

**EXTENT OF ADOPTION OF GENERIC STRATEGIES FOR  
COMPETITIVE ADVANTAGE IN POULTRY FARMING IN KENYA**

**BY**

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**UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA**

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COMPETITIVE ADVANTAGE IN POULTRY FARMING IN KENYA**

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

**UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA**

**SUMMER 2018**

## STUDENT'S DECLARATION

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

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Prof. Damary Sikalieh

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Dean, Chandaria School of Business

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## ABSTRACT

Farming is crucial to fighting food insecurity, not only because it stimulates increased production but also due to its potential to create wealth for smallholder farmers more so in rural communities. This study focused on the adoption of Michael Porters' generic strategies in poultry farming in Kenya and was guided by three specific objectives; to determine whether cost leadership strategy; differentiation strategy; and focus strategy have any influence on the competitive advantage of poultry farming agribusinesses in Kenya.

The study adopted a descriptive research design in order to describe the what, who, where and how of the relationship between generic strategies and competitive advantage. The study targeted a total population of 100 poultry farmers. Simple random sampling techniques were applied resulting into 100 small scale poultry farmers. The tool used to collect the data was a structured questionnaire. The statistical package for social sciences (SPSS version 25) data analysis software was used to analyze data based on descriptive and inferential statistics. Only 72 were filled and returned the questionnaire giving a response rate of 72%.

The findings showed that there was a positive correlation between competitive advantage and cost leadership strategy ( $r = .553, p < .000$ ); firms capabilities ( $r = .661, p < .000$ ); linkage and collection ( $r = .579, p < .000$ ). These results showed that when small scale poultry farmers adopt the cost leadership strategy, they increase their chances of having a competitive advantage.

The study correlated competitive advantage and differentiation strategy variables and the findings revealed that there was a positive correlation between competitive advantage and differentiation strategy ( $r = .557, p < .000$ ); differential product ( $r = .756, p < .000$ ); differential market ( $r = .698, p < .000$ ). These results showed that when small scale poultry farmers adopt the differentiation strategy, they increase their chances of having a competitive advantage.

A Pearson correlation analysis was done to establish the relationship between competitive advantage and focus strategy. The results revealed that a positive correlation existed between competitive advantage and focus strategy ( $r = .676, p < .000$ ). These results

showed that when small scale poultry farmers adopt the focus strategy, they increase their chances of having a competitive advantage.

A regression analysis of the dependent variable (competitive advantage) against cost leadership, differentiation and focus strategy variables showed that R<sup>2</sup> value was 0.752 hence 75.2% of the variation in competitive advantage was explained by the variations in cost leadership, differential strategy, and focus strategy.

The study concluded that high demand for agricultural products and services requires the sector to be competitive in order to meet the customer needs. Secondly, a customer may be more than willing to purchase a product because of its unique features in agribusiness although differentiation is suitable in a market where customers are not really price sensitive and may be costly for a small scale poultry farmer. Lastly, focus strategy is a suitable strategy for small enterprises and segments in the market, guarantees competitive advantage. The process however requires resources and is dependent on the level of competitiveness in the markets.

The study recommended that in order to remain competitive, the agricultural sector needs to respond to environmental influences. This will help the poultry farmer increase and retain the market share as well as guarantee customers' great value for the product they purchase. Secondly, small scale farmers can use the differentiation product strategy to attract customers. Poultry's consumption level is dependent on availability of competing alternatives as such use of technology such as refrigeration need to be encouraged. Lastly, focus strategy by small scale poultry farmers depends on the availability of resources therefore before focusing in a particular market there is a need to do thorough research on the costs involved.

Further studies should be done by segmenting the respondents into regions so as to be able to make a comparison and understand how cost leadership, differentiation, and focus strategies influence the competitive advantage of small scale poultry farmers across the country. Similar study also needs to be undertaken in other type of farming such as fish and livestock farming so as to be able to generalize the findings.

## **ACKNOWLEDGMENTS**

My utmost gratitude goes to God, Prof. Damary Sikalieh, family and friends who offered their invaluable support towards the completion of this research proposal. I am indebted to you. Without your assistance, this research would not be complete.

## **DEDICATION**

I would like to dedicate this project to God and also my family who offered their unending support during my studies and especially to my parents, without whom I wouldn't have reached this far in my education.

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## CHAPTER ONE

### 1.0 INTRODUCTION

#### 1.1 Background of the Study

Farming is crucial to fighting food insecurity, not only because it stimulates increased production but also due to its potential to create wealth for smallholder farmers more so in rural communities (European Union, 2013, p.4). Progress in farming is very important in aspects such as poverty reduction since groups such as pastoralists and subsistence farmers depend entirely on crop and animal husbandry as an income generating activity (Republic of Kenya, 2005).

According to Gray, Boehlje & Akiridge (2004), the business surroundings for farming can be characterized by “greater unpredictability and risk; increased focus on value by producer customers; the pervasiveness of a commercial mentality on the part of producers/customers; the evolving needs of the commercial producer; growth in the recreational agriculture segment; rapid growth of niche markets; intense competition from traditional and non-traditional sources; enormous pressure for efficiency in all phases of operations; increased coordination across players throughout the total agri-food chain; increasing consolidation at all levels of the input distribution channel; new and more streamlined distribution channels; and a higher level of social awareness and responsiveness,” (Gray, Boehlje & Akiridge (2004).

Olson & Boehlje (2010), state that it is essential for a farmer to understand the forces that are shaping and shifting the competitive landscape as this is useful in making strategic positioning decisions as well as the structural changes that are affecting food production, processing and distribution in the agricultural sector. The authors’ further state that given this increasingly challenging business environment in farming, developing a competitive advantage strategy that responds to the changing business condition is important for long-term sustainable competitive advantage and financial success.

In their study, Poddar & Gadhawe (2007) define competitive advantage as the lead and gain that one agricultural firm has over competing agricultural firms whether it deals with plants or animals. It is thus the advantage that a firm has over others, which helps the firm

in the contest, to trap and maintain the consumers. The competitive advantage can be in any form or manner, which helps the firm in increasing and retaining the market share (Poddar & Gadhave 2007).

Competitive advantage, in simple terms, means a benefit gained over competitors and extended by offering consumers great value for the product/service they purchase, either by means of lower prices or by providing greater benefits and services that justifies having higher prices. According to Gurau (2007), a farmer should strive to gain and maintain a significant competitive advantage as a strategy to survive in the market.

Michael Porter (1996), defines strategy as achieving competitive advantage through being different, that is, delivering a unique value added product/service to the customer, having a clear and unique view of positioning oneself uniquely in an industry. Michael Porter revolutionized and demystified the competitive strategy concept more than 20 years ago with the development of three generic strategies which he believes that firms can adopt to outperform industry rivals and these are; overall cost leadership, differentiation, and focus (Stark, 2017).

These strategies are often applied in agribusiness management (Gloy and Akridge, 1999), but have received little attention within the confinements of a farm gate. Farmers are faced with the challenge of remaining profitable in an environment characterized by low commodity prices, increased competition, new forms of rivalry and a growing rural population (Stark, 2017). The bases on which an organization may seek to achieve a lasting position in its environs is known as generic strategies (Tanwar, 2013).

In her article, Samanta (2010) writes that Porter gives three broad generic strategies for creating a competitive position in the long-run and out-performing rivals in achieving sustainable competitive advantage. These are: cost leadership strategy, differentiation strategy and focus strategy. It is in the context of competitive advantage strategy with which a firm may pursue generic strategic options.

The cost leadership strategy as proposed by Porter (2008) is to help an organization gain competitive advantage regardless of the industry. Cost leadership strategy means having

the lowest per-unit (mean or average) cost, that is, the lowest cost compared to your businesses rivals that use the same strategy (Vorley, Lundy, & MacGregor, 2008; Fleet, Fleet, & Seperich, 2014).

A business can become a cost leader through capacity utilization, linkages, interrelationships, timing, location and effective inventory management strategies (Duica & Duica, 2014). Cost leadership can also be achieved through high asset utilization, increased control of the value chain and the indirect and direct lowering of the total operating costs for the agribusiness firm.

There is a low cost of production and quick returns from poultry compared to other farm animals (Study Mode Research, 2012). This can result from the lowering of operational costs such as feed costs by using other food supplements to the levels that all the competing firms cannot match. It helps the poultry farmer to expand profits or increase business coverage by providing quality meat and eggs at lower costs.

Whether cost leadership and differentiation strategies are mutually exclusive is a far less discussed issue as demonstrated by the relatively scarce literature on the topic. However, according to Wright (1987), a cost leadership strategy may have disadvantages such as the lowering of customer loyalty and price-sensitive customers may shift once a lower-priced substitute is available. A reputation as a low cost leader may also result in a reputation for low quality especially in the mind of a customer, which may make it difficult for a firm to rebrand itself or its products if it chooses to shift to a differentiation strategy in future (Wright, 1987).

A differentiation strategy refers to the customization of company products to look unique. Differentiation can be achieved by differential product strategy, differential service strategy, differential personnel strategy, differential image strategy, differential channel strategy, packaging, use of different ingredients and the general presentation (West, Ford, & Ibrahim, 2015; Hitt, Hoskisson, & Ireland, Strategic management: competitiveness & globalization: cases, 2013).

Al Ain (2010) states that a poultry farm can adopt a differentiation strategy, because poultry farmers know different kinds of chicken products that can be offered and each product has its attribute so a poultry farmer can charge the price according to the product's feature, for example different types of pre-packed parts of a chicken (chicken wings, drum sticks, chicken breasts etc), value added products such as chicken burger, chicken samosa, different types of eggs that are good for baking and include recipes as part of the package for depending on the packed products. This means that the products are unique and stand out from competitors. It is suitable in a market where customers are not price sensitive and the market is very competitive.

If the cost of making a product unique is higher than the extra cost gained by selling, then it is not effective. It is a challenge for micro-enterprises to rely on differentiation strategy because of the high level of capital required to command a substantial market share and dictate costs (West, et al, 2015 & Hitt, et al., 2013). Therefore, it is imperative to modify the differentiation strategy to suit the circumstance before utilization in small scale poultry farming. The outcome of the study will show the factors influencing the use of differentiation strategy and inform on the best techniques that can be used by small scale poultry to generate maximum returns.

Whereas low cost and differentiation are aimed at achieving their objectives industry wide, the focus strategy is built on serving a particular target (customer, product, service or market) very well (West, et al, 2015 & Hitt, et al., 2013). Differentiation strategy is not suitable for small companies. It is more appropriate for big agribusiness firms. Big agribusiness firms that apply differentiation strategies may also choose to apply in conjunction with focus strategies either cost or differentiation (Wright, 1987).

Focus strategy has been identified as the most suitable strategy for small enterprises because it allows the firm to focus on key markets, customers, products or services (Hitt, Ireland, & Hoskisson, 2017). The authors also state that big agribusiness enterprises can utilize this strategy in conjunction with either cost leadership strategy or differentiation strategy as a competitive advantage strategy. The agribusiness enterprises can segment the market and focus on the few selected segments of the market to maximize returns.

The belief is that targeting a few markets allows the firms to meet the specific needs of the target market.

According to Hitt, Ireland, & Hoskisson (2017), the utilization of this strategy by small scale agribusiness enterprises depends on the availability of resources available and the level of competitiveness in all the markets. Studies examining the use of focus as a competitive advantage strategy by small agribusiness firms in Kenya and Africa are scarce. There is need for additional research to ascertain the impact of focus strategy on the competitive advantage of small scale poultry farming in Kenya.

Study Mode Research (2012) defines poultry farming as domestication of birds that are used primarily as a source of food (protein) to man. These include domestic chicken, quails, doves, ostrich, pigeons, fowl, ducks, turkeys and guinea fowl. Many of the species and breeds mentioned are used in the service of man commercially or for subsistence (family use). This study focused on use of Michael Porter's generic strategies being instrumental in helping small scale poultry farmers in Kenya to maintain competitiveness in the industry.

## **1.2 Statement of the Problem**

According to Tanwar (2013), differentiation is a viable strategy for earning above average returns in agribusiness because the outcome lowers customers' sensitivity to price. Research does propose that a differentiation strategy is more likely to generate more profits because differentiation creates a better entry barrier (Tanwar, 2013). On the other hand, a low-cost strategy is more likely to generate an increase in market share.

According to Tanwar, (2013), some firms make an effort to pursue more than one strategy at a time such as bringing out a differentiated product at a low cost. Though approaches like these are successful in the short term, they are hardly sustainable in the long term. If firms try to maintain cost leadership, focus as well as differentiation at the same time, they may fail to achieve either as they will be "stuck in the middle".

The author further argues that combining a market segmentation strategy with a product differentiation strategy is an effective way of matching an enterprises' product strategy (the supply side), to the characteristics of the target market segments (the demand side),

depending on the market dynamics in the particular industry. In this case, combinations like cost leadership with product differentiation are hard (but not impossible) to implement due to the potential for conflict between cost minimization and the additional cost of value-added differentiation regardless of the industry in question.

Focus strategy is most suitable for relatively small scale agribusiness firms even though large scale agribusiness firms can use it as a strategy. This strategy may be used to select targets that are less vulnerable to substitutes or where competition is weakest to earn above average return on investment (Tanwar, 2013). It combines the characteristics of both differentiation and cost leadership strategies to achieve the best outcome.

A firm focuses on one area and attempts to gain cost leadership through utilizing technology and differentiating its products to remain unique (Cuthbert, 2011). The focus strategy is recommended for small scale poultry farmers because it ensures that the firm is not strained. According to Cuthbert (2011), focusing on key markets allows the firm to enjoy the benefits of specialization, which include high quality products, comprehensive understanding of distribution channels and supply chains, and the opportunity to forge strategic partnerships.

Minarik (2007) points out that the conceptualisation of competitive strategies is discovering the possibility of reconciling cost leadership and differentiation as two separate dimensions of strategic positioning. According to Minarik (2007), the relationship between cost leadership and differentiation: may be positive, meaning that differentiation does not necessarily lead to increased costs since the strategy may serve to reduce costs and thereby cost leadership and differentiation are compatible as a business strategy.

In his study, Kamau (2013) suggested that further research should be conducted in adopting competitive strategies hence effectiveness in response to increased competition in an industry. Waema (2013) conducted a survey of the effects of the competitive strategies on the performance of dairy firms in Kenya. This study was aimed at establishing effects of competitive strategies on performance of dairy firms in Kenya and

recommended that the best strategy dairy firms in Kenya can adopt is to optimize their performance.

There exists a knowledge gap in the published literature on the extent of adoption of generic strategies for competitive advantage in poultry farming, more so in Kenyan context is relatively limited. Those other studies were not able to fill the gap thus this study sought to focus on the application of Michael Porter's generic strategy for competitive advantage in small scale poultry farming. The study outcome was expected to inform how small scale poultry farmers can adopt any of the three competitive strategies to get ahead of competitors in the same sector.

### **1.3 General Objective**

The purpose of this study was to understand how cost leadership, differentiation, and focus strategies influence the competitive advantage of small scale poultry farmers.

### **1.4 Specific Objectives**

The specific objectives were;

1.4.1 To determine whether cost leadership strategy has any influence on the competitive advantage of poultry farming agribusinesses in Kenya.

1.4.2 To determine the influence of differentiation strategy on competitive advantage in poultry farming agribusinesses in Kenya.

1.4.3 To find out how focus strategy influences the competitive advantage of poultry farming agribusinesses in Kenya.

### **1.5 Importance of the Study**

The study will be of importance to the following stakeholders;

#### **1.5.1 Farmers**

Small scale poultry farmers will find this study significant because it gives them an opportunity to learn on other strategies they can use to gain a competitive edge over their competitors.

#### **1.5.2 The Government of Kenya**

This study will influence the Government of Kenya to enact proper and adequate laws and policies to protect small scale agribusiness enterprises in Kenya against unfair

competition from large scale agribusiness entrepreneurs. It will also inform the Government on how to develop further strategies to alleviate competition facing small scale agribusinesses in Kenya.

### **1.5.3 Researchers and Academicians**

Kenya's economy mainly depends on agriculture, hence this study will inform researchers and academicians to have an understanding as to whether Michael Porter's generic strategy of competitive advantage in small scale poultry agribusiness enterprises in Kenya.

## **1.6 Scope of the Study**

The focal point of this study was poultry farmers who own between 1 to 1,000 birds taking into account annual turnover, years of operation, role in the firm (employees, investor), cultivate less than 2 hectares of land and own chicken, ducks, geese, quails etcetera. Limitations of this study included quality of data and willingness of respondents to respond to the questionnaires. The research assured respondents of confidentiality.

## **1.7 Definitions of Terms**

### **1.7.1 Competitive advantage**

Competitive advantage occurs when a business obtains or develops an attribute or combination of attributes that permits it to outdo its competitors (Nyauncho, 2015). The businesses become successful as they have used two major sources of competitive edge, that is, cost structure and its ability to differentiate the business from competitors (Pearce & Robinson, 2011).

### **1.7.2 Agribusiness**

The term agribusiness is often used to mean a total sum of agriculture and business-related activities, covering several functions and processes involved in modern food production and distribution (Konir, Silva & Mhlanga, 2013).

### **1.7.3 Small scale farms/agribusiness**

According to Salami, Kamara & Brixiova (2010) defines the African smallholder farmers' operations occur in farming systems with the family as the center of planning,

decision-making and implementation, operating within a network of relations at the community level.

#### **1.7.4 Generic strategies**

According to Pearce and Robinson (2011), generic strategies can be defined as are major ideas on how an organization can in the best possible manner compete in the market place in a given industry.

#### **1.8 Chapter Summary**

This chapter set the basis of the study and by outlining background information on the importance of a farmer understanding the forces that are shaping and shifting the competitive landscape in making strategic positioning decisions as well as the structural changes that are affecting the food production, processing and distribution in the agricultural sector.

There exists a knowledge gap on the use of generic strategies for competitive advantage in poultry farming and the purpose of this study was to fill this gap. The study's findings will be of great benefit to stakeholders in the agribusiness industry more so in the poultry sector thus, providing relevant information to poultry farmers.

The scope of the study was limited to poultry farmers who kept from 1-1,000 of the following domestic birds; chicken, quails, doves, ostrich, pigeons, fowl, ducks, turkeys and guinea fowl.

Chapter two is about literature reviews guided by the research questions identified in chapter one. While Chapter three identifies the research methodology and highlights the various procedures and methods that the researcher used while conducting the research. Chapter four presents the results and findings while chapter five provides a discussion on the findings of the research guided by the specific research objectives then conclusions and recommendations.

## CHAPTER TWO

### 2.0 LITERATURE REVIEW

#### 2.1 Introduction

This chapter provides theoretical and empirical information on topics related to the research problem using Michael Porter's generic strategies as a means of achieving competitive advantage. This is a review about existing literature on the relationship between the components of Michael Porter's model and competitive advantage in small-scale poultry farming based on the specific objectives of the study.

#### 2.2 Competitive Advantage and Strategy

According to Dziwornu & Raymond (2014), the global perspective of competitive advantage in the agribusiness sector has raised concerns amid policy makers and economists on the need for competitive advantage in the sector, particularly amongst the developing countries. The agricultural sector contributes significantly to refining and improving the economic well-being of nations (Gaytán & Benita, 2014). The increasingly growing demand for agricultural products and services in the world requires the sector to be competitive in the world market in order to meet the increased demand (Yercan & Isikili, 2006).

Such competition demands agricultural producers to know and provide greater value for what they are offering in their enterprises (Gaytán & Benita, 2014). Consequently, this creates an interesting research view: to explore on the need and adoption of farmer's competitive position in the agribusiness sector. This of course is in view, that agribusiness activities do provide an opportunity to get higher and stable income for farmers and other stakeholders. In their article, Gaytán & Benita (2014) assert that competitiveness is mainly driven by the price of products and like any other industries; the agricultural sector needs to respond to environmental influences in order to preserve and/or improve its competitive advantage.

In their study, Poddar & Gadhawe (2007) define competitive advantage as the lead and gain that one agricultural firm has over competing agricultural firms whether it deals with plants or animal. It is the advantage that a firm has over others, which helps the firm in

the contest to trap and maintain the consumers. The competitive advantage helps the firm in increasing and retaining the market share (Poddar & Gadhave 2007).

Competitive advantage means a benefit over competitors gained and extended by offering consumers great value for the product/service they purchase, either by means of lower prices or by providing greater benefits and services that justifies having higher prices. According to Gurau (2007), a farmer should strive to gain and maintain a significant competitive advantage as a strategy to survive in the market.

According to Boehlje et al., (2002), agribusiness firms should develop individual as well as organisational capabilities through the discovery and formulation of appropriate strategies to achieve competitive advantage in the sector. The appropriate strategies include anticipating and embracing changes, understanding the agricultural industry, understanding the analytical framework, up to date with current data, and demonstrate the capability to integrate competitive advantage concepts, developing team work skills, take premeditated/calculated risks, broaden the perspective, communicate and generate products.

Dlamini et al., (2014), identify the factors influencing competitiveness of agribusiness firms in Swaziland. The results suggest that unavailability of professional labour, cost of inputs, and incompetent public sector personnel are the top three constraints inhibiting competitiveness in agribusiness.

Another study by Tregear C., (2006) found that collective action enhances the competitiveness of agrifood firms in Greece. While in a different study, Dziwornu & Raymond (2014), explore the factors influencing competitive advantage of small-scale commercial agribusiness firms and discover that cost, experience and capacity utilisation to be among the main factors that significantly affect competitive advantage.

In Cameroon, poultry farmers take interest in all the management activities. This is to say, 77% prefer to feed their poultry birds themselves while 84% would personally perform all management functions and 42% of the staff in management position prefer vaccinating the birds by themselves (Merar, 2015). This is as a result of the country not setting proper

standards for poultry and related products and lack of adequate capital. To increase the profitability of poultry meat in Cameroon, there are two formulas that poultry farmers use when mixing chicken feed and this yields different outcomes from other local farmers.

The following sub-sections elaborate on sources of competitive advantage for the agricultural industry poultry sector; Porter's generic strategies.

### **2.2.1 Porter's Generic Strategies**

Santhaaraj (2006) determines the significant factors associated with competitiveness of agricultural products by adopting the cause and effect factor. The effect factor shows that the competitiveness of agribusiness products or services depends on people, price, non-price factors, internal factors, quality and external factors. To eliminate challenges faced by other poultry farmers, Santhaaraj (2006) says it is important to put in place an efficient and effective management system to play a key role in the technicality and profitability of poultry farms. Santhaaraj further adds that farmers can work closely with experts to handle the management of their poultry farms.

Porter (1980) proposes three generic strategies that a firm can adopt to cultivate competitive advantage over its competitors and these generic strategies are cost leadership, differentiation and focus strategies. Thompson (1996) states that a firm's competitive strategy comprises of business approaches and initiatives it uses to attract and withstand competitors and reinforce its market position. Firms will come up with ways and means of attracting customers to purchase their products therefore gain customer loyalty through repeated sales with an aim to beat their rivals who offer similar products or substitute products and hence the organizations gain a competitive edge in the target market of that sector.

Differentiation strategy is used by firms who are offering a variety of products to their prospective customers. Thompson and Strickland (2001) believe that this strategy seeks to distinguish a firm's products/services by offering diverse products/services from competitors in ways that will charm a wide spectrum of customers. The differentiation strategy is an integrated set of actions developed by a firm to produce and deliver products/services at an acceptable cost that customers perceive in their minds as being

different in ways that are of importance to them. According to Thompson (1997) the differentiation strategies can only become an attractive competitive approach whenever a customer's needs and preferences are too varied to be fully contented by a normal/standardized product or service. To be successful with a differentiation strategy, a firm has to study a customer's needs and behaviour very carefully to learn and understand what they consider important, what they perceive has value and how much a customer is willing to pay for.

Low cost leadership strategy is where firms achieve lower cost than their rivals and able to compete across a broad range of segments. Harvey (1988) defines cost leadership as striving to be the overall low cost provider of a product or service in an industry that appeals to a wide range of consumers. The aim of this strategy according to Harvey (1988) is to open up a maintainable cost advantage over competitors. The firms' can lower cost of operation by either under-pricing products and in turn gaining market share at the expense of competitors or the firm earning a higher profit margin by selling their products at the prevailing market prices. The author adds that poultry farmers can acquire cost advantage by improving their process efficiency, accessing low cost raw materials and inputs, making optimal out sourcing and cutting down overall costs of operation and avoiding some costs altogether.

The third and last generic competitive strategy is the focus strategy where a firm chooses to concentrate on one particular segment or a limited segment of the target market in an industry. In their study, Thompson (1997) and Harvey (1988) state that for an agribusiness firm that decides to use this approach can opt to either seek lower costs or opt for product differentiation strategy. This therefore means a focus strategy based on lower cost and a focus strategy based on differentiation. With regards to lower cost strategy, the firms narrow down on a specific customer segment and outdo their competitors on the basis of lower cost of business operations; while in the differentiation strategy the firm concentrates on the market niche by giving the customers a product that best suits their tastes, preferences and expectations.

In light of the isolated variables discussed above, there is a greater need to explore and combine sources of competitive advantage in the poultry sector. The next section of the

study will focus on cost leadership strategy, differentiation strategy and focus strategy in relation to competitive advantage.

### **2.3 Cost Leadership Strategy and Competitive Advantage**

The cost leadership strategy is among the generic strategies proposed by Porter (2008) to help an organization gain competitive advantage regardless of the industry. Agribusiness enterprises that use cost leadership strategy are focused on reducing the cost of operation to least possible levels to allow them provide products and services at relatively lower prices (Voley, Lundy & McGregor, 2008; Fleet, Fleet & Seperich, 2014).

In addition to that, Muasa (2014), states that cost leadership is a strategy used by agribusinesses entrepreneurs to create a low cost of operation within their forte with the main aim of gaining advantage over competitors; this is usually achieved by reducing operational costs, such as feed costs in poultry farming, below that of others in the same industry. Institute for Manufacturing (2016), states that a low cost leader must find and exploit all sources of cost advantage that are accessible. If a firm can identify, achieve and sustain overall cost leadership, then it will be an above average performer in its industry, provided it can command prices at or near the industry average price. According to the institute the sources of cost advantage are wide-ranging and depend on the structure of the industry.

The next section of this study focuses on the firm's capabilities and capacity utilization, linkages, interrelationships, timing and location factors.

#### **2.3.1 Firm's Capabilities and Capacity Utilisation**

Gray, Boehlje and Akridge (2004) define a firm's capabilities as its ability to identify, arrange and use resources that have been purposely united to achieve a desired end state of being ahead of your competitor's. Capabilities determine the way a firm makes decisions to achieve goals. More specifically, they are a part of the firm's structure and control systems, which are how decisions are made. To be successful a poultry farmer should use resources and capabilities to identify and maintain core competencies. According to the authors, a core competency can be defined as an integration of resources and capabilities that a poultry farmer puts together to help build a competitive advantage.

In other words, core competencies are strengths that allow a farmer to achieve superior efficiency, quality, and innovation. For something to qualify as a core competency it needs to be valuable, rare, costly to imitate, and non-substitutable. In the same vein, valuable capabilities are those that create value for the farmer by exploiting opportunities and/or neutralizing threats in the external environment in the poultry sector (Gray, Boehlje and Akridge 2004).

A rare capability is one that few if any challengers possess. Costly to imitate are capabilities that competitors would have a difficult time copying. Some input suppliers or processors have unique or well positioned physical facilities which is a costly strategy, but in many cases it may be the services and information which is a low cost strategy combined with these facilities that is really hard for competitors to imitate (Gray, Boehlje and Akridge 2004).

Finally, for a capability to be a core competency it must have no close substitutes that could be used to gain the same competitive advantage as that of the competitors. One example is the trust-based working relationship that a small scale farmer may have with their customers or in some cases with buyers, suppliers or processors (Gray, Boehlje and Akridge 2004). A trust-based relationship is a low cost leadership strategy that takes time to develop and many at times hard for competitors to recognize at a quick glance. Very few, if any can substitute it for gaining competitive advantage.

Another way of being a cost leader is through capacity utilisation, which is defined by Porter (1985) as the value of production capacity being utilised over a specific period of time. The author further adds that capacity utilisation at a certain point in time is a function of seasonal, cyclical and other demand or supply fluctuations, which have no influence on the competitive position of a company but rather capacity utilisation over the entire cycle is the correct cost driver. A key question is how capacity utilisation is applied in poultry farming specifically, and farming generally.

The next section of this study focuses on the firm's linkages and collective action as a cost leadership strategy for a small scale poultry farmer.

### **2.3.2 Linkages and Collective Action**

A linkage is a cost leadership strategy driver and consists of various activities within which an organisation is linked to and therefore affected by those that link with it. Porter (1985) identifies two types of linkages and these are external and internal linkages. Internal linkages are activities of the value chain that have an effect on the costs and exist between direct and indirect activities in an industry (for example, quality control in poultry and audits may have a significant impact on servicing costs of the farm).

According to the author, changing the performance of a linked activity such as feeding, watering and vaccination will not only have an impact on the cost of another activity but also on the total cost of the linked activities. A company must adjust linkages according to the circumstances in order to obtain competitive advantage.

External linkages are activities of the value chain in relation to suppliers of inputs or distributors of the final products can affect the costs of a firm's activities. Porter (1985) states that external linkages with distributors/suppliers channels can significantly lower costs by improving coordination and joint optimisation between a farm's activities and the value chains of suppliers and channels.

For instance, frequent supplier deliveries can reduce a poultry farm's inventory needs, appropriate packaging of supplier products can lower handling cost in between sales and supplier inspection can remove the need for incoming inspection from an outsourced external inspector.

Gaytán (2014) defines collective actions as willingness of group members to share market knowledge, to sell together and to develop business opportunities to be a cost leader. Collective action through different networks of firms has been studied in different contexts and sectors (Ismail, 2013). Accordingly, a successful collective action emerges when, people who know each other, work together and have family or business ties.

Generally, small scale farmers operate independently and therefore they experience lack of adequate resources which poses a major barrier to enhance competitiveness. Since they opt to act independently, small scale farmers rarely have an opportunity to access new

markets like supermarket chains through collective action and thus reduction of costs (Gaytán, 2014).

Yang et al., (2014) emphasizes that collaborative business amongst agribusiness enterprises partners will enable competitiveness better than before in highly uncertain surroundings. It is important to build and manage strong inter-farm relationships because together small scale poultry farmers can overcome the challenge on resource limitation and enhance competitiveness (Ismail, 2013).

As a matter of fact, working collaboratively has been found to lead to increased formal and informal knowledge, better understanding and innovation in the agricultural sector (Asenso-Okyere & Davis, 2009). This suggests that knowledge, understanding and innovation must be combined in order to overcome the challenges as well as to accelerate development of the agricultural sector.

The next section of this study focuses on interrelationships through Government Support as a cost leadership strategy.

### **2.3.3 Interrelationships through Government Support**

Porter (1985) identifies that interrelationships refer to relationships of mutual dependence between one business and other parts of a company's operations that could affect costs. Tangible interrelationships stem from opportunities to share activities within the value chain of an organisation. Thus, a poultry farmer can identify sources of competitive advantage traced to the actual sharing of various assets such as one supplier offering incubation services since a small scale poultry farmer may not be able to afford managerial capabilities for example medical activities in the poultry value chain for example a veterinary checking the health status of poultry in an area (Hax & Majluf, 1996). On the other hand, this type of interrelationship can incur costs relating to the coordination of farm activities, compromising on feeds thus poor quality eggs and meat, and cost of inflexibility created when businesses share outdated activities (Hax & Majluf, 1996).

According to Hax & Majluf (1996) an intangible interrelationship, refers to the delivery of 'know-how' to similar but separate value chain activities in a number of business units (one expertise gained in one division can be utilised in another. For example, cost reduction expertise and sharing know how interrelationships arising when costs of various activities that is similar can be reduced by sharing and improving know-how and expertise.

Hax & Majluf (1996) state that, interrelationships with other strategic business units can help to share experience and gain economies of scale in functional activities. A poultry farm can reduce their costs by transferring knowledge within the group to other strategic business units who share similar technology or problems (Porter, 1985).

A small scale poultry farmer can rely on the government's extension workers to get technical information on raising poultry. Providence of sufficient government support for optimum production techniques, different types of value addition marketing avenues and infrastructure facilities has been found to be directly connected to improved competitiveness of agricultural products and services (Kumar & Rai, 2007).

Bhuiyan (2011) also reveals that financial support in terms of low interest loans or grants from the government can establish competitive advantage since majority of small scale poultry farmers do not have assets that can be used as collateral for the loans and lastly the government can freely share current information and support poultry related development activities.

Latruffe (2010) reveals that government intervention and support is one of the macro level elements of competitiveness of firms and agricultural sector improvements activities such as buying agricultural products, setting low interest rates loans, imposing quality standards and offering a negotiable framework (Tregear C., 2006). As such, the role of government in the agricultural sector is prevalent (Yee, Ahearn & Huffman, W, 2004).

However, there has been relatively less attention paid on investigating the impact of government support on the competitive advantage of agricultural firms, opening up possibilities for future research.

The next section discusses timing as a cost leadership strategy that a small scale poultry farmer can consider.

### **2.3.4 Timing**

Porter (1985) argues that the cost of value activity often reflects on the time it takes and the ability of a firm to introduce new products faster than major competitors. The measurement can include being first in the market in introducing new products such as pre-packing different pieces of a chicken e.g. wings for sale in a supermarket, the time-to-market lower than at industry average, this is when a poultry farmer is the first to sell at a lower price before competitors but not comprising on quality.

The other role of timing in cost position of a firm is with respect to the business cycle in absolute terms by taking the shortest time to produce and deliver products at low cost using a Just in Time approach (Porter, 1985). Timing may lead to either a farmer getting a sustainable cost advantage or a short-term cost advantage (for instance, when a poultry farmer may have low cost assets because of purchasing assets when the demand is low as the price will be low).

However, there are a number of instances when the "first mover" in an agribusiness industry can gain significant cost advantages (Lowe & Atkins 1994; Porter, 1985). First mover factors refer to the value of activities that can affect costs based on: the geographic location of an activity and the location of an activity relative to other value activities in a poultry farm.

First mover factors can have an impact on costs through many ways (Porter, 1985): location of a poultry farm within a country or region; influence on logistical costs between suppliers and customers, where location relative to suppliers is an important factor in inbound logistical costs, while location relative to buyers affects outbound logistical costs. Therefore, it is essential for a poultry farmer to investigate and find out the impact of the location of their agribusiness on the costs and recognize opportunities for reducing costs by establishing new patterns of location of facilities relative close to each other (Porter, 1985).

In addition to that, first mover advantages arise from; securing the right to the lowest costs of materials from a supplier by raising free range chickens and charge higher prices and select breeds that mature faster. A poultry farmer can also be the first to breed poultry with larger yolks or a breed that produces an egg with more whites or larger yellow yolks and market the eggs to customers and bakeries who desire more whites and less yolks and vice versa; attracting the best poultry farm employees in the industry, use of and access to technology, or finding the best location for a poultry farm and moving quickly into volume production.

However, the advantage does not always rest with the first mover as there are significant advances in the technology or product design that a “later entrant” in small scale poultry farming can exploit. The first mover may either be unwilling to spend heavily or simply not have money to do so thus an opportunity for the “later entrant” to seize the moment and take advantage of the opportunity.

Whether cost leadership and differentiation strategies are mutually exclusive is a far less discussed issue as demonstrated by the relatively scarce literature on the topic. However, according to Wright (1987), a cost leadership strategy may have the following disadvantages; lower customer loyalty and price-sensitive customers who will most likely shift once a lower-priced substitute is available just to mention but a few.

A reputation as a low cost leader may also result in a reputation for low quality especially in the mind of a customer, which may make it difficult for a firm to rebrand itself or its products if it chooses to shift to a differentiation strategy in future as a competitive advantage strategy as discussed in the next section (Wright, 1987). This study has focused on linkages and collective actions as a competitive strategy for small scale poultry farming.

The next section is on differentiation strategy as a competitive advantage tool in small scale poultry farming.

## **2.4 Differentiation Strategy and Competitive Advantage**

Differentiation strategy refers to the customization of company products to look unique and this can be achieved by packaging, use of different ingredients and general presentation (West, Ford, & Ibrahim, 2015; Hitt, Hoskisson, & Ireland, 2013). According to the authors the main idea is to have products that are unique and stand out from the rest of the products from competitors in the agribusiness space.

Differentiation is suitable in a market where customers are not really price sensitive and the market is very competitive in nature. The strategy is effective if the cost of adding the value is less than the potential profit. If the cost of making a product unique is higher than the extra cost gained by selling, then it is not effective.

West, Ford, & Ibrahim, 2015; Hitt, Hoskisson, & Ireland, 2013 asserts that differentiation is founded on a specific competitive advantage, presentation and creation of the targeted customers. The product of an enterprise can be differentiated through differential product and service strategy, differential personnel strategy, differential image strategy, differential marketing channel, quality, innovation, enhancing customer responsiveness, and unique resources.

Uniqueness is not a guarantee that a poultry farmer will achieve success because customers are likely to be sensitive to other factors (West, Ford, & Ibrahim, 2015; Hitt, Hoskisson, & Ireland, 2013). Therefore, it is imperative for a firm applying differentiation strategy to ensure that all factors have been considered before settling for differentiation strategy.

The next section looks at the differential product and service strategy as a competitive advantage strategy that a small scale poultry farmer can adopt.

### **2.4.1 Differential Product and Service Strategy**

According to Chepkwony (2008), a differentiation strategy aims at improving the products and services as well as the organizations image or quality by adding value or improving features of a product. Thus a differentiated product commands a higher selling price in the market compared to products that are not differentiated.

The implementation of differential product strategy is the most common and direct way to attract the attention of the customer (Bacon, 2005). Due to the unique features of a product, the customer may be more than willing to purchase the product, which may result to the loyalty of the customer while for the competitor, this means war on trapping and retaining customers.

According to Dulo (2006) a differentiator chooses a high level of product differentiation to gain competitive advantage meaning that resource mobilization is not a challenge. The author further explains that product differentiation can be achieved in three simple ways that is, producing and selling quality products, using innovation develop and design unique products and quick responsiveness to customers. When a poultry farmer's responsiveness to customers is faster, it offers a comprehensive after sales service to the customers on their purchase of the products/services.

Kariuki (2006) states that a firm that uses differentiation service strategy strives to be the service leader, quality leader and technology leader, but because it is not possible for a company to be all these things, a farmer should cultivate the strengths that will contribute to its intended differentiation strategy approach. The author further states that differentiation requires strong marketing skills, superior quality products and close coordination of research & development, production, distribution and marketing functions.

However, a poultry farmer needs to be careful in the process of implementing differential product strategy especially if the strategy is based on the technical innovation of the product, the strategy may be at a higher cost. All this is under the assumption that perhaps the customer will pay a higher price for the product (Bacon, 2005). On the other hand, if the strategy is based on the simple innovation of forms or colors of the product, the competitor may quickly copy the strategy and the farmer cannot maintain the differential advantage.

It is important for a small scale poultry farmer to understand and list the characteristics of the product that can be used. The following are examples and these may vary from one region to another: poultry consumption offends no religious sentiment and production is

dependent on a wide variety of inputs such as chick hatcheries, quality feed producers, excellent veterinary services, hygienic processing facilities, efficient transport, efficient cold chain for refrigeration while on transit (Bacon, 2005).

Production and consumption are generally non-seasonal and according to the author, it is a perishable product which usually needs refrigeration and considerable post-harvest care. Additionally it may be sold whole or in a wide variety of different parts with a different value being placed on each part. Bacon (2005) asserts that it is a basic food commodity with a caution that in as much as it is a supplier of proteins and essential food nutrients to the human diet, it is in competition with other food items doing so. These include fish, eggs and dairy products.

Lastly, its consumption level is dependent on price, income of buyer and the price and availability of competing alternatives. The first way of carrying out product differentiation is price positioning differentiation, which refers to allocating price to products according to the farmer's special customer group and the second approach is technical differentiation (Bacon, 2005). For example, notifying the loyal customers from the customer database that will you give quantity/ bulk discounts to loyal customers who have consistently and faithfully purchased and no matter the distance they would still prefer to purchase the product from one main farmer.

The implementation of the differential service strategy is to ensure that the customer experiences a pleasant feeling, which makes the customer like and prefer a farmer and its products Zineldin (1996) and also the excellent service can shape the good image of the poultry farming enterprise, which is very important for the development of the small scale poultry farmer. In addition, the service system is a big project, once forming the complete system; it will be difficult for the competitor to imitate in a short time.

However, it is important to note that the implementation of the differential service strategy will cause a higher personnel cost. Therefore, according to Zineldin (1996), the farmer must learn to weigh the cost of the unique service and the benefit that the unique service brings for the agribusiness. This is also quite successful, especially if the service one specializes in is rare and hard to find. The author cautions that unique service offerings can quickly become main stream. Additionally, the differential service that the farmer selects must be able to bring the customer enough values not to cause the customer

to flee but to come back and purchase from the same farmer. Furthermore, if the farmer pursues differential service without much thought and in a manner which cannot bring benefits for the customer, such a strategy cannot be said as differential service strategy.

The next section looks at the differential marketing strategy as a competitive advantage strategy that a small scale poultry farmer can adopt.

### **2.4.3 Differential Marketing Strategy**

The last differential strategy is the differential marketing strategy. A unique marketing strategy can save a poultry farmer on costs which in turn can bring the customer some values. The unique channel can be said as the most successful differential marketing strategy (Duffy, 2004). In addition, selecting a market strategy that is unique requires a lot of research. For example, a poultry farmer selects a new sales channel, it needs to be known by the public in order for the customer to come around and trust it and accept the unique channel. Duffy (2004) states that, for a small scale poultry farmer, this means earning the trust of the public since controlling the channel might be difficult. This means that the after-sales service for consumers must be done well and the customer sees value and benefits.

In general, the differentiation strategy is an effective competitive strategy, which is based on the customer's mind. The differential advantage, which is determined by the core competitiveness of agribusiness enterprises, can form barriers to effectively prevent other poultry farmers from imitation. The continuous innovation can produce the irreplaceable, which makes the competitors delay to respond since they have no time to react or need a long time to take action which makes it a successful implementation of differentiation strategy.

The unique marketing image of the agribusiness enterprise will impress the customer deeply and distinguish it from its competitor. In the process of implementing differential image marketing strategy, Rowley (1997) states that the poultry farmer must carry out the most appropriate strategy according to the marketing image strategy of the fellow poultry farmer (competitor) and the minds of the customer.

Adopting the proper differential image marketing strategy will bring an unexpected result for the small scale poultry farmer. Obviously, the implementation of differential image marketing strategy is an authoritative tool to be different or rather distinguish oneself from the competitor, be occupied in the minds of the customer and gain a competitive advantage (Rowley, 1997). For example, Duffy (2004) asserts that in the aspect of choosing the place of the shop, a poultry farmer must consider the convenience of the customers, consider poultry stores within the scope of people's daily life so that a customer can easily access and purchase the product.

A poultry farmer also takes into serious account the neighborhood such as, office buildings, exhibition, airports, hotels and universities and should aim to create the impression of a high-level image in the mind of the customers. This helps to build up the impression that people need poultry farmers in their daily life and they are available wherever they are situated (Rowley, 1997).

According to this author, the implementation of differentiation marketing strategy is an expression of the capability of a poultry farmer. The strategy is a vigorous process and with the socio-economic and technological development in the world on a daily basis, the customer's demand is constantly changing and there is no difference that can be maintained forever.

However, Duffy (2004) adds that the long-lasting drug for differentiation marketing strategy is to innovate continuously and to adapt to the changing requirements of a customer such as focus as a competitive advantage strategy. In their study Duffy (2004) and Rowley (1997) conclude by saying losing the perceived customer quality differentiation is one of the cons of this strategy.

Duffy (2004) and Rowley (1997) add that, a poultry farmer must have strong marketing proficiencies. Additionally, a differentiation strategy relies on effective and productive human resources. The authors believe in continued innovation and quality improvement is also equally significant to the successful implementation of a differentiation strategy. Differentiation is suitable in a market where customers are not really price sensitive and the market is very competitive in nature and differentiation strategy is effective if the cost

of adding value is less than the potential profit. A poultry farmer needs time to market new products as it is important a poultry farm enterprise to maintain competitive advantage over competitors and this study will narrow down to differential product and service strategy.

The next section looks at the third and final generic strategy (focus strategy) whose main aim is to target a specific niche market.

### **2.5 Focus Strategy and Competitive Advantage**

A focus strategy is usually employed where a poultry farmer knows its segment and has its products such as meat, eggs, feathers that competitively meet and satisfy its customers' needs (Hitt, Ireland, & Hoskisson, 2017). Unlike both low-cost leadership and differentiation strategies the authors state that focus strategies are designed to target a broader or industry-wide market to be competitive. They state that this segment could be particular customers group, a narrow division of a particular product line, a geographic or regional market, or a niche group with distinctive special tastes and preference.

According to Cuthbert (2011), the basic idea behind a focus strategy is to specialize the firm's activities in ways that low-cost or differentiation small scale enterprises cannot perform as well and thus greater profits are generated. If a segment has characteristics that are uniquely distinct and lasting, then a firm can create its own set of entry barriers in the same way that large well established poultry farmers do in broader markets.

Focus strategy has been identified as the most suitable strategy for small enterprises because it allows the firm to focus on key markets (Hitt, Ireland, & Hoskisson, 2017). Big firms can utilize the strategy in conjunction with either cost leadership strategy or differentiation strategy. The firm segments the market and focuses on a few segments of the market to maximize returns. The belief is that targeting a few markets allows the firms to meet the specific needs of the target market. The firm becomes a dominant force in that particular market segment (Cuthbert, 2011).

The utilization of this strategy by small scale poultry farmers depends on the availability of resource and the level competitiveness in the markets. For example, according to Hitt,

Ireland, & Hoskisson, (2017), a poultry farmer can focus on rearing broilers with the target market being major companies and hotels. The focus on major companies and hotels informs the strategies employed by the poultry farmer to achieve a superior position in the market when compared to competitors. The focus strategy facilitates specialization and high performance because of the level of focus needed to gain competitive advantage in different areas.

The focus strategy can be divided into two namely cost focus strategy and differentiation focus strategy. According to Cuthbert, (2011) differentiation focus, narrows down on a specific subset of the market but instead of marketing a service or product service as the inexpensive, it's promoted as being unique. For example, a poultry farmer might consider a boneless chicken as product that is specifically made for those without teeth (babies and old people). By focusing on a narrow market segment, a small scale poultry farmer can focus its efforts which may require fewer resources compared to coming up with a product for the wide market. Cuthbert (2011) states that cost focus narrows down on a niche market, instead of marketing a product/service to the entire public it is marketed to a particular sector of the public. Cuthbert (2011) writes that the aim of the strategy is to then be the cheapest provider in that segment and this in advantage for a small scale poultry farmer. For example, a farmer might focus its market on a single town; its aim would then be the cheapest in the town but not necessarily the cheapest overall.

Hitt, Ireland & Hoskisson, (2017) add that whether you use cost focus or differentiation focus, the basic aim to making a success of a generic focus strategy is to ensure that you are adding "something extra" as a result of serving only that specific market niche. It's simply not enough to focus on only one market segment but also because your poultry farm is too small to serve a broader market (if you do, you risk competing against better-resourced broad market companies' offerings). The "something extra" that a farmer adds Cuthbert (2011) asserts that it can contribute to reducing costs perhaps through knowledge of specialist suppliers or to increasing differentiation through deep understanding of customers' needs.

The focus strategy combines the characteristics of both differentiation and cost leadership strategies to achieve the best outcome. The firm focuses on one area and attempts to gain cost leadership through utilizing technology and differentiating its products to remain

unique (Hitt, Ireland & Hoskisson, 2017). The authors further recommend focus strategy for small scale poultry famers because it ensures that the firm is not strained. Focusing on key markets allows the firm to enjoy the benefits of specialization, which include high quality products, comprehensive understanding of distribution channels and supply chains, and the opportunity to forge strategic partnerships.

Cuthbert (2011) examined focus strategy as key adaptive strategies for many firms. The study focused on understanding why firms go for niche markets and what the key impacts of success in the business. Cuthbert (2011) determined that in most cases firms do not settle for selected niche markets but rather they come through serendipity. Regardless, once it is well known that the firm will focus on formulating strategies to help in maximizing returns from the selected market. The study findings helped in the development of a model that can be used by small and medium sized agribusiness poultry farmers. The results of the study confirm that the formations of strategic plans are important to successful markets while horizontal and vertical alliance reduces the overall cost of production. Focusing on a niche market is an effective strategy because it is convenient and near.

According to Hitt, Ireland, & Hoskisson, (2017), possessing special skills or unique characteristics is a key requirement for agribusinesses that rely on focus as a strategy. The possession of a unique capacity puts a small scale poultry farmer ahead and makes it difficult for other firms to compete. Gaining competitive advantage in specific areas of the market is relatively easy because the firm can channel all resources towards the domination of one sector. The use of special market knowledge and skills allow enterprises to stay ahead of competitors in a particular pack (Cuthbert, 2011).

The dynamic agriculture industry in the United States of America (USA) has prompted small agribusinesses and farmers to sign deals that ensure that high quality products reach the market on time. Blandon, Henson, & Islam (2009), argue that the changing preferences of farmers and the dynamic business environment is pushing farmers and agribusinesses to specialize in the most lucrative areas of the industry. They add that the emerging agri-food supply chains are the result of niche strategies being employed by different agribusinesses to ensure that get quality products all year round.

Asem-Bansah et al. (2012) examined the poultry farming value chain with the aim of identifying factors that can help improve the competitiveness of poultry farming in Ghana. The study associated high performance with the integration of resources in the value chain and high level investment. A specialized focus on the value chain makes it possible for the farmer to identify ways to improve efficiency and effectiveness, which in turn enhances the competitiveness of the small scale poultry business. The focus strategy emphasizes specialization to help improve the overall performance of the business.

Asem-Bansah et al. (2012) argues that the focus strategy can allow the small scale poultry farmer to identify and correct the factors that might derail performance. Focus strategy facilitates specialization on part of the farmer. It also provides an advantage to small scale poultry farmers who lack the resources to cover many areas. The focus on one part of the market allows the poultry farmer to have a significant impact in one area. For example, the poultry farmer can choose to focus on raw material sourcing to reduce the overall cost of production. In the long run, this farmer will have an advantage in the market because he/she can sell his products at a relatively lower price.

From the above, focus strategy has been identified as the most suitable strategy for small enterprises because it allows the firm to focus on key markets. The utilization of this strategy by small scale poultry farmers depends on the availability of resources and the level of competitiveness in the markets.

This study set out to find out if focus facilitates specialization on part of the small scale poultry farmer in Kenya.

## **2.6 Chapter Summary**

The competitive advantage of small scale entrepreneurs is a major concern worldwide because of the impact it has on poverty levels. Michael Porters' generic strategies can be used as a means to provide agribusinesses with a key competitive advantage, which leads to additional revenue generation. This chapter is a review about existing literature on the relationship between the components of Michael Porter's model and competitive advantage in small-scale poultry farming based on the specific objectives of the study. In

light of the isolated variables discussed above, there is a greater need to explore and combine sources of competitive advantage in the poultry sector.

This study focused on cost leadership strategy, differentiation strategy and focus strategy in relation to competitive advantage. A reputation as a low cost leader may also result in a reputation for low quality especially in the mind of a customer, which may make it difficult for a firm to rebrand itself or its products if it chooses to shift to a differentiation strategy in future (Wright, 1987). This study focused on linkages and collective actions as a competitive differentiation strategy for small scale poultry farming.

Duffy (2004) writes that differentiation strategy is continuously innovating and adapting to the changing requirements of a customer such as focus as a competitive advantage strategy. In their study Duffy (2004) and Rowley (1997) add that a poultry farmer must have strong marketing proficiencies.

Focus strategy can allow a small scale poultry farmer to identify and correct the factors that might derail performance. It provides an advantage to small scale farmers who lack the resources to cover many areas. The focus on one part of the market allows the farmer to have a significant impact in one area. Chapter 3 has focused on the research methodology, research design, sampling techniques data collection methods, data analysis and data presentation methods used in the study.

## **CHAPTER THREE**

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter provides a discussion of the research methodology that was used in this study with an emphasis on the extent of adoption of generic strategies for competitive advantage in poultry farming. The discussion is focused on the research design with respect to the population of study, sample and sampling techniques, data collection methods as well as data analysis and data presentation methods.

#### **3.2 Research Design**

According to Creswell (2014), research design can be defined as the framework or plan used as a guide in collecting and analyzing data while Vogt (1993) defines it as the science of planning procedures for conducting studies so as to get the most valid findings based on the study.

Descriptive research is mainly used to obtain information concerning the current status of the phenomena and to explore the cause(s) of a particular phenomenon (Key, 1997). According to the author, another distinction can be made between quantitative and qualitative methods. The descriptive method of research will be utilized in the conduct of this study with the aim of obtaining an accurate profile of the people, events and/or situations.

A descriptive cross sectional study design Key, (1997) was selected because of its ability to provide practical descriptions of the activities carried out by small scale poultry farmers, provide numeric data from their enterprises and give room for the observation of the strategic measures that can be taken by these small scale poultry farmers to solve all their problems. The responses to the research objectives of the study were helpful in addressing the primary problem of the study. The descriptive cross sectional study design ensures that the study population was fully examined to increase the accuracy of the study outcome.

### 3.3 Population and Sampling Design

#### 3.3.1 Target Population

Cooper et al. (2000) define a population as the whole objects or events under investigation about which we wish to make inferences, while Hair (2011) defines population as a group of entities that meet certain conditions but possess a wide range of individual characteristics. The target population for this study is comprised of poultry farmers who own between 1 to 1,000 birds taking into account turnover and years of operation in projects from, among others, the World Poultry Science Association (Kenya branch), Kenya Poultry Network and the Africa Poultry Network, Kenya.

The institutions named above have were purposively selected by the researcher due to their outstanding achievement in training and working with poultry farmers in the country. The study population is made up of poultry farmers who keep birds in less than 2 hectares of land and own chicken, ducks, geese and quails among others. The total population of poultry farmers in Kenya has been identified as being approximately 1,000 (World Poultry Association/Africa Poultry Network-Kenya, 2017).

**Table 3.1: Population Distribution of Each Farmer Category**

<b>Farmer Category</b>	<b>Number</b>
Less than 5 years of operation and are part of the World Poultry Science Association/ Africa Poultry Network	670
More than 5 years of operation and are part of the World Poultry Science Association/ Africa Poultry Network	331
<b>Total</b>	<b>1001</b>

**Source (World Poultry Association/Africa Poultry Network-Kenya, 2017)**

The difficulty in accessing every small scale poultry farmer prompted the use of random sampling to determine a reasonable sample for the study. Therefore, the researcher randomly selected a sample of small scale poultry farmers to reflect the true picture of the whole population.

### **3.3.2. Sampling Design**

According to Lavrakas (2008) a sampling design is a framework or road map that serves as the basis for the selection of a survey sample and affects many other aspects of a study.

#### **3.3.2.1 Sampling Frame**

A sampling frame is defined as a list of population from which a researcher can make a selection (Cooper &Schindler, 2000). Churchill & Brown (2007) further state that it is an up-to-date list of all that comprises a population and should be complete with population members and correct information on geographical areas and institutions. Therefore, the sampling frame for this study was small scale agribusiness dealing with poultry farming and the interim list was obtained from the chairperson, World Poultry Science Association- Kenya Branch and Coordinator Africa Poultry Network (Churchill & Brown, 2007).

#### **3.3.2.2 Sampling Techniques**

According to Cooper & Schindler (2000), a sampling technique is methods used in representation samples from a population in a way that the selected number will help determine a stated hypothesis in regard to the population. This study used simple random sampling techniques. Simple random sampling as defined by Yates, David & Daren (2008) is used when the population in the area of study is small and readily available. Further the authors state that all sub-sets of the frame should be given an equal probability. Simple random sampling was carried out by the researcher who assigned a number to each unit in the sampling frame selected and used a table of random numbers to determine which units were to be selected (Yates, David & Daren, 2008).

The main advantage of simple random sampling method is that every unit in the population has a chance/opportunity (greater than zero) of being selected in the sample greatly reducing chances of bias (Hair & Money, 2011). Simple random sampling made possible for the researcher to randomly select 48 small scale poultry farmers with less than 5 years of operation and 23 small scale poultry farmers with more than 5 years of operation and both categories are part of the World Poultry Science Association/ Africa Poultry Network. This was done by allocating each small scale poultry farmer a numeric

value from the table of random numbers generated using Excel. The questionnaires were randomly distributed until the required sample size was arrived at.

### 3.3.2.3 Sample Size

According to Koehler (2002), a sample size is a subset of a statistical population, or rather the frame from which a sample is derived. In addition to that, Creswell (2014) explains that a large sample size lowers the chances of a researcher making an error on the outcomes of the study.

In their study, Denscombe (2003) and Gichuhi (2013) state that, a sample must be cautiously selected to be illustrative of the population and also include a satisfactory number in order to draw inferences and conclusions from a study while Mugenda et al (2003) argue that a sample size depends on a number of aspects such as the number of variables in a study, the type or research design selected by the researcher, the method of data analysis that will be used and lastly the size of the population that will be accessed during the research.

For correlation, Denscombe (2003) says that, 30 or more sample sizes are adequate and continues to say that whatever the theoretical issues are the simple fact is that surveys and sampling are mostly used in small scale research that involves 30 to 250 sample sizes. This study sampled 72 small scale poultry farmer as shown below;

**Table 3.2 Sample Size Distribution**

Criteria	Population Distribution	Calculation	Approximate Percentage	Number of Respondents
Less than 5 years of operation and are part of the World Poultry Science Association/ Africa Poultry Network	48	$48/72*100$ =48	48%	48
More than 5 years of operation and are part of the World Poultry Science Association/ Africa Poultry Network	24	$24/72*100$ =24	24%	24
<b>Total</b>	<b>72</b>	<b>100</b>	<b>100%</b>	<b>100</b>

### **3.4 Data Collection Methods**

According to Creswell (2009), there are several data collection methods a researcher can select from but for this study the researcher utilized primary data which was dependent on the availability and willingness of the respondents to give information which was collected using questionnaires. Data was collected using structured closed ended questions and this was to ensure that the required information was collected in the shortest time possible (Creswell, 2014).

The types of questions developed by the researcher were closed ended in nature (Creswell, 2014) to guide the respondent while for the researcher this was to help in ensuring the research objectives are met. The researcher used a Likert Scale of 1 to 5 whereby 1 stands for strongly agree, 2 stands for agree, 3 stands for neutral, 4 stands for disagree and lastly 5 stands for strongly disagree making it easier for the respondents to rate the variables per question.

### **3.5 Research Procedures**

The researcher sought approval of the proposal from the supervisor and once it was approved, the questionnaire was pre-tested by the researcher to ascertain the suitability of the tool before sharing with the poultry farmers and members of the World Poultry Science Association- Kenya Branch and Coordinator Africa Poultry Network.

The purpose of pre-testing was to detect any discrepancies in the tool and to correct the same (Creswell, 2014). The questionnaire had an introductory letter appended to it. Research assistants with the knowledge of the study objectives and study purpose helped in administering the questionnaire to the respondents. The pilot study was to ascertain if the questionnaire was of good quality for the study.

Corrections from the pilot study were integrated in the questionnaire which was reviewed and amended accordingly. Once the final questionnaire was approved, the data collection exercise began and data was collected using the self-administered questionnaire. The respondents were assisted by the appointed and selected research assistants who were present in case the respondents required had any questions, comments or needed clarification.

On the actual days of collecting data, the selected respondents were given a short brief on the research being conducted and assured that all responses given by the respondents were treated as confidential. An approval was sought from the respondents, who were participating on voluntary basis, (Cooper & Schindler, 2000) to use the data collected from them for this research.

### **3.6 Data Analysis Methods**

Data analysis generally involves deducing data collected data to a manageable and controllable size, developing summaries and conclusions, looking for homogenous or heterogeneous patterns and applying statistical techniques (Cooper and Schindler 2000). Once the data was collected, the research assistants keyed it in after ensuring that the collected questionnaires were properly answered and the pages to the questionnaires were intact (Cooper and Schindler 2000).

The collected data was managed using coding techniques to select the information relevant to the study and constant editing to keep the data clean and organized. The collected data was analyzed using the Statistical Package for Social Sciences (SPSS).

Measures of dispersion were used to describe the spread of the data using measures such as range and standard deviation (Cooper and Schindler 2000). Further, correlation coefficient was applied to determine how each generic strategy is used as a competitive strategy in poultry farming. From the analysis, output was represented using graphical format such as charts and tables to present visual insight on the messages of the data collected.

### **3.7 Chapter Summary**

This chapter states the methodology that was used to conduct the study, including the research design as descriptive in nature and incorporated both quantitative and qualitative approaches. A questionnaire was used to collect primary data for the purposes of collecting information on the extent of adoption of Porter's generic strategies for competitive advantage for small scale poultry farmer. The questionnaire developed was

pilot tested before a refined one was administered to the respondents. A sample of the 100 poultry farmers in Kenya was done but obtained full data from only 72 poultry farmers as per the list shared by the World Poultry Science Association- Kenya Branch and Coordinator Africa Poultry Network. The chapter concludes by stating that all data was analyzed using SPSS and presented in the form of charts, pie charts and tables

## CHAPTER FOUR

### 4.0 RESULTS AND FINDINGS

#### 4.1 Introduction

The previous chapter focused on research methodology and outlined the method and procedures used to carry out the study. This chapter presents results of analyzed data presented, in form of tables, graphs and pie charts. This chapter also describes the response rate, data reliability and descriptive statistics, correlation analysis results, regression analysis results and the interrelation of the study findings.

#### 4.2 Response Rate

A sample of the 100 poultry farmers in Kenya was done but obtained full data from only 72 poultry farmers. This represents a response rate of 72.0%, which was appropriate for the study. Table 4.1 below presents this information.

**Table 4.1:** Response Rate

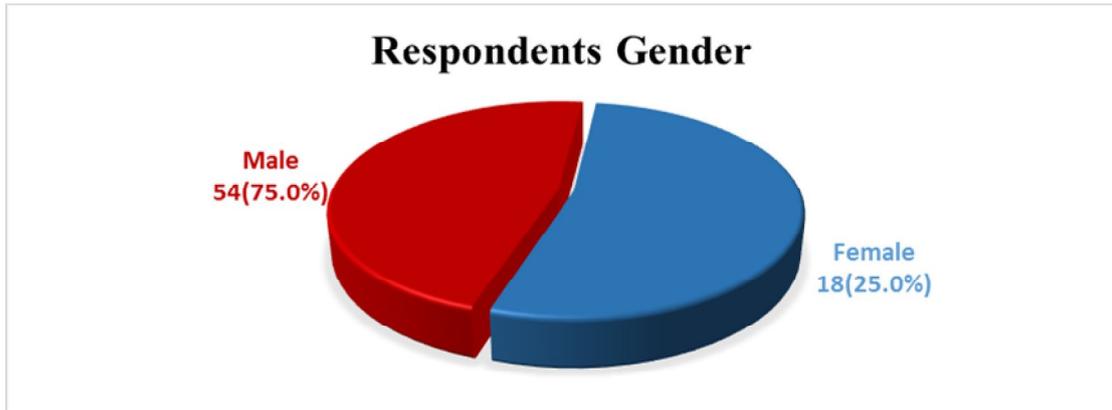
<b>Questionnaires</b>	<b>Number</b>	<b>Percentage</b>
Filled and collected	72	72.0
Non-Responded or Not Utilized	28	9.0
<b>Total</b>	<b>100</b>	<b>100</b>

#### 4.3 General Information

The findings of this study provided primary data for the evaluation of the adoption of generic strategies for competitive advantage in poultry farming by small-scale poultry entrepreneurs.

##### 4.3.1 Gender

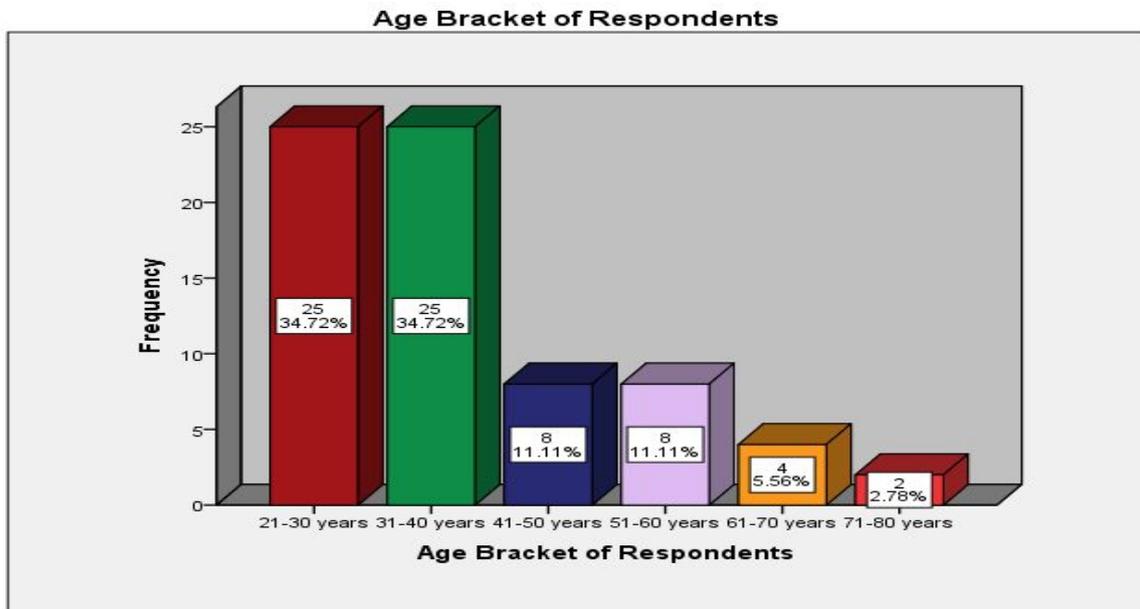
Pertaining the gender of participants, 54 respondents (75.0% of the total respondents, N = 72) were male while the minority 18 respondents (25.0% of the total participants, N = 72) were female. This showed that both genders were included in the study. These statistics is presented in figure 4.1 below.



**Figure 4.1: Gender of Respondents**

### 4.3.2 Age Bracket

The statistics on the age of the respondents showed that 25 respondents (representing 34.72%, N=72) were aged between 21-30 years. Of the 72 respondents, 25 respondents showed that they were aged between 31-40 years. 8 respondents (accounting for 11.11%, N=72) showed that they were aged between 41-50 years, 8 respondents indicated that they were aged between 51-60 years. 4 respondents indicated that they were aged between 61-70 years. The minority group consisted of 2 respondents who were aged between 71-80 years (representing 2.78%). Figure 4.2 below shows these statistics clearly.



**Figure 4.2: Age Bracket of Respondents**

A cross tabulation between age and gender revealed that majority of the farmers were male and many were aged between 21-30 years and 31-40 years as shown in Table 4.2

**Table 4.2: Cross Tabulation of Gender and Age of Respondents**

Gender of Respondents	Age of Respondents						Total
	21-30 years	31-40 years	41-50 years	51-60 years	61-70 years	71-80 years	
Male	14	21	7	7	4	1	54
Female	11	4	1	1	0	1	18
<b>Total</b>	25	25	8	8	4	2	72

**4.3.3 Marital Status**

From table 4.3 below, the findings on the marital status of the respondents indicated that the majority 41 respondents (representing 56.9%, N=72) were married. 27 of the 72 respondents (37.5%) indicated that they were single. The minority category consisted of only 4 employees who indicated that they had divorced their spouses.

**Table 4.3: Marital Status**

Variable	Frequency	Percentage
Divorced	4	5.6
Married	41	56.9
Single	27	37.5
Total	72	100.0

A cross tabulation was done to establish respondents Marital Status based on their gender and the results show that most of the male respondents were married compared to the single. On the contrary most of the females were single as indicated in Table 4.4

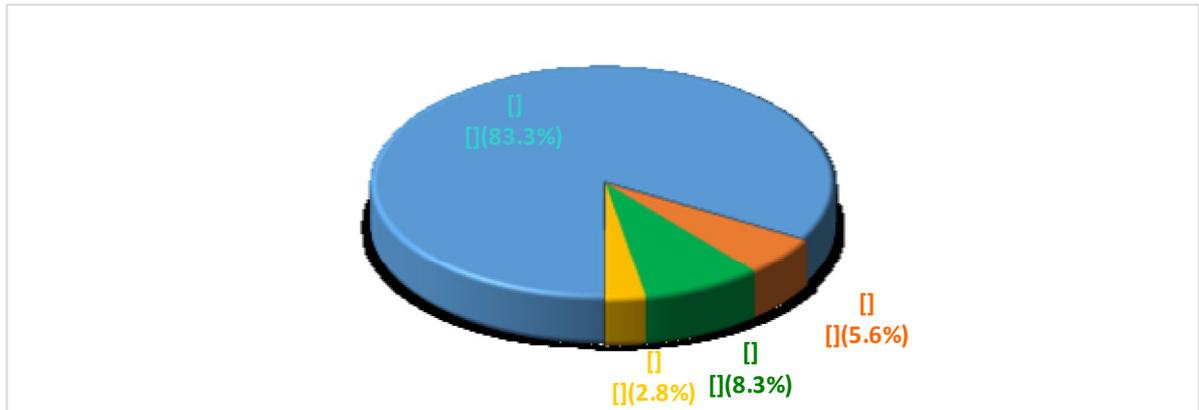
**Table 4.4: Cross Tabulation of Gender of Respondents and Marital status**

Gender	Marital status			Total
	Divorced	Married	Single	
Male	4	34	16	54
Female	0	7	11	18
<b>Total</b>	4	41	27	72

**4.3.4 Number of Birds**

The research also sought to find out whether the size of the farm could influence the competitive advantage decisions taken by farmers. The size was measured by the number of birds that is reared by a farmer. The results indicate that 83.3% of the respondents (60

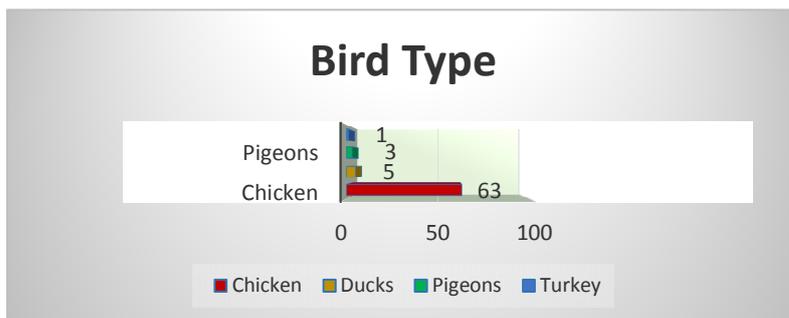
participants) bred between 1-400birds, 5.6% (4 respondents) bred between 1001-1,400 birds, 8.3% bred 401-800 birds and lastly 2.8% (2 respondents) bred 801-1000 birds. Figure 4.3 below shows this information.



**Figure 4.3: Number of Birds**

#### 4.3.5 Type of Birds

The research also sought to find out the various types of birds kept by the respondents, the results indicate that the majority 87.5% of the respondents (63 of the 72 respondents) rear chicken. 6.9% of respondents' rear ducks, 4.2 % of the respondents rear pigeons and 1.4% of the respondents rear turkeys.



**Figure 4.4: Type of Birds**

#### 4.3.6 Level of Study of Respondent

The research also sought to find out the level of education of the respondents. The indicators of education level were four and the results show that 69.4% have reached

university, 23.6% attained the college level of education, and 5.6% had reached the secondary while 1.4% of the respondents reached the primary level of education.

**Table 4.5: Level of Study of Respondent**

Variable	Frequency	Percentage
College	17	23.6
Primary	1	1.4
Secondary	4	5.6
University	50	69.4
Total	72	100.0

The demography results indicated that male farmers were the majority and they represented 75% of the total respondents. Those aged between 21-30 years were again the majority representing 34.72% of the total respondents. The findings on the marital status of the respondents indicated that the majority 41 respondents representing 56.9% were single. The majority representing 83.3% of the respondents bred between 1-400birds and the majority was chicken representing 87.5% of the respondents. The next section presents results on the first objective which aimed to determine whether cost leadership strategy had any influence on the competitive advantage of small scale poultry farming agribusinesses in Kenya.

#### **4.4 Competitive advantage**

The study sought to establish the competitive advantage strategies adopted by poultry farmers in regard to agricultural products and services in the market. Respondents were provided with several statements to which they responded in terms of their level of agreement on a Likert scale of Strongly Agree; **SA** (1) Agree; **A** (2) Neutral; **N** (3) Disagree; **D** (4) Strongly Disagree; **SD**. (5).

##### **4.4.1 Descriptive Analysis of Competitive advantage**

Competitive advantage is the lead and gain that one agricultural firm has over competing agricultural firms in the same sector whether it deals with plants or animal. It is the advantage that a firm has over others, which helps the firm to compete and in the contest to trap and maintain the consumers.

On the question of the demand for agricultural products and services requires the sector to be competitive, 51% strongly agreed, 43% agreed, and 4% were neutral, and 1% disagreed. To establish if competition demands farmers to know and provide greater value 74% strongly agreed, 23% agreed, 2% were neutral, only 1% strongly disagreed. To establish if agribusiness activities provide an opportunity to get higher and stable income 68% strongly agreed, 31% agreed, and 1% disagreed.

The study also sought to establish if the agricultural sector needs to respond to environmental influences to be competitive. 67% strongly agreed, 28% agreed, 4% were neutral, and only 1% strongly disagreed. The study also established that 53% strongly agreed that competitive advantage is the gain that one agricultural firm has over competing agricultural firms' while 35% agreed, 11% were neutral, and only 1% strongly disagreed.

It was also established that competitive advantage helps a poultry farmer to increase and retain the market share in which 56% strongly agreed, 36% agreed, 7% were neutral, and 1% disagreed. The results also showed that 50% strongly agreed that competitive advantage meant offering customers great value for the product they purchase by means of lower prices while 25% agreed, 10% were neutral, and 7% disagreed while only 8% strongly disagreed.

A majority, accounting for 42% strongly agreed that competitive advantage meant offering customers great value for the product that justifies having higher prices while 35% agreed, 15% were neutral, and 6% disagreed while only 3% strongly disagreed. It was also established that 54% strongly agreed that a farmer should strive to gain and maintain competitive advantage to survive in the market while 40% agreed, 4% were neutral, and 1% disagreed.

The findings also established that 63% strongly agreed that agribusiness should develop strategies to achieve competitive advantage while 33% agreed, 4% were neutral. It was also established that 43% strongly agreed that there was a lack of professional employees prevents competitiveness in agribusiness while 36% agreed, 14% were neutral, and 7% disagreed.

**Table 4.6: Descriptive Analysis of Competitive Advantage and Strategy**

<b>Competitive Advantage and Strategy</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	<b>Std. Dev.</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>		
The demand for agricultural products and services requires the sector to be competitive	51	43	4	1	51	1.56	0.648
Competition demands farmers to know and provide greater value	74	22	3	0	74	1.33	0.671
Agribusiness activities provide an opportunity to get higher and stable income	68	31	0	1	68	1.35	0.561
The agricultural sector needs to respond to environmental influences to be competitive	67	28	4	0	67	1.42	0.707
Competitive advantage is the gain that one agricultural firm has over competing agricultural firms	53	35	11	0	53	1.63	0.795
The competitive advantage helps a poultry farmer to increase and retain the market share	56	36	7	1	56	1.54	0.691
Competitive advantage means offering customers great value for the product they purchase by means of lower prices	50	25	10	7	50	1.99	1.284
Competitive advantage means offering customers great value for the product that justifies having higher prices	42	35	15	6	42	1.93	1.025
A farmer should strive to gain and maintain competitive advantage to survive in the market.	54	40	4	1	54	1.53	0.649
AAgribusiness should develop strategies to achieve competitive advantage	63	33	4	0	63	1.42	0.575
Lack of professional employees prevents competitiveness in agribusiness.	43	36	14	7	43	1.85	0.914
High of cost of inputs prevent competitiveness in agribusiness.	42	42	13	3	42	1.81	0.866
Working with other small scale poultry farmers enhances the competitiveness	49	39	8	4	49	1.68	0.802
Experience in farming influences competitive advantage	49	43	4	4	49	1.64	0.756
The capacity of a farming influences competitive advantage	42	42	4	10	42	1.90	1.050
Competitiveness of agribusiness products or services depends on internal factors (one can control)	35	38	17	11	35	2.04	0.985
Competitiveness of agribusiness products or services depends on external factors (one cannot control)	32	39	13	13	32	2.18	1.142

The study found out that high of cost of inputs prevented competitiveness in agribusiness, and 42% strongly agreed and agreed respectively, 13% were neutral, and 3% disagreed while 1% strongly disagreed. It was established that working with other small scale poultry farmers enhances the competitiveness and 49% strongly agreed, 39% agreed, 8% were neutral, and 4% disagreed. The study also show that 49% strongly agreed that experience in farming influences competitive advantage 43% agreed, 4% were neutral, and disagreed respectively.

A majority accounting for 42% strongly agreed that the capacity of a farm influences competitive advantage, 42% agreed, 4% were neutral, and 10% disagreed with 3% strongly disagreed. It was also established that competitiveness of agribusiness products or services depends on internal factors (those that one can control) and 35% strongly agreed, 38% agreed, 17% were neutral, and 11% disagreed. For competitiveness of agribusiness products or services depends on external factors (those that one cannot control), the results indicated that 32% strongly agreed, 39% agreed, 13% were neutral, and 13% disagreed, while 4% strongly disagreed.

#### **4.4.2 Descriptive Analysis of Competitive Advantage through Innovation**

This section presents the findings on competitive advantage through innovation. The study sought information about the innovation techniques utilized by small scale farmers. The findings indicated that poultry farmers are constantly challenged with the idea of gaining competitive advantage where 43% strongly agreed, 47% agreed, 4% were neutral, and 6% disagreed. It was also agreed that to be innovative is seeing things from new angles, having broad perspectives, taking risks and being flexible. 57% strongly agreed, 35% agreed, 7% were neutral, and only 1% disagreed with this. It was also established that a poultry farmer should promote innovation by encouraging employees to become idea champions as 47% strongly agreed, 44% agreed, 8% were neutral, and 1% disagreed. The findings also show that farmer innovation is a critical constituent of competitive advantage 58% strongly agreed, 31% agreed, 3% were neutral, and 1% strongly disagreed.

Farmer technological advantage is critical constituent of competitive advantage as 53% strongly agreed, 39% agreed, 6% were neutral, and 1% strongly disagreed. It was also established that small scale poultry farmers face serious competitive challenges due

to irregularity of technology change where 44% strongly agreed, 35% agreed, 13% were neutral, and 6% disagreed. It was also established that the less an innovative strategy can be copied, the more lasting the source of competitive advantage and 31% strongly agreed, 42% agreed, 17% were neutral, and 8% disagreed while 3% strongly disagreed. Majority also revealed that innovation as a strategy can be easily improvised by a small scale poultry farmer with 47% strongly agreeing, 35% agreed, 7% were neutral, and 8% disagreed with 3% strongly disagreeing with the statement. On the question as to whether strategic management of human resources provided a more competitive position than can be gained by product innovations, 36% strongly agreed, 50% agreed, 10% were neutral, and 4% disagreed. As to whether new market research techniques provided a more competitive position than can be gained by product innovations, 49% strongly agreed, 44% agreed, 7% were neutral. The study also established that technologies that protect imitability is a key competitive element in agribusiness where 43% strongly agreed, 47% agreed, 4% were neutral, and 6% disagreed.

The study also established that 57% strongly agreed that innovative activities must be compatible with an agribusiness enterprises' ability to manage change while 35% agreed, while 7% were neutral and only 1% strongly disagreed. The study revealed a majority perception that an increase with innovative success and the implementation of creative innovative solutions since 47% strongly agreed, 44% agreed, 6% were neutral, and 1% disagreed. It was also established that cost savings is an innovative market appeal for scale poultry farmers where 58% strongly agreed, 31% agreed, 3% were neutral, and 7% disagreed. The study further established that successful adaptability of the innovation requires knowing when to change as 53% strongly agreed, 39% agreed, 6% were neutral, and 3% disagreed. A majority accounting for 44% strongly agreed that successful adaptability of the innovation requires knowing when change is not appropriate while 44% strongly agreed, in addition, 35% agreed, 13% were neutral, and 6% disagreed. To establish if innovation activities helps a farmer make correct choices and create an excellent competitive advantage, 31% strongly agreed, 42% agreed, 17% were neutral, and 8% disagreed while 3%. As to whether an informed opportunistic timely idea is key to competitive innovation in the long term, 47% strongly agreed, 35% agreed, 7% were neutral, and 8% disagreed and only 3% strongly disagreed.

**Table 4.7: Descriptive Analysis of Competitive Advantage through Innovation**

Competitive Advantage and Strategy	SA	A	N	D	SD	Mean	Std. Dev.
	%	%	%	%	%		
Poultry farmers are constantly challenged with the idea of gaining competitive advantage	31	34	3	4		1.72	0.791
To be innovative is seeing things from new angles, having broad perspectives, taking risks and being flexible	41	25	5		1	1.54	0.749
A poultry farmer should promote innovation by encouraging employees to become idea champions	34	32	4	1	1	1.65	0.772
Farmer innovation is a critical constituent of competitive advantage.	42	22	2	5	1	1.63	0.941
Farmer technological advantage is critical constituent of competitive advantage.	38	28	4	2		1.58	0.727
Small scale poultry farmers face serious competitive challenges due to irregularity of technology change	32	25	9	4	2	1.88	1.020
The less an innovative strategy can be copied, the more lasting the source of competitive advantage	22	30	12	6	2	2.11	1.029
Innovation as a strategy can be easily improvised by a small scale poultry farmer	34	25	5	6	2	1.85	1.057
Strategic management of human resources provide a more competitive position than can be gained by product innovations	26	36	7	3		1.82	0.775
New market research techniques provide a more competitive position than can be gained by product innovations	33	30	5			1.74	0.872
Technologies that protect imitability is a key competitive element in agribusiness	31	34	3	4		1.81	1.030
Innovative activities must be compatible with an agribusiness enterprises' ability to manage change	41	25	5		1	1.47	0.556
Increase with innovative success and the implementation of creative innovative solutions	34	32	4	1	1	1.74	0.888
Cost savings is an innovative market appeal for scale poultry farmers	42	22	2	5	1	1.65	0.995
Successful adaptability of the innovation requires knowing when to change	38	28	4	2		1.46	0.580
Successful adaptability of the innovation requires knowing when change is not appropriate	32	25	9	4	2	1.60	0.781
Innovation activities help a farmer make correct choices and create an excellent competitive advantage	22	30	12	6	2	1.63	0.740
An informed opportunistic timely idea is key to competitive innovation in the long term	34	25	5	6	2	1.72	0.907

#### **4.4.3 Descriptive Analysis of Competitive Advantage and Strategy through Entry Barriers**

The study established that entry barriers provide competitive advantage 35% strongly agreed, 40% agreed, 6% were neutral, and 17% disagreed while 3% strongly disagreed. It was also revealed that 31% strongly agreed that entry barriers prohibit competitors from providing a window of opportunity resulting in advantages to farmers, 42% agreed, 10% were neutral, and 13% disagreed while 6% strongly disagreed. The study also revealed that smaller agribusinesses frequently possess an advantage since larger agribusinesses slows down because of bureaucracy 26% strongly agreed, 38% agreed, 13% were neutral, and 14% disagreed while 10% strongly disagreed.

It was also agreed by 32% of the respondents that it is difficult for an agribusiness entrepreneur to leave the industry due to the high cost of investment while 28% strongly agreed, 32% agreed, 10% were neutral, and 22% disagreed while 8% strongly disagreed. The results also indicated that 42% and 41% strongly agreed and agreed respectively that superior abilities to the competitors can be used to establish a competitive advantage. 10% were neutral, and 6% disagreed while 1% strongly disagreed. An analysis of the ease of entry indicated that the respondents felt that entry by a small scale farmer faces existing competitors where 36% strongly agreed, 46% agreed, 10% were neutral, 6% disagreed and 3% strongly disagreed.

For the question that in industries that are easy to enter, sources of competitive advantage tend to fade quickly, 24% strongly agreed, 46% agreed, 13% were neutral, and 14% disagreed, 4% strongly disagreed. As to whether the ease of entry into an agribusiness industry depends on the reaction of existing competitors to new entrants, 38% strongly agreed, 42% agreed, 13% were neutral, and 7% disagreed 1% strongly disagreed. 35% strongly agreed that the ease of entry into an agribusiness industry depends on the barriers to market entry that prevail while 40% agreed, 6% were neutral, and 17% disagreed 3% strongly disagreed.

**Table 4.8: Competitive Advantage and Strategy through Entry Barriers**

Competitive Advantage and Strategy through Entry Barriers	SA	A	N	D	SD	Mean	Std. Dev.
	%	%	%	%	%		
Entry barriers provide competitive advantage	35	40	6	17	3	2.12	1.15
Entry barriers prohibit competitors from providing a window of opportunity resulting in advantages to farmers	31	42	10	13	6	2.21	1.174
Smaller agribusinesses frequently possess an advantage since larger agribusinesses slows down because of bureaucracy	26	38	13	14	10	2.43	1.287
It is difficult for an agribusiness entrepreneur to leave the industry due to the high cost of investment	28	32	10	22	8	2.51	1.332
Superior abilities to your competitors, can be used to establish a competitive advantage	42	42	10	6	1	1.83	0.919
Ease of entry by a small scale farmer will face existing competitors	36	46	10	6	3	1.93	0.969
In industries that are easy to enter, sources of competitive advantage tend to fade quickly	24	46	13	14	4	2.21	1.162
The ease of entry into an agribusiness industry depends on the reaction of existing competitors to new entrants	38	42	13	7	1	2.29	1.106
The ease of entry into an agribusiness industry depends on the barriers to market entry that prevail	35	40	6	17	3	1.93	0.954

#### 4.5 Cost Leadership Strategy and Competitive Advantage

One of the research objective was to determine whether cost leadership strategy has any influence on the competitive advantage of poultry farming agribusinesses in Kenya. This section is about competitive advantage; adoption of business concepts/ attributes that a farm can adopt to outdo its competitors. Respondents were asked to indicate their level of agreement on statements concerning competitive advantage and strategy. Respondents

were provided with several questions where they were to rate either Strongly Agree; **SA** (1) Agree; **A** (2) Neutral; **N** (3) Disagree; **D** (4) Strongly Disagree; **SD**. (5)

#### **4.5.1 Descriptive Analysis of Cost Leadership Strategy and Competitive Advantage**

The finding established that agribusiness enterprises use cost leadership strategy focus on reducing the cost of operation to be competitive where 47% strongly agreed, 35% agreed, 7% were neutral, and 8% disagreed, while 3% strongly disagreed. It was also established that economies of scale is a competitive advantage that large entities have over smaller entities and 36% strongly agreed, 50% agreed, 10% were neutral, and 4% disagreed. The findings also show that capacity utilization is the value of production capacity per cost being utilized over a specific period of time with 46% strongly agreeing, 42% agreed, 7% were neutral.

The findings also show that a farm' business links that affect cost determine the competitive advantage 43% strongly agreed, 47% agreed, 4% were neutral, and 6% strongly disagreed. It was also revealed that relationships between one business and other parts of a farms operations could affect costs where 57% strongly agreed, 35% agreed, 7% were neutral, and only 1% strongly disagreed. The results also showed that timing is the cost of value activity it takes to complete a business cycle and 47% strongly agreed, 44% agreed, while 6% were neutral and 1% disagreed and strongly disagreed respectively. A majority accounting for 58% strongly agreed that the value of activities that can affect costs based on the location of a related activity while 31% agreed, 3% were neutral, and 7% disagreed while 1% strongly disagreed.

Findings also show that reducing feed costs in poultry farming is a cost leadership strategy and 53% strongly agreed, 39% agreed, 6% were neutral, and 3% disagree. The study also revealed that a poultry farmer can identify, achieve and sustain overall cost leadership and 36% strongly agreed, 50% agreed, 10% were neutral, and 4% disagreed. It was also established that if a poultry farmer can command prices it can sustain overall cost leadership where 46% strongly agreed, 42% agreed, 7% were neutral.

**Table 4.9: Competitive Advantage and Strategy**

<b>Competitive Advantage and Strategy</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	<b>Std. Dev.</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>		
Agribusiness enterprises use cost leadership strategy focus on reducing the cost of operation to be competitive	47	35	7	8	3	1.85	1.057
Economies of scale is a competitive advantage that large entities have over smaller entities	36	50	10	4	0	1.82	0.775
Capacity utilization is the value of production capacity per cost being utilized over a specific period of time	46	42	7	0	0	1.74	0.872
A farm' business links that affect cost determine the competitive advantage	43	47	4	6	0	1.81	1.030
Relationships between one business and other parts of a farms operations could affect costs	57	35	7	0	1	1.47	0.556
Timing is the cost of value activity it takes to complete a business cycle	47	44	6	1	1	1.74	0.888
The value of activities that can affect costs based on the location of a related activity	58	31	3	7	1	1.65	0.995
Reducing feed costs in poultry farming is a cost leadership strategy	53	39	6	3	0	1.46	0.580
A poultry farmer can identify, achieve and sustain overall cost leadership	36	50	10	4	0	1.82	0.775
If a poultry farmer can command prices it can sustain overall cost leadership	46	42	7	0	0	1.74	0.872

#### 4.5.2 Descriptive Analysis of Firm's Capabilities and Capacity Utilization

The study revealed that a farmers ability to use resources to achieve a desired state is competitive advantage since 42% strongly agreed, 46% agreed, 8% were neutral, and 3% disagreed while 1% strongly disagreed. A farmer should use resources to make it ahead of

the competitors as 42% strongly agreed, 50% agreed, 6% were neutral, and 1% disagreed while 1% disagreed. It was also revealed that 49% agreed that resources and capabilities put together help build a competitive advantage in farming while 44% strongly agreed, 6% disagreed while 1% strongly disagreed. The study also established that 43% strongly agreed that core competencies are strengths that allow a farmer to achieve competitive advantage 44% agreed, 11% were neutral, and 1% strongly disagreed.

A majority accounting for 50% agreed that valuable capabilities are those that create value for the farmer in the poultry sector while 39% strongly agreed, 8% were neutral, and 1% disagreed while 1% strongly disagreed. It was revealed that the capabilities that are costly to imitate, make it difficult for competitors to copy in agribusiness and 42% strongly agreed, 39% agreed, 11% were neutral, and 7% disagreed and 1% strongly agreed. The study also established that to gain competitive advantage a farmer's capability must have no close substitutes as 38% strongly agreed, 28% agreed, 15% were neutral, and 14% disagreed and 6% strongly disagreed. The study found that trust-based relationships are a low cost leadership strategy that takes time hard for competitors to recognize as 40% strongly agreed, 39% agreed, 7% were neutral, and 13% disagreed while 1% strongly disagreed.

It was also established that the demand or supply have no influence on the competitive position of a farmer as 35% strongly agreed, 17% agreed, 10% were neutral, and 18% disagreed with 21% strongly disagreeing. The study revealed that investment opportunities could aid in enhancing competitive advantage in agribusiness, and 53% strongly agreed, 42% agreed, 4% were neutral, and 1% strongly disagreed. It was revealed that there is no significant effect between farm size and competitive advantage as 38% strongly agreed, 21% agreed, 3% were neutral, and 24% disagreed while 15% strongly disagreed.

The findings also indicated that a farmer's ability to use resources to achieve a desired state is competitive advantage where 44% strongly agreed, 49% agreed, and 6% disagreed while 1% strongly disagreed. The study also established that a farmer should use resources to make it ahead of the competitors since 43% strongly agreed, 44% agreed, 11% were neutral, and 1% strongly disagreed.

**Table 4.10: Descriptive Analysis of Firm’s Capabilities and Capacity Utilization**

<b>Firm’s Capabilities and Capacity Utilization</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	<b>Std. Dev.</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>		
A farmers ability to use resources to achieve a desired state is competitive advantage	42	46	8	3	1	1.76	.831
A farmer should use resources to make it ahead of the competitors	42	50	6	1	1	1.71	.759
Resources and capabilities put together help build a competitive advantage in farming	44	49	0	6	1	1.65	.715
Core competencies are strengths that allow a farmer to achieve competitive advantage	43	44	11	0	1	1.72	.773
Valuable capabilities are those that create value for the farmer in the poultry sector	39	50	8	1	1	1.76	.778
Capabilities that are costly to imitate, make it difficult for competitors to copy in agribusiness	42	39	11	7	1	1.87	.963
To gain competitive advantage a farmer’s capability must have no close substitutes	38	28	15	14	6	2.22	1.247
Trust-based relationships are a low cost leadership strategy that takes time hard for competitors to recognize	40	39	7	13	1	1.96	1.054
Demand or supply have no influence on the competitive position of a farmer	35	17	10	18	21	2.74	1.592
Investment opportunities could aid in enhancing competitive advantage in agribusiness	53	42	4	0	1	1.56	.710
There is no significant effect between farm size and competitive advantage	38	21	3	24	15	2.58	1.554
A farmers ability to use resources to achieve a desired state is competitive advantage	44	49	0	6	1	1.76	.831
A farmer should use resources to make it ahead of the competitors	43	44	11	0	1	1.71	.759

### **4.5.3 Descriptive Analysis of Linkages and Collective Actions**

The study revealed that the willingness of farmer groups to share market knowledge is a competitive advantage strategy, 32% strongly agreed, 50% agreed, 4% were neutral, and 13% disagreed while 1% strongly disagreed. The study also established that willingness of farmer groups sell together is a competitive advantage strategy, 38% strongly agreed, 46% agreed, 8% were neutral, and 7% disagreed while 1% strongly disagreed. The study also established that the willingness of farm groups to develop business opportunities is a competitive advantage strategy, 43% strongly agreed, 46% agreed, 6% were neutral, and 4% disagreed with only 1% disagreeing. The study also show that small scale farmers who operate independently experience lack of adequate resources 56% strongly agreed, 28% agreed, 6% were neutral, 8% disagreed and 2% strongly disagreed.

It was also established that small scale farmers rarely have an opportunity to access new markets, 32% strongly agreed, 33% agreed, 8% were neutral, 18% disagreed and while those who strongly disagreed represented 9% of the total respondents. It was established that collaborative business amongst agribusiness enterprises partners will enable competitiveness where 44% strongly agreed, 35% agreed, 15% were neutral, and 4% disagreed with 2% strongly disagreeing. It was also established that small scale poultry farmers can overcome resource limitation if they are in a group 47% strongly agreed, 38% agreed, 3% were neutral, and 11% disagreed while only 1% strongly disagreed.

The study also established that quality control in poultry has an impact on servicing costs of the farm 46% strongly agreed, 46% agreed, 3% were neutral, and 4% disagreed while 1% strongly disagreed. The study established that distributors of the final products affect the costs of a farm's activities 44% strongly agreed, 44% agreed, 6% were neutral, and 3% disagreed, and 3% strongly disagreed. The study also established that suppliers of raw materials affect the costs of a farm's activities 47% strongly agreed, 47% agreed, while 1% were neutral, and 2% disagreed, in addition 3% strongly disagreed. It was also established that good relationships with distributor's channels can significantly lower costs and 53% strongly agreed, 31% agreed, 7% were neutral, and 6% disagreed while only 3% strongly disagreed.

**Table 4.11: Descriptive Analysis of Linkages and Collective Actions**

Linkages and Collective Actions	SA	A	N	D	SD	Mean	Std. Dev.
	%	%	%	%	%		
The willingness of farmer groups to share market knowledge is a competitive advantage strategy	32	50	4	13	1	2.01	1.100
The willingness of farmer groups sell together is a competitive advantage strategy	38	46	8	7	1	1.89	0.928
The willingness of farm groups to develop business opportunities is a competitive advantage strategy	43	46	6	4	1	1.75	0.852
Small scale farmers who operate independently experience lack of adequate resources	56	28	6	8	3	1.75	1.071
Small scale farmers rarely have an opportunity to access new markets	32	33	8	18	8	2.37	1.326
Collaborative business amongst agribusiness enterprises partners will enable competitiveness	44	35	15	4	1	1.83	0.934
Small scale poultry farmers can overcome resource limitation if they are in a group	47	38	3	11	1	1.82	1.025
Quality control in poultry has an impact on servicing costs of the farm	46	46	3	4	1	1.69	0.833
Distributors of the final products affect the costs of a farm's activities	44	44	6	3	3	1.75	0.9
Suppliers of raw materials affect the costs of a farm's activities	47	47	1	1	3	1.65	0.825
Good relationships with distributors channels can significantly lower costs	53	31	7	7	3	1.76	1.041

#### 4.5.4 Correlation between Competitive advantage and Cost leadership

The study correlated competitive advantage and variables of cost leadership and the finding revealed that there was a positive correlation between competitive advantage and Cost leadership strategy ( $r = .553$ ,  $p < .000$ ); Firms capabilities ( $r = .661$ ,  $p < .000$ ); Linkage and collection ( $r = .579$ ,  $p < .000$ ). These results implied that when agri businesses

get involve in cost leadership they increase their chances of having a competitive advantage.

**Table 4.12: Correlation between Competitive Advantage and Cost leadership**

		CA	CLS	FC	LC
<b>Competitive Advantage (CA)</b>	Pearson Correlation	1			
	Sig. (2-tailed)				
<b>CLS</b>	Pearson Correlation	.553**	1		
	Sig. (2-tailed)	.000			
<b>FC</b>	Pearson Correlation	.661**	.401**	1	
	Sig. (2-tailed)	.000	.000		
<b>LC</b>	Pearson Correlation	.579**	.417**	.697**	1
	Sig. (2-tailed)	.000	.000	.000	

Key: CLS: Cost leadership strategy; FC: Firms capabilities; LC: Linkage and collection;

The study established that majority strongly agreed that relationships between one business and other parts of farms operations could affect costs and reducing feed costs in poultry farming is considered a cost leadership strategy. It was also revealed that investment opportunities could aid in enhancing competitive advantage in agribusiness. Quality control in poultry has an impact on servicing costs of the farm and suppliers of raw materials affect the costs of a farm's activities and when agri businesses get involve in cost leadership they increase their chances of having a competitive advantage. In the next section the study will seek to determine whether differentiation strategy has any influence on the competitive advantage of poultry farming agribusinesses in Kenya

#### **4.6 Differentiation Strategy influence on Competitive Advantage**

One of the research objectives was to determine whether differentiation strategy has any influence on the competitive advantage of poultry farming agribusinesses in Kenya. This section is about a farmer having goods/services that are unique and stand out from the rest of the products from competitors in the agribusiness space. Respondents were asked to indicate their level of agreement on statements concerning competitive advantage and strategy. Respondents were provided with several questions where they were to rate either Strongly Agree; SA (1) Agree; A (2) Neutral; N (3) Disagree; D (4) Strongly Disagree; SD (5). Below are the responses;

#### 4.6.1 Descriptive Analysis of Differentiation Strategy influence on Competitive Advantage

The study established that Differentiation strategy means uniqueness of products by packaging by a farmer and 53% strongly agreed while 25% agreed, 15% were neutral, 6% disagreed and 1% strongly disagreed. It was also revealed that differentiation strategy means uniqueness of products through different ingredients by a farmer, 49% strongly agreed, 38% agreed, 8% were neutral, 3% disagreed and 2% strongly disagreed. It was also revealed by a majority that a customer may be more than willing to purchase a product because of its unique features in agribusiness, 51% strongly agreed, 31% agreed 8% were neutral and 10% strongly disagreed.

**Table 4.13: Descriptive Analysis of Differentiation Strategy on Competitive Advantage**

Differentiation Strategy influence on Competitive Advantage	SA	A	N	D	SD	Mean	Std. Dev.
	%	%	%	%	%		
Differentiation strategy means uniqueness of products by packaging by a farmer	53	25	15	6	1	1.78	.996
Differentiation strategy means uniqueness of products through different ingredients by a farmer	49	38	8	3	3	1.74	.934
A customer may be more than willing to purchase a product because of its unique features in agribusiness	51	31	8	0	10	1.86	1.214
Differentiation is suitable in a market where customers are not really price sensitive	38	31	17	11	4	2.14	1.166
Differential product strategy is costly for a small scale poultry farmer	31	39	14	11	6	2.22	1.165
Uniqueness is not a guarantee that a poultry farmer will achieve success	33	43	4	14	6	2.15	1.195
Customers are willing to pay whatever price to access products/services offered	25	22	13	25	15	2.83	1.444
Small scale farmers can use differential product strategy if it is about forms or colors of the product	36	24	25	10	6	2.25	1.207

The study also established that differentiation is suitable in a market where customers are not really price sensitive, 38% strongly agreed, 31% agreed, 17% were neutral, 11% disagreed and only 4% strongly disagreed. The study also established that 31% strongly agreed that differential product strategy is costly for a small scale poultry farmer and 39% agreed, 14% were neutral while 11% disagreed and 6% strongly disagreed. It was also established that uniqueness is not a guarantee that a poultry farmer will achieve success, and 33% strongly agree, 43% agreed, 4% were neutral and 14% disagreed while 6% strongly disagreed. The study also revealed that 25% strongly disagreed that customers are willing to pay whatever price to access products/services offered, 22% agreed and 13% were neutral, while 25% agreed and only 15% strongly disagreed. It was also established that small scale farmers can use differential product strategy if it is about forms or colors of the product, 36% strongly agreed, 24% agreed, 25% were neutral, 10% disagreed while 6% strongly disagreed.

#### **4.6.2 Descriptive Analysis of Differential Product and Service Strategy**

This section is about a farmer using unique features of a product and service and the willingness of a customer to purchase with an aim of trapping and retaining customers and the findings show that DPS attract customer in farming, 36% strongly agreed, 46% agreed, 14% were neutral, 1% disagreed and 3% strongly disagreed. It was also established that the customer willing to purchase a product due to its unique features 44% strongly agreed, 43% agreed, 8% were neutral, 3% disagreed, and 2% strongly disagreed. The study also revealed that product differentiation can be achieved through producing and selling quality, 46% strongly agreed, 40% agreed, 13% were neutral and 1% strongly disagreed.

The study also established that product differentiation can be achieved through using innovation in farming, 49% strongly agreed, 44% agreed, 6% were neutral and only 1% strongly disagreed. It was also established that product differentiation can be achieved through design of unique products, 42% strongly agreed, 38% agreed, 8% were neutral, 11% disagreed and only 1% strongly disagreed. It was also established that product differentiation through quick responsiveness to customers in farming, 46% strongly agreed, 43% agreed, 6% were neutral while 4% disagreed and 1% strongly disagreed. It was also established that DPS attempts to be the service leader and 35% strongly agreed, 43% agreed, 14% were neutral, 6% disagreed, 2% strongly disagreed.

**Table 4.14: Differential Product Strategy**

Differential Product Strategy	SA	A	N	D	SD	Mean	Std. Dev.
	%	%	%	%	%		
DPS attract customer in farming	36	46	14	1	3	1.89	0.897
The customer willing to purchase a product due to its unique features	44	43	8	3	1	1.74	0.839
Product differentiation can be achieved through producing and selling quality	46	40	13	0	1	1.71	0.795
Product differentiation can be achieved through using innovation in farming	49	44	6	0	1	1.61	0.723
Product differentiation can be achieved through design of unique products	42	38	8	11	1	1.93	1.039
Product differentiation through quick responsiveness to customers in farming	46	43	6	4	1	1.72	0.859
DPS attempts to be the service leader	35	43	14	6	3	1.99	0.986

An analysis of the service strategy revealed that differentiation service strategy attempts to be quality leader 51% strongly agreed, 32% agreed, 8% were neutral and 7% disagreed and only 2% strongly disagreed. It was also established that differentiation service strategy attempts to be a technology leader and 50% strongly agreed, 33% agreed, 11% were neutral, 3% disagreed and 3% strongly disagreed. The findings also established that a farmer should develop strengths for its envisioned DPS, 39% strongly agreed, 54% agreed, 5% were neutral, 1% were disagreed and 1% strongly disagreed. The study also established that in agribusiness, service differentiation requires strong marketing skills 47% strongly agreed, 36% agreed, 8% were neutral, 8% disagreed and only 1% strongly disagreed.

The study also established that service differentiation requires superior quality products, 51% strongly agreed, 32% agreed, 10% were neutral, while 3% disagreed and 4% strongly disagreed. The study also established that service differentiation requires close coordination of R& D, 57% strongly agreed, 31% agreed, 7% were neutral, 3% disagreed and 2% strongly disagreed. The study also established that in agribusiness, service differentiation requires strong production functions, 35% strongly agreed, 49%

agreed, 7% were neutral, 7% disagreed and 2% strongly disagreed. It was also established that in agribusiness, service differentiation requires strong distribution functions and 50% strongly agreed, 36% agreed, 8% were neutral, 3% disagreed and 3% strongly disagreed. It was also established that differentiated products command a higher selling price in the market, 40% strongly agreed, 32% agreed, 18% were neutral while only 8% disagreed and 2% strongly disagreed.

**Table 4.15: Differential Service Strategy**

Differential Service Strategy	SA	A	N	D	SD	Mean	Std. Dev.
	%	%	%	%	%		
Differentiation service strategy attempts to be quality leader	51	32	8	7	1	1.75	0.975
Differentiation service strategy attempts to be a technology leader	50	33	11	3	3	1.75	0.96
A farmer should develop strengths for its envisioned DPS	39	54	6	0	1	1.71	0.701
In agribusiness, service differentiation requires strong marketing skills	47	36	8	7	1	1.79	0.963
Service differentiation requires superior quality products	51	32	10	3	4	1.76	1.028
service differentiation requires close coordination of R & D	57	31	7	3	3	1.64	0.939
In agribusiness, service differentiation requires strong production functions	35	49	7	7	3	1.94	0.977
In agribusiness, service differentiation requires strong distribution functions	50	36	8	3	3	1.72	0.938
differentiated products command a higher selling price in the market	40	32	18	8	1	1.99	1.028
DPS based on the technical innovation a farmer should be careful	40	43	14	0	3	1.82	0.877
When implementing DPS at a higher cost a farmer should be careful	51	29	15	1	3	1.75	0.96
Poultry farming needs refrigeration and considerable post-harvest care	53	35	7	3	3	1.68	0.932
Poultry's consumption level is dependent on availability of competing alternatives	43	35	10	10	3	1.94	1.086
DPS ensures that the customer experiences a pleasant feeling	56	31	10	3	1	1.64	0.877

A majority representing 40% strongly agreed that DPS based on the technical innovation a farmer should be careful, 43% agreed, 14% were neutral and 3% strongly disagreed. It

was also revealed that 51% strongly agreed that when implementing DPS at a higher cost a farmer should be careful, 29% agreed, 15% were neutral, 2% disagreed and only 3% strongly disagreed. The study also established that poultry farming needs refrigeration and considerable post-harvest care, 53% strongly agreed, 35% agreed, 7% were neutral, 3% disagreed and 2% strongly disagreed. The study also established that poultry's consumption level is dependent on availability of competing alternatives, 43% strongly agreed, 35% agreed, 10% were neutral, 10% disagreed and only 2% strongly disagreed. In addition, the findings also indicated that DPS ensures that the customer experiences a pleasant feeling, 56% strongly agreed, 31% agreed, 10% were neutral, 3% disagreed and only 1% strongly disagreed.

#### **4.6.3 Descriptive Analysis of Differential Market Strategy**

This section is about unique marketing strategy, image, marketing channels in agribusiness. The study revealed that a unique marketing strategy can save a poultry farmer on costs, 44% strongly agreed, 43% agreed, 3% were neutral, 7% disagreed, and 3% strongly disagreed. It was also established that a unique channel is most successful differential marketing strategy, 43% strongly agreed, 38% agreed, 13% were neutral, 5% disagreed and only 1% strongly disagreed. It was also established that before a poultry farmer selects a new sales channel, it needs to be known by the public, 36% strongly agreed, 43% agreed, 4% were neutral, 13% disagreed and 4% strongly disagreed. It was also revealed that earning the trust of the public with the use of the new unique market channel might be difficult for a poultry farmer, 32% strongly agreed, and 40% agreed while 13% were neutral, 11% disagreed and 4% strongly disagreed. The study also established that differentiation marketing strategy in poultry farming is an effective competitive strategy, based on the customer's mind, 35% strongly agreed, 50% agreed, 13% were neutral while 1% disagreed and 1% strongly disagreed.

The study also established that continuous innovation in farming makes the competitors delay to respond, 31% strongly agreed and agreed respectively, 21% were neutral, 15% disagreed and only 2% strongly disagreed. The study also revealed that a unique marketing image of the agribusiness enterprise will distinguish it from its competitor, 44% strongly agreed, 43% agreed, 7% were neutral, 5% disagreed and only 1% strongly disagreed. It was also established that in farming, differential image marketing strategy is an authoritative tool to distinguish oneself from the competitor, 46% strongly agreed,

38% agreed, 10% were neutral, 5% disagreed and only 1% strongly disagreed. The study also indicated that in farming differential image marketing strategy is an authoritative tool gain a competitive advantage, 39% strongly agreed, 40% agreed, 9% were neutral, 11% disagreed and only 1% strongly disagreed.

**Table 4.16: Descriptive Analysis of Differential Market Strategy**

Differential Market Strategy	SA	A	N	D	SD	Mean	Std. Dev.
	%	%	%	%	%		
A unique marketing strategy can save a poultry farmer on costs	44	43	3	7	3	1.81	0.988
A unique channel is most successful differential marketing strategy	43	38	13	6	1	1.85	0.944
Before a poultry farmer selects a new sales channel, it needs to be known by the public	36	43	4	13	4	2.06	1.137
Earning the trust of the public with the use of the new unique market channel might be difficult for a poultry farmer	32	40	13	11	4	2.15	1.122
Differentiation marketing strategy in poultry farming is an effective competitive strategy, based on the customer's mind	35	50	13	1	1	1.85	0.799
Continuous innovation in farming makes the competitors delay to respond	31	31	21	15	3	2.29	1.144
The unique marketing image of the agribusiness enterprise will distinguish it from its competitor	44	43	7	4	1	1.75	0.868
In farming, differential image marketing strategy is an authoritative tool to distinguish oneself from the competitor	46	38	10	6	1	1.79	0.934
In farming differential image marketing strategy is an authoritative tool gain a competitive advantage	39	40	8	11	1	1.96	1.027
A poultry farmer should consider the location and image their enterprise distinguishes itself from the competitors	50	39	7	1	3	1.68	0.885
The implementation of differentiation marketing strategy is an expression of the capability of a poultry farmer	46	35	10	8	1	1.85	1.002
The long-run differentiation marketing strategy is to innovate continuously as a competitive advantage strategy	49	39	10	1	1	1.68	0.819
The long-run differentiation marketing strategy is to adapt to the changing requirements of a customer	42	43	7	7	1	1.83	0.934
A poultry farmer must have strong marketing proficiencies to be unique in the market	49	38	8	3	3	1.74	0.934

The findings also established that a poultry farmer should consider the location and image their enterprise distinguishes itself from the competitors, 50% strongly agreed, and 39% agreed, 7% were neutral, 1% disagreed and 3% strongly disagreed. The findings also established that the implementation of differentiation marketing strategy is an expression of the capability of a poultry farmer, 46% strongly agreed, 35% agreed, 10% were neutral, 8% disagreed and 1% strongly disagreed. It was also established that the long-run differentiation marketing strategy is to innovate continuously as a competitive advantage strategy, 49% strongly agreed, 39% agreed, 10% were neutral and 1% disagreed and strongly disagreed respectively. The study also established that the long-run differentiation marketing strategy is to adapt to the changing requirements of a customer, 42% strongly agreed, 43% agreed, 7% were neutral and disagreed respectively while 1% strongly disagreed. The study also established that a poultry farmer must have strong marketing proficiencies to be unique in the market, 49% strongly agreed, 37% agreed, 8% were neutral and 3% disagreed or strongly disagreed.

#### 4.6.4 Correlation between Competitive advantage and Differential Strategy

The study correlated competitive advantage and variables of differentiation strategy and the finding revealed that there was a positive correlation between competitive advantage and differentiation strategy ( $r = .557, p < .000$ ); differential product ( $r = .756, p < .000$ ); differential market ( $r = .698, p < .000$ ). These results implied that when agri businesses get involve in differentiation strategy they increase their chances of having a competitive advantage.

**Table 4.17: Correlation between Competitive advantage and Differential Strategy**

		CA	DS	DP	DM
<b>Competitive Advantage (CA)</b>	Pearson Correlation	1			
	Sig. (2-tailed)				
<b>DS</b>	Pearson Correlation	.557**	1		
	Sig. (2-tailed)	.000			
<b>DP</b>	Pearson Correlation	.756**	.658**	1	
	Sig. (2-tailed)	.000	.000		
<b>DM</b>	Pearson Correlation	.698**	.575**	.836**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	72	72	72	72

Key: DS: Differentiation strategy; DP: Differential Product; DM: Differential Market;

The study revealed that a majority strongly agreed that differentiation strategy means uniqueness of products by packaging by a farmer. Differentiation strategy means uniqueness of products through different ingredients by a farmer. The customer willing to purchase a product due to its unique features and product differentiation can be achieved through producing and selling quality. It was also established that product differentiation through quick responsiveness to customers in farming and service differentiation requires close coordination of R & D.

Majority also indicate that DPS ensures that the customer experiences a pleasant feeling, and poultry farming needs refrigeration and considerable post-harvest care. These results implied that when agri businesses get involve in differentiation strategy they increase their chances of having a competitive advantage. In the next section the study will seek to determine whether focus strategy has any influence on the competitive advantage of poultry farming agribusinesses in Kenya.

#### **4.7 Focus Strategy and Competitive Advantage**

This section is about a farmer segmenting and working with a section of the market to maximize returns and to meet the specific needs of the target market. To achieve this objective, respondents were required to indicate their level of agreement by ticking each of the given statements where: 1-Strongly agree, 2-Agree, 3-Neutral, 4-Disagree and 5-Strongly disagree.

##### **4.7.1 Descriptive Analysis of Focus Strategy and Competitive Advantage**

The findings indicated that Focus strategy specialize on the firm's activities that small scale enterprises can perform as well, 38% strongly agreed, 46% agreed, 11% were neutral, 4% disagreed and 1% strongly disagreed. It was also established that focus strategy is a suitable strategy for small enterprises, 36% strongly agreed, 54% agreed, 8% were neutral, 1% disagreed and strongly disagreed respectively. It was also revealed that if farm segments the market, this guarantees competitive advantage, 43% strongly agreed, 40% agreed, 12% were neutral, 4% disagreed and only 1% strongly disagreed.

**Table 4.18: Descriptive Analysis of Focus Strategy and Competitive Advantage**

Focus Strategy and Competitive Advantage	SA	A	N	D	SD	Mean	Std. Dev.
	%	%	%	%	%		
Focus strategy specialize on the firm's activities that small scale enterprises can perform as well	38	46	11	4	1	1.86	0.877
Focus strategy is a suitable strategy for small enterprises	36	54	7	1	1	1.78	0.755
If farm segments the market, this guarantees competitive advantage	43	40	11	4	1	1.81	0.898
Focus strategy by small scale poultry farmers depends on the availability of resources	36	39	14	8	3	2.03	1.048
Focus strategy depends on the level of competitiveness in the markets	38	46	8	6	3	1.9	0.966
Focusing on key markets allows for the benefits selling a particular product	40	39	14	4	3	1.9	0.981
A small scale poultry farmer can focus its efforts with fewer resources	36	44	11	7	1	1.93	0.939
The success of a focus strategy is dependent on adding "something extra"	44	42	7	6	1	1.78	0.907
Possessing unique characteristics rely on focus as a strategy	40	44	7	7	1	1.85	0.929
Use of special market knowledge and skills allow enterprises to stay ahead of competitors	36	51	8	1	3	1.83	0.856
Emerging agri-food supply chains is as a result of niche strategies being employed by different agribusinesses	43	44	10	1	1	1.74	0.805
The focus strategy emphasizes specialization to improve performance	53	35	10	1	1	1.64	0.827
The focus strategy allows to correct the factors that might derail performance	42	51	4	1	1	1.69	0.744
Focus strategy facilitates specialization on part of the farmer	44	44	7	3	1	1.72	0.826
Focus strategy is an advantage to small scale farmers who lack the resources	43	43	8	3	1	1.74	0.839
The focus on one part of the market allows the farmer to have a significant impact in one area	35	56	4	3	3	1.83	0.856
focus on raw material sourcing to reduce the overall cost of production	51	35	10	3	1	1.68	0.869

The study also indicated that focus strategy by small scale poultry farmers depends on the availability of resources, 36% strongly agreed, 39% agreed, 14% were neutral, 8% disagreed and 3% strongly disagreed. The study also established that focus strategy

depends on the level of competitiveness in the markets, 38% strongly agreed, 46% agreed, 8% were neutral, 5% disagreed and 3% strongly disagreed. The findings indicated that focusing on key markets allows for the benefits selling a particular product, 40% strongly agreed, 39% agreed 14% were neutral, 4% disagreed and only 3% strongly disagreed. The findings also show indicated that a small scale poultry farmer can focus its efforts with fewer resources, 36% strongly agreed, 44% agreed, 11% were neutral, 8% disagreed and 1% strongly disagreed. A majority accounting for 44% strongly agreed that success of a focus strategy is dependent on adding “something extra”, 42% agreed, 7% were neutral, 6% disagreed and only 1% strongly disagreed.

The study also revealed that possessing unique characteristics rely on focus as a strategy, 40% strongly agreed, 45% agreed, 7% were neutral and disagreed respectively, 1% strongly disagreed. It was also established that use of special market knowledge and skills allow enterprises to stay ahead of competitors and 36% strongly agreed, 51% agreed, 8% were neutral, 2% disagreed and 3% strongly disagreed. It was also established that emerging agri-food supply chains is as a result of niche strategies being employed by different agribusinesses, 43% strongly agreed, 45% agreed, 10% were neutral and 1% disagreed or strongly disagreed respectively.

The study also established that focus strategy emphasizes specialization to improve performance, 53% strongly agreed, 35% agreed, 10% was neutral and 1% disagreed and strongly disagreed respectively. It was also revealed that focus strategy allows to correct the factors that might derail performance, 42% strongly agreed, 52% agreed, 4% were neutral, 1% disagreed and strongly disagreed. The study also established that focus strategy facilitates specialization on part of the farmer, 44% strongly agreed and agreed respectively, 8% were neutral, 3% disagreed and 1% strongly disagreed. It was also established that focus strategy is an advantage to small scale farmers who lack the resources, 43% strongly agreed and agreed respectively, 8% were neutral, 3% disagreed and 2% strongly disagreed. The study also established that focus on one part of the market allows the farmer to have a significant impact in one area, 35% strongly agreed, 56% agreed, 4% were neutral, 2% disagreed and 3% strongly disagreed. It was also revealed that focus on raw material sourcing to reduce the overall cost of production, 51% strongly agreed, 35% agreed, 10% neutral 3% disagreed and 1% strongly disagreed.

#### 4.7.2 Correlation Analysis between Competitive Advantage and Focus strategy

A Pearson correlation analysis was done to establish the relationship between competitive advantage and focus strategy the result revealed that a positive correlation between competitive advantage and Focus Strategy ( $r = .676, p < .000$ ) as shown in Table 4.19

**Table 4.19: Correlation between Competitive advantage and Co- factors**

		CA	FS
<b>Competitive Advantage (CA)</b>	Pearson Correlation	1	
	Sig. (2-tailed)		
<b>Focus Strategy (FS)</b>	Pearson Correlation	.676**	1
	Sig. (2-tailed)	.000	
	N	72	72

Key: CA: Competitive Advantage; FS: Focus Strategy;

These results implied that when agri businesses get involve in Focus strategy they increase their chances of having a competitive advantage.

#### 4.8 Multi Regression

The research analyzed the relationship between the dependent variable (competitive advantage) against cost leadership, differential strategy, and focus strategy. The results showed that  $R^2$  value was 0.752 hence 75.2% of the variation in competitive advantage was explained by the variations in cost leadership, differential strategy, and focus strategy as illustrated in Table 4.20.

**Table 4.20: Model Summary of Competitive Advantage and co factors**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.867 <sup>a</sup>	.752	.741	.27230	.752	68.694	3	68	.000

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

#### 4.8.1 ANOVA Analysis of Competitive Advantage and Co Factors

ANOVA analysis of the regression between dependent variable (competitive advantage) against cost leadership, differential strategy, and focus strategy at 95% confidence level, the F critical was 68.694 and the P value was (0.000) therefore below 0.05 implied that it

was statistically significant and can be used to assess the association between competitive advantage, cost leadership, differential strategy, and focus strategy as illustrated in Table 4.21

**Table 4.21: ANOVA Analysis of Competitive Advantage and Co Factors**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.281	3	5.094	68.694	.000 <sup>b</sup>
Residual	5.042	68	.074		
Total	20.323	71			

The regression equation illustrated in Table 4.22 established that taking cost leadership, differential strategy, and focus strategy into account and other factors held constant a unit change in cost leadership led to a 0.336 positive change in competitive advantage, at the same time a unit change in differentiation strategy led to a 0.274 positive change in competitive advantage, and a unit change in focus strategy led to a 0.205 positive change in competitive advantage holding all factors constant.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$$Y = 0.798 + 0.336 X_1 + 0.274 X_2 + 0.205 X_3 + 0.27230$$

Where:

Y is the dependent variable (competitive advantage)

$\beta_0$  is the regression constant;

$\beta_1, \beta_2, \beta_3$  coefficients of independent variables;

$X_1$  is cost leadership,  $X_2$  differentiation strategy,  $X_3$  focus strategy and  $\varepsilon$  is the error term.

**Table 4.22: Coefficient of Competitive Advantage and co factors**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.798	.253		3.150	.002
Cost leadership	.336	.122	.348	2.759	.007
Differentiation strategy	.274	.127	.331	2.156	.035
Focus strategy	.205	.090	.244	2.263	.027

#### **4.9 Chapter Summary**

This chapter has presented the results of the analyzed data. Descriptive statistics were used to analyze results received and correlation to show the relationship between the different study variables. The study established that there was a positive correlation between competitive advantage and Cost leadership strategy ( $r = .553, p < .000$ ); Firms capabilities ( $r = .661, p < .000$ ); Linkage and collection ( $r = .579, p < .000$ ). These results implied that when agri businesses get involve in cost leadership they increase their chances of having a competitive advantage.

The study correlated competitive advantage and variables of differentiation strategy and the finding revealed that there was a positive correlation between competitive advantage and differentiation strategy ( $r = .557, p < .000$ ); differential product ( $r = .756, p < .000$ ); differential market ( $r = .698, p < .000$ ). This results implied that when agri businesses get involve in differentiation strategy they increase their chances of having a competitive advantage. A Pearson correlation analysis was done to establish the relationship between competitive advantage and focus strategy the result revealed that a positive correlation between competitive advantage and Focus Strategy ( $r = .676, p < .000$ ).

The research analyzed the relationship between the dependent variable (competitive advantage) against cost leadership, differential strategy, and focus strategy. The results showed that  $R^2$  value was 0.752 hence 75.2% of the variation in competitive advantage was explained by the variations in cost leadership, differential strategy, and focus strategy. Chapter five offers the discussions, conclusions and recommendations of the study.

## CHAPTER FIVE

### 5.0 DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter summarizes that study by providing the study discussions, conclusions and recommendations. These will be organized based on the specific objectives which sought to establish to determine whether cost leadership strategy has any influence on the competitive advantage of poultry farming agribusinesses in Kenya. These were, to determine the influence of differentiation strategy on competitive advantage in poultry farming agribusinesses in Kenya and, to find out how focus strategy influences the competitive advantage of poultry farming agribusinesses in Kenya.

#### 5.2 Summary

The purpose of the study was to understand how cost leadership, differentiation, and focus strategies influence the competitive advantage of small scale poultry farmers. The study was guided by three specific objectives which sought to determine whether cost leadership strategy has any influence on the competitive advantage of poultry farming agribusinesses in Kenya, to determine the influence of differentiation strategy on competitive advantage in poultry farming agribusinesses in Kenya and lastly to find out how focus strategy influences the competitive advantage of poultry farming agribusinesses in Kenya.

The total population of poultry farmers in Kenya is approximately 1,000 (World Poultry Association/Africa Poultry Network-Kenya, 2017). Simple random sampling technique was applied resulting into 100 small scale poultry farmers. Out of the total of 100 questionnaires awarded only 72 were filled and returned giving a response rate of 72%.

The study established that there was a positive correlation between competitive advantage and Cost leadership strategy ( $r = .553$ ,  $p < .000$ ); Firms capabilities ( $r = .661$ ,  $p < .000$ ); Linkage and collection ( $r = .579$ ,  $p < .000$ ). These results implied that when agri businesses get involve in cost leadership they increase their chances of having a competitive advantage.

The study correlated competitive advantage and variables of differentiation strategy and the finding revealed that there was a positive correlation between competitive advantage and differentiation strategy ( $r = .557, p < .000$ ); differential product ( $r = .756, p < .000$ ); differential market ( $r = .698, p < .000$ ). These results implied that when agri businesses get involve in differentiation strategy they increase their chances of having a competitive advantage.

A Pearson correlation analysis was done to establish the relationship between competitive advantage and focus strategy the result revealed that a positive correlation between competitive advantage and Focus Strategy ( $r = .676, p < .000$ ). The research analyzed the relationship between the dependent variable (competitive advantage) against cost leadership, differential strategy, and focus strategy. The results showed that  $R^2$  value was 0.752 hence 75.2% of the variation in competitive advantage was explained by the variations in cost leadership, differential strategy, and focus strategy.

### **5.3 Discussion**

#### **5.3.1 Effect of Cost Leadership Strategy on Competitive Advantage**

The study established that agribusiness enterprises use cost leadership strategy focus on reducing the cost of operation to be competitive. This concurs with Muasa (2014) who did establish that cost leadership is a strategy used by agribusinesses entrepreneurs to create a low cost of operation within their forte with the main aim of gaining advantage over competitors; this is usually achieved by reducing operational costs, such as feed costs in poultry farming, below that of others in the same industry. Institute for Manufacturing (2016), states that a low cost leader must find and exploit all sources of cost advantage that are accessible. If a firm can identify, achieve and sustain overall cost leadership, then it will be an above average performer in its industry, provided it can command prices at or near the industry average price.

The study revealed that there was a willingness of farmer groups to share market knowledge results into a competitive advantage strategy. Yang *et al.*, (2014) emphasizes that collaborative business amongst agribusiness enterprises partners will enable competitiveness better than before in highly uncertain surroundings. It is important to build and manage strong inter-farm relationships becomes an important factor because together small scale poultry farmers can overcome the challenge on resource limitation

and enhance competitiveness (Ismail, 2013). As a matter of fact, working collaboratively has been found to lead to increased formal and informal knowledge, better understanding and innovation in the agricultural sector (Asenso-Okyere & Davis, 2009). This suggests that knowledge, understanding and innovation must be combined in order to overcome the challenges as well as to accelerate development of the agricultural sector.

The study established that small scale farmers who operate independently experience lack of adequate resources. Generally, small scale farmers operate independently and therefore they experience lack of adequate resources which poses a major barrier to enhance competitiveness. Since they opt to act independently, small scale farmers rarely have an opportunity to access new markets like supermarket chains through collective action and thus reduction of costs (Gaytán, 2014). This implies a need for collective action and the author further defines collective actions as actions and willingness of group members to share market knowledge, to sell together and to develop business opportunities to be a cost leader. Collective action through different networks of firms has been studied in different contexts and sectors (Ismail, 2013). Accordingly, a successful collective action emerges when, people who know each other, work together and have family or business ties.

The study established that collaborative business amongst agribusiness enterprises partners will enable competitiveness. Porter (1985) identifies that interrelationships refer to the relationships of mutual dependence between one business and other parts of a company's operations that could affect costs. Tangible interrelationships stem from opportunities to share activities within the value chain of an organization. Thus, a poultry farmer can identify sources of competitive advantage traced to the actual sharing of various assets such one supplier offering incubation services since a small scale poultry farmer may not be able to afford and managerial capabilities such as know-how in one or more activities of the poultry value chain for example a veterinary checking the health status of poultry in an area (Hex & Mali, 1996). On the other hand, the authors state that this type of interrelationship can incur costs relating to the coordination of farm activities, compromising on feeds thus poor quality eggs and meat, and cost of inflexibility created when businesses share outdated activities).

A small scale poultry farmer can rely on the government's extension workers to get technical information on raising poultry. Providence of sufficient government support for

optimum production techniques, different types of value addition marketing avenues and infrastructure facilities has been found to be directly connected to improved competitiveness of agricultural products and services (Kumar & Rai, 2007).

The study also revealed that small scale poultry farmers can overcome resource limitation if they are in a group. Hax and Majluf (1996) state that interrelationships with other strategic business units such as production and marketing in the overall farm portfolio can help to share experience and gain economies of scale in functional activities. An agribusiness poultry farm can frequently reduce their costs by transferring knowledge within the group to other strategic business units who share similar technology or problems (Porter, 1985).

### **5.3.2 Effect of Differentiation Strategy on Competitive Advantage**

The study established that differentiation marketing strategy in poultry farming is an effective competitive strategy, based on the customer's mind. The implementation of differential product strategy is the most common and direct way to attract the attention of the customer (Bacon, 2005). Due to the unique features of a product, the customer may be more than willing to purchase the product, which may result to the loyalty of the customer while for the competitor, this means war on trapping and retaining customers. According to Dulo (2006) differentiator chooses a high level of product differentiation to gain competitive advantage meaning that resource mobilization is not a challenge. Dulo (2006) further explains that product differentiation can be achieved in three simple ways, that is, producing and selling quality products, using innovation develop and design unique products and quick responsiveness to customers. When a poultry farmer's responsiveness to customers is faster, offers a comprehensive after sales service to the customers after the purchase of the products by the customers.

Continuous innovation in farming makes the competitors delay to respond. The study also established that having a unique marketing image of the agribusiness enterprise can distinguish it from its competitor. Rowley (1997) concurs and says that the poultry farmer must carry out the most appropriate strategy according to the marketing image strategy of the fellow poultry farmer (competitor) and the minds of the customer. Adopting the proper differential image marketing strategy will bring an unexpected result for the small scale poultry farmer. Obviously, the implementation of differential image marketing strategy is an authoritative tool to be different or rather distinguish oneself from the

competitor, be occupied in the minds of the customer and gain a competitive advantage (Rowley, 1997). For example, Duffy (2004) asserts that in the aspect of choosing the place of the shop, a poultry farmer must consider the convenience of the customers, consider poultry stores within the scope of people's daily life so that a customer can easily access and purchase the product.

The study also revealed that the implementation of differentiation marketing strategy is an expression of the capability of a poultry farmer. Kariuki (2006) says that a firm that uses differentiation service strategy strives to be the service leader, quality leader and technology leader, but because it is not possible for a company to be all these things, a farmer should cultivate the strengths that will contribute to its intended differentiation strategy approach. The author further says that differentiation requires strong marketing skills, superior quality products and close coordination of research & development, production, distribution and marketing functions. According to Chepkwony (2008), differentiation strategy aims at improving either the products or the organizations image or quality by adding value or improves features of a product. Thus a differentiated product commands a higher selling price in the market compared to products that are not differentiated.

The findings indicated that the long-run differentiation marketing strategy is to innovate continuously as a competitive advantage strategy. According to Rowley (1997) the implementation of differentiation marketing strategy is an expression of the capability of a poultry farmer. Differentiation marketing strategy is a vigorous process and with the socio-economic and technological development in the world on a daily basis, the customer's demand is constantly changing. There is no difference that can be maintained forever. However, Duffy (2004) adds that the long-lasting drug for differentiation marketing strategy is to innovate continuously and to adapt to the changing requirements of a customer such as focus as a competitive advantage strategy. In their study Duffy (2004) and Rowley (1997) conclude by saying losing the perceived customer quality differentiation is one of the cons of this strategy. A poultry farmer must have strong marketing proficiencies. Additionally, a differentiation strategy relies on effective and productive human resources.

The study revealed that a poultry farmer must have strong marketing proficiencies to be unique in the market. Bacon (2005) emphasizes that it is important for a small scale poultry farmer to understand and list the characteristics of the product that can be used.

Bacon (2005) however cautions that a poultry farmer needs to be careful in the process of implementing differential product strategy especially if the strategy is based on the technical innovation of the product, the strategy may be at a higher cost. All this is under the assumption that perhaps the customer will pay a higher price for the product (Bacon, 2005).

The following are examples and this may vary from one region to another: poultry consumption offends no religious sentiment and production is dependent on a wide variety of inputs such as chick hatcheries, quality feed producers, excellent veterinary services, hygienic processing facilities, efficient transport, efficient cold chain for refrigeration while on transit. On the other hand, if the strategy is based on the simple innovation of forms or colors of the product, the competitor may quickly copy the strategy and the farmer cannot maintain the differential advantage.

### **5.3.3 Effects of Focus Strategy on Competitive advantage**

The finding revealed that a focus strategy is a suitable strategy for small enterprises, and Hit, Ireland, & Hodkinson (2017) also identified focus strategy as the most suitable strategy for small enterprises because it allows the firm to focus on key markets. Big firms can utilize the strategy in conjunction with either cost leadership strategy or differentiation strategy. The firm segments the market and focuses on a few segments of the market to maximize returns. The belief is that targeting a few markets allows the firms to meet the specific needs of the target market. The firm becomes a dominant force in that particular market segment (Cuthbert, 2011).

The findings also established that the focus strategy by small scale poultry farmers depends on the availability of resources. According to Cuthbert (2011) the basic idea behind a focus strategy is to specialize the firm's activities in ways that low-cost or differentiation small scale enterprises cannot perform as well and thus greater profits are generated. If a segment has characteristics that are uniquely distinct and lasting, then a firm can create its own set of entry barriers in the same way that large well established poultry farmers do in broader markets. The utilization of this strategy by small scale

poultry farmers depends on the availability of resource and the level competitiveness in the markets. For example, according to Hit, Ireland, & Hodkinson (2017), a poultry farmer can focus on rearing broilers with the target market being major companies and hotels. The focus on major companies and hotels informs the strategies employed by the poultry farmer to achieve a superior position in the market when compared to competitors. The focus strategy facilitates specialization and high performance because of the level of focus needed to gain competitive advantage in different areas.

The findings show that, the use of special market knowledge and skills allow enterprises to stay ahead of competitors. According to Hit, Ireland, & Hodkinson (2017), possessing special skills or unique characteristics is a key requirement for agribusinesses that rely on focus as a strategy. The possession of a unique capacity puts the agribusiness ahead and makes it difficult for other firms to compete. Gaining competitive advantage in specific areas of the market is relatively easy because the firm can channel all resources towards the domination of one sector. The use of special market knowledge and skills allow enterprises to stay ahead of competitors in a particular pack (Cuthbert, 2011). The author examined the focus strategy as key adaptive strategies for many firms. With a focus on understanding why firms go for niche markets and what the key impacts of success in the business. The results of the study confirm that the formation of strategic plans is important to successful markets. Horizontal and vertical alliance reduces the overall cost of production. Focusing on a niche market is an effective strategy because it is convenient and nearby in location.

While the author adds that cost focus narrows down on a niche market, instead of marketing a product or service to the entire public it is marketed to a particular sector of the public. Cuthbert (2011) states that the aim of the strategy is to then be the cheapest provider in that segment and this in advantage for a small scale poultry farmer. For example, a farmer might focus its market on a single town and the aim would then be the cheapest in the town but not necessarily the cheapest overall.

This study established that focus on one part of the market allows the farmer to have a significant impact in one area. By focusing on a narrow market segment, a small scale poultry farmer can focus its efforts which may require fewer resources compared to coming up with a product for the wide market.

## **5.4 Conclusions**

### **5.4.1 Effect of Cost Leadership Strategy on Competitive Advantage**

The high demand for agricultural products and services requires the sector to be competitive in order to meet the customer needs. A farmer should strive to gain and maintain competitive advantage to survive in the market although this is dependent on the farms capacity. A farmer's ability to use resources to achieve a desired state is competitive advantage resources and capabilities as well as core competencies put together help build a competitive advantage.

When farmers willingly share market knowledge and sell together, they develop business opportunities as well as overcome a resource limitation which promotes competitive advantage strategy. In addition the quality control, distributors of the final products and suppliers of raw materials affect the costs of a farm's activities. Due to the high investments it is difficult for an agribusiness entrepreneur to leave the industry due to the high cost of investment. In addition, the ease of entry into an agribusiness industry depends on the reaction of existing competitors to new entrants and barriers to market entry that prevail.

### **5.4.2 Effect of Differentiation Strategy on Competitive Advantage**

Customers may be more than willing to purchase a product because of its unique features in agribusiness although differentiation is suitable in a market where customers are not really price sensitive and may be costly for a small scale poultry farmer. Differentiated products command a higher selling price in the market and in order to ensure the products reach the designated market. Poultry farmers need sales channel known by the public. In the sector product differentiation can be achieved through producing and selling quality products in farming, using innovation in farming, design of unique products and offering quick responsiveness to customers.

### **5.4.3 Effects of Focus Strategy on Competitive advantage**

The focus strategy is a suitable strategy for small enterprises and segments the market, guarantees competitive advantage. The process however requires resources and is dependent on the level of competitiveness in the markets. For small scale farmers value addition, and possessing unique characteristics, and use of special market knowledge and

skills is a key requirement for agribusinesses that rely on focus as a strategy. Focus strategy emphasizes specialization to help improve the overall performance of the business as it facilitates specialization on part of the farmer.

## **5.5 Recommendations**

### **5.5.1 Recommendations for Improvement**

#### **5.5.1.1 Effect of Cost Leadership on Competitive advantage**

In order to remain competitive poultry farmers need to respond to environmental influences thus increase and retain the market share as well as guarantee customer's great value for the product they purchase. To maintain this, it is vital for the agribusiness enterprises to maintain professional employees. Collaborative business amongst agribusiness enterprises partners should be encouraged in order to overcome resource limitation. It is also of high essence to ensure availability of distribution channels, as well as reliable suppliers of raw materials in order lower costs production costs.

#### **5.5.1.2 Effect of Differentiation Strategy on Competitive Advantage**

Customers are more than willing to purchase a product because of its unique features in agribusiness although uniqueness is not a guarantee that a poultry farmer will achieve success. Small scale farmers need to utilize differential product strategy to attract customers. This should be implemented by producing and selling quality products, application of innovation in farming as well as designing unique products. It is also vital for the poultry farmers to offer quick responsiveness to customers. Poultry's consumption level is dependent on availability of competing alternatives as such use of technology such as refrigeration need to be encouraged. Due to the availability of similar products in the market, poultry farmer need to have strong marketing proficiencies to be unique in the market.

#### **5.5.1.3 Effects of Focus Strategy on Competitive advantage**

Focus strategy by small scale poultry farmers depends on the availability of resources therefore before focusing in a particular market there is a need to do thorough research on the costs involved. The increased availability of similar products in the market means that farmers need to concentrate on value addition and offering unique characteristics. This

can only be made possible with seeking ways to gain market knowledge and skills that would allow the enterprises to stay ahead of competitors.

### **5.5.2 Recommendations for Further Studies**

Further studies should be done by segmenting the respondents into regions so as to be able to make a comparison and understand how cost leadership, differentiation, and focus strategies influence the competitive advantage of small scale poultry farmers across the country. Similar study also needs to be undertaken in other type of farming such as fish and livestock farming so as to be able to generalize the findings.

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## APPENDICES

### APPENDIX I: COVER LETTER

Asena Salome Esilehwa  
United States International University-Africa (USIU-Africa)  
P.O BOX 14634, 00800  
NAIROBI.

Dear Respondent,

#### **RE: Request to Complete Research Questionnaire**

I am carrying out a research on the use of generic strategies for competitive advantage in poultry farming in Kenya. This is in partial fulfillment of the requirement of the Master in Business Administration (MBA) degree program at the United States International University-Africa.

I am writing this letter to kindly request you to fill the attached questionnaire that seeks your views on the research topic. The findings of this study will provide other researchers with information that can be used to study the effectiveness of Michael Porter's

This is an academic exercise and all the information collected from the respondents will be treated with strict confidentiality and no single response will be reported on its own but as a summation of the responses received. Kindly spare some time to complete the questionnaire attached.

Thank you in advance.

Yours sincerely,

Salome E. Asena

+254 714 612 210/+254 731 887 095

USIU-Africa

## APPENDIX II : RESPONDENT'S QUESTIONNAIRE

This study is a requirement for the partial fulfilment of the Master of Business Administration (MBA) program at the United States International University Africa (USIU-Africa). The purpose of this study is to understand competitive advantage in agribusiness more so poultry farming in Kenya

The findings of this study will provide primary data for the evaluation of the adoption of generic strategies for competitive advantage in poultry farming by small scale poultry entrepreneurs. This is an academic exercise and all information collected from respondents will be treated with strict confidentiality.

### PART 1: General /Demographic Information

This section is about general information about the respondents.

For each of the statements, kindly answer all questions either by ticking in the boxes or writing in the spaces provided.

1. Level of study (please tick one)

Primary  Secondary  College  University

2. Gender (please tick one)

Female  Male

3. Age (please tick one)

10-20 years  21-30 years  31-40 years  41-50 years  51-60 years

61-70 years  71-80 years

4. Marital status

Single  Married  Divorced  Widowed  others, specify \_\_\_\_\_

5. Number of birds (please tick one)

Between 1-400  Between 401-800  Between 801-1000  Between 1001-1,400

6. Type of birds (please tick one)

Chicken  Ducks  Geese  Quails  Ostrich  Pigeons  Turkey  other  
please specify \_\_\_\_\_

## PART 2: Competitive Advantage and Strategy

This section is about competitive advantage; adoption of business concepts/ attributes that a farm can adopt to outdo its competitors.

For each of the statements, please use the scale given below to indicate your level of agreement by ticking each of the given statements: 1-Strongly agree, 2-Agree, 3-Neutral, 4-Disagree and 5-Strongly disagree

<b>Competitive Advantage and Strategy</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
1.The agricultural sector contributes significantly to improving the economy					
2.The demand for agricultural products and services requires the sector to be competitive					
3.Competition demands farmers to know and provide greater value					
4.Agribusiness activities provide an opportunity to get higher and stable income					
5.The agricultural sector needs to respond to environmental influences to be competitive					
7.Competitive advantage is the gain that one agricultural firm has over competing agricultural firms					
8.The competitive advantage helps a poultry farmer to increase and retain the market share					
10.Competitive advantage means offering customers great value for the product they purchase by means of lower prices					
10.Competitive advantage means offering customers great value for the product that justifies having higher prices					
11. A farmer should strive to gain and maintain competitive advantage to survive in the market.					
12.Agribusiness firms should develop appropriate strategies to achieve competitive advantage					
13. Lack of professional employees prevents competitiveness in agribusiness.					
14. High of cost of inputs prevent competitiveness in agribusiness.					
16. Working together with other small scale poultry farmers enhances the competitiveness					
17. Experience in farming influences competitive advantage					
18. The capacity of a farming influences competitive advantage					
19. Competitiveness of agribusiness products or services depends on internal factors (one can control)					
20. Competitiveness of agribusiness products or services depends on external factors (one cannot control)					

**Competitive Advantage through Innovation**

This section is about seeing things from new angles, having broad perspectives, taking risks and being flexible to be able to compete as a small scale poultry farmer in the market

<b>Competitive Advantage through Innovation</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
21. Poultry farmers are constantly challenged with the idea of gaining competitive advantage					
22. To be innovative is seeing things from new angles, having broad perspectives, taking risks and being flexible					
23. A poultry farmer should promote innovation by encouraging employees to become idea champions					
24. Farmer innovation is a critical constituent of competitive advantage.					
25. Farmer technological advantage is critical constituent of competitive advantage.					
26. Small scale poultry farmers face serious competitive challenges due to irregularity of technology change					
27. The less an innovative strategy can be copied, the more lasting the source of competitive advantage					
28. Innovation as a strategy can be easily improvised by a small scale poultry farmer					
29. Strategic management of human resources provide a more competitive position than can be gained by product innovations					
30. New market research techniques provide a more competitive position than can be gained by product innovations					
31. Technologies that protect imitability is a key competitive element in agribusiness					
39. Innovative activities must be compatible with an agribusiness enterprises' ability to manage change					
32. Increase with innovative success and the implementation of creative innovative solutions					
33. Cost savings is an innovative market appeal for scale poultry farmers					
34. Successful adaptability of the innovation requires knowing when to change					
35. Successful adaptability of the innovation requires knowing when change is not appropriate					
36. Innovation activities help a farmer make correct choices and create an excellent competitive advantage					
37. An informed opportunistic timely idea is key to competitive innovation in the long term					

**Competitive Advantage through Entry Barriers**

This section is about the existence of high start-up costs or other obstacles that prevent competitors from easily entering and operating an industry/area of business which benefit existing farmers who are in operation

<b>Competitive Advantage through Entry Barriers</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
38. Entry barriers provide competitive advantage					
39. Entry barriers prohibit competitors from providing a window of opportunity resulting in advantages to farmers					
40. Smaller agribusinesses frequently possess an advantage since larger agribusinesses slows down because of bureaucracy					
41. It is difficult for an agribusiness entrepreneur to leave the industry due to the high cost of investment					
42. Superior abilities to your competitors, can be used to establish a competitive advantage					
43. Ease of entry by a small scale farmer will face existing competitors					
44. In industries that are easy to enter, sources of competitive advantage tend to fade quickly					
46. The ease of entry into an agribusiness industry depends on the reaction of existing competitors to new entrants					
47. The ease of entry into an agribusiness industry depends on the barriers to market entry that prevail					

**Part 3: Cost Leadership Strategy and Competitive Advantage**

This section is about a farmer having the lowest per unit cost compared to competitors through linkages and collective actions. Please use the scale given below to indicate your level of agreement by ticking each of the given statements: 1-Strongly agree, 2-Agree, 3-Neutral, 4-Disagree and 5-Strongly disagree

<b>Cost Leadership and Competitive Advantage</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
48. Agribusiness enterprises use cost leadership strategy focus on reducing the cost of operation to be competitive					
49. Economies of scale is a competitive advantage that large entities have over smaller entities					
50. Capacity utilization is the value of production capacity per cost being utilized over a specific period of time					
51. A farm’ business links that affect cost determine the competitive advantage					
52. Relationships between one business and other parts of a farms operations could affect costs					
53. Timing is the cost of value activity it takes to complete a business cycle					
54. The value of activities that can affect costs based on the location of a related activity					
55. Reducing feed costs in poultry farming is a cost leadership strategy					
56. A poultry farmer can identify, achieve and sustain overall cost					

leadership					
57. If a poultry farmer can command prices it can sustain overall cost leadership					

**Firm’s Capabilities and Capacity Utilization**

This section is about a farmer’s capacity to identify, arrange and use resources that have been purposely united to achieve a desired end state of being ahead of competitor’s thus competitive advantage strategy

<b>Firm’s Capabilities and Capacity Utilization</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
58. A farmers ability to use resources to achieve a desired state is competitive advantage					
59. A farmer should use resources to make it ahead of the competitors					
60. Resources and capabilities put together help build a competitive advantage in farming					
61. Core competencies are strengths that allow a farmer to achieve competitive advantage					
62. Valuable capabilities are those that create value for the farmer in the poultry sector					
63. Capabilities that are costly to imitate, make it difficult for competitors to copy in agribusiness					
64. To gain competitive advantage a farmer’s capability must have no close substitutes					
65. Trust-based relationships are a low cost leadership strategy that takes time hard for competitors to recognize					
66. Demand or supply have no influence on the competitive position of a farmer					
67. Investment opportunities could aid in enhancing competitive advantage in agribusiness					
68. There is no significant effect between farm size and competitive advantage					

**Linkages and Collective Actions**

This section is about the willingness of group members to share market knowledge, to sell together and to develop business opportunities to be a cost leader

<b>Linkages and Collective Actions</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
69. The willingness of farmer groups to share market knowledge is a competitive advantage strategy					
70. The willingness of farmer groups sell together is a competitive advantage strategy					
71. The willingness of farm groups to develop business opportunities is a competitive advantage strategy					
72. Small scale farmers who operate independently experience lack of adequate resources					
73. Small scale farmers rarely have an opportunity to access new markets					
74. Collaborative business amongst agribusiness enterprises partners					

will enable competitiveness					
75. Small scale poultry farmers can overcome resource limitation if they are in a group					
76. Quality control in poultry has an impact on servicing costs of the farm					
77. Distributors of the final products affect the costs of a farm's activities					
78. Suppliers of raw materials affect the costs of a farm's activities					
79. Good relationships with distributors channels can significantly lower costs					

#### Part 4: Differentiation Strategy and Competitive Advantage

This section is about a farmer having goods/services that are unique and stand out from the rest of the products from competitors in the agribusiness space. Please use the scale given below to indicate your level of agreement by ticking each of the given statements: 1-Strongly agree, 2-Agree, 3-Neutral, 4-Disagree and 5-Strongly disagree

<b>Differentiation Strategy and Competitive Advantage</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
80. Differentiation strategy means uniqueness of products by packaging by a farmer					
81. Differentiation strategy means uniqueness of products through different ingredients by a farmer					
82. A customer may be more than willing to purchase a product because of its unique features in agribusiness					
83. Differentiation is suitable in a market where customers are not really price sensitive					
84. Differential product strategy is costly for a small scale poultry farmer					
85. Uniqueness is not a guarantee that a poultry farmer will achieve success					
86. Customers are willing to pay whatever price to access products/services offered					
87. Small scale farmers can use differential product strategy if it is about forms or colors of the product					

#### Differential Product and Service Strategy

This section is about a farmer using unique features of a product and service and the willingness of a customer to purchase with an aim of trapping and retaining customers

<b>Differential Product and Service Strategy</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
88. Differential product strategy is the most common and direct way to attract the attention of the customer in farming					
89. The customer may be more than willing to purchase a product from a farmer due to its unique features					
90. Product differentiation can be achieved through producing and selling quality products in farming					
91. Product differentiation can be achieved through using innovation in farming					
92. Product differentiation can be achieved through design of					

unique products in farming					
93. Product differentiation can be achieved through quick responsiveness to customers in farming					
94. In farming differentiation service strategy means attempts to be the service leader					
95. In farming, differentiation service strategy attempts to be quality leader					
96. In farming, differentiation service strategy attempts to be a technology leader					
97. A farmer should develop strengths that will contribute to its envisioned differentiation service strategy					
98. In agribusiness, service differentiation requires strong marketing skills					
99. In agribusiness, service differentiation requires superior quality products					
100. In agribusiness, service differentiation requires close coordination of research & development					
101. In agribusiness, service differentiation requires strong production functions					
102. In agribusiness, service differentiation requires strong distribution functions					
103. In agribusiness, differentiated products command a higher selling price in the market compared to products that are not differentiated					
104. When implementing differential product strategy based on the technical innovation a farmer should be careful					
105. When implementing differential product strategy at a higher cost a farmer should be careful					
106. Poultry farming needs refrigeration and considerable post-harvest care					
107. Poultry's consumption level is dependent on availability of competing alternatives					
108. In agribusiness, differential service strategy ensures that the customer experiences a pleasant feeling					

### **Differential Market Strategy**

This section is about unique marketing strategy, image, marketing channels in agribusiness

<b>Differential Market Strategy</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
109. A unique marketing strategy can save a poultry farmer on costs					
110. A unique channel is the most successful differential marketing strategy in agribusiness					
111. Before a poultry farmer selects a new sales channel, it needs to be known by the public					
112. Earning the trust of the public with the use of the new unique market channel might be difficult for a poultry farmer					
113. Differentiation marketing strategy in poultry farming is an					

effective competitive strategy, based on the customer's mind					
114. Continuous innovation in farming makes the competitors delay to respond					
115. The unique marketing image of the agribusiness enterprise will distinguish it from its competitor					
116. In farming, differential image marketing strategy is an authoritative tool to distinguish oneself from the competitor					
117. In farming differential image marketing strategy is an authoritative tool gain a competitive advantage					
118. A poultry farmer should consider the location and image their enterprise distinguishes itself from the competitors					
119. The implementation of differentiation marketing strategy is an expression of the capability of a poultry farmer					
120. The long-run differentiation marketing strategy is to innovate continuously as a competitive advantage strategy					
121. The long-run differentiation marketing strategy is to adapt to the changing requirements of a customer					
122. A poultry farmer must have strong marketing proficiencies to be unique in the market					

### Part 5: Focus Strategy and Competitive Advantage

This section is about a farmer segmenting and working with a section of the market to maximize returns and to meet the specific needs of the target market. Please use the scale given below to indicate your level of agreement by ticking each of the given statements: 1-Strongly agree, 2-Agree, 3-Neutral, 4-Disagree and 5-Strongly disagree

<b>Focus Strategy</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
123. Focus strategies target an industry-wide market to be competitive					
124. Focus strategy specialize on the firm's activities in ways that small scale enterprises can perform as well					
125. Focus strategy is a suitable strategy for small enterprises					
126. If farm segments the market, this guarantees competitive advantage					
127. Focus strategy by small scale poultry farmers depends on the availability of resources					
128. Focus strategy by small scale poultry farmers depends on the level of competitiveness in the markets					
129. Focusing on key markets allows the farmer to enjoy the benefits of being the only one selling a particular product					
130. A small scale poultry farmer can focus its efforts with fewer resources					
131. The success of a focus strategy is dependent on adding "something extra"					
132. Possessing unique characteristics is a key requirement for agribusinesses that rely on focus as a strategy					
133. Use of special market knowledge and skills allow enterprises to stay ahead of competitors					

134. Emerging agri-food supply chains is as a result of niche strategies being employed by different agribusinesses					
135. The focus strategy emphasizes specialization to help improve the overall performance of the business					
136. The focus strategy allows the small scale poultry farmer to correct the factors that might derail performance					
137. Focus strategy facilitates specialization on part of the farmer					
138. Focus strategy is an advantage to small scale farmers who lack the resources to cover many areas					
139. The focus on one part of the market allows the farmer to have a significant impact in one area					
140. The poultry farmer can choose to focus on raw material sourcing to reduce the overall cost of production					

**Thank you for taking time to answer the questionnaire**