10</td>
<td>2</td>
<td>2.9</td>
</tr>
<tr>
<td>10-20</td>
<td>6</td>
<td>8.8</td>
</tr>
<tr>
<td>21-30</td>
<td>5</td>
<td>7.4</td>
</tr>
<tr>
<td>31-40</td>
<td>22</td>
<td>32.4</td>
</tr>
<tr>
<td>40 and Above</td>
<td>33</td>
<td>48.5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>68</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.2.6 Purchase of Feeds

To establish what influences purchase of feeds for poultry business, the findings showed that majority of respondents consider quality of feed as most important with a representation of 69.1%, 54.4% consider price as important and 51.5% of same respondents had quantity as the least important consideration when purchasing poultry feeds as shown in table 4.8.
Table 4.8: Purchase of Feeds

<table>
<thead>
<tr>
<th>Variable</th>
<th>Price (%)</th>
<th>Quality (%)</th>
<th>Quantity (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Least Important</td>
<td>32.4</td>
<td>16.2</td>
<td>51.5</td>
</tr>
<tr>
<td>Important</td>
<td>54.4</td>
<td>14.7</td>
<td>30.9</td>
</tr>
<tr>
<td>Most Important</td>
<td>13.2</td>
<td>69.1</td>
<td>17.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.2.7 Quality of Output

To establish the quality of output for poultry business, the findings concluded a majority of respondents 67.6% strongly agreed that feed type affects output quality. 17.6% of respondents also agreed, 4.4% were uncertain, 8.8% disagreed with the statement while 1.5% strongly disagreed that type of feed affects quality of output as shown in table 4.9.

Table 4.9: Quality of Output

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
<td>8.8</td>
</tr>
<tr>
<td>Uncertain</td>
<td>3</td>
<td>4.4</td>
</tr>
<tr>
<td>Agree</td>
<td>12</td>
<td>17.6</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>46</td>
<td>67.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>68</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.2.8 Annual Revenue from Business

The study established that most poultry business accounting for 55.9% had an annual revenue range of 50,000-100,000, 27.9% had less than 50,000, 13.2% had a range of 101,000-200,000, 1.5% attained an annual revenue between 201,000-300,000 and another 1.5% had 301,000 and above as shown in table 4.10.
Table 4.10: Annual Revenue from Business

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 50,000</td>
<td>19</td>
<td>27.9</td>
</tr>
<tr>
<td>50,000-100,000</td>
<td>38</td>
<td>55.9</td>
</tr>
<tr>
<td>101,000-200,000</td>
<td>9</td>
<td>13.2</td>
</tr>
<tr>
<td>201,000-300,000</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>301,000 and Above</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>68</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3 Cost Leadership
The first objective set to establish cost leadership in sustaining agribusiness. Respondents were asked a set of questions to indicate what extent they agree or disagreed with statement related to cost leadership and sustainability. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Uncertain 4 - Agree 5 - Strongly Agree

4.3.1 Descriptive on Cost Leadership Variables

The study established that most respondents agree that unnecessary costs should be eliminated to achieve cost advantage (4.21). The findings also reveal that poultry business does not set industry price to earn profit (2.88). It was established that business benchmarks itself to access relative cost was uncertain (3.40), uncertainty underpinning products to outdo competitors (3.69), improved efficiency through cost controls was uncertain (3.57) as well and both low cost production and substantial capital were uncertain with (3.28) and (3.32) respectively as shown in table 4.11.
Table 4.11 Descriptive on Cost Leadership Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The business benchmarks itself against competitors to access their relative cost</td>
<td>68</td>
<td>3.40</td>
<td>1.248</td>
</tr>
<tr>
<td>The business underpins its products to open up a suitable cost advantage over competitors</td>
<td>68</td>
<td>3.69</td>
<td>1.319</td>
</tr>
<tr>
<td>The business has improved its efficiency by controlling costs along the existing activity cost chain</td>
<td>68</td>
<td>3.57</td>
<td>1.226</td>
</tr>
<tr>
<td>Cost advantage is achieved through restructuring the cost chain eliminating unnecessary cost producing activities</td>
<td>68</td>
<td>4.21</td>
<td>1.016</td>
</tr>
<tr>
<td>The business is a low cost producer in the poultry sector</td>
<td>68</td>
<td>3.28</td>
<td>1.104</td>
</tr>
<tr>
<td>The business sets the industry price to earn a profit around its market position</td>
<td>68</td>
<td>2.88</td>
<td>1.015</td>
</tr>
<tr>
<td>The business is a low cost producer due to substantial capital that it holds</td>
<td>68</td>
<td>3.32</td>
<td>1.215</td>
</tr>
</tbody>
</table>

4.4 Differentiation

The second objective set to establish differentiation in sustaining agribusiness. Respondents were asked a set of questions to indicate what extent they agree or disagreed with statement related to differentiation and sustainability. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Uncertain 4 - Agree 5 - Strongly Agree

4.4.1 Descriptive on Differentiation Variables

The study established that most respondents disagreed that customers were less sensitive to prices (2.88). The findings also reveal uncertainty in marketing unique products to varied customers (3.51) and also uncertainty in creating customer value through quality products supported by premium services (3.87). It was established that business builds value by products attributes at acceptable cost was uncertain (3.69), use of technology for a cutting edge in innovation was uncertain too (3.09). Further findings show that both increased market share due to high quality products and unique sources that cannot be imitated were uncertain (3.66) and (3.12) respectively as shown in table 4.12.
### Table 4.12 Descriptive on Differentiation Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The business markets unique products for varied customer groups</td>
<td>68</td>
<td>3.51</td>
<td>1.099</td>
</tr>
<tr>
<td>The business creates customer value by offering high quality products</td>
<td>68</td>
<td>3.87</td>
<td>1.196</td>
</tr>
<tr>
<td>supported by good services at premium prices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The business has built value by creating attributes for its products at an</td>
<td>68</td>
<td>3.69</td>
<td>.996</td>
</tr>
<tr>
<td>acceptable cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The business uses technology to remain on the cutting edge of innovation</td>
<td>68</td>
<td>3.09</td>
<td>1.278</td>
</tr>
<tr>
<td>Customers are less sensitive to prices</td>
<td>68</td>
<td>2.88</td>
<td>1.461</td>
</tr>
<tr>
<td>The potential market share of the business is increased due to high</td>
<td>68</td>
<td>3.66</td>
<td>1.253</td>
</tr>
<tr>
<td>quality products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The business sources for uniqueness that cannot be quickly imitated</td>
<td>68</td>
<td>3.12</td>
<td>1.015</td>
</tr>
</tbody>
</table>

#### 4.5 Niche

The third objective set to establish niche in sustaining agribusiness. Respondents were asked a set of questions to indicate what extent they agree or disagreed with statement related to differentiation and sustainability. Using a five point Likert scale where 1 - Strongly Disagree 2 - Disagree 3 - Uncertain 4 - Agree 5 - Strongly Agree

#### 4.5.1 Descriptive on Niche Variables

The study established that most respondents agree that business had identified a market niche (4.35). The findings also reveal that business targets a specific customer (4.25). It was uncertain whether business focuses entirely on low cost strategy (3.97), production of unique products was as well uncertain (3.41). It was established that a majority disagreed with business expanding into broader lines that competitors cannot serve (2.90), specialization of activities that competitors cannot perform (2.84) and business developing own set of barriers to make products difficult to imitate (2.85) as shown in table 4.13.
Table 4.13 Descriptive on Niche Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The business has identified a market niche for buyers</td>
<td>68</td>
<td>4.35</td>
<td>.664</td>
</tr>
<tr>
<td>The business focuses entirely on low cost strategy</td>
<td>68</td>
<td>3.97</td>
<td>.828</td>
</tr>
<tr>
<td>The business produces unique products that enhances value</td>
<td>68</td>
<td>3.41</td>
<td>1.082</td>
</tr>
<tr>
<td>The business has expanded on broader line that competitors cannot serve</td>
<td>68</td>
<td>2.90</td>
<td>1.053</td>
</tr>
<tr>
<td>The business targets a specific customer within the market</td>
<td>68</td>
<td>4.25</td>
<td>.835</td>
</tr>
<tr>
<td>The business specializes in activities that competitors cannot perform</td>
<td>68</td>
<td>2.84</td>
<td>1.031</td>
</tr>
<tr>
<td>The business developed its own set of barriers to make products difficult to imitate</td>
<td>68</td>
<td>2.85</td>
<td>1.188</td>
</tr>
</tbody>
</table>

4.6 Inferential Statistics

4.6.1 Correlation

A Pearson correlation analysis was done to establish the relationship between the dependent variable (sustainability) against other core factors and the result established a positive relationship between cost leadership and sustainability. There is a positive correlation between cost leadership and sustainability (.241*), A strong negative correlation between differentiation and sustainability (-.483*) and also a strong negative correlation between niche and sustainability (-.517*). Cost leadership had a positive correlation with differentiation (.309*) and a negative correlation with niche (-.290*). Differentiation had a strong positive correlation with niche (.542**). All the variables were significant as indicated in table 4.14. Therefore, an increase in cost leadership and decrease in both differentiation and niche will lead to an increase in sustainability.
Table 4.14: Correlation Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cost Leadership</th>
<th>Differentiation</th>
<th>Niche</th>
<th>Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Leadership</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.309*</td>
<td>-.290*</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td></td>
<td>.010</td>
<td>.017</td>
<td>.048</td>
</tr>
<tr>
<td>Differentiation</td>
<td>Pearson Correlation</td>
<td>.309*</td>
<td>1</td>
<td>.542**</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td></td>
<td>.010</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Niche</td>
<td>Pearson Correlation</td>
<td>-.290*</td>
<td>.542**</td>
<td>1</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td></td>
<td>.017</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Pearson Correlation</td>
<td>.241*</td>
<td>-.483**</td>
<td>-.517**</td>
</tr>
<tr>
<td>Sig.(2-tailed)</td>
<td></td>
<td>.048</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

4.6.2 Regression Analysis

The research analyzed relationship between the dependent variable (sustainability) against independent variables, cost leadership, differentiation and niche strategies. The results showed that the R2 value was 0.40 hence 40.8% of the variation in sustainability was explained by cost leadership, differentiation and niche as illustrated in table 4.15.

Table 4.15: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.639*</td>
<td>.408</td>
<td>.380</td>
<td>.47129</td>
<td>.408</td>
<td>14.687</td>
<td>3</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Cost Leadership, Differentiation, Niche

An ANOVA analysis was done between sustainability, cost leadership, differentiation, niche at 95% confidence level, the F critical was 14.687 and P value (0.000) hence significant as
illustrated below in Table 4.16.

**Table 4.16: ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>9.787</td>
<td>3</td>
<td>3.262</td>
<td>14.687</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>14.215</td>
<td>64</td>
<td>.222</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>24.002</td>
<td>67</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sustainability  
b. Predictors: (Constant), Cost Leadership, Differentiation, Niche

**Table 4.17: Coefficients of Sustainability and Co-Factors**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>4.162</td>
<td>.536</td>
<td>7.762</td>
</tr>
<tr>
<td></td>
<td>Cost Leadership</td>
<td>.288</td>
<td>.096</td>
<td>.369</td>
</tr>
<tr>
<td></td>
<td>Differentiation</td>
<td>-.467</td>
<td>.124</td>
<td>-.530</td>
</tr>
<tr>
<td></td>
<td>Niche</td>
<td>-.128</td>
<td>.146</td>
<td>-.123</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Sustainability

As per Table 4.17, the equation \( Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 \) becomes:

\[
Y = 4.162 + 0.288X_1 - 0.467X_2 - 0.128X_3
\]

Where \( Y \) is the dependent variable sustainability  
\( X_1 \) – cost leadership  
\( X_2 \) – differentiation  
\( X_3 \) – niche

The regression equation illustrated in Table 4.17 has established that taking all factors into account (cost leadership, differentiation and niche) all other factors held constant sustainability increases by 4.162. The findings presented also showed that with all other variables held at zero, a unit change in cost leadership would lead to a 0.288 increase in sustainability, and a unit change in differentiation would lead to 0.467 decrease in sustainability. Moreover, the
study also showed that a unit change in niche would result in 0.128 decrease in sustainability. All the variables cost leadership, differentiation and niche were very significant (p>0.05) in determining sustainability.

4.7 Chapter Summary
This chapter has highlighted results and findings. The first section provided an analysis of demographic data of the respondents, the second section dealt with data on cost leadership, the third section looked at the data on differentiation, and last section covered issues of niche strategy. In chapter five this results will be discussed and relevant conclusions and recommendations made with regard to sustaining poultry business.
CHAPTER FIVE

5.0 DISCUSSION CONCLUSION AND RECOMMENDATION

5.1 Introduction
This section seeks to analyse the findings and was done by comparing and contrasting previous literature of sustainability. It was organized based on the specific research questions which sought to establish influence of cost leadership, differentiation and niche strategy for a sustainable poultry business.

5.2 Summary
The general purpose of the study was assessing strategies to sustain poultry business in Kasarani, Nairobi. The study was guided by the following research questions: Does cost leadership influence sustainability of poultry business? Does differentiation influence sustainability of poultry business? Does niche strategy influence sustainability of poultry business?

A descriptive research was adopted because the study aimed collecting information from respondents on their perceptions of generic strategies and sustainability of business. Further, the correlational approach was adopted as the study was seeking to describe relationship between the independent variables: cost leadership, differentiation and niche and dependent variable sustainability. The target population for this study was respondents who keep poultry as a source of income. This compromised business that did broiler, layers and kieneji.

The sampling technique was cluster sampling method. It entailed dividing the population into geographic regions, in this case, Kasarani, Clay city, Mwiki and Roysambu wards. Then snowballing was used from each ward. From the initial target population of estimated 250 poultry businesses, the study applied cluster sampling and a formula was used to pick respondents from each region. Out of the total of 71 questionnaires given only 68 were correctly filled and returned giving a response rate of 96%. SPSS was used to enter, clean and analyze the coded data. Pearson’s Correlation coefficient analysis was used to analyze the relationships between the different variables. Tables were used in presenting the study findings.

The key findings on sustainability in poultry industry show that generic strategies help in business growth. The findings of Porter’s generic strategies and sustainability of poultry business shows that the three strategies are used to different extents. However, cost cutting was seen as dominant in all three strategies. The research findings indicated that the main strategy
used was Cost Leadership; Differentiation and Niche strategy were as well used but to a minimal extent. Still both differentiation and niche strategies had elements of cost saving.

The first objective set to establish whether cost leadership influences sustainability of poultry business. It was the main strategy used emphasis on restructuring cost chain to eliminate unnecessary cost producing activities. The researcher found out that business supports its products for a suitable cost advantage to outdo competitors and rely heavily on efficiency by cost controlling over value chain. It was also revealed that respondents were uncertain whether poultry business is low cost producer due to substantial capital it holds. However, respondents disagreed business sets industry price to earn a profit around its market position. The second objective set to establish whether differentiation influences sustainability of poultry business. Differentiation strategy was as well used but highly controlled by cost cutting. It was revealed that majority are uncertain whether business markets unique products for varied customer groups. An analysis on quality products supported by good services at premium prices a majority were uncertain if the business creates customer value. The findings also established uncertainty in use of technology to remain on the cutting edge of innovation. The study also revealed uncertainty in increase of market share due to high quality products as well as a unique source that competitors cannot imitate quickly. Nonetheless, a majority disagreed that customers are less sensitive to prices.

The third objective set to establish whether niche influences sustainability of poultry business. Cost leadership a type of Niche strategy was used to some extent in this study. The findings revealed that a majority had identified a market niche and the business targets specific customers within the market. A majority were uncertain whether business focuses entirely on low cost strategy or produces unique products that enhances value. It was established that most respondents disagreed business expansion on broader line which competitors cannot serve. Furthermore, most respondents disagreed on specialization of business in activities competitors cannot perform. It was also noted that majority were not in agreement with business developing its own set of barriers to make products difficult to imitate.

A Pearson correlation analysis was done to establish the relationship between sustainability against other variables. It established a positive relationship between sustainability and cost leadership. Strong positive relationship was between differentiation and niche strategies. There was a very strong negative relationship between sustainability and both differentiation and
niche. From a regression analysis 40.8% of the variation in sustainability was explained by the variations in cost leadership, differentiation and niche.

5.3 Discussion

5.3.1 Cost Leadership Influence on Sustainability

The findings from the research, poultry business adopts a combination of strategies for sustainability. Cost leadership is seen to be more dominant as a majority of respondents agree on cost cutting activities. According to Sumer (2012), cost leadership seeks to reach the lowest cost structure possible while reducing costs throughout the value chain. A cost leader business puts products with limited standard features and an acceptable quality on the market to maximize its market share while gaining competitive advantage. A majority of respondents had a standard acceptable quality product but were uncertain if it gained market share.

The findings revealed that most respondents disagreed with setting industry price for profitability and market share. This was in contrasts to Robinson (1988), by keeping prices stable enough this guarantees some degree of profitability in business. It was difficult to set industry price since cost cutting of business in the value chain was different in different poultry business. In addition, the major input feeds, were relatively expensive. A study by Kang’ethe et al. (2013) showed that there was a decline in poultry production during severe drought that saw feeds reduce drastically. It was arguably difficult to set prices in that sector.

In the turbulent environment of business, different entities come up with ways of costing hence price products. It was established in the study that most respondents were not into benchmarking against competitors to get a relative price. Pidun et al. (2012), stated the most important thing is for the business to attain a cost level relatively low than competitors. Clearly, the poultry business had different ways to ensure they are profitable regardless of competitors pricing. The findings were in support to Pidun et al. (2012), that for businesses not competing in price, cost leadership is an important strategy to adopt.

The study found out that most poultry businesses were uncertain whether they were lowest cost producers in the sector or not. According to Porter (1998), low cost firms that achieve a leading market share position may induce risk aversion to consumers. The findings were true since most respondents were not leading in the market share position like big poultry companies. Nevertheless, it was contradicting risk aversion to consumers since the relationship between
the business and customers had yield a bond of trust. Customers prefer brand ventures which will exist for long and provide consistent goods and services (Porter, 1998).

A Pearson correlation analysis was done to establish the relationship between sustainability and cost leadership. The result established a positive significant relationship between cost leadership and sustainability (.241). This meant an increase in cost cutting by an index of .241 will increase sustainability of poultry business. The findings supported Bonin (2012), where a McKinsey 2010 survey, respondents said their companies’ reasons for addressing sustainability by lowering costs went up 14% compared to previous year.

5.3.2 Differentiation Influence on Sustainability

The findings neither agree nor disagree with D’aveni (2010) who suggests that differentiation is a generic strategy that involves creation of a slightly or significantly differentiated offering for which the company may charge premium. A majority of respondents were uncertain whether the business markets unique products for varied customer groups or not. D’aveni (2010), noted differentiated products implied a certain uniqueness from other products. The research findings showed uncertainty in premium prices as well.

The findings revealed that poultry business neither refutes nor confirms use of technology to remain on cutting edge of innovation. Yang (2010), highly advises innovation in both large and small firms to create unique products in turbulent environment where products life cycle is short. In contrast to findings of uncertainty that business has built value by creating attributes at acceptable prices. A majority of respondents were not sure if premium prices would gain those sales to earn profits. Boehe (2009), mentions that performance measured by sales volume, revenue, market share or profitability is likely to rise

Enz (2011) believe offering a unique experience, a higher cost is necessary to cover extra costs incurred. The research findings were against Enz thoughts. A majority of respondents disagreed that customers are less sensitive to prices. As much as products had unique attributes the customers were very sensitive to prices. Therefore, Enz (2011) idea of high pricing to recover costs was refuted from findings of this study.

The findings also established that potential market share increased due to high quality products was uncertain. Respondents did not know if it was high quality products that increased market share or not. According to Boehe (2009), higher perceived product quality, export sales may increase market share. The established results support Boehe’s statement since it was not clear
if market share increases due to product quality. Guerras (2007), differentiation must be based on sources that cannot be easily replicated by competitors. The findings were in contrast to Guerras since majority were uncertain whether business sources for uniqueness that cannot be quickly imitated.

A Pearson correlation analysis was done to establish the relationship between sustainability and differentiation. The result established a negative significant relationship between differentiation and sustainability (\(-.483^{**}\)). This meant decrease in differentiation by an index of .483 will increase sustainability of poultry business holding other factors constant. The established results refute Porter (1998) that sources of differentiation are multiple and a firm creates switching costs at the same time it differentiates.

5.3.3 Niche Strategy Influence on Sustainability

The findings established a majority response agreed business had identified a market niche for buyers. Porter’s (1980, 1985) focus strategy, part of three generic strategies, is generally described as a concentrated attention on a narrow portion of total market and serving of this target market niche at a lower cost. There was a positive correlation of cost leadership and niche in the results obtained in the research. Niche market can be described as appealing to unique preferences and needs of a narrow, well defined group of consumers better than potential rivals (Thompson et al., 2010). Findings was in agreement with Thompson et al. and Michael Porter.

The research established most respondents’ targets a specific customer within the market. The results supported Toften and Hammervoll (2013), on firms that tailor make products to fragmented markets will be profitable. The essence of this thinking is that niche strategy enables customer needs to be better matched, and as a result, the niche marketer can charge a substantial mark up over costs because of the added value.

The findings revealed that respondents were uncertain business focus pegged entirely on low cost strategy. This was in agreement to Kotler (2010) of both mass marketing (cost leadership) at same time niche strategy providing high margins. Empirical studies have addressed such outcomes and implications of niche strategy, but one such study is provided by Linneman and Stanton (1992) who found that niche strategy is profitable.

The findings also established a majority of respondents disagreed business had expanded on broader lines that competitors couldn’t serve. The established results were in contrast to Bordes
specialization of the resources and skills that a business uses which competitors cannot attain. On the other hand, research findings also support Parrish, Cassil and Oxenhan (2006) that niche markets are not easily identified in their infancy. It is, therefore, important for managers to keep one foot in technology to know its potential and one foot in the market to see opportunity

A Pearson correlation analysis was done to establish the relationship between sustainability and niche. The result established a negative significant relationship between niche and sustainability (\(-.517^{**}\)). This meant decrease in niche activities by an index of .517 will increase sustainability of poultry business holding other factors constant. The established results refute Dalgic and Leeuw (1994), that a successful product in niche position can give a head start over competitors as markets grow.

5.4 Conclusion

5.4.1 Cost Leadership Influence on Sustainability

The poultry business achieves cost advantage by restructuring cost chain eliminating unnecessary cost producing activities. Efficiency in poultry business is fundamental for sustainability as cost cutting come into play to maintain status quo. The business also supports its products for a suitable cost advantage over competitors in the market. It is very difficult for poultry business to set prices in the industry as most entities have low yearly revenues hence cut costs as much as possible. This relates to substantial capital by poultry business.

5.4.2 Differentiation Influence on Sustainability

Differentiation is a challenge as customers are price sensitive. Most poultry firms try to incorporate technology to cut costs rather than innovate their products for a premium charge. Hence, poultry business has not created value through product attributes for an acceptable cost. The business creates customer value by offering services which seem precious to consumers. The business has identified a market that it serves with a certain product.

5.4.3 Niche Influence on Sustainability

Poultry business has a niche market that it serves targeting a specific customer in the market. The products enhance value to customers with unique attributes. Importantly, poultry business niche strategy focuses on cost leadership for efficiency.
5.5 Recommendation

5.5.1 Recommendation for Improvement

5.5.1.1 Cost Leadership Influence on Sustainability

Poultry business should benchmark itself against competitors to determine if they are low cost producers. Competition is always there in turbulent environment, therefore, to outdo rivalry, poultry business should evaluate value chain to set an industry price. This will make the business low cost producer in the sector.

5.5.1.2 Differentiation Influence on Sustainability

Poultry business should incorporate technology to not only cost cut but also innovate quality products that consumers want. In line to quality products which consumer’s value, premium charges will be easy to pass on. The business should identify unique sources that competitors cannot imitate quickly. This can be possible through innovations.

5.5.1.3 Niche Influence on Sustainability

Poultry business should expand on broader line that competitors cannot serve. They should invest and specialize in activities that competitors will have to take time to get through. This will eventually lead to own set of barriers making products difficult to imitate.

5.5.2 Recommendation for Further Studies

This study was only based on generic strategies: cost leadership, differentiation and niche. As much as regression analysis showed that all generic strategies were significant only 40.8% explained sustainability of agribusiness. Other strategies like Resource Based View and factors should be considered for more research to explain sustainability of agribusiness.
REFERENCES


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APPENDICES

APPENDIX I: INTRODUCTORY LETTER

Dear Sir/Madam,

RE: REQUEST TO PARTICIPATE IN A RESEARCH STUDY

I am a Graduate Student United States International University-Africa. I am carrying out a research project which is a partial requirement for the degree of Masters in Business Administration (MBA). The purpose of this research is assessing Strategies to Sustain Poultry Business in Kasarani, Nairobi.

To complete the study, I will need to collect relevant information from your poultry business. I am therefore requesting for permission to collect and use your business’s information which will be collected using the accompanied questionnaire.

Kindly note that any information you give will be treated with confidentiality and at no instance will it be used for any other purpose other than academic purposes only. Your assistance will be highly appreciated.

I look forward to your prompt response.

Regards,
Omondi Donald.
APPENDIX II: QUESTIONNAIRE

SECTION A: GENERAL INFORMATION

1. Indicate your gender
   Male [ ] Female [ ]

2. What is your highest level of education?
   Secondary level [ ] Tertiary level (colleges, polytechnics) [ ] University [ ] Post Graduate [ ]

3. Ownership of the business?
   Inheritance [ ] Sole proprietorship [ ] Partnership [ ]
   Family owned [ ] others ..................................................

4. Type of your business?
   Broiler [ ] Layer [ ] Kienyeji [ ] Other

5. How long have you been in this business?
   Less than a year [ ] 1-2[ ] 3-4[ ] 4-5[ ] above 5 years [ ]

6. How many chickens?
   Less than 10 [ ] 10-20[ ] 21-30[ ] 31-40[ ] 40 and Above[ ]

7. What determines your purchase of feeds? Kindly rank (Rank; 3 being the most important and 1 least important reason).

<table>
<thead>
<tr>
<th>Price</th>
<th>Quality</th>
<th>Quantity</th>
</tr>
</thead>
</table>

8. Kindly indicate the extent to which you agree with the following statements on cost leadership strategy. Kindly (√) tick appropriately on a scale of 1-5. 1-Strongly Disagree (SDA), 2-Disagree (DA), 3-Uncertain (U), 4-Agree (A), 5-Strongly Agree (SA)

<table>
<thead>
<tr>
<th>Statement</th>
<th>SDA</th>
<th>DA</th>
<th>U</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the type of feed affect quality of output?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. Choose annual revenue from business.
   Less than 50,000 [ ]
   50,000-100,000 [ ]
   101,000-200,000 [ ]
   201,000-300,000 [ ]
   301,000 and above [ ]
### SECTION B: COST LEADERSHIP STRATEGY
Kindly indicate the extent to which you agree with the following statements on cost leadership strategy. Kindly (✓) tick appropriately on a scale of 1-5. 1-Strongly Disagree, 2-Disagree, 3-Uncertain, 4-Agree, 5-Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The business benchmarks itself against competitors to access their relative cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The business underpins its products to open up a suitable cost advantage over competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3. The business has improved its efficiency by controlling costs along the existing activity cost chain</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4. Cost advantage is achieved through restructuring the cost chain eliminating unnecessary cost producing activities</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>5. The business is a low cost producer in the poultry sector</td>
<td></td>
<td></td>
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<tr>
<td>6. The business sets the industry price to earn a profit around its market position</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>7. The business is a low cost producer due to substantial capital that it holds</td>
<td></td>
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</tr>
</tbody>
</table>
### SECTION C: DIFFERENTIATION STRATEGY

Kindly indicate the extent to which you agree with the following statements on Differentiation Strategy. Kindly (✓) tick appropriately on a scale of 1-5. 1-Strongly Disagree, 2-Disagree, 3-Uncertain, 4-Agree, 5-Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The business markets unique products for varied customer groups</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The business creates customer value by offering high quality products supported by good services at premium prices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. The business has built value by creating attributes for its products at an acceptable cost</td>
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<tr>
<td>4. The business uses technology to remain on the cutting edge of innovation</td>
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<tr>
<td>5. Customers are less sensitive to prices</td>
<td></td>
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<tr>
<td>6. The potential market share of the business is increased due to high quality products</td>
<td></td>
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<tr>
<td>7. The business sources for uniqueness that cannot be quickly imitated</td>
<td></td>
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</tr>
</tbody>
</table>
SECTION D: NICHE STRATEGY
Kindly indicate the extent to which you agree with the following statements on Focus Strategy. Kindly (√) tick appropriately on a scale of 1-5. 1-Strongly Disagree, 2-Disagree, 3-Uncertain, 4-Agree, 5-Strongly Agree

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The business has identified a market niche for buyers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The business focuses entirely on low cost strategy</td>
<td></td>
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</tr>
<tr>
<td>3. The business produces unique products that enhances value</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>4. The business has expanded on broader line that competitors cannot serve</td>
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</tr>
<tr>
<td>5. The business targets a specific customer within the market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. The business specializes in activities that competitors cannot perform</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>7. The business developed its own set of barriers to make products difficult to imitate</td>
<td></td>
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</tr>
</tbody>
</table>

THANK YOU FOR YOUR TIME
THE INFLUENCE OF STRATEGIES IN SUSTAINING AGRIBUSINESS: A CASE OF POULTRY FARMERS IN KASARANI, NAIROBI.

BY

DONALD JOSEPH OMONDI

A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirement for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY- AFRICA

SUMMER 2017