

**OPERATIONS STRATEGY AND SUSTAINABLE  
COMPETITIVE ADVANTAGE IN TYRE INDUSTRY IN  
NAIROBI COUNTY, KENYA**

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**DECLARATION**

I declare that this is my original work and has not been presented for a degree in any other university.

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**God bless you all.**

## **DEDICATION**

To My wife

Fatuma Maalim Yussuf

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## **ABBREVIATION AND ACRONYMS**

<b>I/O:</b>	Industrial and Organizational
<b>MNCs:</b>	Multinational Corporations
<b>RBV:</b>	Resource Based View
<b>SCA:</b>	Sustainable Competitive Advantage
<b>SWOT:</b>	Strengths, Weaknesses, Opportunities and Threats
<b>USA</b>	United States of America

## ABSTRACT

The main aim of the study was to operations strategy and sustainable competitive advantage in Tyre industry in Nairobi County, Kenya. The objectives of the study are: to determine the operation strategies used by Tyre Industry in Kenya; to determine the relationship between operations strategy and sustainable competitive advantage in Tyre Industry in Kenya and to determine challenges faced in implementation of sustainable competitive advantage by Tyre Industry in Kenya. The study was carried out through a survey where the unit of study was the Tyre Industry in Kenya. The study targeted 480 firms dealing with tyres in Nairobi County, Kenya as at September 2016. These firms include manufactures, distributors, wholesalers and retailer. The researcher adopted a stratified random sampling technique to select a sample size of 144 firms from the population 480 firms dealing with tyre. Primary data was obtained from one respondent in each firm in the Tyre industry in Kenya using a research questionnaire. This was drawn from top management. Both the primary and secondary data were used thus making qualitative and quantitate respectfully. From the findings on the operations strategies employed by tyre industries to remain competitive in the market, the study revealed the competitive strategies were: corporate strategy, customer-driven approach, core competencies, competitive priorities and development of product and service. The study revealed that the challenges faced by challenges faced Tyre Industry in Kenya in implementation of sustainable competitive advantage are; poor or vague strategy implementation, challenge of communication insemination, consumer protection and competition regulation, economic growth challenges (overall; by industry sector), lack of coordination and support from other levels of management and resistance from lower levels and lack of resources in the form of financial and human or indivisibility of resources. The researcher suggests that further research should be done on the challenges faced in adopting the sustainable competitive advantages hence hindering their effectiveness in response to increased Competition.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

Many firms are loaded with competitive advantages, but do not know what they are. The surest way to increase sales, market share, and profit margins is to uncover a organization's upper hands hence make them the foundation of its sales and marketing communication (Coombs, 2010). The major focus of competitive strategy is a firm's relative position in an industry which indicates whether its profitability is above or below industry average. The fundamental premise of above industry execution is maintainable upper hand which is shown by low cost or differentiation (Porter, 1985).

Leaders of industry concentrate on building long haul key focal points as opposed to contributing forcefully when the market is solid and summarily cutting projects when the economy and evaluating situations debilitate (Amanda, 2012). The key is to identify high-value approaches and applications for tomorrow's mass market based on industry insights and proven technology innovations in use by today's early adopters (Carragher, Buckley & Carragher, 2013).

The rising interest for tyres in Africa has prompted to firm rivalry tyres producers from the whole way across the world looking to gather a noteworthy share of the market for tyres in the new and rising African markets. Generally, European tyre manufactures had a restraining infrastructure over the African markets and numerous European brands were beat offering tyres in numerous African nations (Ouma, 2013). Tyres industry need to transform their processes and operations to meet demands from shareholders and stakeholders.

### **1.1.1 Operations Strategy**

Amanda, (2012) says technique of operations are focused on activities and exercises. "Design" suggests uniformity of key decisions and exercises (Johnson, 2012). Administrator Henry is okay with suggestion. Operations technique may come to fruition in low or a base as to firm and business methodologies. In the improvement of an Operations administration system, organization chooses to be local, nation or worldwide arranged (Coombs, 2010). Every level of globalization will significantly change the way an organization contends and will require diverse methodologies as for showcasing programs and control of the Operations administration. Organization contention is critical acknowledging distinctive systems. Once an organization focuses on augmenting its business globally administration is gone up against with the assignment of setting a geographic or provincial accentuation.

Once a business technique has been produced, an operations procedure must be detailed. This will give an arrangement to the plan and administration of the operations work in ways that bolster the business methodology. The operations methodology relates the business procedure to the operations work (Carraher, Buckley and Carraher, 2013). It concentrates on particular abilities of the operation that give the organization an aggressive edge. These capacities are called aggressive needs. Operations directors must work intimately with promoting to comprehend the focused circumstance in the organization's market before they can figure out which aggressive needs are imperative (Asava, 2010). Administration must settle on a vital choice to direct business advancement in a manner that the organization's general goals are harmonious with the specific geographic blend of its exercises. Different calculates this choice of remote

market determination incorporate into expansion to large scale natural issues that is monetary, socio-social and political-legitimate variables, miniaturized scale ecological issues, for example, advertise appeal and organization ability profile like aptitudes, assets, item adjustment and aggressive advantage. (Johnson & Scholes, 2012).

### **1.1.2 Sustainable Competitive Advantage**

Is ability of company to perform diversely so competitors cannot imitate. Companies strive to build sustainable competitive advantages. Is at the heart of company's execution in markets. It's when company puts the generic strategies into practice and develops due to its value (Porter 1990). Thompson & Strickland (2012) argue that competitive strategy includes those tactics organization has in buyer attraction and position of market improvement. Advantageous competition in companies grows out of the way the companies organize and perform discrete activities.

(Porter,1985), the aggressive overall business philosophies would be established on novel specialty regarding administration advancement. The mystery of a reasonable upper hand lies in playing out each progression in the esteem chain in a fitting way. An upper hand basically must be one that not just simply speaks to preferred execution over that of its rivals, additionally conveys honest to goodness esteem to the client, accordingly guaranteeing a predominant position in the market (Coombs, 2010). The inner assets and capacities of an association assume a vital part in building upper hand. The capability of an association's supportable upper hand relies on upon the rareness and supremacy of its assets and capacities. The less imitable an upper hand is, the more cost burden is confronted by the rival in mimicking these capabilities. In this manner, center

fitness is a vital wellspring of managed upper hand for corporate achievement and more noteworthy is its monetary return.

The basic issue is to find alluring enterprises with a low level of contention. A firm picks up and manages upper hand by actualizing methodologies that meet client requests through the misuse of uncommon and exorbitant to-impersonate capacities, for example, one of a kind history or interesting assets, cozy associations with providers and clients and association with its workers (Asava, 2010). For instance, cost administration technique implies critical cost hindrance for contenders attempting to mimic the effective company's assets, and item separation methodology implies included esteem, empowering firms to charge costs higher than the company's normal aggregate expenses. In element, quickly changing markets the improvement is fast to the point that SCA is not really conceivable. SCA may not keep going forever, and if the business sectors change fundamentally the abilities that were significant may never again be profitable, which implies the overhaul of SCA is required. SCA is conceptualized as: whether the firm has increased prevalent money related and showcase points of interest (Day, 2013) and whether it is feasible for contenders to copy the association's aggressive procedure (Barney 2011; Grant 1991) and unmistakable abilities on which preferences have been established (Grant 1991).

### **1.1.3 Tyre Industry in Kenya**

The rising interest for tyres in Africa has prompted to firm rivalry between tyre producers from the whole way across the world looking to gather a noteworthy share of the market for tyres in the new and rising African markets. Generally, European tyre makers had a syndication over the African markets and numerous European brands were best offering

tyres in numerous African nations (Coombs, 2010). Kenya's driving tyre maker Kenyan producer, Sameer Africa, has been bringing in tyres from China to take care of a solid demand for low estimated items in the East Africa showcase. The organization additionally introduced a light truck tyre get together machine as of late furthermore expanded limit (Ouma, 2013).

Tyre manufacturing in Kenya is steadily growing in importance in the economy. Collectively, the industry has directly and indirectly created employment through the industry value chain. The prevalent jingle by Kenya's sole tyre fabricating firm, Firestone East Africa (1969) Ltd, has since a long time ago turn out to be minimal more than a memory to some degree taking after the flooding of the nearby market by an expected Sh6 billion worth of imports (Ouma, 2013). The association's fundamental rivals incorporate French monster, Michellin Tyres and Italy's Pirelli Tyres, both of whom have made huge advances and balanced out costs. Pirelli is privately spoken to by Nyanza Petroleum Dealers Ltd, who additionally bargain in Firestone tyres and are merchants of Alliance tyres for agribusiness apparatus and earth-moving gear (Michellin Company Profile, 2014).

Lately, the tyre organizations in Kenya have conveyed their contention to the wireless transmissions, each guaranteeing predominant items. While Pirelli and tyres Dubai Michellin required presentation since they were new in the market, a Firestone overview demonstrated that the Michellin crusade was significantly affecting deals and Firestone was compelled to set out all alone battle (Amanda, 2012). The rising interest for tyres in Kenya has prompted to firm rivalry between tire producers from the whole way across the world trying to earn a noteworthy share of the market for tyres in the new and rising

African markets. Michellin is solely promoted by Kingsway tyres who, nonetheless, declined to remark. Pirelli, which is sold locally by Nyanza Petroleum Company, has limited its showcasing methodology to promotions painted in front of an audience Coach Busses, which, humorously, utilize Michellin tyres (Michellin Company Profile, 2014).

## **1.2 Research Problem**

There is considerable appeal and evidence a firm should be competitive hence get more profits. Factor of strategy and sustainable competitive advantage has been observed to be key in leading firms all over the world as observed by Porter (1986). However, it has remained difficult for many firm managers to clearly articulate what the firm competitive advantage is and how it uniquely differs from that of competitors. Any global firm or one that intends to be global therefore needs to think in terms of their customers, the type of products or services they value and why they do so. The expanded multinationals, the advancement of worldwide oligopolies, the lessening in exchange boundaries, and the rise of new local ranges and provincial personalities that rise above outskirts implies that organizations must create calculated upper hand keeping in mind the end goal to survive (Todnem, 2005). Added to this rundown today would be the ascent of electronic groups on the web and the way that countries including almost one portion of the worldwide populace have either entered onto the world economy or have significantly changed their relationship in the most recent two decades (Amanda, 2012).

Numerous studies have been done on sustainable upper hand. Internationally; (Ron,2004) directed a study to set up a request based perspective of manageable upper hand. The study found that aggressive methodology of a firm is emphatically connected with the item nature of an association. (Galbreath,2009) adds to the technique manageability



exchange and clarifies a theoretical structure that locations maintainability. In these work the reasonable vital advancement is considered as the way to oversee turbulent circumstances, for example, monetary emergency. (Coombs,2010) sees the supportability challenges as one means by which maintainability interfaces with emergency administration.

(Taneja,2010) propose that emergency administration is a vital and strategic authority basic which can emphatically or adversely affect an association's or a country's focused ability and potential for long haul achievement, survival, and maintainability. So also, (Lee,2013) led a study on IT-empowered hierarchical readiness and feasible upper hand. They discovered that operational development and magnificence capacities are fundamental for an association's lithe developments, either entrepreneurial or versatile in guaranteeing upper hand. In their study, they found that purchaser heterogeneity and negligible utility from execution enhancements on the request side, interface with asset heterogeneity and enhancing advancements on the supply-side consequently enhancing focused edge of an organization.

Locally; (Kapcha,2012) researched exchange amongst Zambia and Kenya doing an examination concerning elements that make the Kenyan eatable oil industry competitive. The study built up accessibility of prepared market locally and universally and also great framework have empowered Kenyan consumable oil industry focused. Ngigi, (2006) while concentrating on maintainable upper hand under states of progress at East African tyre Industries watched that cross-sectional studies could be done to decide how aggressive supportable preferred standpoint can be created per industry. (Ouma,2013) watched that tyre enterprises utilize esteem tie examination to create upper hand over

other contending firms subsequently reporting better cost administration and higher benefits. The study suggested that examination ought to concentrate on why a few organizations can accomplish upper hand utilizing standards of significant worth chain superior to anything different firms.

Research uncover that organizations in various enterprises receive diverse aggressive methodologies which are special in every unique situation. In view of these studies, it is obvious that there is an information hole on how firms in the tyre Industry develop sustainable competitive advantage. They did not cover operations strategy and sustainable competitive advantage in tyre industry firm in Kenya. Thus, the purpose of the study was to fill this crevice in writing by tending to the accompanying inquiries; What are the operation strategies used by Tyre Industry in Kenya? What is the relation among operation methodologies and sustainable competitive advantage in Tyre? And what are the challenges faced in implementation of operations strategies by Tyre Industry in Kenya?

### **1.3 Objectives of the Study**

They include:

- i. Deciding operation methodologies used by Tyre Industry.
- ii. Determine the relation among operation methodologies and sustainable competitive advantage in Tyre Industry in Kenya
- iii. To determine challenges faced in implementation of sustainable competitive advantage by Tyre Industry.

#### **1.4 Value of the Study**

Research may contribute the existing literature by providing an understanding of the nature of sustainable competitive advantage strategies adopted by Tyre firms in Kenya. It will expose the depth of understanding and practice of competitive strategy in the Tyre Industry. This may be vital for future reference and knowledge availability.

Industry players, the study is also expected to give the management of Tyre Industry and owners an understanding of the various resources and competitive strategies that they could adopt in order to gain an advantage in the market. To the policy makers, this research may enable them formulate policies that are in tune with the industry demands and hence improve their performance. It may enable them make strategic decisions that will promote the Tyre Industry.

This study may be significant to the management and staff of tyre industry companies by providing information regarding sustainable competitive advantage. Results of research are important to the management of the tyre industry as it will help the management understand the importance sustainable competition with other industry companies across the world. The government may also be a beneficiary of this study as a major shareholder in tyre Industry Company and sustainable competitive advantage in Kenya.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter looks at past studies on operations strategy and sustainable competitive advantage in tyre industry firm in Kenya. The chapter presents both theoretical review, operation strategies, how operation strategies influence sustainable competitive, empirical review, challenges of sustainable competitive and summary of literature review.

#### **2.2 Theoretical Review**

A hypothetical (or calculated) definition gives the significance of a word as far as the speculations of a particular train. This sort of definition expects both learning and acknowledgment of the speculations that it relies on upon. To hypothetically characterize is to make a theoretical build. This technique for operationalization is not to be mistaken for operationally characterizing. Throughout the years, various definitions for system have been upheld in support of diversion hypothesis.

##### **2.2.1 Game Theory**

War investigation supports root of hypothesis. Focal thought is strategist needs to envision responses of contenders (Coombs, 2010). The suspicion is that to a more noteworthy or lesser degree contenders know about the strategy contenders choose.

Can be characterized as a feature of an extensive group of hypothesis giving a formal dialect to depict cognizant, objective situated, basic leadership forms including at least one players. The arrangement ideas got from amusement hypothesis might be considered

as regularizing or spellbinding perspectives of multi-individual basic leadership (Shubik 1972).

Has developed as a transcendent approach for dissecting business methodology (Shapiro, 1989). It makes it possible to observe the behavior of rational players in a game and predict what decision they will make next. Game theory deals with the process of competitive interaction involving making decisions when two or more rational opponents are involved under conditions of conflict and competition. Players have to anticipate the reaction of others players (Taneja, Pryor & Zhang, 2010). They argue that the key principle is for a player to put themselves in the shoes of competitors, so as to be able to anticipate what the competitor is likely to do and thus counter the move by choosing the best course of action.

Porter (1990) further argues that an organization's quality at last could be set into two classes: cost preferred standpoint or separation. Use of those qualities in either a wide (industry wide) or limit (showcase portion) scope brings about three bland systems: Cost initiative, separation and core interest. These three methodologies should be connected on a specialty unit level. Barney (2011) defines competitive procedure as the case of decisions in an association that chooses and reveals its destinations, purposes, delivers strategies for achieving those destinations and describes the extent of business the association is to look for after.

In game theory, according to Gandoifo (2011) every firm has complete information about the rules of the game and the preferences of the other players for each result. In times of vulnerability, amusement hypothesis ought to go to the front line as a key device, for it offers viewpoints on how players may act under different conditions, and different sorts

of significant data for deciding. In this study diversion hypothesis and player's procedure is any of the choices he or she can pick in a setting where the result depends all alone activities as well as on the activity of others. A player's technique will decide the move the player will make at any phase of the amusement.

### **2.2.2 Transaction Cost Theory**

According to Barney (2011), transaction cost theory is a promising perspective for financial management theory for two main reasons: the ambiguity of transactions, and the widely accepted value of efficiency in this area. In surveying, focused strengths and the setting inside which an organization works, decision of methodology can in fact appear like a look for a horde powers pushing and pulling an association to change and little by method for set up standards to figure out what the decision ought to be (Coombs, 2010). In any case, the decision of methodology is central to an organization for various reasons. In the first place, decision appeared well and good ingrains a center and basic bearing for the association (Taneja, Pryor and Zhang, 2010). The advancement of an authority style which centers one's motivation on the future vision of administrations, as opposed to the mischances and plans of the past, gives intense inspiration to people, groups and the pervasive directors themselves. Second, decision gives a premise to articulating the esteem frameworks in the association. As Amanda (2012) say in regards to vision and authoritative conduct, "one universally handy piece of guidance for administration... make sense of your esteem framework. Choose what it remains for". Positive decision will explain the esteem base in the association and this ought to be unmistakable to people and the group working inside it.

The decision of technique will be affected intensely by partners' perspectives, the aggressive powers in the market and the setting inside which the organization sees itself as in the market (Johnson and Scholes 1993). There are basically three decisions accessible to organization's as far as the procedure to seek after. Initial, a procedure which intends to position the association so it can protect itself against the focused powers encompassing it. This approach has a tendency to accept advertise structure as given, and the key is to center the association on regions where aggressive weights are weakest. Then again, the association can impact the adjust of focused constrains it confronts through the consider execution of key moves which fortify its position. This second approach depends on the capacity of the association to truly change the constrains it faces (Taneja, Pryor and Zhang, 2010).

At last, the third key decision is the place the association can receive a technique which is fitting to the apparent changes in the reasons for rivalry and adventure these progressions to its own closures. In considering these methodologies, an organization has various options which will profoundly impact the qualities, nature and administration forms inside the association and the market structure inside which they work (Caulkin 1999).

### **2.2.3 Resource Based View**

As stated by Wernefelt (1984), advanced possibility that methodology of a firm is a component of the compliment of the assets held. Amanda (2012) argues that the (RBV) of competitive advantage depicts every firm is an accumulation of remarkable assets and capacities. These resources and capabilities are source of organizations strategy and competitive advantage. The quintessence of the Resource Based Model is that upper hand is made when assets that are possessed only by the firm are connected to creating one of a

kind capabilities in this way coming about preferred standpoint can be supported because of absence of substitution and impersonation by the association's rivals. Upper hand at last can be ascribed to responsibility for assets that empower the organization play out its exercises superior to contenders. Organizational capabilities are defined by the complex blend of benefits, individuals and procedures that organizations use to change contributions to yields. The nature of RBV ensures inimitability, durability, substitutability and competitive superiority (Barney, 2011).

(Porter, 1980) got the (Industrial and Organizational) point of view (Bain, 1968), by guaranteeing that outer modern strengths influence the work of supervisors. Substitute items, clients and providers and in addition potential and present contenders decide key decisions. The two 'non-specific procedures' are separation and minimal effort. Porter's work was further created in 1985, with the esteem chain display, which concentrates on the exercises and elements of the firm, the fundamental elements that drive cost and separation points of interest (Taneja, Pryor and Zhang, 2010). Intensive control and gathering of exercises empower firms to use cost and separation possibilities through the harvesting of scale preferences or the making of creative discussions. The Porterian system has been utilized broadly inside IS research. McFarlan (1984) proposes that IS can be utilized to control 'exchanging costs', and erect 'hindrances to passage'. (Porter,1985) contend that IT can be utilized to improve esteem tie exercises to increase upper hand through minimal effort or separation.



## **2.3 Operations Strategies**

Operational procedures allude to the strategies organizations use to achieve their targets. By creating operational techniques, an organization can inspect and actualize compelling and productive frameworks for utilizing assets, staff and the work procedure (Coombs, 2010). Benefit situated organizations additionally utilize fundamental operational techniques to connect long-and fleeting corporate choices and make a successful administration group.

### **2.3.1 Corporate Strategy**

Corporate methodologies include seeing an organization as an arrangement of interconnected parts (Taneja, Pryor and Zhang, 2010). Divisions rely upon each other hence remaining solid. Extra techniques utilized by firms enhance corporate methodology and connections.

The change of forceful needs starts from the making of a corporate system, showcase examination, portraying focus strategies and coordinating a prerequisites examination. To make concentrated requirements, an affiliation surveys cost of operation, organization nature, advantage and versatility, organization as to grouping customizing (Amanda, 2012). Forceful requirements should consolidate ability giving quality thing or organization at sensible price dependably meets customer's needs.

### **2.3.2 Customer-driven Strategies**

Operational frameworks have to join hence manage address issues and goal wants. Accordingly, an association must make evaluating strategies and acclimate to advancing circumstances, reliably redesign focus capacities and develop new qualities on a

persistent commence. While surveying circumstances, an association should screen promote examples to abuse new open entryways and dodge possible risks.

Operational procedures consolidate these approaches to manage address issues and goal desires (Taneja, Pryor and Zhang, 2010). To do in that capacity, an association must make methodology that survey and change in accordance with developing circumstances, continually overhaul focus abilities and develop new qualities on a persistent commence. While surveying circumstances, an association should screen showcase examples to misuse new open entryways.

### **2.3.3 Developing Core Competencies**

Focus aptitudes are qualities and resources inside an association. While focus, capacities can consolidate having especially arranged staff, perfect business territories and advancing and financial expertise. By recognizing focus capacities, an association can make systems, for instance, shopper dedication, thing headway and building capable relationship with accomplices.

Business procedure is basically worried how a particular claim to fame unit should battle inside its industry and vital points and goals ought to be (Barney, 2011). Dependent upon the affiliation's corporate system and the relationship between the corporate center and its forte units, a claim to fame unit's technique may be constrained by a nonattendance of benefits or key confinements put upon it by the center. In single business affiliations, business level framework is synonymous with corporate degree technique.

### **2.3.4 Competitive Priorities**

The change of forceful needs begins from the making of a corporate philosophy, showcase examination, portraying focus systems and coordinating necessary procedures. Making concentrated necessities, affiliation surveys price of operation, organization nature, advantage and versatility of organization as to combination and customizing. Forceful necessities should consolidate ability giving organization sensible price dependably addresses the issues of a customer.

This system degree is of individual capacity (operations, promoting, fund, and so on.) These techniques are worried with capacity addition in methodology of business, key destinations ought to be and work on asset targets (Johnson & Scholes, 2012).

### **2.3.5 Product and Service Development**

Strategies accompanying change things and organizations must acknowledge plan, improvement and included qualities. Right when developing new customer things, an association can be a pioneer in introducing another thing or organization, sit tight for the presentation of improvements accessible to upgrade them or hold up to check whether an association's headway is viable before pushing ahead. Exactly when working up an organization, associations should consider packaging it with rapidly perceptible and mental points of interest and reinforce organizations. Exactly when working up a better than average or organization, an association acknowledges customers' requirements and needs.

Procedure in a business affiliation is fundamentally about how the affiliation tries to survive and flourish inside its surroundings as time goes on. The decisions and moves made inside its operations straightforwardly influence the commence on which an

affiliation can do this (Amanda, 2012). Operations technique determines the approaches and plans for utilizing authoritative assets to bolster long haul aggressive methodology. The operation capacity deals with assets that create firm's administrations. Asset use and outlining is indicated by methodology arrangement hence enhancing system. Operation procedures should help organization system and achieve its goals (Coombs, 2010).

#### **2.4 Operations strategies and Sustainable Competitive Advantage**

Competitive has been a standout amongst the most disputable issues in business administration since the 1980s. Theorists like (Hoffman,2000) presented the idea of (SCA). Later, Amanda (2007) and Thompson and Strickland, (2012) concentrated on SCA value creating, while (Ron,2004), saw it from the point of view of picking up preference over contenders. (Ouma, 2013) assessed SCA as a money related advantage, while Hall (1993) upheld for the use of reasonable assets keeping in mind the end goal to accomplish SCA.

Without a doubt, operations systems are the most imperative indicator of prevalent monetary execution and, thus, SCA. Johnson and Scholes, (1997) recommended that applying and actualizing operations technique will empower industry organizations to accomplish significant operational execution and SCA. Along these lines, Grant, (2012) offered rules for organizations to pick and actualize appropriate operations techniques splendidly. Liu (2013) likewise found that organizations in various nations apply diverse systems in emergency circumstances. In addition, picking and securing reasonable assets would be helpful for supporting producers' CA. To this end, the asset based view (RBV) was considered by Barney (2001) as a huge hypothesis. Taneja, Pryor and Zhang (2010)

likewise outlined a few attributes of reasonable assets that ought to be considered by producers.

As to significance of getting a charge out of prevalent operations strategies and SCA, and given the way that research were found that examined the impacts of operations systems on SCA with the nearness of appropriate assets, operations strategies would enable manufacturing companies to defeat contenders working in similar enterprises through operations techniques and reasonable assets (Ouma, 2013). The discoveries demonstrated that assembling organizations executing minimal effort authority, quality separation and development separation will probably accomplish SCA; yet benefit separation is not sufficiently solid to manage the cost of producer's prevalent money related execution and SCA. What's more, this study demonstrated that reasonable assets can't be considered as a solid arbitrator for enhancing the impacts of minimal effort administration, quality separation and development separation on SCA (Asava, 2010). Despite what might be expected, makers can influence the effect of administration separation systems on SCA by obtaining and applying reasonable assets.

## **2.5 Empirical Literature Review**

Amoako-Gyampah and Acquah (2012) conducted a research study on producing methodology, aggressive technique and firm execution on manufacturing firms in Ghana. The study found that there is a positive path coefficient of 0.403 which was significant ( $p = 0.001$ ) at  $\alpha = 0.01$  between product quality manufactured by an organization and its cost leadership strategy. These researchers also found out that there is a positive path coefficient of 0.403 which was significant ( $p = 0.001$ ) at  $\alpha = 0.01$  between product cost of an organization and its cost leadership strategy and a positive path coefficient of

0.279 that was significant ( $p = 0.001$ ) at  $\alpha = 0.01$  between product cost of an organization and its differentiation strategy. This supported the study hypothesis that firm aggressive technique is directly related to the product quality of an organization which made them arrive to a conclusion that that competition influenced organization's cost leadership and differentiation strategies. Discoveries are predictable with (Lee,1999) statements that human capital is a key asset in an association in which a skilled and submitted workforce may serve as a significant, rare, supreme and hard to substitute assets that can help firms actualize a proper business procedure consequently lessening the hole between methodology plan and execution.

A study by Mokaya et al (2012) on Market positioning and sustainable competitive advantage in the Airlines industry in Kenya reported a positive correlation coefficient of 0.574 between product perceived quality and pricing strategies significant at ( $p = 0.000$ ) at  $\alpha = 1005$ . These researchers also found that there is a negative correlation coefficient of -0.706 between cost of products and pricing strategies of an organization, but unlike this study, theirs indicated that the correlation was significant ( $p = 0.000$ ) at  $\alpha = 0.05$ . In this study, these researchers arrived to a conclusion that a firm's competition influences choice of marketing strategy of an organization. Research acknowledged creative adjustment and element operational productivity as factors that deliberate human capital-a takeoff from factors expectedly used to quantify it.

Ogutu and Nyatichi (2012) carried out a research on corporate strategy and sustainable competitive advantage adopted by Multinational Banks in Kenya and their findings indicated clearly that for multinational banks to maintain their competitive edge in the market they have largely adopted broad differentiation strategy. The implication of the

study was mainly on customer service differentiation. Customers' tastes and preferences tend to change all the time, especially if offered with better products. This therefore calls for the banks to setup research department in their organization which can help in understanding customers' needs better so that they maintain their customers. This study gave insight regarding the competitive strategies that give multinational banks a competitive edge in Kenya.

Kioko (2012) did a study on the analysis of sustainable competitive advantage effect on the market share of independent petroleum companies in Kenya. Results of the study indicated that different competitive strategies were used in different magnitudes by the independent petroleum companies. Low cost leadership and product differentiation were the least used competitive strategies. On the other hand, the use of market segmentation and convenience retailing strategies was very high. The study found a strong correlation of 0.7 among aggressive systems utilized by independent petroleum companies. The concentrate likewise discovered that separated from market division and accommodation retailing, different techniques like overnight stopping of open administration vehicles, auto washing, tyre deals and vehicle adjusting are additionally for the most part utilized by free petroleum organizations to expand their share market in Kenya.

Bernard and Koerte (2013) conducted a study on corporate strategy and sustainable competitive advantage on 423 Multinational Corporations in USA and Germany. Their findings show that MNCs utilize migration, shirking, and marketing differentiation systems when confronted by competing. They found that there is a significant correlation between competition and four out of six strategic responses. The study results showed that strategic responses of cost efficiency and relocation are decidedly and essentially

connected with competition 5% and 10% respectively. The Marketing differentiation and avoidance strategic responses were negatively correlated and were significant at 5% level. However, product differentiation and deterrence strategic responses were uncorrelated with competition. They concluded that as competition expands, firms progressively utilize movement systems however diminish their dependence on shirking and market separation. It can be presumed that the plan of action is without a doubt a system model which joins the better parts of technique as proposed by (Hedman,2003).

(Hahn, 2014) inspected the operations systems effect of supportable upper hand in managing an account. The reliant variable for this study was practical upper hand measured by its fitting markers. For a pointer to qualify as a measure of reasonable upper hand, it must be high on the Likert scale and the pattern of development consistent or expanding. Such a pointer was accepted to delineate better firm execution over its rivals. Their study demonstrated that banks fall into five bunches in view of the sort of methodology they utilized: general separation system, center procedure, stuck in the center, cost initiative technique and client benefit separation procedure. They found that, general firms utilizing a procedure perform better (as far as profit for resources) than the ones that are stuck in the center. The execution of cost administration supporters was essentially higher than those stuck in the center firms. In any case, other system devotees couldn't increase huge execution advantage over the stuck in the center gathering.

## **2.6 Challenges of Implementation of Operations Strategies**

As per (Alexander,1985), the three most much of the time happening issues incorporate disparaging the time required for supportable upper hand and significant issues surfacing



that had not been expected, likewise wild calculates the outside environment had an unfriendly effect. There are three essential factors for successful competitive advantage.

As indicated by (McCarthy, 1986), making that structure for supervisors is determination of association control and structure hence actualize picked procedures adequately. (Drazin, 1984), states that appropriate procedure structure game plan is an imperative forerunner to the viable use of new business procedures. They bring up that adjustments in the focused environment oblige changes in accordance with the authoritative structure. In the event that firm slacks in making this realignment, it might show poor execution and be at a genuine aggressive drawback. (Schaap, 2006), acknowledges altering management as per procedure.

Diverse methodology sorts have distinctive prerequisites with respect to a satisfactory hierarchical structure (White, 1986). White (1986), calls attention to that the fit between specialty unit procedure and the inside association of multi-business organizations has an impact on specialty unit execution.

Asset deficiency is another basic procedure usage challenge. This might be as a consequence of absence of assets which incorporate money related and human or unification of assets. Built up associations may encounter environmental business change hence expansive piece asset base repetitive assets, might not able free adequate assets to put resources into the new assets required (Johnson, 2002). Prior to any technique can be actualized, it must be plainly caught on. Clear comprehension of a technique offers reason to the exercises of every worker and permits connecting whatever errand is within reach to the general authoritative bearing (Byars, 1996). Absence of comprehension of a procedure is one of the impediments of system execution (Aaltonen, 2001).

(Forman, 2005), suitably observe that, "despite the way that an entire instruct is committed to the examination of definitive technique, including philosophy execution; little thought has been given to the associations among correspondence and system." They additionally take note of that business correspondence scientists have turned out to be progressively intrigued by the commitment of corporate correspondence to an organization's capacity to make and inseminate its technique in the most recent decade. Be that as it may, not very many creators have researched the connection between corporate correspondence and methodology, and part execution in both of their examples. Their outcomes highlight the many-sided quality of the issue and have concentrated fundamentally been on how corporate correspondence influences the company's association with its different partners in system execution. In any event, various analysts have effectively underlined the significance of correspondence during the time spent methodology execution (Alexander, 1985).

(Peng, 2001), demonstrate that powerful correspondence is a key prerequisite for viable methodology usage. Authoritative correspondence assumes an imperative part in preparing, information dispersal and learning amid the procedure of technique usage. Truth be told, correspondence is inescapable in each part of system usage, as it relates unpredictably to sorting out procedures, authoritative setting and execution goals which, thusly, affect the procedure of usage. Correspondence obstructions are accounted for more much of the time than some other sort of boundaries, for example, hierarchical structure hindrances, learning obstructions, faculty administration boundaries, or social obstructions.

## 2.7 Summary of Literature Review and Knowledge Gaps

In this summary segment of the former writing survey, to total up the commitments that the plan of action writing offers to the talk about making and supporting upper hand. It appears to be obvious, that numerous creators inside this writing area take their purpose of takeoff different perspectives of operations strategies as illustrated below in a summary table.

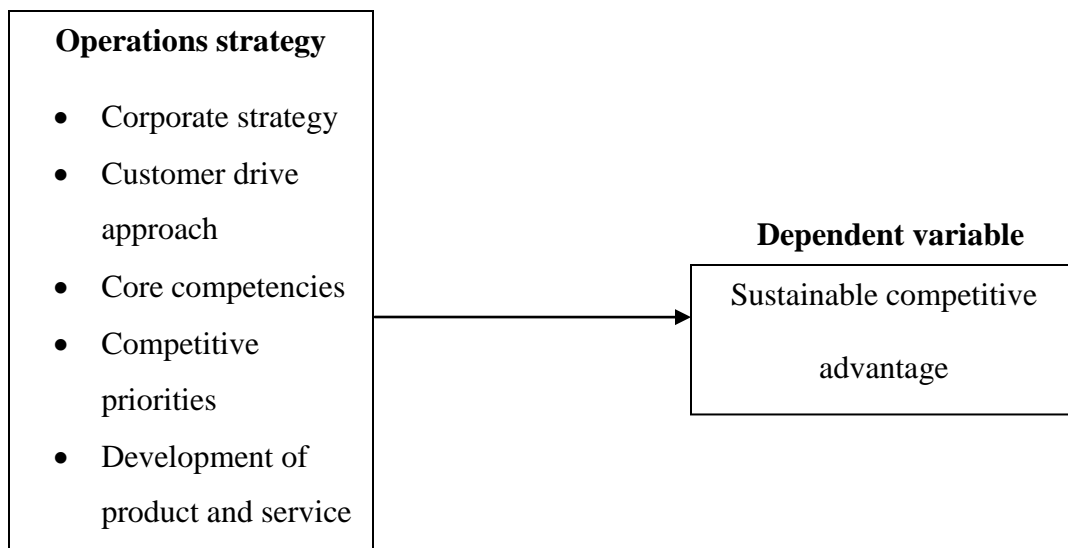
Study	Methodology	Findings	Knowledge Gap(s)
Market positioning and sustainable competitive advantage in the Airlines industry in Kenya (Mokaya et al., 2012)	The study used both primary and secondary data sources. The primary data was collected using an interview guide while secondary data was obtained from company reports.	Positive correlation coefficient of 0.574 between product perceived quality and pricing strategies.	The implication of the study was mainly on customer service differentiation. Customers' tastes and preferences tend to change all the time, especially if offered with better products.
The influence of corporate strategy and sustainable competitive advantage on Multinational Corporations in USA and Germany. (Bernard and Koerte, 2012)	A structured cross-section survey was used to collect data from 2,007 individuals, of which 165 were Local staff	Significant correlation between competition and four out of six strategic responses. Strategic responses of cost efficiency and relocation are each positively and significantly correlated with competition at the 5% and 10% levels respectively.	These researchers did not expressly address their studies on the influence of sustainable competition advantage on operations strategy among the MNCs in Kenya which is the research gap that this study aims at addressing.
An analysis of sustainable competitive advantage effect on the market share of independent petroleum companies in Kenya (Kioko, 2012)	This study employed descriptive study design. The study used secondary data collection. The period selected was from July 2007 to June 2011.	Results of the study indicated that different competitive strategies were used in different magnitudes by the independent petroleum companies. Strong correlation of 0.7 between the competitive strategies employed by independent petroleum companies and market share.	consider techniques that concentrate on innovation and ability escalated items which are not effectively imitated by ease nation contenders instead of value based systems. There is lack of similar literature on how competition influences strategic choice of an organization.
Manufacturing strategy, competitive strategy and firm performance on manufacturing firms in Ghana (Amoako-Gyampah and Acquah, 2013)	This project reviewed major manufacturing companies in Ghana.	Positive path coefficient of 0.403 which was significant ( $p = 0.001$ ) at $\alpha = 0.01$ between product quality manufactured by an organization and its cost leadership strategy.	Hypotheses in worldwide administration, for example, the global item life cycle or the innovative hole hypothesis propose that contending with less created nations is in a general sense not the same as rivaling created nations. Less created nations need access to and involvement in the most recent advances yet enjoy significant advantages in factor costs

## 2.8 Conceptual framework

Below is outlined framework relation among operations strategy and sustainable competitive advantage in Tyre Industry in Kenya. A general conceptualization diagram as shown below illustrates that sustainable competitive advantage is a dependent variable and operations strategy as independent variable.

**Figure 2.1: Conceptual framework**

### Independent variable



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Part discusses data collection and analysis of data to help in reporting.

#### **3.2 Research Design**

It was done where the unit study was the Tyre Industry in Kenya. The design is most appropriate when detailed, in-depth analysis for research. A survey gives very direct valuable insights to phenomena vaguely known or understood. The design enables the researcher not only to establish factors explaining phenomena but also unearth underlying issues (Kothari, 1990).

#### **3.3 Target Population**

The study targeted 480 firms dealing with tyres in Nairobi County, Kenya as at September 2016. These firms include manufactures, distributors, wholesalers and retailer.

#### **3.4 Sampling Procedure**

Sampling implies selecting a given number of subjects from a characterized populace as illustrative of that populace. Any announcements made about the specimen ought to likewise be valid for the populace (Mugenda and Mugenda, 2003).

The researcher adopted stratified random technique sampling to select sample size 144 firms from the population 480 firms dealing with tyre. This was fundamental in light of the fact that the procedure gives all strata a possibility of being chosen into the example. (Mugenda and Mugenda,2003), states that a specimen of 30% is viewed as agent for a populace less 500. The specimen size is advocated by 30% since it minimizes the trickery

and repetition of information to be gotten and the size is sufficiently substantial to guarantee gathering of extensive information.

**Table 3.1: Sample size**

<b>Stata</b>	<b>Population</b>	<b>Sample Size</b>
Manufactures	3	3
Distributers	18	5
Wholesalers	90	26
Retailer	369	110
<b>Total</b>	<b>480</b>	<b>144</b>

### **3.5 Data Collection Method**

Primary and secondary data were utilized. Primary was gotten from one respondent in each firm in the Tyre industry in Kenya using a research questionnaire. This was drawn from top management. The questionnaire was used to solicit data on the changes in the county's environment and the responses thereto.

The questionnaire was administered through later and pick. The secondary data was gotten from the organization's archived systems and some other pertinent data. The information was acquired through survey of significant reports, key among them the respective company's strategic plan and other relevant documentations.

The questionnaire contained four parts; Part A which covered the demographic and respondent's profiles. Part B examined the objective one which decide the operation procedures used by Tyre Industry. Part C covers second objective of the study which covers relation among operation procedures and sustainable competitive advantage in

Tyre Industry. Part D covers objective three of the study which describe the challenges faced in implementation of Operations Strategies by Tyre Industry in Kenya.

### 3.6 Data Analysis

Both the primary and secondary data were used thus making qualitative and quantitate respectfully. Given this fact, analysis content did analyzation data that was obtained from tyre industry in Kenya. According to (Nachmias,1996), analysis content is a procedure for making deductions by deliberately and dispassionately recognizing indicated attributes of data collected, inferences drawn from data and then using the same to relate trends.

A basic regression model was utilized as a part of deciding the level of impact the free factors have on ward variable as demonstrated as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + e$$

Where; Y = sustainable competitive advantage (Dependent Variable)

$\beta_0$  = Constant Term

$\beta_1$  = Beta coefficient

$X_1$  = Corporate strategy

$X_2$  = Customer-driven approach

$X_3$  = Core competencies

$X_4$  = Competitive priorities

$X_5$  = Development of product and service

e = Error Term

**Table 3.2: Summary of Methodology**

<b>Objectives</b>	<b>Section of questions</b>	<b>Analyses</b>	<b>Display</b>
Determine the operation strategies	Section B	Frequency Percentage Mean <b>Standard deviation</b>	Table Charts
The relationship between operations strategy and sustainable competitive advantage	Section C	Mean <b>Standard deviation</b> <b>Regression analysis</b>	Table <b>Charts</b>
Describe the challenges faced in implementation of sustainable competitive advantage	Section D	Mean <b>Standard deviation</b>	Table <b>Charts</b>

Source: Author (2016)



## **CHAPTER FOUR**

### **DATA ANALYSIS AND INTERPRETATION OF RESULTS**

#### **4.1 Introduction**

Part shows research findings, data analysis and interpretation. The purpose was to find out operations strategy and sustainable competitive advantage in Tyre Industry in Kenya and was guided by the following research objectives: to determine the operation strategies used by Tyre Industry; determining relationship between operations strategy and sustainable competitive advantage in Tyre Industry in Kenya; and to determine challenges faced in implementation of sustainable competitive advantage by Tyre Industry in Kenya.

#### **4.2 Response Rate**

The target population comprised of 144 respondents from the top management staff of firms dealing with tyre industry. Table 4.1 indicates that out of the 144 questionnaires administered, 111 responded, which gave feedback 77.08% that found satisfactory for the investigation. (Mugenda and Mugenda 2003) the statistical significant feedback for analysis should be at least 50%. The collected data was mainly qualitative but quantifications were made where possible, thereby using both descriptive statistics and content analysis to analyze the data.

**Table 4.1: Response Rate**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Responded	111	77.08
Did not respond	33	22.92
<b>Total</b>	<b>144</b>	<b>100.00</b>

**Source: Research Data (2016)**

### **4.3 General and Demographic Information**

Part includes population general information. Participants were asked about their Gender, age and level of college education attained.

#### **4.3.1 Gender of the Respondents**

Research sought establishing participants gender. Results indicated below

**Table 4.2: Gender of the respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage</b>
Male	77	67
Females	36	33
<b>Total</b>	<b>111</b>	<b>100</b>

**Source: Research Data (2016)**

From the findings, 67% of the respondents were male while 33% were female. The above finding reveals that the respondents were both male and female though many participants were male.

#### **4.3.2 Age Category of the Respondents**

Research acknowledged participants age. Results were below.

**Table 4.3: Age Category of the Respondents**

<b>Description</b>	<b>Frequency</b>	<b>Percentage</b>
20-30 years	40	35.7%
31-40 years	47	42%
41- 50 years	24	22.3%
<b>Total</b>	<b>111</b>	<b>100%</b>

**Source: Research Data (2016)**

The study established that 36% of the respondents were between 20-30 years of the age, 42% of the respondents were between 31-40 yrs. and 22% above 41-50 years. The finding indicates all the respondents were mature enough to give valid responses on the research study.

#### **4.3.3 Highest academic background**

The participants showed high education level, the finding were indicated below.

**Table 4.4: Highest level of education**

<b>Description</b>	<b>Frequency</b>	<b>Percentage</b>
Diploma	9	8%
Degree	71	64%
Postgraduate	31	28%
<b>Total</b>	<b>111</b>	<b>100%</b>

**Source: Research Data (2016)**

Results depicted majority of participants 64 % had pursued bachelor's degree, 28% had master's degree and 8% had diploma qualifications. The finding highlights that respondents were well educated, thus they had vast information on competitive advantage practices used by Tyre industry in Kenya.

### 4.3.3 Distribution of Respondents by duration of Experience

It was interest of research realizing degree of experience of the respondents based on number of years served in the organization. It was found out that sizeable numbers of participants were there more than three years, this indicates that the information given was reliable. Their responses are highlighted below.

**Table 4.5: Distribution of Respondents by duration of Experience**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
6 months and below	10	9.6
6 months to 1 year	14	13.46
1 to 3 years	16	15.38
4 to 6 years	27	26
7 to 9 years	19	18.26
more than 10 years	18	17.30
<b>Total</b>	<b>104</b>	<b>100.00</b>

**Source: Research Data (2016)**

According to the results above, many participants had 3 years more working experience in their current positions. These were 61.56% of the respondents, particularly 4 to 6 years who were 26%, followed by 19% who had been in their current positions for a period of between 7 to 9 years, while those with over 10 years' experience accounted for 17.3%. This shows that the largest population of the respondents have been in the insurance sector for a considerable period of time and are able to understand issues related to sustainable competitive advantage in the tyre industry.

#### 4.4 Determine the Operation Strategies used by Tyre Industry in Kenya

The study in this part aimed at identifying the extent at which the following operations strategies used in the various firm's understudy. Data was collected using Linkert scale of No extent (1), little extent, (2), Moderate extent (3), large extent (4) and Very large extent (5). Mean and standard deviation were utilized to test respondent thoughts where Standard deviation is the square foundation of the change. It gauges the spread of an arrangement of perceptions. The bigger the standard deviation is, the more spread out the perceptions are, while mean is the number juggling mean over the perceptions, it is the most widely used measure of central tendency. It is commonly called the average. The Table 4.6 shows the research findings.

**Table 4.6: Operation Strategies used by Tyre Industry in Kenya**

Description	Mean	Std. Deviation
Customer-driven approaches	4.3953	.25971
Core competencies	4.0930	.31760
Development of products and services	3.9419	.36306
Competitive priorities	3.8488	.38604
The overall corporate strategies and the way in which its various business operations work together to achieve particular goals	3.0186	.29589

**Source: Research Data (2016)**

Table 4.6 indicates that the item mean scores ranged from 3.01 to 4.3. From the discoveries on the degree to which different focused methodologies were utilized by firms working as a part of the tire business to stay aggressive in the market, the study uncovered that the accompanying systems were utilized as it were. They include: client

driven methodologies as appeared by mean of 4.3953, center capabilities as appeared by mean of 4.0930, improvement of items and administrations as appeared by mean of 3.9419, focused needs (mean=3.8) and corporate systems in transit in which its different business operations cooperate to accomplish specific objectives upheld with a mean of 3.01. This is in accordance with studies by Johnson and Scholes, (1997) who proposed that applying and executing operations system will empower industry organizations to accomplish profitable operational execution and SCA. (Zhang,2010) likewise showed a few qualities of appropriate assets that ought to be considered by makers. This study demonstrated that appropriate assets can't be considered as a solid arbitrator for enhancing the impacts of ease authority, quality separation and development separation on SCA.

#### **4.5 The Relationship between Operations Strategy and Sustainable Competitive Advantage in Tyre Industry in Kenya**

Respondents were asked their views on how following practices done by firms operating in tyre sector for sustainable competing advantage. They were requested to rate with a degree of agreement/ disagreement using a scale of 1-5, by ticking their appropriate choice. The Table 4.7 shows the research findings.

**Table 4.7: The Relationship between Operations Strategy and Sustainable Competitive Advantage**

<b>Statements</b>	<b>Mean</b>	<b>Std. Deviation</b>
Competitive priorities influence cost and price competitiveness in the market	4.6579	.43664
Good development of products and services influences cost and price competitiveness in the market	4.5875	.30444
Competitive priorities lead to on time completion of the product	4.5526	.36585
Competitive priorities have led to better quality	4.0559	.32863
Good development of products and services leads to better product quality.	3.8289	.58073
Core competencies leads to on time completion of the product	3.5419	.36306
Core competencies influences cost and price competitiveness in the market	3.4465	.44548
Customer-driven approaches influence appropriate completion time of the products	3.4419	.39589
Customer-driven approaches influence cost and price competitiveness in the market	3.2558	.38961
Implementation of corporate strategies has led to better Lead Time	3.0465	.44548
Customer-driven approaches influence better quality of products	3.0000	.28680
The use of corporate strategies has led to better quality	2.9628	.37372
Good development of products and services leads to on time completion of the product	2.9921	.55581
Corporate strategies led to better cost and price competitiveness in the market	2.9302	.93269
Core competencies leads to better quality of the product	2.9302	.30357

**Source: Research Data (2016)**

Table 4.7 indicates that the item mean scores ranged from 2.93 to 4.69. The lowest rating was for the item “Corporate strategies led to better cost and price competitiveness in the market” with a mean of 2.93 (SD=0.93269) and the highest score was for the item “Competitive priorities influences cost and price competitiveness in the market” with a mean of 4.65 (SD=0.4366). this is in line with Thompson & Strickland (2012) argue that

competitive strategy consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position. Competitive advantage in companies grows out of the way the companies organize and perform discrete activities.

#### **4.5.1 Regression Analysis**

A multivariate relapse model was connected to decide the relative significance of each of the operations strategies as to sustainable competitive advantage of tyre industry Kenya.

Model was:

$$Y = \beta_0 + X_1\beta_1 + X_2\beta_2 + X_3\beta_3 + X_4\beta_4 + X_5\beta_5 + \varepsilon$$

**Where:**

Y = sustainable competitive advantage

X<sub>1</sub> = Corporate strategy

X<sub>2</sub> = Customer-driven approach

X<sub>3</sub> = Core competencies

X<sub>4</sub> = Competitive priorities

X<sub>5</sub> = Development of product and service

β<sub>0</sub> = constant (y intercept)

β = coefficient

ε = error term



**Table 4.8: Coefficients of regression equation**

		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
(Constant)		.260	.460		0.565	.231
Corporate strategy	X <sub>1</sub>	.512	.048	.254	2.729	.001
Customer-driven approach	X <sub>2</sub>	.170	.045	-.300	3.778	.000
Core competencies	X <sub>3</sub>	.051	.023	.113	2.217	.002
Competitive priorities	X <sub>4</sub>	.048	.022	.093	2.182	.000
Development of product and service	X <sub>5</sub>	.215	.058	-.053	1.883	.002

*Dependent Variable:* Sustainable competitive advantage

Source Researcher (2015)

Various relapse examination was directed as to decide the relationship between Sustainable upper hand and the operation strategies. Multiple linear regression equation becomes:

$$Y = 0.260 + 0.512X_1 + 0.170X_2 + 0.051X_3 + 0.048X_4 + 0.215X_5$$

**Where**

Constant = 0.260, shows that if Corporate system, Customer-driven approach, Center skills, Competitive needs all rated as zero, Sustainable competitive advantage would be 0.260

X<sub>1</sub>= 0.512, depicts change in one unit corporate strategy = 0.512 increase in sustainable competitive advantage

$X_2 = 0.170$ , depicts change in one unit customer-driven approach = 0.170 increase in sustainable competitive advantage

$X_3 = 0.051$ , depicts change in one unit core competencies = 0.051 increase in sustainable competitive advantage

$X_4 = 0.048$ , depicts change in one unit competitive priorities = 0.048 increase in sustainable competitive advantage

$X_5 = 0.215$ , depicts change in one unit development of product and service = 0.215 increase in sustainable competitive advantage

Statistical significance of the constant term,  $\alpha$  and the regression coefficient,  $\beta$  will be determined by use of the T- test at 95 % confidence level. The F-test will be used to determine whether the regression is of statistical importance at 95% confidence level. The coefficient of determination, R-Square and the Adjusted R-Square will be used to determine how much variability in the dependent variables (fund return) is explained or caused by variation in the independent variables.

**Table 4.9: Model Summary**

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	.984 <sup>a</sup> (a)	0.968	0.962	0.12473	.843	1.242	5	106	.000

*Predictors:* (Constant), Corporate strategy, Customer-driven approach, Core competencies, Development of product and service, Competitive priorities

*Dependent Variable:* Sustainable competitive advantage

Analysis in table 4.9 above shows that the coefficient of determination (the percentage variation in the dependent variable being explained by the changes in the independent variables)  $R^2$  equals 0.984<sup>a</sup>, that is, Corporate strategy, Customer-driven approach, Core competencies Development of product and service and Competitive priorities leaving only 1.6 percent unexplained. The P- value of 0.000 (Less than 0.05) implies that the model of sustainable competitive advantage is significant at the 5 percent significance.

**Table 4.10: Analysis of Variance**

	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	23.256	5	2.907	186.849	.000 <sup>a</sup>
Residual	.778	106	.016		
Total	24.034	111			

*Predictors:* (Constant) Corporate strategy, Customer-driven approach, Core competencies, Competitive priorities

*Dependent Variable:* Sustainable competitive advantage

ANOVA findings (P- value of 0.00) in table 4.10 shows that there is relationship between the predictors variables (Corporate strategy, Customer-driven approach, Core competencies, Development of product and service, Competitive priorities) and response variable (Sustainable competitive advantage).

#### 4.6 The Challenges Faced in Implementation of Operations Strategies by Tyre Industry in Kenya

To what extent is each of the following challenges faced in implementation of sustainable competitive advantage by Tyre Industry in Kenya? Use the following scale: No extent (1), Little extent, (2), Moderate extent (3), Large extent (4) and Very large extent (5)

**Table 4.11: Challenges Faced in Implementation of Operations Strategies**

<b>Factors</b>	<b>Mean</b>	<b>Std. Deviation</b>
Lack of coordination and support from other levels of management and resistance from lower levels	4.5757	.57523
Economic growth challenges (overall; by industry sector)	4.4507	.74740
Challenge of communication insemination	4.4145	.94358
Poor or vague strategy implementation	4.3224	.88330
Lack of resources in the form of financial and human or indivisibility of resources	4.3125	.89611
Consumer protection and competition regulation	3.9474	1.46821

**Source: Research Data (2016)**

From the findings in Table 4.11 on the challenges faced by firms in the tire industry for them to remain competitive in the market, the study revealed that those faced to great extent were: Lack of coordination and support from other levels of management and resistance from lower levels supported with a mean of 4.5757; Economic growth challenges (overall; by industry sector) with a mean of 4.4507; Challenge of communication insemination with a mean of 4.4; Lack of resources in the form of

financial and human or indivisibility of resources with a mean of 4.3 and consumer protection and competition regulation, supported with a mean of 3.9. According to Alexander (1985), the three most frequently occurring problems include underestimating the time needed for sustainable competitive advantage and major problems surfacing that had not been anticipated, in addition uncontrollable factors in the external environment had an adverse impact. There are three essential factors for successful competitive advantage.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

Part presents discussion, recommendations and conclusions. In part 5.2, the research of summary is presented. Discussion and conclusion is in part 5.3 and 5.4 respectively. Part 5.5 demonstrates the recommendations.

#### **5.2 Summary**

Purpose is determining operations system and sustainable competitive advantage in tyre industry in Nairobi County. The study adopted a descriptive research method in gathering, analyzing, interpretation, and presentation of information. The descriptive research design helped in focusing at the strength of relationship between operations strategies and sustainable competitive advantages. The study employed the use of questionnaires to obtain relevant information from respondents. The study focused on senior management staff. The study adopted a good analysis data and presentation. From the operations strategies employed by tyre industries to remain competitive in the market, the study revealed the competitive strategies were: corporate system, client driven approach, center capabilities, aggressive needs, product development and service.

The study revealed that the challenges faced by challenges faced Tyre Industry in Kenya in implementation of sustainable competitive advantage are; poor or vague strategy implementation, challenge of communication insemination, consumer protection and competition regulation, economic growth challenges (overall; by industry sector), resources inaccessibility in the form of financial and human or indivisibility of resources.

### **5.3 Conclusion**

The study concluded that tyre industries try to remain competitive in the market, the study revealed the competitive strategies were: corporate methodology, client driven approach, center capabilities, focused needs, product development and service.

The study also concluded that firms in tyre industries faced various challenges in the market. These were: poor or vague strategy implementation, challenge of communication insemination, consumer protection and competition regulation, economic growth challenges (overall; by industry sector), resources inaccessibility in the form of financial and human or indivisibility of resources.

### **5.4 Recommendations**

The study recommends that tyre industry should put in place sustainable competitive strategic responses to help them gain a competitive advantage over their competitors. They should focus on strategies that benefit their organization through increased profitability at the least cost possible. Through the employment of differentiation strategies, tyre industry should find strengths that enable them to broaden their scope within the industry market and identify a position for themselves. Through corporate strategy they should expand into new markets and identify products that can help them compete within the established markets. This will be done by identifying the segments in the market that suits their products and services.

In research, there is a wide range of strategies applicable to a firm that wants to succeed in attaining a sustainable competitive position in the market. This implies that the tyre industry firms should try to explore a strategy that is not easily imitated by the

competitors. There are also a number of challenges that the tyre industry has to overcome for it to be successful in the market.

Through the already established relationship between operations strategy and sustainable competitive strategies in response to increased competition, the strategies put in place should be effective. These will help them to establish a profitable and sustainable position against the forces that determine industry competition. A good strategy can contribute to growth, corporate strategy, customer-driven approach, core competencies, profitability, cutting-edge differentiation of products competitive priorities and development of product and service and sustainable competitive advantage of tyre industry.

### **5.5 Limitation of the Study and Areas for Further Research**

This study has led to identification of various areas that should be studied on to broaden the work done on sustainable competitive advantage adopted by tyre industry in Kenya. The researcher suggests that further research should be done on the challenges faced in adopting the sustainable competitive advantages hence hindering their effectiveness in response to increased Competition.

The finance industry is very competitive thus many respondents had fear of disclosing some relevant information. It therefore took a lot of time to gather adequate data for this research through the respondents who were more cooperative than the management as originally anticipated. Time allocated for the study was insufficient while holding a full-time job and studying part time. This was encountered during the collection of material as well as the data to see the study success. However, the researcher tried to conduct the study within the time frame as specified.



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## APPENDICES

### Appendix I: Questionnaire

This questionnaire seeks to collect information on response by your organization to establish operations strategy and sustainable competitive advantage in Tyre Industry in Kenya. Please provide the information frankly and honestly.

#### SECTION A: GENERAL INFORMATION

1) What is your gender? (tick one)

Male  Female

2) Age(tick one)

20 -30  31 -40  41-50

3) What is your academic background

Diploma  1<sup>st</sup> Degree  postgraduate  PhD

What is your position in the organization?

.....

4) How long have you worked in this firm?

6 months and below  6 months to 1 year

1 to 3 years  4 to 6 years

7 to 9 years  more than 10 years

**PART B: DETERMINE THE OPERATION STRATEGIES USED BY TYRE INDUSTRY IN KENYA**

5) To what extent are the following operations strategies used in the organization? Rank by placing a tick in the appropriate place. 1= Least extent 2= Low extent, 3= Neutral, 4= Moderate extent and 5= Great extent

Description	1	2	3	4	5
Corporate strategies					
Customer-driven approaches					
Core competencies					
Competitive priorities					
Development of products and services					

**PART C: THE RELATIONSHIP BETWEEN OPERATIONS STRATEGY AND SUSTAINABLE COMPETITIVE ADVANTAGE IN TYRE INDUSTRY IN KENYA**

6) How do you rate the following when dealing with competitive strategies  
Extremely Important 5. Very Important 4. Moderately Important 3. A Little Important 2. Not Important 1.

Statements	1	2	3	4	5
The use of corporate strategies has led to better quality					
Implementation of corporate strategies has led to better Lead Time					
Corporate strategies led to better cost and price competitiveness in the market					
Customer-driven approaches influences better quality of products					
Customer-driven approaches influences appropriate completion time of the products					
Customer-driven approaches influences cost and price competitiveness in the market					
Core competencies leads to better quality of the product					
Core competencies leads to on time completion of the product					

Core competencies influences cost and price competitiveness in the market					
Competitive priorities has led to better quality					
Competitive priorities leads to on time completion of the product					
Competitive priorities influences cost and price competitiveness in the market					
Good development of products and services leads to better product quality.					
Good development of products and services leads to on time completion of the product					
Good development of products and services influences cost and price competitiveness in the market					

**PART D: THE CHALLENGES FACED IN IMPLEMENTATION OF OPERATIONS STRATEGIES BY TYRE INDUSTRY IN KENYA**

- 7) To what extent is each of the following challenges faced in implementation of sustainable competitive advantage by Tyre Industry in Kenya? Use the following scale: No extent(1),Little extent, (2),Moderate extent(3),Large extent(4) and Very large extent(5)

<b>Factors</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Poor or vague strategy implementation					
Challenge of communication insemination					
<b>Consumer protection and competition regulation</b>					
Economic growth challenges (overall; by industry sector)					
Lack of coordination and support from other levels of management and resistance from lower levels					
Lack of resources in the form of financial and human or indivisibility of resources					