INFLUENCE OF COMPETITIVE STRATEGIES ON THE PERFORMANCE OF SUPERMARKETS IN NAIROBI CENTRAL BUSINESS DISTRICT

BY

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UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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I hereby write to sincerely thank my supervisor Prof. Perter M. Lewa for his continuous & tireless support during the entire project, ensuring that I successfully complete my project on time and in the right manner.

I also thank my family members for their support & prayers throughout my study period.

May the Almighty God bless you all.
STUDENT’S 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: __________________________

Valentine Mukami Rubi (ID ……………….)

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

Signed: __________________________  Date: __________________________

Prof. …Peter M. Lewa………………..

Signed: __________________________  Date: __________________________

Dean, Chandaria School of Business
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ABSTRACT

The study was on the influence of competitive strategies on the performance of supermarkets in Nairobi Central Business district. The purpose of the study was to determine the influence of competitive strategies on performance of retail stores in Kenya. The study was guided by specific objectives which are: to determine the influence of differentiation strategy on performance of supermarkets in Nairobi Central Business District, to assess the influence of cost leadership strategy on performance of supermarkets in Nairobi CBD, examine the influence of focus strategy on performance of supermarkets in Nairobi CBD.

The study adopted cross-sectional survey design. The target population was the supermarket customers enrolled in loyalty programs of the following supermarkets Tuskys, Naivas, Carrefour, Ukwala, and Uchumi. The target population was 5420 and was sampled using simple and stratified sampling method to get a sample size of 343. Data was collected by use of questionnaire. Qualitative data was coded and analyzed by the use of SPSS. Both regression and correlation analysis were done to determine the relationship between the dependent variable and independent variables.

The first objective was to determine the influence of differentiation strategy on performance of supermarkets in Nairobi Central Business District. The results show that respondents agreed that supermarket in the CBD package their products in accordance to the customer needs. Respondents also agreed that there is strong coordination among departments in the supermarket. They also agreed that supermarket have a wide range of products. However, they disagreed to supermarkets emphasizing in creativity and innovation as well as benchmarking with other leading companies.

The second objective was to determine the influence of cost leadership strategy on the performance of the supermarkets in the CBD. The results show that the respondents agreed that supermarket in the CBD focus on efficiency while offering their services. They also agreed that supermarkets in the CBD offer their products at lower prices to attract customers. They also agreed that supermarkets use technology to render most of the services. Results also show that respondents agreed that costs are reduced by use of technology. However, the respondents disagreed that supermarkets are able to withstand competition because of their low prices. Respondents disagreed to supermarket focus on specialization.
The third objective was to determine the influence of focus strategy on the performance of the supermarkets in the CBD. The results showed that the supermarkets in the CBD have not embraced focus strategy. They have not segmented their market and the supermarkets have not endeavored to meet the customer needs.

In conclusion, differentiation and cost leadership strategies have been embraced by the supermarkets. They have led to a positive influence to the performance of the supermarkets. Even though focus strategy has not been fully adopted, the regression and correlation analysis shows it has a positive influence to the performance.

The researcher recommended that supermarkets should embrace innovation and creativity as well as benchmarking with other leading companies as differentiation strategies. The researcher also recommends that supermarket should focus on specialization to increase profit margins together with product pricing to help withstand competition. The researcher recommended that the supermarket should embrace focus strategies such as market segmentation.

The researcher recommends a similar study can be done incorporating supermarkets that are without the CBD and the country as whole; a similar study can be done but with incorporation of other variables; a further study can be done to identify other factors that lead to firm competitive advantage of supermarkets in the CBD.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the Study

The key objective of any profit-oriented business is to maximize its profits (Thompson et al., 2007). However, intensified competition has been witnessed in nearly all industries including pharmaceutical industry in the past twenty-eight years (Barney, 2007). One of the paramount goals of organizations in a free enterprise system is to be better than others of a comparable nature (Aaker, 2012). Due to the dynamic environment and stiff competition in the markets, firms strive to gain competitive edge so as to survive in the market (Aaker, 2012). Firms need to have a sustainable competitive edge so as to achieve a profitable business in a given industry (Arasa & Githinji, 2014) observes that with the extreme competition in the environment where businesses operate, organizations should look for ways to improve their competition so as to remain viable and successful.

Measures of competitiveness vary widely depending on the sector of the economy a given firm operates in. For example organizations such as manufacturing, service and government have their own distinct measure of competitiveness. Firms gain competitiveness by furnishing products and services for which customers are inclined to remunerate a fair return or price, (Lina, 2013). Thus, competitiveness is measured by the ability of the organization to stay in business and to protect the organization's investments, to earn a return on those investments, and to ensure jobs for the future Vlachvei, Notta and Demiri, (2010). Other scholars have a different view on firm competitiveness, for example Wright, P., Gardner, T., Moynihan, L., & Allen, M. (2006) points out that it is the ability of a firm to implement processes of efficiency improvement. Kamau (2013) on the other hand perceives firm competitiveness as the ability to integrate activities to significant effect in the three areas namely the marketplace (in terms of brand reputation), their operations and their culture. Hence it is clearly indicated that there are conflicting views on the measures of competitiveness at the firm level. This may be a cause for the contradicting findings of various studies that have been done on firm competitiveness.
Despite the contradiction in the definition of competiveness by scholars, one thing remains that firms need competiveness for survival in the market. In that regard, Porter, M. (2001) identifies three competitive strategies that can be of use to aid them gain competiveness in the market. These include low cost leadership strategy, differentiation strategy and focus or niche strategy (Mathews, 2006).

Fierce competition in the market hinders firms from realizing a profitable gain. Such competition results from intense rivalry, threat to entry, threat to substitutes, power of suppliers and power of buyers, Porter, M.E (1980). In order to survive, companies are faced with a number of choices to make that include choice of company goals, particular product and services to offer as well as determine its best position in the market. Hence strategy is developed by having adequate knowledge about the industry forces. According to Porter, M. (2001), adoption of anyone of generic strategies enhances a firms’ position in the market. Afram (2011) concurs with Porter’s assertion by stating that competitive strategy ensures that a firm can have a superior market by efficiently managing the costs of operations and effectively executing projects hence achieving competitive advantage.

Across geographical boundaries and industrial sectors, scholars have established conflicting findings on the effect of competitive strategies on firm competitiveness. For example Sanusi (2003) found that competitive strategies have a significant impact on firms’ by enabling firms to gain efficiency and achieving quality standards that meet and surpass the needs to the clients. Similarly, Mwangi and Omhui (2013) found out that cost leadership, product and market development, market focus and differentiation strategies improve firms’ competitiveness. On the contrary in Greece, Vlachvei, Notta and Demiri (2010), established that competitive strategies only worked best for larger firms in terms of growth of sales as compared to smaller firms. The conflicting findings may be attributed to the differences in the geographic locations that create distinct micro and macro-economic conditions. For example the study Vlachvei, Notta and Demiri (2010) that was carried out in Greece and that of Mwangi and Omhui (2013) which was carried out in Kenya.

The retail business worldwide has experienced phenomenon growth, with key destinations experiencing huge gains. However, different regions have experienced varied success rates. The key aspect here is differentiation on the various brands in the market.
Differentiation spelt on choice and variety coupled with new innovation in the market. Retail industry has been combated with extensive changeover and transformation as a result of intense competition in the market. Due to a major difference in customer’s desire, globalization of markets, government policies and procedures, innovations among others, there has been radical changes in the retail industry. This has caused consistent and rapid market growth on consumer’s diversity and choice and thus industry changes. The retail industry has encountered phenomenal growth and transformation as a key element to enhance customers’ tastes and preference. The consumers have become very sophisticated in terms of their needs and likeness. These aspects have led to retail industry sustained opportunities and consistent growth (Moffat, 2016).

Global trends influence the consumers’ likeness and taste that has influence on the market demand in the supermarket leading to enormous growth. The increased population in towns has caused demand of goods and services causing a major transformation of the supermarket chains. Due to competition among the supermarkets to win the consumers and make their supermarkets a brand of choice, aspects of modernity in terms of elegance and comfort shopping experience coupled with suitable business location to ensure convenient shopping are driving forces that ensure competitiveness. The ease of shoppers’ convenience to access the shopping place is a critical aspect that determines the success of a supermarket. There has been a major trends of supermarkets to have stiff competition among themselves, as each aspiring to win loyalty of their customers by outwitting their competition. Due to the difference in customer’s preference of various brands a growth in the market has been realized. Supermarkets being the major retail sellers in Kenya, they compete to win customer loyalty and reference to remain competitive (Moffat, 2016).

Due to the increase of residential homesteads and a raise of population in the city, it’s led to a massive increase of supermarkets in the estates to ensure an ease of shopping to the customers. Modernization has led to an increase of branches among the supermarkets. This being the key to competition in the market, each supermarket increasing its efforts to ensure that customers enjoy the shopping experience and have the will to return to the same retail store. The retail business competition has been very stiff in the recent days this leading to supermarkets being innovative in their operations so as to stand out and be
different. All this is geared towards being relevant and reliable to customers’ needs and services hence the essence of this study.

1.2 Statement of the Problem

Attaining competitiveness and enhancing a firm's performance relative to its competitors are two of the main objectives that business organizations should strive to achieve. Wright, P., Gardner, T., Moynihan, L., & Allen, M. (2006). Retail stores like other business organizations endeavor to promote their brand reputation, increase their market, attain efficiency and gain competitive advantage in the market in order to make profit and remain in business (Brown, 2013). However, the local retail stores in Kenya have been struggling to gain a significant market share and create strong brand reputation over the years yet not much has been achieved so far as demonstrated by the demise of Nakumatt Holdings. Last year Tuskys supermarket Managing director was locked out of his office due to rent payment delay. Uchumi has also been having issues with its supplies and employees due to late payments. This has been attributed to their lack of competitiveness hence inability to meet company obligations (Obado, 2005) due to the fact that the industry is highly competitive. The challenges are further intensified by poor infrastructure, inadequate cost effective and skilled labor as well as weaknesses in the legal framework. Kenya is a free market, thus no limit to the number of firms that are trading in a particular industry Kamau, (2013). The current figures on the performance of the retail stores can be improved when these companies adopt strategies that are likely to enhance their competitiveness (Moffart, 2014). Naivas supermarket for example, sells its products at a lower price compared to other retail store. Nakumatt supermarket targets high end consumers by retailing high quality products. Uchumi supermarket is currently implementing stalls within their store. These developments are indication that retail stores in Kenya use generic strategies namely cost leadership, differentiation and focus Porter, M. (2001).

Competitive strategies enable firms to achieve internal efficiency, improved quality of products hence meeting customers’ expectations. According to Maulid (2012), this could lead to distinct capability of a firm in the market. Thus, adoption of competitive strategies might warrant the retail stores distinct capabilities, hence improved competitiveness. A number of studies that have been carried out in relation to the competitive strategies and
firm competitiveness have had contradicting findings. For example, the contradictions in the findings of Mwangi and Omhui (2013) who established that competitive strategies improve firm competitiveness and that of Vlachvei, Notta and Demiri (2010) who found that competitive strategies only work best for small firms. (Brown, 2013) established that cost leadership has no significant impact on pharmaceutical firm competitiveness in the US. While Aaker (2012) established that strategic alliance and differentiation strategies enhance pharmaceutical firm competitiveness in Nigeria. Others studies have only focused on a single strategy such a cost leadership while some have been done in different geographical localities namely United states, Nigeria, and Greece which may make the findings un-applicable to the retail stores industry in Kenya.

These findings show that the influence of competitive strategies on performance varies markedly from country to country, from one industry to another and from one time period to another within the same economy. The current study extends the debate on the influence of competitive strategies on competitiveness of retail stores in Kenya.

1.3 Objectives of the Study

The general objective of this study is to determine the influence of competitive strategies on performance of retail stores in Kenya.

1.4 Specific objectives

1.4.1 To determine the influence of differentiation strategy on performance of supermarkets in Nairobi Central Business District.

1.4.2 To assess the influence of cost leadership strategy on performance of supermarkets in Nairobi Central Business District.

1.4.3 To examine the influence of focus strategy on performance of supermarkets in Nairobi Central Business District.

1.5 Importance of the study

The study will be of importance to the following stakeholders.
1.5.1 Retail stores management

The supermarket’s management will make use of their study to make important decisions on daily business operations. This information will aid the management in making calculated plans and strategies to outwit the competitors and remain pertinent to their target market and customers. Decisions are concluded after taking into consideration the prevailing data and facts.

1.5.2 Investors

Investors will make use of this study to closely confirm the aspects relating to the supermarket business and its operations. The information to be complied from the study will be of great importance to the investors as a guiding principle to comprehend the forces and properties that simulate growth and operations related to the supermarkets business. This is critical to enhance the decision making process and guide on the prerequisites needed to set up the business. They can clearly understand and know whether to invest in this business or not.

1.5.3 Researchers and academicians

Researchers and academicians will use the data collected so as to uncover more content related to this topic. The data and information obtained will be used to discuss in detail more information related to this topic. This will be used for reference and guide interested persons on the same for details and contemplation. Competitors in the same industry players will make use of the study to comprehend better their operations and competitive challenges. The supermarkets will use the information to benchmark their operations with their competitors. This will assist in looking in depth on their operations and strategies in order to be competitive and relevant in the market.

1.6 Scope of the study

This study will focus on the influence of competitive strategies on competitiveness of retail stores in Kenya. Within the retail stores in Kenya the study will concentrate on the major supermarkets in Nairobi Kenya due to logistical challenges and resource constraints. Data collection will be done within one month. The variables that were concentrated on in this study included cost leadership, differentiation strategies, and focus strategies. The study will determine competitiveness of the retail stores.
1.7 Definition of terms

1.7.1 Cost leadership
This involves efficient production of goods in order to gain price advantage in the market (Sanusi, M. (2003)).

1.7.2 Differentiation strategy
Differentiation is tailoring a product to perfectly suit the need of the customers (McCracken, 2002).

1.7.3 Focus strategy
Is the production of goods that concentrates in a particular market segment (Lahtinen & Toppinen, 2006).

1.7.4 Firm competitiveness
Is the ability of a firm to implement processes of efficiency improvement, gain strong brand reputation and achieve a large market share (Wright, P., Gardner, T., Moynihan, L., & Allen, M. (2006)).

1.8 Chapter Summary
This chapter has defined the background of the problem and defined the specific problem which the study will make an effort to provide a solution. Objective of the study and importance of the study have also been discussed alongside the scope of the study. Chapter two represent literature review that will focus on differentiation, cost leadership and focus strategy. It will clearly look at the influence these strategies have on the firm’s competitiveness and how they should be used. Various scholars will be reviewed to see the extent at which research has been done to analysis the views regarding these strategies.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature on what other scholars have done in relation to the influence of competitive strategies on competitiveness of retail chain stores in Kenya. This chapter is divided into sections namely performance of supermarkets. The influence of differentiation strategy on competitiveness of retail chain stores in Kenya. The influence of cost leadership strategy on competitiveness of retail chain stores in Kenya. The influence of focus strategy on competitiveness of retail chain stores in Kenya.

Overview of Firm Performance

Organizational performance concept that involves various elements such as social performance which includes customer and employee satisfaction. The other form of organizational performance economic performance which includes productivity, sales and profit (Hernant, 2009). Measuring performance offers essential information to the decision makers in order to plan, control and coordinate activities in the organization. Supermarkets decision makers also face a hard time in making decision so as to meet the needs of their clients as well as gain a competitive edge in the industry (Chenet, et al., 2010). With the aim of increasing the supermarkets performance in terms of the firm competitive advantage, supermarkets have resulted in creating competitive strategies. Among the competitive strategies firms embrace are differentiation strategies, cost leadership strategies and focus strategies.

Firm competitiveness is critical to the success or failure of any organization. It helps in finding the appropriateness of the company activities that make a contribution to its performance. Differentiation strategies provide customers with unique products hence giving the firm a competitive edge and improving the sales performance of the firm. Clients are less likely to seek for alternative services if they are satisfied. Cost-leadership is another strategy that has a significant effect on the organizational performance. It aims at lowering the cost hence attracting more customers. With the aim of increasing performance, firms also have focus strategies. These strategies aim at targeting a particular group of clients to ensure they meet all of their needs. In supermarkets, it
ensures that a particular market segment has all the products they want are all under one roof.

In a nutshell, the performance of supermarket indicator in this research is the firm competitive advantage. This entails the customer retention and satisfaction as opposed to them going for the services from other firms. It also entails relationship the firm has with its supplier.

2.2 Influence of Differentiation Strategy on Firm performance

2.2.1 Firm Competitiveness

Competitiveness explains how best an organization strives to meet the needs and wants of its clients in comparison to the companies offering similar services and products. According to Porter, M. (2001) competitiveness emphasizes on the benefits created from a particular economic activity that adds value through provision of services and products at prices that is above cost of productivity. In his definition of competitiveness he uses competitiveness as the main word. For instance, he defines location competitiveness as the productivity organizations situated in the area are likely to achieve. Through the definition of competitiveness one is able to understand what brings about sustainable economic benefits in a particular area (Smith, 2005).

According to Porter, M.E. (1985) the principles of competitive advantage are low cost production, differentiation and focus. Firms that have attained low cost production may become more competitive than their competitors. Low cost production leads to an increase in the profit margins. Firm competitiveness can also be achieved through differentiation. Differentiation implies unique service or product hence premium pricing. As a result, the company attains higher margins and superior performance. Porter, M. (2001) further explains that competitiveness is attained through strategy based on scope. In this case the firm gains competitiveness through defining its segment (scope) in which the firm operates and focusing on it. The ability of an organization to remain relevant and absorb all the challenges coming its way is referred to as Competitive advantage. This is where there is a composition of various calculated plans that are put in place to make the organization ready for the turbulent environment as well as position themselves in a better place that their competitors as they maintain efficiency. Adoption of technology by
various organizations and various training workshops offered to staff on equipping them with knowledge on how to handle customers is done to enhance efficiency. Due to presence of plenty substitutes to the various products, organizations mostly require to use a strong brand so as to stand out amongst the large number of substitutes available. The use of globalization has been adopted by many organization so as to gain a competitive advantage among the rivals. Globalization has opened up markets and it’s paramount that organizations enhance their growth & survival so as to maintain their global competitiveness taking note that the world has become one market place. Vlachvei, Notta and Demiri, (2010).

Competitiveness is a multidimensional concept. It can be looked at from three different levels: country, industry, and firm level. Competitiveness originated from the Latin word, competer, which means being associated in a business rivalry for markets. It has become usual to describe economic strength of an entity with respect to its competitors in the global market economy in which goods, services, people, skills, and ideas move freely across geographical borders McKenzy, D. (2010). Ability of the firm to design products that are superior to its competitor is referred to as firm competitiveness. Where that firm has an upper hand than the rival company and is more relevant (D’Cruz, 2012). It’s paramount to have competitiveness processes that help in the identification of the importance and current performance of key and major processes such as strategic management, human resources, operations management and technology management. A competitive processes is an amalgamation of mechanisms that are all geared at balancing all the key processes such as human resources, operations & strategic management. It further enhances the ability of an organization to compete more effectively and perform efficiently against his rivals. (D’Cruz, 2012).

2.2.2 Differentiation strategy
Differentiation strategy enables a firm to be unique with regards to dimensions valued by the buyers (Mackenzy, 2011). This strategy allows a firm to choose particular product attributes perceived by the majority of buyers to be essential and then strive to meet this need in the market. Producing products or offering services with desired attributes attracts a premium price. As much as differentiation strategy mostly allows a firm to choose a particular strategy, it still does not allow a firm to disregard cost Porter, M. (1980). Firms
that can sustain differentiation strategy, and achieve it effectively usually becomes a performer in an industry. Pearce and Robinson (2005), stresses when an organization uses a productive differentiation strategy, it leads to provision of high value products & services that eventually lead to profits.

Buyers may feel that the extra costs added on products & services are a times not worthy if they take into consideration similarities offered by available substitutes. Pearce and Robinson (2005). Therefore, for this strategy to be used the customer really has to see value for their money and want to still purchase these products. While marketers select a segment to target their product on, firms create more fine-tuned products or services and price them appropriately for the target segment. In most cases firms select a distribution channel that they will use to deliver their products that other similar companies are targeting the same market. (Brown, 2013). In other words differentiation is driven by uniqueness. A firm’s uniqueness is determined by a series of basic drivers that end up being the unrevealed reasons that make the activity to be unique and without this a firm cannot fully develop means of creating differentiation strategy Porter, M.E (1998). This strategy entails distinctiveness of doing something that is valued by customers to allow a price on it (Johnson, 2011). The prominence can be made on brand image, exceptional features, quality services, adoption of the latest technology and all other aspects that may be specific to the industry Porter, M. (2001).

2.2.3 Differentiation strategy and Firm competiveness

In the differentiation strategy, there is a creation of competitive advantage that sets a firm different from others in the industry through offering specific distinctive attributes or services. Conrad (2014) states that the importance of differentiation is to be exclusive in ways that are valuable to the client and that the firm can maintain. It needs an analytical study of buyer’s needs and desires to consider what is significant to them and what value are they willing to pay for this. Porter, M. (2001) strengthens the position by indicating that the advantage of distinctiveness may be in the form of customer relation, design, brand image or technology. He further asserts that differentiation strategy goes beyond the attributes of a product or service to incorporate every possible interaction between firms and clients. However, Ellis & Kelley, 2012 further advises that differentiation
strategies are not about chasing distinctiveness for the sake of being divergent, but it’s about comprehending the products, services & customers.

Through differentiation there tends to be a lower responsiveness to price by customers. Strickland (2010) asserts that differentiation is relevant in circumstances where there is a likelihood of product differentiation and that customers are conscious of the differentiated products as having value. Firms can differentiate their products or services by amending or improving the product features, joining distinct functions within the firm, launching the product at the right time, evaluating location advantages, mixing products and linking with other firms (Porter, M. 2001). However, changes in the customers’ tastes and likes as well as emulation by competitors may create a threat to differentiation. The other threat to differentiation emerges from pursuit of focus strategy. The importance can be on brand image, adoption of the latest technology, special features, superior service, a reliable distributor network or other aspects that might be specific to an industry.

Lynch (2015) intimates that differentiation strategy has many advantages for the firm which makes use of the strategy. One of the major challenges facing differentiation is uncertainty in recovering the extra cost through premium pricing. According to Demiri (2010), differentiation strategy also has two alternatives: Broad and Narrow Focus. Differentiation Broad Focus seeks uniqueness and premium price in the overall market of the industry, whereas Differentiation-Narrow Focus aims at uniqueness and premium price at one market segment only. Risks of differentiation include the following: a firm may offer differentiated features that surpass the customer needs; when the differentiation no longer provides value which the customers are willing to pay, emulation by rivals and finally, learning can narrow customer’s realization of the value of the differentiated products (Hitt, 2010). A survey done by Kamau (2013) on operations strategies undertaken by interurban public service vehicles (PSV) bus companies in Kenya established that, there has been an appreciation by the PSV bus firms that operational based strategies intensify the competitiveness of the firms by contributing to the long term business performance & success. The study further asserts that competitive strategies are arranged in order of priorities which are: timeliness, cost, reliability, quality, customer care, service quality, flexibility and fare incentives.
Differentiation strategy entails creation of a sustainable unique marketing position Porter, M.E. (1998). Differentiation strategy may focus on the brand image or product design, distribution, among others (Ellis & Kelley, 2012). Thus, firms practicing differentiation creates value to the customer by providing high quality services as well as products at premium prices Walker, O., Ruekert R. (2011). The ability to balance cost and benefits of a product in relation to competitors determines the effectiveness of differentiation strategy Strickland (2010)). Firms practicing differentiation strategy endeavors to create as well as market products that are perceived to be unique for different groups of customers. Differentiated products seek to create a superior fulfillment of customer needs thus leading to customer satisfaction which in turn creates customer loyalty McKenzy, D. (2010). Loyal customers are price insensitive.

Differentiation strategy enables customers to believe that differentiated services or products have unique features from those of the competitors (Dean & Evans, 2014; Strickland, (2010). This is achieved through marketing techniques, charging premium prices, and engaging in advertising programs among others McKenzy, D. (2010). Aaker (2012) observe that differentiation enables firms to attain competitive advantage due to the perceived uniqueness of their services and products. Porter, M. (2001) points that differentiation is concerned with the creation of features that portray a company and its created value in relation to its rivals. Differentiation strategy also generates entry barriers to possible market entrants. This is achieved by building customer and brand loyalty. In implementing this strategy, a company provides a unique product or service from those of the rivals in the market (Hlavacka et al., 2001). Product differentiation tailors the product to perfectly suit the need of the customer. In implementing differentiation strategy one needs to consider the distinct feature of his/her company from the rest of the companies (McCracken, 2002). Hence customers should be made aware of the distinction so that they form a positive perception about the company.

Differentiation can be achieved through analysis of buyers’ behaviors and needs so as to determine what is important and valuable to them. Distinct feature are further incorporated in the product so as to attract the buyer, due to these distinct features buyers needs and preference are met. This is a tactic used to gain a competitive edge against the competitor by the organization practicing it. Due to the different attributes offered by
these products, there tends to be an increase in sales as thus increasing sales (McCracken, 2002). There are conflicting findings regarding the influence of differentiation strategy on firm competitiveness. One school of thought is of the view that differentiation strategy promotes firm competitiveness. Thompson et al., (2004) observe that differentiation warrants a premium price, increase sales and gain buyer loyalty. Murphy (2007) states that differentiation leads to stronger brands reputation hence appealing to more customers.

Hingley et al., (2008) point that differentiation takes into consideration the differences within the customers such as purchasing power, tastes and preferences among others thus creating a product that meets a specific need. Additionally, Thomas and Mwangi and Omhui (2013), observe that differentiation strategy enables a product to compete on non-price factors as well as promotional variables. On the other hand, Vlachvei, Notta and Demiri (2010) established that competitive strategies only worked best for larger firms in terms of growth of sales, brand reputation and efficiency as compared to smaller firms. The conflicting findings may be attributed to the differences in geographic locations that create distinct micro and macro-economic conditions.

2.3 Influence of Cost Leadership on Firm’s Performance

2.3.1 Cost leadership strategy

Cost Leadership strategy can be termed as gaining a competitive advantage through reasonable reduction of prices than the competitor in that industry, Porter, M. (2001). In most cases this can be achieved through a reduction of operational costs in various departments e.g. production & distribution which will automatically lead to a price reduction on the products. In markets where there is price control, this is still possible through automation, flexibility and improved production thereby eliminating large percentage of inefficiencies in the production process. A company should be cognizant of the fact that it’s paramount as one lowers the prices of products operational cost should be lowered as well, to avoid depletion of resources that may lead to insolvency or bankruptcy Woodruff, C.H. (2014).

A firm that practices a low cost strategy is one that has products priced lowest in an industry among many others that offer the same products Porter, M.E. (1998). Cost
leadership strategy needs pursuit of cost reduction based on experience, efficient-scale facilities, overhead and tight cost control, and cost minimization with regards to sales force, service, research/development, and advertising. The major theme in this strategy is to have a low cost pricing of products so as to lure buyers due to the low prices Porter, M. (2001).

2.3.2 Cost strategy and Firm Competitiveness

Strickland (2004) observes that in cost leadership, a firm sets out to become the low cost producer in its industry for a given level of quality. This becomes handy in a price war environment where the firm may retain some profits and the competition booking loses. Porter, M.E. (1998) advises that cost leadership requires aggressive construction of efficient scale facilities, vigorous cost reductions from experience, tight cost curve control and cost maximization in various functions. While pursuing low cost leadership, the firms must ensure to include features and services that the consumers consider essential. This strategy benefits the firm in withstanding intense price competition.

New entrants are also deterred by low cost capabilities (Lina, 2013). It’s significant to note that generic strategies pose risks and the low cost strategy is no exception. Firms may achieve cost leadership through employing technology, economies of scale, and access to raw materials. In light of this, the competitive advantage will be eliminated. Firms may also implement cost leadership by adopting focus strategy pursuing narrow markets segments. Lynch (2015) opines that cost leadership does not necessary guarantee that a firm offers low prices. Thus, a firm may offer average prices so that they re-invest extra income into the business.

Hitt (2010) observes that low cost producers typically sell products that have been removed all the non-essential features to keep the prices low. Risks of cost leadership include the following: the low cost leaders could become obsolete because of competitors’ technological innovation; due to too much concentration on implementing cost leadership firms may fail to detect changes in customer needs or competitors’ efforts to differentiate; and finally there is risk of imitation by competitors. Porter, M.E. (1998) due to inflation a firm’s ability to control the cost of production may be hindered thus affecting its cost competitiveness against the approaches to differentiation.
A larger portion of companies have been successful using the strategy of low prices to attract customers Strickland (2004). A firm can achieve cost leadership provided it enjoys efficient supply chain network. They have access to cheap supply of raw materials. As a result, the company is able to sell at low prices and make profit from high sales volume Strickland (2004). Some companies have been extremely successful with this strategy by offering their products at low prices. Division of labour also enables companies to source cheap labour hence able to sell their products at low prices. The savings on staff may also enable firms to sell their products at bargain prices.

The firms that use cost leadership concentrates on efficiency and strict cost control in all areas of operation Porter, M.E. (1998). The firm that is able to carry out all the value chain activities at the lower cost gains competitive advantage Porter, M. (2001). The main focus of cost Leadership is the competitor rather than the customer (Frambach, 2013).

Cost leadership also focuses more towards the supply than the demand side (Day & Wendley, 2015). A company also needs to benchmark continuously against their competitors in order to determine their cost and market position.

Cost leadership involves becoming the low cost firm in an activity and can operationalized as low input costs, economies of scale, experience, products/process design and low pricing (Johnson, 2011). This can be achieved by locating operations close to materials and cheap labour, economies of scale require large scale operations and experience is where more experience leads to efficiency Porter, M.E. (1985). Products/process design influence efficiency by making products from cheap standard materials while low pricing is made possible by having products that are close to competitors in terms of features. The firm can then make small price cuts to compensate the slightly lower quality (Johnson, 2011). The low cost strategy should translate to a profit margin that is higher than the industry average.

**2.3.3 Cost leadership strategy and Firm Competiveness**

Cost leadership strategy seeks to improve efficiency and control costs throughout the organization supply chain (El-Kelety, 2006). The strategy further requires management to focus its attention on competing on cost Conrad, (2014). Companies that practice low cost
strategy secures defense against competitor’s rivalry, this implies that a firms is able to get profits, due to low prices, even after the competitors have drained their profits due to rivalry Porter, M. (2001). Industrial structure plays a crucial role in determine the sources of competitive advantage. When cost advantage is a finally achieved a company is able to command price.

The cost leadership is most sustainable competitive strategy in the long run in relation to price competition strategy. This is because competition on the basis of price is easily duplicated Porter, M.E. (1998): Ellis & Kelley, (2012). Companies that strive for cost leadership must exploit all cost reduction avenues. A company should abate cost in its entire value chain operations. Thus, retail stores need to determine Cost of Goods Sold.

Big companies have more power over their supplies compared to small business thus they are able to achieve cost leadership more easily than smaller companies due to bargained prices. (Allen & Helms, 2006) opines that before a business can grow, it needs to have its costs under control. Thus a firm should be reliable, profitable, cost-efficient, and it must create value.

Cost leadership strategy mainly concerns efficiency. A company that is implementing cost leadership strategy should be efficient in all its operations so as to increase the profit margins Porter M. (1980). Cost leadership also enables firms to gain large market share due to low prices. Therefore, cost leadership is likely to ensure increased profitability due to efficiency in the system (Spulber, 2009). Companies that practice cost leadership strategy may increase their market share due to low price advantage (Brown, 2013). The larger market share results from higher demand due to low prices Porter, M.E. (1998).

Literature presents conflicting findings on the influence of cost leadership on firm competitiveness. For example, Anderson (2006) in his study of Asian markets asserts that products should be made to match consumer’s income He believes, at the bottom of the pyramid consumers have a low income which they receive their income on a daily basis rather than on a monthly . McKenzy, D. (2010), found that businesses in Japan are currently penetrating the flourishing Chinese marketplace. These opportunities are very much cost-leadership in nature, based on China's low-wage workforce. Continuous, increased improvements in quality and efficiency are required in Chinese products to
enhance the Chinese market into a manufacturing base with a capability to contest in the Japanese marketplace. Depending on the low wage workforce alone may not aid if the process and operational costs are not reduced hence this study was not successful enough to sufficiently tackle the factors that accredit cost leadership.

Anderson (2006) did a study on competitive strategies adopted by petroleum retail stations in Kenya. The studies exhibits that all stations combine two strategies to maintain their competitive advantage and stay relevant. They mostly use differentiation & cost leadership concurrently, most of which are the multinationals due to their favorable financial capabilities. The conditions under which multinational companies operate may not be directly applicable to local pharmaceutical manufacturing companies whose major challenge is the scarcity of resources.

On the contrary Hernant (2009), observed that some products may not enjoy cost leadership benefits such as the drugs that require extensive research and development to be produced. Much of the cost that is incurred during its production must be recovered back by the customers who will definitely buy it at a costly price.

2.4 Influence of Focus Strategy on Firm performance
2.4.1 Focus strategy

Focus strategy entails a limited segment within an industry. In this strategy a company chooses a particular segment in the industry and meets their needs to the exclusion of others Porter, M. (2001). The focus strategy may be cost or differentiation oriented in its target segment. Both variants of the focus strategy rest on differences between a focuser's target segment and other segments in the industry Porter, M. (2001); Hazel, 2013).

Focus strategy focuses on a specific segment in the market. Thus meeting customers’ needs by fully focusing on it. This helps in creating customer loyalty, consequently other firms may not easily penetrate that particular market. Lahtinen and Toppinen (2006) argues that a person that has a focus on a given market, normally singles out a segment or a particular group of segments and converts its strategy to exclusively serve the segment to their satisfaction so as to gain a competitive advantage among the competitors in that industry. Suppliers using this strategy will mainly put a lot of focus on a niche market
they have identified and ensure that the needs and preferences of these customers are meet.

2.4.2 Focus strategy and Firm Competitiveness

Focus strategy is very divergent from other strategies since it normally narrows down to a specific competitive scope in the industry. This strategy is all about segmenting an industry & focusing on a niche market identified. Porter, M.E. (1998). It has two main variants that is differentiation focus and cost focus.

Cost focus aims at attaining cost advantage while differentiation focus is about pursing differentiation in a target segment (Porter, 1980). This strategy targets a narrow segment of a market not been catered for well by cost leadership strategy and tailors its products to the preferences of that particular segment to the exclusion of others (Johnson, 2011). It is also employed when it is not suitable to apply the broad cost leadership Porter, M.E. (1998), by offering a limited range of services/products, serving particular markets only or having special product/service for precise type of customers (Allen & Helms, 2016).

Focused cost leadership describes the ability of a company to offer a product to a niche group of customers or niche market at the lowest price in the market Porter, M.E. (1998). Hilman (2013) recommends that the target segment may be expounded by geographical distinctiveness, specialized requirements in using the product or by special characteristics that only attract to the segment members. This is based on the assumption that by focusing completely on a specific segment, the firm will be able to serve it better. This usually results in customer loyalty which hinders competing firms from venturing into the segment.

Focused cost leadership strategy encompasses competing in a narrow market based price. However, this does this mean that a company pursuing focused cost leadership strategy charges the lowest price in the market. Rather, its prices are relative to the other firms in the same target market. Generic business approaches that involve targeting a relatively narrow niche of potential customers (Thompson, 2010). The narrow target market is mainly dependent on the company pursuing focused cost leadership. The target market may be classified by demographic characteristics such as age and gender where a retail
store may appeal to young women by stocking cheaper accessories, ear piercings and jewelry. This type of business use of a focused cost leadership strategy may be very successful.

Pearce and Robinson (2005) observe that focused differentiation is another category of focus strategy. This strategy entails creation of products with unique features that meet the needs of customers within a narrow market. In an attempt to define the market some retail stores use focused differentiation strategy to concentrate on a specific sales channel for example selling via the Internet only such as Jumia.co.ke.

Through the differentiation focus strategy, the firm may pass higher costs to its customers due to lack of close substitutes. Firms employ this strategy in segments in the market that have less competition (Moffat, 2016).

Thompson (2007) argues that a firm’s strategy based on two variants becomes increasingly appealing as more of the following areas are observed. The target niche will be big enough and profitable. Secondly, the competition will have challenges in demonstrating potential to meet specialized needs of the target niche while meeting the expectation of their main stream clients. Finally, the firm may pick a competitively appealing niche from the many different niches in the industry based on its resources, strengths and capabilities. The firm will compete effectively against challenges based on its capabilities and resources it has to serve the target niche and thus build customer goodwill (Ellis & Kelley, 2012). On the flip side, some of the risks in employing the focus strategy include imitation and changes in target segments. Moreover, it may be easier for a broad market cost leader to embrace its products in order to compete directly. The bigger challenge is other firms may give rise to sub segments that they can focus on much better.

Porter, M. (2001) cautions that firms should not exclusively focus on a cost leader or differentiation strategy with an elimination of other strategies. He further asserts that cost leaders should put aside some resources on differentiation activities while firms that have a concentration on differentiation should not disregard their cost structure. Previous studies have singled out a mixed breed of strategies which highlight a mixture of cost and differentiation strategies. Woodruff, C.H. (2014) caution that a “stuck in the middle
position” is difficult to achieve and prior research may have incorrectly classified “hybrid
generic strategies” and the “stuck-in-the-middle” as equivalent to each other which is not.

Newman (2011) adds that beside market and supply factors, financial strength of the firm,
community and government relations and the ability coupled with the values of company
executives are factors to consider too. Research on generic strategies has singled out a
weak link between a firm’s attention to one of the Porter, M (1980) generic strategy types
and performance. Some studies have found favour in the benefits found from a single
strategy performance. Other research shows that it’s more beneficial and one could have a
competitive advantage where there is a combination of cost leadership and differentiation
strategy. The benefits derived from the combination of the two strategies, is at all times
more noticeable. In a service industry, Kumar (2011) found that hospitals follow generic
strategy groups and concluded that a focused cost leadership strategy is the best route to
superior performance.

Kamau (2013) affirms that prosperity of small companies is based on the fact that they
serve a narrow niche market. Through market focus, it makes it possible for businesses to
compete on the basis of differentiation and low cost leadership with a quick answer
against much larger businesses with greater resources because focus strategy, helps a
business master its target clients, their preferences, special features that they want
incorporated and establish personal relationships in ways that make the smaller firm
distinct & more valuable to the target customer.

2.4.3 Focus strategy and Firm Competitiveness

According to Roxy (2010), focus strategy implies that a firm concentrates on a particular
buyer group, segment of product line or geographic market. The focus strategy can be
based on broad or narrow market scope, where broad refers to the overall market and
narrow refers to one market segment only. Competitive risks of focus strategies are the
same as for cost leadership plus the following: Competitors may “outwit” the supplier
using focus strategy by focusing on a narrow market to catch the attention of a specific
segment of customers. Competitors may chase a similar market and take into
consideration the needs being focused by the focuser, this being similar to those in the
market at large. (Hitt, 2010).
According to Mwangi and Omhui (2013), the risks of focus are many and include the following: Competitors may get a chance to supply their products to the narrow target market. Chances are high that the segment will end up being so eye catching this making it flood with massive competition all suppliers targeting the niche market, this leading to a reduction of the profits hence rivalry in the markets. Finally potential for the niche buyer’s preferences and needs be drawn towards the products attributes desired by the market as a whole this causing an erosion.

There are markedly varied findings on the influence of focus strategy on firm competitiveness. For example, Mwangi and Omhui (2013) did a study on competitive strategies employed by the sugar manufacturing firms in Kenya and found out that the sugar manufacturing firms have decided to employ competitive strategies such as cost leadership, differentiation & focus strategies in different degrees and extent so as to gain a competitive advantage in the industry. Kapto and Njeru (2014) also carried out a study on the strategies adopted by mobile phone companies in Kenya to gain competitive advantage. The study found out that cost leadership, differentiation and focus also positively affected competitiveness. (Brown, 2003) did a survey of strategies adopted by supermarkets in Nairobi and found out that supermarkets in Nairobi practice competitive strategies but mostly do it informally. Growth strategies, cost leadership, differentiation, location strategy, focus strategies, customer service and communication strategies were the most common competitive strategies supermarkets firms applied. Murage (2011) focused on the competitive strategies in the petroleum industry and found that service stations use differentiation and focus strategies as methods of obtaining competitive advantage over other service stations.

On the contrary, competitive strategies adopted by commercial banks in Kenya. The study revealed that banks have decided to use expansion into other areas by opening up new branches so as to tap into the new areas and make them known. Focusing on a particular market for commercial banks may not be very profitable given the economic conditions in Kenya. Karanja (2012) also did a survey of competitive strategies of real estate firms in the perspective of Porter’s generic model. These studies reveal that firms in different industries adopt different competitive strategies which are unique in each context stating the least used among the Insurance companies is the focus strategy. The contradiction
may have a risen due to differences in the sectors of the economy and time period. Focus strategies identifies a particular market segment and concentrating on it by tailoring products that meet the needs of the clients in that given market hence loyalty is developed. Other market players may get excluded from such a market due to difficulty in penetrating such markets hence competitive advantage. Through strategic alliance a company is able to acquire skills, technology and assets that are likely to improve their competitiveness (Kombo & Trump (2006). However, there is no empirical evidence on the relationship between competitive strategies competitiveness of local manufacturing pharmaceutical firms in Kenya.

2.5 Chapter Summary.
This chapter has analyzed influence competitive strategies i.e. Cost leadership, Differentiation & focus have on the performance of supermarkets in Nairobi Central Business District. It has looked at what scholars have researched on these strategies and their findings. Empirical investigations have not been able to conclusively determine the influence of competitive strategies on firm competitiveness. The general idea seems to be one where the influence of competitive strategies on firm competitiveness varies markedly from country to country, from one industry to another and from one-time period to another within the same economy. Chapter three will be Research methodology that will focus on research design, population and sample design, data collection method, research procedures, data analysis method and chapter summary.
CHAPTER THREE
3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter discusses the methodological approach for the study and it comprises of the research design, target population, data collection procedure, data analysis procedure, reliability and validity of the instruments and finally ethical consideration.

3.2 Research Design
Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure Kombo & Tromp, (2006). The study adopted cross-sectional survey design to determine the influence of competitive strategies on competitiveness of retail stores in Kenya. This design was suitable for this study as it permits analysis of the relationship between competitive strategies on competitiveness of retail stores in Kenya at a particular point in time (Saunder et al., 2007). The design was also used to determine the frequencies and percentages of the study variables in the defined population.

3.3 Population and Sampling Design
3.3.1 Population
The population was all retail chain clients. However due to logistical reasons the study targeted only customer who have been enrolled in the loyalty program among retail stores in the Nairobi CBD. The choice of the population is hinged on the fact that all the three strategies that are cost leadership, focus and differentiation are geared towards attracting and retaining customers for retail stores to gain competitiveness in the market. Thus customers were at a much better place to give objective responses as to what exactly causes them to stick with a particular retail store in Nairobi CBD namely Tuskys, Naivas, Carrefour, Ukwala, and Uchumi. There are 5420 customers registered in the customer loyalty programmes among the retail stores in Nairobi CBD.

3.3.2 Sampling Design
A sample is the proportion of the population of interest to the researcher (Bannister, 2005).
3.3.2.1 Sampling Frame
According to Mugenda (2008) sampling frame the means list of the population that are to be interviewed in the survey. For the purpose of this study the sampling frame was the entire list of retail stores customers. The unit of analysis was the customers of retail stores in Kenya.

3.3.2.2 Sampling Technique
A sample design shows how the participants are arrived at Mugenda (2008) Sampling refers to the systematic selection of a limited number of elements out of a theoretically specified population of elements (Bannister, 2005). The justification for sampling was to minimize the cost and reduce the time for data collection. This study used stratified sampling method to group the customers in institutional and individual customers. Thereafter simple random sampling was used to select the respondents into the study.

3.3.2.3 Sample Size
The study used the (Robach, 2013), sampling formula where; e = tolerance at the preferred level of confidence, N = study population, n = sample size, take $\alpha = 0.05$ at 95% confidence level. The sample size for the study was determine according to (Robach, 2013) the formula:

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

$$= \frac{5420}{1+5420(0.05)^2}$$

This gives a samples size of 343 customers.
Table 3.1: Sample size

<table>
<thead>
<tr>
<th>Stratum</th>
<th>Population</th>
<th>Sample</th>
<th>Sampling technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual customers</td>
<td>5000</td>
<td>300</td>
<td>Stratified and simple random</td>
</tr>
<tr>
<td>Institutional customers</td>
<td>420</td>
<td>43</td>
<td>Stratified and simple random</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5450</strong></td>
<td><strong>343</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.4 Data Collection Method

Primary data was collected using questionnaire. The use of a questionnaire is hinged on the fact that it is the most efficient way of data collection as it saves time, minimize cost and easy to administer (Saunder et al., 2007; Chandran, 2004). Data was collected within a period of one month. The questionnaire comprised of structured questions, made up of four sections namely section A: comprising of the demographic information, section B: entailed cost leadership, section C: consisted of differentiation while section D: will contain focus strategy. Questionnaire was self-administered. The researcher issued the questionnaires and waited for the respondents to fill in then collect them back. A five point Likert scale was used in the questionnaire items.

3.5 Research Process

The manner in which the validity of the research instrument is the degree to which results obtained from the analysis of the data actually represents the phenomenon under study. Both the questionnaire and the measurement process was guided by the research questions in order to measure the key elements to ensure construct validity because they reflect the key components of the study variables. Reliability on the other hand refers to the measure of the degree to which a research instrument yields consistent results on across time and across the various items of the instrument (Robach, 2013). Reliability is the extent to which an instrument is predictable, stable, accurate and dependable to yield the same results every time it is administered. In order to assess the reliability of the research instrument, a statistical test for Cronbach’s alpha coefficient was performed to determine how indicators correlate among themselves. That way, it was possible to
conclude whether indicators on the questionnaire yield consistent results or data after repeated trials. The research obtained a letter of introduction from USIU-Africa. Thereafter obtain research permit from NACOSTI. The researcher wrote a formal letter requesting the retail stores’ managers in Nairobi CBD to be allowed to carry out the study. Upon getting the authorization the researcher selected the participants and issued them with the questionnaires. The questionnaires were self-administered. The researcher waited for 15 minutes for them to respond then collected the questionnaires back.

3.6 Data Analysis
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. Descriptive statistical analysis inferential analysis was used to show the relationship between generic strategies and firm competitiveness. A regression model was generated showing generic strategies and firm competitiveness. The regression coefficients were assessed for statistical significance using T-test. IBM SPSS version 23.0 was used as the tool for data analysis. The relationship between generic strategies and firm competitiveness was expected to follow a regression model of the nature:

\[ Y = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \varepsilon \]

Where;

\[ Y = \text{Firm competitiveness} \]
\[ \alpha = \text{Intercept term} \]
\[ X_1 = \text{Cost leadership} \]
\[ X_2 = \text{Differentiation} \]
\[ X_3 = \text{Focus strategy} \]
\[ \varepsilon = \text{Error term} \]
3.7 Chapter Summary

This chapter has discussed the process that was undertaken in carrying out the study. Research design, population and sampling design has been discussed. A sample size of 343 took part in the study. Questionnaire was used to primary collect data. IBM SPSS version 23.0 was the tool for data analysis.
CHAPTER FOUR:
4.0 RESULTS AND ANALYSIS

4.1 Introduction

This chapter gives discussions on the data analysis, interpretation and the findings presentations. The chapter entails the respondents’ background information, findings as per each variable as well as the analyzed data in regards to the responses to the questionnaires.

4.2 Response rate

The table below shows the rate of response

<table>
<thead>
<tr>
<th>Questionnaire administered</th>
<th>Questionnaires filled and returned</th>
<th>Questionnaires not returned</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>343</td>
<td>340</td>
<td>3</td>
<td>99.13%</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018)

The researcher administered 343 questionnaires as per the sample size. Three hundred and forty questionnaires were filled and returned. The response rate was good since any response above 50% is enough while response above 70% is very good Mugenda (2008). The good response rate was good because the researcher took the time to administer the questionnaire by the use of pick and drop method.

4.3 Demographic information

The study found that the respondents’ demographic dimensions were all inclusive in terms of age, gender and occupation as discussed below;

4.3.1 Respondents Gender

The respondents were asked of their gender
The researcher aimed at finding whether there were any gender disparities hence including the gender distribution question. The researcher found that most of the respondents were men 50.9% while female were 49.1%. However, the disparity was minimal.

4.3.2 Age of the respondents
The researcher aimed at identifying the level of involvement in terms of age group in the survey hence asked the age of the respondents
Majority of the respondents were in the age group of 23-27 years with a percentage of 32.1% followed by the age group of 28-31 years with a percentage of 25%. The age group that followed was 32-36 years with 18.5%. The respondents who were above 36 years had a percentage of 15.3% while the minority group was 18-22 years with 9.1%. This implies that there was a well distribution of age in regards to the respondents.

**4.3.3 Respondents’ Occupation**

The researcher sought to find the occupation of the respondents and the responses were as shown below

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**Figure 4.2: Age of the respondents**

Source: Survey Data (2018)
Figure 4.3: Type of Occupation

Source: Survey Data (2018)

Majority of the respondents 46.2% are in formal employment. A significant number of the respondents, 26.8% were in informal employment. The respondents in self-employment were 15.0% while those that were not employed were 12.1%. Majority of respondents were in formal employment implying that data was collected from informed people.

4.4 Firm Competitive Advantage

The respondents were asked of their opinions in relation to their opinions on the competitive advantage of supermarket in the CBD. The results are captured in the tables below;
Table 4.2: Supermarkets in the CBD have nurtured a long term relationship with suppliers

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets in the CBD have nurtured a long term relationship with suppliers</td>
<td>6.8 6.5 19.1 42.6 25.0</td>
<td>3.7265</td>
<td>1.11250</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When the respondents were asked whether supermarkets have nurtured long term relationship with suppliers 6.8% said it was in very small extent, 6.5% said it was small extent, 19.1% said it was moderate, 42.6% said the relationship was in large extent while 25.5% felt that nurturing of relationship was in very large extent. The table above shows that presence of a long term relationship between supermarkets within the CBD and their suppliers as important to the firm competitive with a mean of 3.7265 and a standard deviation of 1.11250.

Table 4.3: Supermarket in the CBD Stock fast moving product-line in the market

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarket in the CBD Stock fast moving product-line in the market</td>
<td>3.5 9.1 25.3 27.6 34.4</td>
<td>3.8029</td>
<td>1.11545</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether there is customer management, 3.5% said it was into very small extent, 9.1% said it is into small extent, 25.3% said it is in moderate levels, 27.6% said it was to large extent level while 34.4% said it was at very large extent level. Stocking supermarkets within CBD with products-line that is fast moving in the
market plays a major role in the firm competitive advantage as shown by the mean of 3.8029 and standard deviation of 1.11545.

Table 4.4: There is a well-established customer partnership in our supermarkets at the CBD

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>V.S.E</td>
<td>S.E</td>
<td>M</td>
<td>L.E</td>
</tr>
<tr>
<td>10.3</td>
<td>16.2</td>
<td>33.8</td>
<td>24.1</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether there is a well-established customer partnership in our supermarkets at the CBD, 10.3% said it was into very small extent, 16.2% said it is into small extent, 33.8% said it is in moderate levels, 24.1% said it was to large extent level while 15.6% said it was at very large extent level. The supermarkets within CBD have a well-established customer partnership which is essential for the firm competitive advantage as shown by the mean of 3.1853 and standard deviation of 1.18661.

Table 4.5: Supermarket in the CBD brands enjoy customer loyalty in the Kenyan market

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>V.S.E</td>
<td>S.E</td>
<td>M</td>
<td>L.E</td>
</tr>
<tr>
<td>17.4</td>
<td>11.5</td>
<td>22.1</td>
<td>26.2</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether Supermarket in the CBD brands enjoy customer loyalty in the Kenyan market, 17.4% said it was into very small extent, 11.5% said it is
into small extent, 22.1% said it is in moderate levels, 26.1% said it was to large extent level while 22.9% said it was at very large extent level. The ability of the Supermarkets in the CBD with brands to enjoying customer loyalty is important for the firm to be competitive as indicated by the mean of 3.2588 and a standard deviation of 1.38813

4.6: Supermarkets in the CBD regularly have customer referrals to our products

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets in the CBD regularly have customer referrals to our products</td>
<td>23.2 13.5 18.5 20.9 23.8</td>
<td>3.0853</td>
<td>1.49189</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether Supermarkets in the CBD regularly have customer referrals to our products, 23.2% said it was into very small extent, 13.5% said it is into small extent, 18.5% said it is in moderate levels, 20.9% said it was to large extent level while 23.8% said it was at very large extent level. From the table the competitive of a firm can be seen through the number of customer referrals on products a supermarket has, which the researcher found important with a mean of 3.0853 and a standard deviation of 1.49189. The results imply that supermarkets in the CBD had a competitive advantage as majority of the respondents found it to be moderate.

4.5 Differentiation Strategy

The respondents were asked of their opinions on the various aspects of differentiation strategies in supermarket within CBD. The responses are analyzed as shown in the tables;
Table 4.7: Product packaging according to the customers’ needs

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.D</td>
<td>D</td>
<td>U</td>
<td>A</td>
</tr>
<tr>
<td>Product packaging according to the customers’ needs</td>
<td>1.8</td>
<td>10.9</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether Supermarkets in the CBD package their products according to the customers’ needs, 1.8% strongly disagreed, 10.9% disagreed, 5% were undecided, 40.6% agreed while 41.8% strongly agreed. Respondents agreed that product packaging in reference to the customers’ needs as a differentiation strategy is important to ensure firm competitiveness as shown by the mean of 4.0971 and standard deviation of 1.02735.

Table 4.8: Strong coordination in all of the departments

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.D</td>
<td>D</td>
<td>U</td>
<td>A</td>
</tr>
<tr>
<td>Supermarkets in the CBD have a strong coordination in all of the departments so as to gain comparative advantage</td>
<td>3.8</td>
<td>5</td>
<td>9.7</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether Supermarkets in the CBD have a strong coordination in all of the departments so as to gain competitive advantage, 3.8% strongly disagreed, 5% disagreed, 9.7% were undecided, 45.9% agreed while 35.6% strongly agreed. Department coordination in the supermarket fosters the differentiation strategy as shown by the mean of 4.0441 and standard deviation of .99902.
Table 4.9: Supermarkets in the CBD emphasize on creativity and innovation

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets in the CBD emphasize on creativity and innovation in our product redesigning and development in order to create market barrier</td>
<td>13.2</td>
<td>35.6</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether Supermarkets in the CBD emphasize on creativity and innovation in our product redesigning and development in order to create market barrier, 13.2% strongly disagreed, 35.6% disagreed, 2.1% were undecided, 37.6% agreed while 11.5% strongly agreed. Respondents disagreed that Supermarkets in the CBD emphasize on creativity and innovation in product redesigning and development in order to create market barrier as shown by the mean of 2.9853 and standard deviation of 1.31356.

Table 4.10: Supermarkets in the CBD have a wide range of products

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets in the CBD have a wide range of products so s to increase the market share</td>
<td>5.9</td>
<td>10.9</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether Supermarkets in the CBD have a wide range of products so s to increase the market share, 5.9% strongly disagreed, 10.9% disagreed, 5% were undecided, 30.9% agreed while 47.4% strongly agreed. The respondents agreed with
a mean of 4.0294 and standard deviation of 1.22138 that supermarkets within CBD have a wide range of products in order to increase their market share.

**Table 4.11: Supermarkets in the CBD benchmark with leading companies in the industry**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets in the CBD benchmark with leading companies in the industry three times in a year in order to improve market position</td>
<td>27.6 10.6 29.7 21.8 10.3</td>
<td>2.7647</td>
<td>1.33831</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether Supermarkets in the CBD benchmark with leading companies in our industry three times in a year in order to improve market position, 27.6% strongly disagreed, 10.6% disagreed, 29.7% were undecided, 21.8% agreed while 10.3% strongly agreed. Respondents disagreed that supermarkets benchmarked with leading companies to improve market position, their responses had a mean of 2.7647 and standard deviation of 1.33831. The results imply that supermarkets in the CBD use differentiation strategy as it was agreed by majority of the respondents.

**4.6 Cost Leadership Strategy**

The respondents were asked about the cost leadership strategies present in the supermarket within CBD. The responses are as shown in the tables below:

**Table 4.12: Supermarkets in the CBD focus on efficiency in service**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.D D U A S.A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
When respondents were asked whether Supermarkets in the CBD focus on efficiency in service so as to gain price advantage, 5% strongly disagreed, 5.3% disagreed, 1.5% were undecided, 55.3% agreed while 32.9 % strongly agreed. The respondents agreed supermarkets in the CBD focused on efficiency in service with the aim of gaining price advantaged, as shown by the mean of 4.0588 and standard deviation of 1.00269.

Table 4.13: Supermarkets in the CBD provide goods and services at a lower price

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S.D</td>
<td>D</td>
<td>U</td>
</tr>
<tr>
<td>Supermarkets in the CBD provide goods and services at a lower price to attract more customers</td>
<td>3</td>
<td>3.5</td>
<td>8.2</td>
</tr>
</tbody>
</table>

When respondents were asked whether Supermarkets in the CBD provide goods and services at a lower price to attract more customers, 3% strongly disagreed, 3.5% disagreed, 8.2% were undecided, 67.4% agreed while 20.6 % strongly agreed. Respondents agreed that supermarkets in the CBD provided goods and services at lower prices to attract customers with the mean of 4.0441 and standard deviation of .67474.

Table 4.14: Supermarkets in the CBD focus on specialization

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S.D</td>
<td>D</td>
<td>U</td>
</tr>
<tr>
<td>Supermarkets in the CBD focus on specialization to</td>
<td>27.6</td>
<td>17.6</td>
<td>16.2</td>
</tr>
</tbody>
</table>
When respondents were asked Supermarkets in the CBD focus on specialization to increase profit margins, 27.6% strongly disagreed, 17.6% disagreed, 16.2% were undecided, 18.2% agreed while 20.3 % strongly agreed. The respondents disagreed with a mean of 2.8588 and a standard deviation of 1.50439 when they were asked whether the supermarkets in the CBD focus in specialization to increase profit margins.

Table 4.15: Supermarkets in the CBD are able to withstand competition

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets in the CBD are able to withstand competition due to low prices of goods and services hence better market survival</td>
<td>20.9</td>
<td>24.4</td>
<td>27.1</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>12.6</td>
<td>2.7412</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1.29353</td>
</tr>
</tbody>
</table>

When respondents were asked Supermarkets in the CBD are able to withstand competition due to low prices of goods and services hence better market survival, 20.9% strongly disagreed, 24.4% disagreed, 27.1% were undecided, 15% agreed while 12.6 % strongly agreed. The respondents disagreed were asked whether the supermarkets in the CBD were able to withstand competition due to low prices of goods and services hence market survival with a mean of 2.7412 and a standard deviation of 1.29353.

Table 4.16: Render more of their services through use of technology

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.D</td>
<td>D</td>
<td>U</td>
<td>A</td>
</tr>
</tbody>
</table>
When respondents were asked whether the supermarkets in the CBD rendered more of their services through use of technology, 2.6% strongly disagreed, 6.2% disagreed, 2.4% were undecided, 66.2% agreed while 22.6% strongly agreed. The respondents agreed with the mean of 4.0000 and a standard deviation of .85876 when they were asked whether the supermarkets in the CBD rendered more of their services through use of technology.

Table 4.17: Supermarkets in the CBD use technology to minimize the cost

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S.D</td>
<td>D</td>
<td>U</td>
</tr>
<tr>
<td>Supermarkets in the CBD use technology to minimize the cost hence increased profit margins</td>
<td>3.8</td>
<td>4.1</td>
<td>9.7</td>
</tr>
</tbody>
</table>

When respondents were asked Supermarkets in the CBD are able to withstand competition due to low prices of goods and services hence better market survival, 3.8% strongly disagreed, 4.1% disagreed, 9.7% were undecided, 35% agreed while 47.4% strongly agreed. The respondents were asked whether the supermarkets in the CBD use technology to minimize the cost hence increased profit margins which they agreed with a mean of 4.1794 and standard deviation of 1.02485. The results imply that supermarkets in the CBD use cost leadership strategy as it was agreed by majority of the respondents.

4.7 Focus Strategy

The researcher asked the respondents about their level of agreement and disagreement of various aspects of focus strategy as employed in supermarkets within CBD. The responses means and percentages are shown in the tables below.
Table 4.18: Supermarkets in the CBD provide services and products that focus on a particular market segment

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S.D</td>
<td>D</td>
<td>U</td>
</tr>
<tr>
<td>Supermarkets in the CBD provide services and products that focus on a particular market segment thus creating market barrier</td>
<td>20.3</td>
<td>20</td>
<td>26.8</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether supermarkets in the CBD provide services and products that focus on a particular market segment thus creating market barrier, 20.3% strongly disagreed, 20% disagreed, 26.8% were undecided, 23.8% agreed while 9.1% strongly agreed. The respondents disagreed that supermarkets in the CBD provide services and products that focus on a particular market segment thus creating market barrier with a mean of 2.8147 and standard deviation of 1.25898.

Table 4.19: Supermarkets in the CBD endeavor to meet the needs of the clients

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S.D</td>
<td>D</td>
<td>U</td>
</tr>
</tbody>
</table>

42
When respondents were asked whether supermarkets in the CBD endeavor to meet the needs of the clients entirely leading to customer loyalty, 21.2% strongly disagreed, 22.4% disagreed, 15% were undecided, 24.1% agreed while 17.4% strongly agreed. The respondents disagreed that the Supermarkets in the CBD endeavor to meet the needs of the clients entirely, leading to customer loyalty with a mean of 2.9412 and a standard deviation of 1.41716.

Table 4.20: Supermarkets in the CBD have gained customer loyalty by focusing on a particular market segment

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets in the CBD have gained customer loyalty by focusing on a particular market segment</td>
<td>20.6 19.1 22.1 21.5 16.8</td>
<td>2.9471</td>
<td>1.37942</td>
</tr>
</tbody>
</table>

When respondents were asked whether supermarkets in the CBD endeavor to meet the needs of the clients entirely leading to customer loyalty, 20.6% strongly disagreed, 19.1% disagreed, 22.1% were undecided, 21.5% agreed while 16.8% strongly agreed. When respondents were asked whether the Supermarkets in the CBD have gained customer loyalty by focusing on a particular market segment they disagreed with a mean of 2.9471 and standard deviation of 1.37942.

Table 4.21: Supermarkets in the CBD have built a strong relationship with the clients
When respondents were asked whether supermarkets in the CBD have built a strong relationship with clients hence has created market barrier for other firms, 19.4% strongly disagreed, 23.5% disagreed, 18.2% were undecided, 22.4% agreed while 16.5 % strongly agreed. The respondents disagreed to Supermarkets in the CBD have built a strong relationship with our clients which has created market barrier for other firms with a mean of 2.9294 and standard deviation of 1.37648.

Table 4.22: Supermarkets’ products/services in the CBD are tailor made

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S.D D U A S.A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supermarkets in the CBD have built a strong relationship with the clients which has created market barrier for other firms</td>
<td>19.4 23.5 18.2 22.4 16.5</td>
<td>2.9294</td>
<td>1.37648</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).

When respondents were asked whether most of supermarkets’ products/services in the CBD are tailor made to suit specific needs of the clients, 25.3% strongly disagreed, 18.2% disagreed, 19.7% were undecided, 18.5% agreed while 18.2 % strongly agreed. The respondents disagreed that most of supermarkets’ products/services in the CBD are tailor made to suit specific needs of the clients with a mean of 2.8618 and a standard deviation of 1.44772.

Table 4.22: Supermarkets’ products/services in the CBD are tailor made

<table>
<thead>
<tr>
<th>Variable</th>
<th>Percentages</th>
<th>Mean score</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>S.D D U A S.A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most of supermarkets’ products/services in the CBD are tailor made to suit specific needs of the clients</td>
<td>25.3 18.2 19.7 18.5 18.2</td>
<td>2.8618</td>
<td>1.44772</td>
</tr>
</tbody>
</table>

Source: Survey Data (2018).
deviation of 1.44772. The results imply that supermarkets in the CBD do not embrace focus strategy as majority of the respondents disagreed to the supermarket using the strategy.

4.8 CORRELATION ANALYSIS
A correlation analysis was done to determine whether there was a relationship between variables. Focus strategy had the highest correlation of r (0.644); p < 0.000, followed by differentiation strategy with r (0.473); p < 0.000 and finally cost leadership with r (0.445); p < 0.000.

The table below shows the correlation analysis

Table 4.23 Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Firm competitiveness</th>
<th>Differentiation strategies</th>
<th>Cost leadership</th>
<th>Focus strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm competitiveness</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>340</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differentiation strategies</td>
<td>Pearson Correlation</td>
<td>.473**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>340</td>
<td>340</td>
<td></td>
</tr>
<tr>
<td>Cost leadership</td>
<td>Pearson Correlation</td>
<td>.445**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>340</td>
<td>340</td>
<td></td>
</tr>
</tbody>
</table>
4.9 Inferential Statistics

The section gives a summary of the regression analysis between the independent variables that include differentiation strategy, cost leadership strategies and focus strategies and the dependent variable which is firm competitive advantage.

Table 4.24 Regression 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>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.666*</td>
<td>.443</td>
<td>.438</td>
<td>2.99133</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), focus strategy, differentiation strategies, cost leadership

b. Dependent variable: Firm Competitive Advantage.

The tables display the model summary, the R value represents the level of relationship where R is 0.666 which shows a positive change in the predictor values in case of a change in the response values. The adjusted R Square shows the variance value in the target area that is determined by the inputs. The adjusted R square in this case is 0.438 hence showing a minimal variance.

Table 4.25 Analysis of Variance

<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>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
The f statistics value 89.118 shows that the whole regression model is significant hence contains some explanatory value that is there is a significant relationship between differentiation strategies, cost leadership strategies, focus strategies and firm competitiveness advantage.

**Table 4.26 Regression Coefficients**

<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>(Constant)</td>
<td>5.222</td>
<td>1.317</td>
<td>3.964</td>
<td>.000</td>
</tr>
<tr>
<td>Differentiation strategies</td>
<td>.195</td>
<td>.058</td>
<td>.164</td>
<td>3.357</td>
</tr>
<tr>
<td>Cost leadership</td>
<td>.128</td>
<td>.063</td>
<td>.101</td>
<td>2.045</td>
</tr>
<tr>
<td>Focus strategies</td>
<td>.383</td>
<td>.042</td>
<td>.498</td>
<td>9.101</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Firm Competitiveness advantage  

b. Predictors: (Constant), Focus Strategy, Differentiation Strategies, Cost Leadership
The table above gives us the coefficients of the independent and dependent variables. It gives the intercept term ($\alpha_0$) is 5.222 and the coefficient of differentiation strategies (0.195), cost leadership (0.128) and focus strategy (0.383) which helps in the formulation of the multiple linear regression equation. All the independent variables gave a positive coefficient suggesting that there is a positive relationship with the firm competitiveness advantage.

$$Y=5.222 + 0.195X_1+ 0.128X_2+ 0.383X_3$$

Where;

$\alpha =$ Intercept term

$X_1 =$ Cost leadership

$X_2 =$ Differentiation

$X_3 =$ Focus strategy

$\varepsilon =$ Error term

The regression model analysis shows that differentiation strategies contribute 19.5%, cost leadership contributes 12.8% and focus strategy contributes 38.3% to the firm competitiveness. The study hence affirms that there a relationship between firm competitiveness and differentiation, cost leadership and focus strategies.

4.9 Chapter summary

In this chapter, the results and findings are presented. Among the major findings is supermarket in the CBD competitive advantage was moderate. The differentiation strategies employed influenced performance of the supermarkets within CBD with a regression coefficient of 0.195 and P value of 0.001. Cost leadership strategies employed influenced supermarket within CBD performance with a regression coefficient of 0.128 and P value of 0.042. Focus strategies also affect performance as shown by regression coefficient of 0.383 and P value of 0.000.
CHAPTER FIVE
5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter entails the summary of findings, conclusions and recommendations derived from the study. The suggestions for further studies are also included.

5.2 Summary of the study
Performance of supermarkets is seen in firm competitive advantage. Firm competitiveness is determined by the type of strategies a company has. The strategies include differentiation strategies, cost leadership strategies and focus strategies. The aim of the study was to determine the influence of competitive strategies on performance of retail stores in Kenya. Out of 343 questionnaires issued to respondents, 340 were returned. There was minimal gender disparity with 50.9% being males and 49.1% females. Most of the respondents aged between 23-27 years. The findings show that level of competitive advantage of the supermarket in the CBD is moderate. From the responses, differentiation strategies play a role in the performance of the supermarket in the CBD. Cost leadership strategies also influence the performance of the supermarket in the CBD. Focus strategy was not embraced by the performance of the supermarket in the CBD. However, the regression analysis showed that focus strategy has a positive influence to the performance of the supermarket in the CBD.

From the study carried out it shows that supermarkets in Nairobi Central Business District always thrive to gain a competitive advantage against their competitor by adopting various strategies. The research showed that for supermarkets in the CBD to have an upper hand against their rivals’ various things should be done:

Having a long term relationship with supplier to ensure a steady supply of products in the supermarkets- This gives the supermarket an upper hand since even when they do not have finances to pay for products, suppliers will always deliver due to the relationship they have with them. Adequately having fast moving products i.e. having a steady supply of the basic supply which are consumed at a high rate by the customers- The study showed that supermarkets that have mostly fast moving products in plenty gain an upper hand. Ensuring that the supermarket is fully stocked with a variety of products gives it an upper hand since the customer will never lack.
The study revealed that for differentiation strategy, supermarkets package their products differently with a consideration of the customers’ needs therefore attracting more clients. Also the study found that supermarkets may decide to redesign the products so as to stand out from the crowd and attract more clients from the variety they have to choose from. The study has shown that if differentiation strategy is used in a proper way taking into consideration of the customer’s needs and preferences, it can influence positively firm’s performance.

The study also revealed that technology should be embraced by supermarkets as a tool to reduce costs which in turn will enable the supermarkets reduce prices of their products thus being a plus to the shoppers. The study has agreed that Cost leadership strategy has a significant influence on the firm performance and competitor positioning. Customers are more likely to go to the shops that offer a lower price for a similar product or service.

Finally the study reveals that not many supermarkets in the CBD put much emphasis on focus strategy and it’s a very significant strategy that supermarkets should use. The study put across that management should take this strategy seriously since it has the ability to acquire and maintain clients if emphasis is put on them and delivery done as per their expectation they will purchase the products and be loyal to that supermarket because of what they get despite the price charged. This is a strategy that if supermarkets can decide to concentrate on give them a competitive advantage with an assurance of maintenance of customers, this helping them on even their projections because of these customers that they are sure about.

5.3 Discussion

5.3.1 Firm competitive advantage

The researcher found that supermarkets with CBD are concerned with their firm competitive advantage. It was agreed that supermarkets in the CBD have nurtured a long term relationship with their suppliers. Having a long lasting relationship with suppliers is essential as it ensures that there is a continuous flow of the stock in the supermarkets. This in return, ensures that there is no single day when the customers leave the supermarkets because it lacks the product they are looking for. This helps the retail stores to retain their customers.
The respondents also agreed that supermarkets in the CBD have product-line that is fast moving in the market. Fast moving products are mostly the basic products that each customer would pick when they go for a shopping. For a supermarket to be competitive it has to ensure that they have fully stocked their shelves with fast moving products to ensure they retain their clients. Having variety of fast moving products also ensures that clients can do one shopping without having to step to another retail shop to get the product. According to Hernant (2009), customers need convenience while they are shopping. Customers will stick to a retail shop that has a variety of products regardless of the prices to avoid the inconvenience of moving from one store to another.

The respondents also agreed that supermarkets have a well-established customer partnership. The customer partnership is seen with the loyalty programs the supermarkets have initiated. For instance, Naivas and Tuskys supermarkets have loyalty cards that they give their clients. In every shopping, clients swipe the cards and earn points. After customers accumulate enough points they can redeem them and buy items that they want. The loyalty programs also provide the supermarket management with a platform to collect important data such as demographic data. With this data, supermarkets can segment and reach the customers regardless of their age, geographical location, race or social status.

The respondents also agreed that supermarkets in the CBD enjoy brand loyalty. The supermarkets have customers who can only shop in the particular brand because they are satisfied by the kind of services they are given. They are also satisfied by the quality of products stocked. The findings are in line with the findings of Hernant (2009), who found out that customers who are satisfied by the services and products by a supermarket become loyal. These customers are always willing to buy in the supermarket even if it means spending extra time to get the service or product.

The respondents also agreed that supermarkets within CBD enjoy customer referrals from existing clients. This also increased customers referring other people to shop there. Customer referrals are fostered by the kind of customer management a company has. The supermarkets in CBD have ensured that in every shelf there are attendants that offer guidance to the customers as they shop. This makes customers work easier as they do not have to walk around trying to find an item they need because they attendants are there to
help. This kind of services makes clients refer their friends and relatives to the store (Prescott, 2010).

However, from the mean scores, the responses were moderate and hence more need to be done to ensure there is improvement in the competitiveness of the firm. The firm competitiveness should give mean scores of above 4.000. For instance, when the respondents were asked whether the supermarkets get customer referral which is a key indicator of competitive advantage; their mean score was 3.0853 which are moderate. Firms can improve their competitiveness through the adoption of competitive strategies. In this particular study, the supermarkets are embracing differentiation strategies and cost strategies. However, the focus strategies have not been fully adopted. If they would embrace focus strategies their competitiveness would increase.

5.3.2 Differentiation strategies

The researcher found that supermarkets in the CBD employ differentiation strategies to improve their performance through competitive advantage. The respondents agreed that the supermarkets package their products with a consideration of the customers’ needs therefore attracting more clients. Customer needs are continually changing. Therefore, it is essential for any firm that aims at getting a competitive edge in the market to focus on providing products and services that best respond to the current and future needs of the clients. Supermarkets within the CBD are adopting this strategy to ensure a continuous flow of clients to their retail stores. The strategy is essential for attracting new customers as well as it retains the existing ones.

The respondents also agreed that the supermarkets have great coordination in the departments to increase competitive advantage. Department coordination is crucial for any company as various departments rely on each other. When the purchasing department works closely with marketing department, they are able to advertise all the new arrivals in the stores hence increasing the flow of clients. When there is an increase in number of customers shopping it means that there is an increase in the market share hence increased competitive advantage.

The respondents agreed that the supermarkets within CBD have variety of products to increase market share. Customers prefer buying of products in retail shops that has a wide
array of products. Clients avoid having a repeat of shopping hence their preference of shops that are stocked with a variety of stock. Moreover, consumers want to make a choice of their desired products before making a purchase. In addition, having a variety of products can encourage impulse buying among the customers. The respondents disagreed that supermarkets are being creativity and innovation in redesigning their products with the aim of attracting more clients as well as create a market barrier. Innovation and creating in the design of products is essential in a supermarket as it encourages impulse buying of customers hence increasing the sales (Wambugu, 2014). In addition, it increases client walk-ins as products are attractive to the clients.

These findings were consistent with Wambugu (2014) who studied the competitive strategies influence on the performance of big supermarket in Nairobi and found that innovation has minimal influence on the firm performance as a competitive strategy. However, this does not disregard the importance of supermarkets redesigning their products and services. Proper redesigning especially with the display helps in attracting the attention of the customers’ hence encouraging impulse buying. Product innovation is considered as development of a new product that has not existed before in the market using a method that has not being employed in the organization. The supermarkets do not create new products because they stock and sell what has been supplied to them by the suppliers.

The respondents agree that supermarket in the CBD benchmark with other companies to improve their market position. Benchmarking helps companies identify the areas that they have not exploited yet their competitors have exploited. Benchmarking is essential for increasing and ideas of how well to offer products and services to gain a competitive advantage. Benchmarking of retail stores has impacts on four areas of a firm that are sales effectiveness, marketing effectiveness, merchandising effectiveness and management effectiveness. In other words benchmarking ensures a holistic successful performance of an organization.

The findings are also in with those of Buul and Omundi (2017), who examined the performance of small and medium enterprise and competitive strategies in Kenya and found that there is a positive relationship between the differentiation strategy and firm performance. Differentiation strategies when developed and applied with consideration of
the customers’ needs, ensures the company is in a better position than its competitors. From the mean scores, firms should employ more of differentiation strategies because they influence the firm competitiveness positively hence improve performance.

5.3.3 Cost leadership strategies

The researcher found that cost leadership strategies positively influence the performance of the supermarkets in the CBD. It was agreed that supermarket in the CBD focus on efficiency to gain competitive advantage. Customers will choose to shop in retail shops that are efficient in offering services (Buul and Omundi, 2017). Efficiency saves on time and other resources. Efficiency in services in the supermarkets within the CBD is increased by the provision of cashiers to help in the billing process. In addition, staffs who man the shelves proved to increase efficiency since they are always available to answer any question asked by the client.

It was also agreed that supermarkets within the CBD offer products and services at lower prices to attract more clients. Customers do a price research before shopping in a place. It helps them identify the place their can save a coin when doing a shopping. Therefore, if supermarkets lower the prices, they have a competitive advantage compared to other retail shops. Having lower prices attracts more customers hence increasing the market share. An organization has the ability to present barriers to new market entrants by being a cost leader (Hyatt, 2011). The leading company is somehow protected in the event of price reduction in the industry.

The respondents disagreed that supermarkets in the CBD use specialization to increase their project margins. Specialization enhances customer understanding of the products and services offered. Clients with clear understanding of the products acts as ambassadors as they refer their social groups to the specific retail shop (Prescott, 2010). It was disagreed that supermarkets are able to withstand competition due to low prices and hence better market survival. Most of retail stores have realized lowering of prices attracts more customers. The retail stores are considering this strategy hence it does not hinder competition. Customers cannot choose one retail shop over the other because most of them offer almost similar prices. This is evident in some of supermarkets such as Nakumatt Holdings, closing down since they can no longer survive in the market.
The respondents agreed that supermarkets offer their services through use of technology. Technologies embraced in supermarkets include customers’ use of liquid cash to purchase such as credit cash and other mobile network forms of payment. The supermarkets have also incorporated technologies that are able to get the supply levels, demand levels as well as purchases made hence proper inventory taking.

The respondents also agreed that they use technology to minimize costs. Technologies such as use of credit cards has helped reduction of costs involved in cash management processes. Technologies also help in securing the cash because it reduces the amount of cash the supermarkets holds in a day, as much is paid directly to the banks. Other costs reduced by technology include cost on human capital. Technology is used to the roles generally done by human hence reducing the wages and remuneration. For instance, systems used in the supermarkets have the ability to compile both purchases and sales and get the difference hence no need of staff doing it manually.

The findings were consistent with those of Buul and Omundi (2017) who studied analyzed the performance of small and medium enterprise and competitive strategies in Kenya and found that cost leadership had influence on performance of the firms. Firms should take a consideration in how they price their product and services if they want to ensure increased sales performance. Customers mostly prefer shops that offer lower prices for quality products as they always aim at making a save.

The findings were also in line with those of Hilman (2013) who studied the porter’s cost leadership theory and the competitor positioning to firm performance. His findings were that cost leadership strategy has a significant influence on the firm performance and competitor positioning. Customers are more likely to go to the shops that offer a lower price for a similar product or service.

**5.3.4 Focus strategy**

The researcher found out that supermarkets within CBD have not embraced focus strategy as a competitive strategy to improve their performance. The respondents disagreed that there was market segmentation in the supermarkets. Market segment are done in terms of geographic, demographic, lifestyle among other aspects. Supermarket in the CBD have not emphasized on this strategy. Having market segments ensures efficient and effective
service as compared to the competitors. Most of respondents also disagreed that supermarkets in the CBD strive to meet customer needs.

Respondents felt that supermarkets needed to consider more of their needs when they are stocking. Most of the retail stores start their business without doing a needs assessment hence not responding fully to the needs of the clients. According to Prescott (2010), organizations are always advised to ensure they first do a need and situational analysis of their clients before starting a business. From the needs analysis, they are able to tell what services and products clients want. The situational analysis helps in understanding the competing companies in terms of the products and the services they are offering.

Respondents disagreed that supermarkets in the CBD have customer loyalty as a result of focusing on a particular market segment. Respondents were clear that the loyalty the supermarkets have from the clients does not result from market segmentation since they did not exist. The reason why the customers are still loyal is that they get a wide variety of products and services hence attracting them. Market segmentation helps the company to include all the products the specific market segments may need. It avoids omission (Hernant, 2009).

The respondents also disagreed that supermarkets in the CBD had a strong relationship with clients because of focus strategy. Respondent felt that there is existence of any form relationship with the supermarkets since they just shop and leave the premises. After shopping there is no much engagement of the supermarket with the clients. After Hernant (2009), strong relationship with customers gives firms an added competitive advantage that their competitors lack. The relationship enables the companies to timely inform their clients whenever they introduce something new in the firm.

Finally, respondents disagreed that supermarkets offer tailor made products and services to the clients. Product and services in the supermarkets are for all customers and they do not focus on a specific market segment. Having products that are tailor means that, supermarkets should offer product and services in regard to the needs of the clients. From the needs analysis they do they are able to develop a product that will respond to the specific need. For instance, the supermarket can come up with a store that only stocks kids’ stuff such as clothes, shoes among other. This will attract customers who have kids
since they will not have to walk around looking for various kids necessities in different stores.

However, the regression model shows that focus strategy is important and shows a positive influence to the performance of the firm. These findings are in line with Buul and Omundi (2017) who analyzed the competitiveness and firm performance and found that focus strategy has a positive influence to firm’s performance. The study points out that focus strategy has the ability to acquire and maintain clients. This increases the company sales. The regression model finding are also similar to the findings of Prescott (2010), who found out that organizations that have embraced focus strategy have high levels of customer loyalty. The loyalty discourages other companies from directly competing with the firm. It helps the firms to increase and maintain their market share. It also gives the company a competitive edge over its competitors.

5.4 Conclusion
From the guidance of the study, the researcher has the following conclusion:

5.4.1 Firm competitive advantage
Firm competitive advantage in the supermarket is shown by the long term relationship with suppliers, presence of fast moving product-line, customer partnership, customers enjoying brand loyalty and consistent customer referrals. Firm competitive advantage is boosted by the strategies that aim at increasing market share as well firm competitiveness. Supermarkets employ competitive strategies such as differentiation strategies and cost leadership strategies. In a nutshell, companies should ensure they employ all the three strategies together to be more competitive.

5.4.2 Differentiation strategy
Under differentiation strategies, firms use product packaging, departmental coordination, stocking with variety of products to increase their performance. However, they have not embraced innovation and creativity in the redesigning and innovation to create market barrier. It was also noted that supermarket in the CBD fail to benchmark often hence not at per with the competitors. From the regression analysis the coefficients of differentiation strategies shows that there is a positive influence of differentiation strategies to performance of supermarkets. The findings point out that if the supermarket
in the CBD embraces differentiation strategies fully, they will gain a competitive edge above other retail stores within the geographical area.

5.4.3 Cost leadership strategy
From the study one can also conclude that cost leadership strategy is important when aiming at improving the competitive advantage of any firm. Supermarkets focus on efficient service provision to obtain price advantage. Supermarkets also focus on offering goods and services at lower prices to attract more customers. Moreover, supermarkets are using technology to offer their services which is efficient and minimizes costs. However, the prices of goods and services offered in the supermarkets have not helped them to survive in the market in terms of competition. Also, supermarkets in the CBD have not embraced specialization as cost leadership competition strategy.

5.4.4 Focus strategy
Finally, despite focus strategies being effective competitive strategies in improving the performance of a firm, supermarkets in the CBD have not embraced them. It is evident with the respondents given by most of respondents giving a low mean. However, the regression model analysis acknowledged that focus strategy affects the performance of a firm. Focus strategy helps in ensuring that clients are offered the products that best respond to their needs. It fosters efficiency and effectiveness of any organization.

5.5 Recommendations
The study gives recommendation to the supermarkets in the CBD and recommendation for further study.

5.5.1 General recommendations.
5.5.1.1 Firm competitive advantage
From the study, firm competitive study is important in ensuring the performance of supermarkets in the CBD. Therefore, it is important for the supermarkets to adopt the competitive strategies to help gain a competitive edge. The study therefore suggests that supermarkets should strategize to ensure that they have considered different competitive strategies. For better results, firms should ensure all the three strategies are included in the competitive strategies chosen. Overlooking any other would reduce the competitiveness.
5.5.1.2 Differentiation strategies

In differentiation strategies, firms should ensure they use innovation and creativity to redesign their products to create a market barrier. Firms should embrace market innovation. Market innovation involves ensuring client satisfaction, workforce performance as well as the entire firm performance. They should also do not continuous benchmark with other companies in the industry to help them improve in terms of market position.

5.5.1.3 Cost leadership

In cost leadership strategies, supermarkets with the CBD should aim at specialization order to increase their profit margins. The supermarkets should also use product pricing to ensure they tap the market hence withstanding competition and having a high market survival rate. Supermarket should always do a research to find out the prices offered by the competitors to help them offer competitive prices to the clients.

5.5.1.4 Focus strategy

In focus strategies, supermarkets should ensure they embrace the various strategies in focus strategies such as market segmentation, ensuring clients’ needs are met, tailor making of clients products. Supermarkets should segment the market in reference to the demographics, geographic locations, lifestyle among other aspects to help them offer products and services that specifically responds to a particular segment.

5.5.2 Recommendation for further study

The researcher identified various gaps further study can fill. They include: similar study can be done incorporating supermarkets that are without the CBD and the country as whole; a similar study can be done but with incorporation of other variables; a further study can be done to identify other factors that lead to firm competitive advantage of supermarkets in the CBD.
REFERENCES


APPENDICES

Appendix I: Letter of Introduction

Influence of Competitive Strategies on the Performance of supermarkets in Nairobi Central Business District.
My name is Valentine Mukami Rubi, a Masters student at Chandaria Business School. I am conducting a research study titled: “Influence of Competitive Strategies on the performance of Supermarket in Nairobi Central Business District”.

Given the significance of the topic, I consider you to be very important in achieving the study objectives. The information obtained from you shall be treated with ultimate confidentiality and shall not be diverged to anybody or any other use than this stated purpose. I would be so grateful if you spare your time in volunteering to give required information by answering the following questions.

Thank you.
Appendix II: Questionnaire

Section A: Firm profile

(1) Indicate your gender? Female [ ] Male [ ]
(2) What is your age group? 18-22 [ ] 23-27 [ ] 28-31 [ ] 32-36 [ ] Above 36 [ ]
specify……………………………………………………………………
(3) Indicate your occupation …………………………………………

Section B: Firm competitive advantage

(Key: 1-very small extent, 2- small extent, 3-moderate, 4-large extent, 5-very large extent)

<table>
<thead>
<tr>
<th>Firm competitiveness</th>
<th>1</th>
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<tbody>
<tr>
<td>1 Supermarkets in the CBD have nurtured a long term relationship with suppliers</td>
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<td>2 Supermarkets in the CBD products-line are fast moving in the market</td>
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<td>3 There is a well-established customer partnership in our Supermarkets at the CBD</td>
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<td>4 Supermarkets in the CBD brands enjoy customer loyalty in the Kenyan market</td>
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<td>5 Supermarkets in the CBD regularly have customer referrals to our products</td>
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<td>6 Any other (please specify)</td>
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Section C: Differentiation strategy

Kindly indicate your level of agreement or disagreement with the following statements by ticking (√) where appropriately.
(Key: 5-strongly agree, 4-agree 3-undecided, 2-disagree, 1-strong disagree)

<table>
<thead>
<tr>
<th>Differentiation strategy</th>
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<th>2</th>
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<tbody>
<tr>
<td>1 Supermarkets in the CBD package products depending on the customers’ needs hence attracting more customers</td>
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<td>2 Supermarkets in the CBD have a strong coordination all our departments so as to gain comparative advantage</td>
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<td>3 Supermarkets in the CBD emphasize on creativity and innovation in our product redesigning and development in order to create market barrier</td>
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<td>4 Supermarkets in the CBD have a wide range of products so as to increase the market share</td>
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<td>5 Supermarkets in the CBD benchmark with leading companies in our industry three times in a year in order to improve the market position</td>
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<td>6 Any other (please specify)</td>
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**Section D: Cost leadership strategies**

Kindly indicate your level of agreement or disagreement with the following statements by ticking (√) where appropriately.
(Key: 5-strongly agree, 4-agree 3-undecided, 2-disagree, 1-strong disagree)

<table>
<thead>
<tr>
<th></th>
<th><strong>Cost leadership strategy</strong></th>
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<tbody>
<tr>
<td>1</td>
<td>Supermarkets in the CBD focus on efficiency in service so as to gain price advantage</td>
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<tr>
<td>2</td>
<td>Supermarkets in the CBD provide goods and services at a lower prices to attract more customers</td>
</tr>
<tr>
<td>3</td>
<td>Supermarkets in the CBD focus on specialization to increase profit margins</td>
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<tr>
<td>4</td>
<td>Supermarkets in the CBD are able to withstand competition due to low prices of goods and services hence better market survival</td>
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<td>5</td>
<td>Supermarkets in the CBD render more of their services through use of technology</td>
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<tr>
<td>6</td>
<td>Supermarkets in the CBD use technology to minimize the cost hence increased profit margins</td>
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<td>7</td>
<td>Any other (please specify)</td>
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**Section D: Focus strategy**

Kindly indicate your level of agreement or disagreement with the following statements by ticking (✓) where appropriately.
(Key: 5-strongly agree, 4-agree 3-undecided, 2-disagree, 1-strong disagree)

<table>
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<tr>
<th>Focus strategy</th>
<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td>1 Supermarkets in the CBD provide services and products that focus on a particular market segment thus creating market barrier</td>
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<td>2 Supermarkets in the CBD endeavor to meet the needs of the clients entirely leading to customer loyalty.</td>
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<td>3 Supermarkets in the CBD have gained customer loyalty by focusing on a particular market segment</td>
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<td>4 Supermarkets in the CBD have built a strong relationship with our clients which has created market barrier for other firms</td>
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<tr>
<td>5 Most of Supermarket’s products/services in the CBD are tailor made to suit specific needs of our clients</td>
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<td>6 Any other (please specify)</td>
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The End