

**COMPETITIVE STRATEGIES USED BY STANDARD
GROUP IN SUSTAINING COMPETITIVE ADVANTAGE
IN THE TECHNOLOGY WORLD OF NEWSPAPER
INDUSTRY**

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DECLARATION

The research project is my original work and has not been submitted for examination to any other University.

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DEDICATION

To my parents for educating me in many ways that you realized even when obstacles seemed insurmountable. You awakened in me a passion for excellence and a taste for the impossible. You sowed in me a marvelous seed; 'quest for higher education' May The Lord bless you and guide your steps always.

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ACROMYMS AND ABBREVIATIONS

BTF Behavioural Theory of the Firm

KTN Kenya Television Network

TQM: Total Quality Management

ABSTRACT

The purpose of this study was to investigate the competitive strategies used by the standard Group in sustaining competitive advantage. The study adopted a case study research design in which the in-depth analysis of the strategies employed by the organization was investigated to establish how they have influenced the sustainability of its competitive advantage. The study sampled management staff from the departments. Data was collected using face to face interviews with the respondents. The researcher used content analysis to analyse the data. The study established the organization acquired competitive advantage where it has managed to weather the turbulent environment where its competitors are struggling to remain relevant. The organization achieved competitive advantage through differentiation strategy through price and product. The study established that the organization practiced cost leadership where its products were low priced and it practiced cost minimization. This intern enhanced its competitive advantage. Finally, the organization invested in the latest technology which enhanced its efficiency hence the quality of the products and less cost of production which enhanced the organizations competitive advantage. The study recommended that the organization show enhance its product differentiation strategy with the aim of increasing its product range to capture more customers thereby enhancing its competitive advantage. The organization should intensify its cost leadership with the aim of ensuring that the organization remains competitive despite the turbulence in the industry. The study further recommends that the organization needed to invest more technological innovations to enhance the efficiency in its production and to minimize wastages and to improve on the quality of the products with the aim of making the products more appealing to its customers thereby enhancing customer satisfaction with the products. The organization should also device means by which the digital revenue can be harnessed to increase the organizations revenue.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

In the past ten to fifteen years, media and content markets have changed significantly as a result of digitization and the growth of the internet. These developments have led to growth in some subsectors of the media and content industries, but decline in others. Most importantly they have altered existing value chains and disrupted traditional business models. One of the branches of media that has experienced through beating is the newspaper industry. Decades ago, the news used to be something people consumed once a day, when they scrolled through the newspaper during breakfast, or while relaxing on the sofa after work (Cherono, 2014). The newspaper was cherished and only those of class afforded it, the industry enjoyed a near monopoly.

However, this is no longer the same, the newspaper industry is today undergoing a much-needed transformation, battered and distressed by a financial distress, declining advertising revenues, major shifts in consumer behavior and emerging disruptive technologies. Technological innovations have largely contributed to the changing news consumption. Today it is possible to read the news even before we leave our bed, we are able to continuously stay updated on the latest news during the day, and can end the day by checking the news one last time while brushing our teeth (Mnjala, 2014).

In addition, the habits of newspaper readers have since changed. Younger generations who constitute majority of the population seem to prefer digital newspapers to print, and as a consequence of new services compete for people's time, the population as a whole is spending less of their time on reading print newspapers (Kulturdepartementet, 2010). The introduction of the internet also led to the creation of new companies that have chosen advertising as a main revenue sources, like Google and Facebook. This has had the consequence that newspapers have not been able to achieve anything similar to a monopoly for digital advertising, like several newspapers used to enjoy for their print edition.

As a result, we have seen some major media companies declare bankruptcy with the burden of heavy debts, while the others are still experimenting with new survival formulas to restore the equation between newspaper content and earnings. The newspaper industry have exploited opportunities technological innovations have provided, and the most important example of this is probably the internet, which introduced a new distribution channel for newspapers (Ottosen & Krumsvik, 2012).

Due to the transformation, the industry is increasingly willing to offer packages of print and web advertising, and newspapers that belong to multimedia groups are even taking advantage of cross-media advertising sales to reach new audiences (Stone, 2006). Most newspapers today offer free access to their online newspaper, even though the online content became a substitute to most newspapers print edition (Fetscherin & Knolmayer, 2004). The industry is changing their value propositions by adopting business strategies such as utilizing new channels, and the introduction of the digital user payment as a revenue source (Olsen et. al., 2010).

1.1.1 Concept of Strategy

According to Glueck (1984), strategy is the unified, comprehensive and integrated plan that relates the strategic advantage of the firm to the challenges of the environment and is designed to ensure that basic objectives of the enterprise are achieved through proper implementation process. The concept of strategy has grown in importance among management scholars and practitioners since 1950s. The importance of this concept has been underscored by various leading management scholars and practitioners such as Porter (1980), Ansoff (1987), and Harvey-Jones (1987).

However different authors have defined “strategy” in different ways. Some define the concept broadly to include both goals and means of achieving them. These include Chandler (1962), Andrews (1971), Chaffee (1985). Others define strategy narrowly by including only the means to achieving the goals. These includes Ansoff (1965), Hofer and Schendel (1978), Glueck and Jauch (1984). The various definitions suggest that the authors gave selective attention to aspects of strategy, which are all relevant to our understanding of the concept.

Chandler (1962) considered strategy as a means of establishing the purpose of a company by specifying its long-term goals and objectives, action plans and resource allocation patterns to achieve set goals and objectives. Andrews (1971) brought together the views of Drucker (1954) and Chandler (1962) in defining strategy. To him, strategy is the pattern of major objectives, purposes or goals and essential policies and plans for achieving these, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be. In this definition, Andrews (1971) introduces an additional dimension that strategy deals with the definition of the competitive domain of the company.

1.1.2 Sustainable Competitive Advantage

A competitive advantage is a value adding strategy that is not being implemented by potential competitors and can hardly be duplicated by competitors (Mnjala, 2014). A sustained competitive advantage needs to last for a considerable period of time. Competitors involve both the current firms in operation as well as potential firms that are planning to enter the market in the near future (Baumol Panzar, and Willig 1982). Efforts to duplicate a competitive advantage need to have been rendered futile for a period of time for it to be considered sustainable (Mnjala, 2014). According to Barney (1991), for a resource to provide a sustainable competitive advantage, it needs to add value to the firm, be unique, perfectly imitable and cannot be substituted by another resource by competing firm.

According to Coyne (1986), in order to possess an Sustainable Competitive Advantage, consumers must perceive some difference between a firm's product offering and the competitors' offering. This difference must be due to some resource capability that the firm possesses and competitors do not possess. Also, this difference must be some product/delivery attribute that is a positive key buying criterion for the market.

Recognizing the importance of an effective strategy to firms, Day and Wensley (1988) focused on the elements involved in competitive advantage. Specifically, they identified two categorical sources of competitive advantage: superior skills, which are "the distinctive capabilities of personnel that set them apart from the personnel of competing firms", and superior resources, which are "the more tangible requirements

for advantage that enable a firm to exercise its capabilities". Treacy and Wiersema (1995) point to successful companies such as Home Depot and Nordstrom who have embraced the idea of customer intimacy in order to deliver a highly customized end product to customers.

Barney (1991) contributed to the discussion by exploring the link between a firm's resources and Sustainable Competitive Advantage. He stated that not all firm resources hold the potential of Sustainable Competitive Advantage; instead, they must possess four attributes: rareness, value, inability to be imitated, and inability to be substituted. Similarly, Peteraf's (1993) resource-based view of the firm designates four conditions that underlie Sustainable Competitive Advantage, including superior resources, ex-poste limits to competition imperfect mobility, and ex-ante limits to competition. Dierick and Cool (1989) discuss inimitable resources such as non-tradable assets which are immobile and thus bound to the firm.

Hunt and Morgan (1995) propose that "potential resources can be most usefully categorized as financial, physical, legal, human, organizational, informational, and relational". They go on to state that a comparative advantage in resources can translate into a position of competitive advantage in the marketplace, but only if the criteria proposed by Barney (1991) are satisfied and the offering has some perceived value in the marketplace. Prahalad and Hamel (1990) suggest that firms should combine their resources and skills into core competencies, loosely defined as that which a firm does distinctively well in relation to competitors. competitive advantage s are realized only when the firm combines assortments of resources in such a way that they achieve a unique competency or capability that is valued in the marketplace (Morgan and Hunt 1996).

1.1.3 News Paper Industry

According to Weber (2006), the newspaper is a scheduled publication and contains news of current events, informative articles, editorials, advertisements and current diverse features. Newspapers generally publish stories on local and national political events, personalities, crime, entertainment, business, sports and society. The traditional newspapers feature editorial pages that contain opinion and columns of the

editor and other writers. Newspapers are funded by advertising, paid subscriptions and sales. There are other materials that are published in newspapers such as criticisms, persuasions and op-ed, obituaries, entertainment features, Crosswords and *Sudoku* as well as horoscopes (Williams, 2009). There are also weather news and forecasts, advice, food, column reviews, movies, plays and restaurants as well as classified advertisements, displays, editorial cartoons and comic strips.

Newspapers have continued to be a major medium of mass communication in the world regardless of the challenges emanating from globalization and technological changes. Plambeck (2010) explains that by 2007, there were over 6500 daily newspapers in the world, which circulated over 390 copies in a day. Most newspapers are aimed at a broad spectrum of readers; usually geographically defined, and some focus on groups of readers defined more by their interests than their location (Williams, 2009). For example, there are daily and weekly business newspapers as well as sports newspapers. There are also more specialised newspapers like weekly newspapers, which are usually free and distributed within limited areas. These may serve specific communities like certain immigrant populations, or the local gay community.

Daily newspapers are issued every day, and depending on the company, they are sometimes not published on Sundays and occasionally on Saturdays (Williams, 2009). Some companies do not even publish daily newspapers during national holidays. When they exist, Saturday and Sunday editions are larger, costly and include more specialized sections and advertisement inserts. A good example is Kenyan newspapers on Sundays and Saturdays, which at one time cost \$0.25 (ksh.20) more than other week days' editions. In the United Kingdom, most daily newspapers do not publish on Sundays. In many cases, the same publisher produces a Sunday newspaper that is distinct in many ways from the dailies, but with related names such as *The Times* and *The Sunday Times*. In this case, these are treated as distinct newspapers and an article published in *The Sunday Times* cannot be accredited to *The Daily Times* (Willings Press Guide, 2010).

This trend is the same in the Kenyan dailies where there is for instance, *Daily Nation* or *Daily Standard* with their respective weekend editions; *Saturday* and *Sunday*

Nation or *Saturday* and *Sunday Standard*. In these newspaper editions, majority of staff work from Monday to Friday and, therefore, the Sunday and Monday editions largely depend on the content done in advance or content that is syndicated. Daily newspapers are mostly published in the morning. According to Plambeck (2010), this is so because newspapers which are published in the afternoon or evening are meant for commuters and office workers.

Weekly newspapers are published once a week and they are smaller than daily newspapers. There are also newspapers that are published twice or three times a week. In the United States, such newspapers are referred to as weeklies (Conley & Lamble, 2009). There are also national newspapers, which are published and circulated throughout the country. A national newspaper is contrasted with a local newspaper, which is meant for a city or a region. International newspapers such as *International Herald Tribune* carry editions with a focus on national and metropolitan newspapers (Mackay & O'Sullivan, 1999). They carry stories and articles that are of interest to a wider world interest.

1.1.4 Standard Group Limited

The newspaper was established as the *African Standard* in 1902 as a weekly. The Standard's founder, Alibhai Mulla Jeevanjee sold the paper to two British businessmen in 1905, who changed the name to the *East African Standard*. It became a daily paper and moved its headquarters from Mombasa to Nairobi in 1910. At the time the newspaper declared strongly colonialist viewpoints. The British-based Lonrho Group bought the newspaper in 1963, only a few months before Kenya's independence. The paper changed its name to *the Standard* in 1977 but the name *East African Standard* was revived later. It was sold to Kenyan investors in 1995. The Company is engaged in the publishing of The Standard, Saturday Standard and The Sunday Standard newspapers; distribution of selected local and newspapers, magazines and periodicals, and television broadcasting under the name of Kenya Television Network Limited (KTN). The Company's subsidiaries include The Standard Limited, Baraza Limited, Agency Sales and Promotion Limited and KTN.

It is the Standard that has provided the most complete record of Kenya's history from the first and second world wars that planted the seed for the fight for freedom, to the Mau Mau days and the push for self-governance to independence, the nascent post-independence days through the regimes of presidents Jomo Kenyatta, Daniel arap Moi and Mwai Kibaki. The Standard covered Kenya's first major international guest in 1905 when Queen Victoria's son – the Duke of Connaught came visiting. The paper made its first milestone when the publishers chartered a train to relocate the printing press to Nairobi as political and economic interests shifted from Mombasa to Kenya's current capital city some 500 kilometers north. It is the oldest newspaper published in Kenya. In 2004 the name was changed back to *The Standard*. It is the main rival to Kenya's largest newspaper, the Daily Nation. In 1989, at a time when Kenya was going into multi-party era, the Standard Group acquired the KTN Television Channel. The Standard Group comprises, The Standard Newspapers, Game yetu, Nairobiian, Radio Maisha, PDS, Standard Digital and the Think Outdoor Services.

1.2 Research Problem

With the advent of the internet, print journalism is losing its footing and most organisations that depend on print journalism are diversifying to other platforms of journalism. Print journalism is a form of mass communication; a dynamic phenomenon constituted of media, and whose definition is elusive. The new media is understood as the digital media that are interactive and can incorporate two-way communication, and involve real-time generation of new unregulated content. The new media is anchored on the existence of the Internet; the World Wide Web incorporating an interconnection of computers for transmission of information content anywhere in the world.

More and more people are getting hooked up to the internet via computers and mobile phones. This means media audiences are accessing news and information online making print, radio and television media to lose the long time 'monopoly'. Advertisers, whose aim is to reach as many consumers as possible, are likely to shift to online platform causing a dent in print media profits. The arrival of the under-sea cable will probably be the biggest revolution in Kenya's media industry, as it is expected to lower the cost of broadband connections significantly, allowing audiences to access news quickly and media houses to post news as it happens. With the

emerging technologies, experts now concur, it will never be business as usual for the media across the world and especially the print media. Emerging technologies including social networking tools like cell phones is completely reshaping media and political scenes.

Technology therefore has opened a new front of journalism with citizens now empowered than ever to actively contribute news and even set agenda for the media. It's a revolution that ignites memory of how far the media has come. Technology has turned citizens into journalists and now news is out there before it is even printed.... (think of SMS, twitter, facebook, myspace etc). Speed of dissemination and rate of feedback from audiences has sparked need for journalists to be more responsive and alert in their trade.

The traditional publishing landscape therefore has changed decidedly during the past decade. Technological and demographic developments, deregulation and the convergence of different information and communications markets have left an important mark on the configuration of the traditional publishing industry (Wirtz, 2001; Picard, 2003). Not only have these developments pose threats to the industry, but also create new opportunities for publishing companies to engage in profitable new ventures and businesses. While the performance and survival opportunities of traditional publishing companies, in particular the newspaper publishing companies, have been poor over the last decade it is expected that these companies will encounter serious problems to create strategies that will be able to benefit from the forces currently changing the traditional publishing landscape. Even if traditional newspaper publishing companies on average have been profitable in the last decades, their real competitive strength has been questioned in the advent of technology (van Kranenburg, 2004).

It is possible that the publishing company shows sign of above-average performance but do so without having a sustainable competitive advantage. It is likely that they have adopted the harvesting strategy. Some studies have pointed at the spiral of decline in the traditional publishing industry, in particular newspapers, due to destabilizing force of such factors as new entrants from outside the industry, innovations from existing information and communications companies and changes in

customer behavior (Oliver, 1997; van Kranenburg, 2004; Mnjala, 2014). These studies were however done in the developed countries and minimal work has been done in developing countries and Kenya in particular to establish the competitive strategies adopted by the publishing industry for sustainable competitive advantage in this new technology world. This study therefore sought to determine the competitive strategies used by publishing firms in Kenya in achieving competitive advantage in the new technology world.

1.3 Research Objective

The research objective of this study was to determine the competitive strategies used by Standard Group Ltd to sustain its competitive advantage in the media industry in the technology world newspaper industry in Kenya.

1.4 Value of the Study

The Study could contribute to the existing body literature in the area of competitive strategies used by firms in the print media. The study could also act as a reference point to scholars and future researchers in the area of the study as it could help in the identification of research gaps.

The study could be useful to the Managers of Standard Group Ltd as they could be able to understand the organization's competitive advantages in a broad perspective. This could help them come up with the appropriate strategies that could help enhance the organizations competitive advantage.

Practitioners in the print media could equally gain from the study as they could understand the competitive strategies which are best applicable in the industry in the new technology world for sustainable advantage. They would be able to identify the best interventions to remain competitive and even relevant in the new arena.

The results could also be useful to policy makers in the media industry as they could used to understand the dynamics in the media industry and come up with measures of improving the sector for competitiveness. The practitioners already in the industry may use the results to enhance their companies' activities in the provision of goods and services to customers.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the review of studies undertaken in this area with special reference on competitive strategies and sustainable competitive advantage. The chapter also reviews empirical studies undertaken on the subject for the purposes of comparison with the current study.

2.2 Theoretical Foundation of the Study

This study will be anchored on two theories namely, the game theory and resource based theory.

2.2.1 Game Theory

According to Kotler (1998) game theory acts as a mathematical tool for the decision-maker the strength of game theory is the methodology it provides for structuring and analyzing problems of strategic choice. Game theory is a mathematical tool for the decision-maker for structuring and analyzing problems of strategic choice it involves strategic interactions among economic agents who produce outcomes with respect to the preferences (or utilities) of those agents, where the outcomes in question might have been intended by none of the agents.

The process of formally modeling a situation as a game requires the decision-maker to enumerate explicitly the players and their strategic options, and to consider their preferences and reactions. The central idea is that the strategist has to anticipate the reactions of competitors. The assumption in the game theory is that to a greater or lesser extent competitors are aware of the interdependencies that exist and of the sorts of move that competitors could take, (Exploring Corporate Strategy 6th Edition, Johnson and Scholes pg 341).

In assessing competitive forces and the context within which a company operates, choice of strategy can indeed seem like a search for a myriad forces pushing and pulling an organization to change and little by way of established principles to determine what the choice should be. However, the choice of strategy is fundamental

to a company for a number of reasons. First, choice made in a positive sense instils a focus and underlying direction for the organization. The development of a leadership style which focuses one's purpose on the future vision of services, rather than the accidents and designs of the past, provides powerful motivation for individuals, teams and the ubiquitous managers themselves. Second, choice provides a basis for articulating the value systems in the organization. As Peters and Waterman (1999) say about vision and organizational behavior, "one all-purpose bit of advice for management...figure out your value system. Decide what it stands for". Positive choice will help to articulate the value base in the organization and this should be palpable to individuals and the team working within it.

Further, strategy choice provides a route to survival in some form in the future. Recent studies seem to indicate that organizations fail regularly because of a lack of effective strategic direction, the failure to concentrate on core business, and the lack of robust management systems and processes to deliver the core business and the values on which they are based. The fourth reason for importance of strategy choice is that it will affect inextricably the management process and systems by and with which the organization chooses to manage. Therefore, the effective choice of strategy, when considered in these circumstances, should become a central focus of company's boards (Peters and Waterman, 1999).

2.2.2 Resource Based Theory

Resource-based view is originated from the seminar work of Penrose in 1959 and 1960. Wernerfelt's (1984) paper has set the cornerstone for the research interest in strategic management to be shifted back to the internal of the firm from the industry. In line with the major theories in strategic management, resource-based view is a theory of sustainable competitive advantage and a theory of rent (Peteraf & Barney, 2003). The main theory of resource-based view could be well explained from the two frameworks that developed by Barney and Peteraf (2003), which have been described as authoritative summary of resource-based view by Foss and Knudsen (2000).

According to Barney (1991), valuable, rare, imperfectly imitable, and imperfectly substitutable resources could generate sustainable competitive advantage for the firm with the pre-requisite of heterogeneity and imperfectly mobile of resources among

competing firms. Building on Barney (1991) work, Peteraf (1993) has focused on heterogeneity, ex post limits to competition, imperfectly mobile, and ex ante limits to competition as the characteristic for strategic resources in generation of sustainable competitive advantage for the firm.

The term “competitive advantage” has been popularised by Michael Porter (1985) way before the construct of Barney’s (1991) and Peteraf’s (1993) frameworks. The idea of competitive advantage is mainly to measure firm’s success relative to competitors (Porter, 1985, 1998). The relative success could be measured by “economic value” that firm able to generate (Peteraf & Barney, 2003). This economic value refers to differences between perceived benefits of purchasers and economic cost of enterprise through provision of goods and services (Peteraf & Barney, 2003). Since competitive advantage is focusing on explaining relative success of the firm, thus, firm does not need to be the best player in the industry in order to achieve competitive advantage (Peteraf & Barney, 2003).

In line with the idea of Porter (1985, 1998) competitive advantage in the context of resource-based view can be achieved through lower cost or differentiation advantage (Peteraf & Barney, 2003; Porter, 1985, 1998). Lower cost is resulting from efficiency of firm in producing goods or services, matches with near to the market competitive rate of pricing, then the lower cost can be transferred into superior return (Peteraf & Barney, 2003; Porter, 1985, 1998) while differentiation advantage is where a firm produced unique or superior value goods or services which command premium price in the market, matches with competitive cost of production then premium price can be transferred into superior return (Peteraf & Barney, 2003; Porter, 1985, 1998).

2.2.3 Behavioural Theory of the Firm

Behavioural theory of the firm (BTF) is a composition of a number of theories that have emerged within economics, sociology, business and management studies to deal with the issues of how firms behave in a market place and what determines the inter-firm relationships (Cyert & March, 1963). The economic theory of the firm looks at the firm as a black box, as a unit processing inputs into outputs. The behavioural theory of the firm (BTF) attempt to compensate for this narrow view, and looks at what happens inside the firm, how the throughput takes place as economic activity,

and how decisions are made regarding production, scheduling, and inventory. The BTF is known also as a decision theory, as it explains the circumstances of operational decisions, and the outcomes that contribute to value added (Cyert & March, 1963). Decisions are interpreted as a sequential process which includes both rational and non-rational aspects, and are affected by ownership rights, liabilities, control over resources, and power.

Other core concepts related to the BTF are the notion of firm's competences and capabilities, organisational learning, accumulation of knowledge, cognition and motivation, or how firms learn about their internal and external environment. The BTF advocates for the endogeneity of preferences and expectation as the main source of bounded rationality, or the 'irrational' choices made by firm's managers in situations of uncertainty and complexity (Cyert & March, 1963). This study seeks to determine the competitive strategies that are being employed by the Standard Group Limited to sustain its competitive advantage in this technological age. This involved strategic decision making which will ensure that the organization remains afloat.

2.3 Competitive Strategy

Hitt et al (1997) holds that a winning competitive strategy is always founded on consistently understanding and predicting changing market conditions and customer needs. The goal of much of business strategy is to achieve a sustainable competitive advantage. A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Today's dynamic markets and technologies have called into question the sustainability of competitive advantage. Under pressure to improve productivity, quality, and speed, managers have embraced tools such as TQM, benchmarking, and reengineering (Safford, 2005).

A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson and Strickland, 2002). Sustainable competitive advantage is born out of core competencies that yield long-term benefit to the company. To succeed in building a sustainable competitive advantage, a firm must try to provide what buyers will, perceive as superior value. This entails either a good quality product at a low price, or a better

quality product that is worth paying more for. 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 (Thompson and Strickland, 2002). It concerns what a firm is doing in order to gain a sustainable competitive advantage.

2.3.1 Cost Leadership and Sustainable Competitive Advantage

The companies that attempt to become the lowest-cost producers in an industry can be referred to as those following a cost leadership strategy. The company with the lowest costs would earn the highest profits in the event when the competing products are essentially undifferentiated, and selling at a standard market price. Companies following this strategy place emphasis on cost reduction in every activity in the value chain. It is important to note that a company might be a cost leader but that does not necessarily imply that the company's products would have a low price. In certain instances, the company can for instance charge an average price while following the low cost leadership strategy and reinvest the extra profits into the business (Lynch, 2003).

Cost advantages can be obtained in various industries and therefore the sources of cost advantages are widespread. Although these cost advantages are varied, the most common include economies of scale, patent technologies or easy access to raw materials. Obtaining one cost advantage is often not enough and therefore low-cost producers have to discover and take advantage of all sources of cost advantage (Porter, 1985).

Porter states that companies that can accomplish to become a cost leader and are also sustaining that position will outperform their industry competitors in the long run. There are two conditions to this observation though. The first condition is that the firm can set prices at or near the industry average, because when the prices are lower or at the same level of its competitors then the cost leader can obtain higher profits. The second condition is that a cost leader cannot neglect the basics of differentiation. The product that a cost leader sells has to be of comparable quality and be accepted by the market, otherwise this firm will have to set prices at such a low level that the benefits of being a low-cost producer might be lost.

Newspaper publishing companies pursuing a cost leadership strategy aim to become the low cost producer of information and communications products in the industry. These firms usually have a broad scope and serve many market segments. They may even operate in related industries, such as broadcast market (Ferguson, 1983) because this breadth of operations is often crucial in achieving cost-advantages. The way these cost advantages can be achieved depends on the structure of the industry. The cost structure of the publishing industry is characterized by a relative high ratio of fixed costs. The competitive cost advantages of publishing companies arises from the differences in capacity costs and high first-copy costs, like the collection and organization of editorial and advertising copy and preparation of the printing mechanism. These costs are ineluctable to produce even one product, while the marginal production costs of the subsequent products are very low (Picard and Brody, 1997).

2.3.2 Differentiation and Sustainable Competitive Advantage

Companies that apply this strategy try to be unique in the industry they are active in. This uniqueness is especially aimed at dimensions that are commonly valued by the market. A firm applying this strategy therefore seeks one or several characteristics that customers commonly perceive as important and then tries to become unique at these characteristics. This uniqueness can be rewarded with a higher “premium” price, more sales of the product at a given price or other comparable benefits such as buyer loyalty.

When a company differentiates its products, it is often able to charge a premium price for its products or services in the market. Some general examples of differentiation include better service levels to customers, better product performance etc. in comparison with the existing competitors. Porter (1980) has argued that for a company employing a differentiation strategy, there would be extra costs that the company would have to incur. Such extra costs may include high advertising spending to promote a differentiated brand image for the product, which in fact can be considered as a cost and an investment. McDonalds, for example, is differentiated by its very brand name and brand images of Big Mac and Ronald McDonald.

Differentiation has many advantages for the firm which makes use of the strategy. Some problematic areas include the difficulty on part of the firm to estimate if the

extra costs entailed in differentiation can actually be recovered from the customer through premium pricing. Moreover, successful differentiation strategy of a firm may attract competitors to enter the company's market segment and copy the differentiated product (Lynch, 2003).

A differentiation strategy leads to above-average performance when the costs of becoming and sustaining to be a differentiator do not exceed the premium price that can be asked for the differentiated product. So the costs of a differentiator are also quite important, because the benefits of premium prices will be cancelled out by a poor cost position. A differentiator therefore seeks cost parity or cost proximity, through cost reductions in all areas that do not have an effect on differentiation.

The success of a differentiation strategy is often related to the characteristics a firm chooses to be unique in. According to Porter it is of key importance to choose a characteristic that is different from the ones competitors have chosen. The fact that differentiation can be achieved on various characteristics also makes that more than one differentiator can be in place in one industry or market, without having disastrous effects on industry structure and profitability (Porter, 1985).

Miller (1987) argued that product differentiation firms tend to invest heavily in research and development activities in order to increase their innovative capability and enhance their ability to keep up with their competitors' innovations (Jermias, 2008). The constraints of increased debt and requirements to satisfy debt covenants will likely impede managers' creativity and innovation, qualities which are critical to maintain competitive advantage for product differentiation firms (Simerly and Li, 2000; Jermias, 2008). Biggadike (1979) argued that product differentiation firms face high uncertainty, as their strong emphasis on innovation requires them to engage in more risky activities and bet on products that have not yet crystallized. This might make it both difficult and undesirable for firms to use a greater amount of debt (Jermias, 2008).

2.3.3 Technology Competence and Sustainable Competitive Advantage

Information technology has received significance research attention since last decade (Ndubisi, and Kahraman, 2005). From mid-1980s onwards, information technology started to make strategic impact (Bassellier, Benbasat, and Reich, 2003). Following the trend, researchers started to focus on integration between information technology professionals and business managers in generating information technology capability and effective utilisation (Bassellier, Benbasat, and Reich, 2003; Rockart, Earl and Ross, 1996). Majority of the researchers in resource-based view suggested the integration of human factor with information technology in generating sustainable competitive advantage (Barney, 1991; Chatfield and Bjørn-Anderson, 1997), the discussion here would be focusing on the information technology competence of the management personnel in the firm.

Information technology knowledge refers to the extent of technical knowledge about objects such as computer based systems (Ndubisi, and Kahraman, 2005). This knowledge is able to convert into competence when it is utilised or exploited (Bassellier, Benbasat, and Reich, 2003). Information technology operations indicate the utilisation of information technology in daily operations of the firm (Ndubisi, and Kahraman, 2005). However, information technology knowledge and information technology operations can only exist if the firm does prepare a platform for information technology. Therefore, information technology objects refer to availability of hardware, software, and personnel to support the performance of information technology operations (Ndubisi, and Kahraman, 2005).

Some researchers have included experience and education in information technology as part of information technology competence as well (Bassellier, Benbasat, and Reich, 2003; Rockart, Earl & Ross, 1996). According to Bassellier et al. (2003), experience in information technology refers to the activities taking place in a particular organisational which includes experience in information technology projects and experience in the management of information technology. However, this study argues that experience and education in information technology can have impact on information technology competence of individual rather than can be viewed as part of information technology competence as indicated by Bassellier et al. (2003).

In line with Ucbasaran, Wright, and Westhead (2003) argument, experience will provide skills, competencies and resources for the future.

Following the frameworks in resource based view, in order to achieve sustainable competitive advantage, firm must possessed resource that is valuable, rare, imperfectly imitable, and imperfectly substitutable (Barney, 1991) or heterogeneity, imperfectly mobile, ex ante limits to competition, and ex post limits to competition (Peteraf, 1993). Therefore, scholars in resource-based view do not generally agreed that information technology alone can yield sustainable competitive advantage for the firm (Oh & Pinsonneault, 2007; Soh & Markus, 1995). The main issue is due to the easily available of information technology hardware and software in the market place (Barney, 1991). Even, Bharadwaj (2000) has mentioned that sustainable competitive advantage can be achieved through the information technology facilities since these facilities are normally made up of complex, hard to understand, and hard to imitate set of components, his argument seemed to have neglected the issue on valuable.

Previous theoretical and empirical analyses have shown consistent results on the impact of integration between information technology competence and sustainable competitive advantage of the firm. In Mata et al. (1995) theoretical analysis of sources of competitive advantage through information technology using resource-based framework (Barney, 1991), they suggested that only managerial information technology skills can potentially generate sustainable competitive advantage for the firm. Parallel to Mata et al. (1995), Powell and Dent-Micallef (1997) among human resources, business resources, and technology resources, only complementary of human resources on information technology was found to be significantly positive association with information technology performance, overall performance, profitability, and sales growth. Tippins and Sohi (2003), on the other hand, have found that organisational learning intervene the association between firm's information technology competence and performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the various steps that will facilitate the execution of the study to satisfy the study objectives. These steps include: Research design, Data collection instruments and procedures and Data analysis.

3.2 Research Design

The study adopted a case study research design. A case study according to Kothari (2004) is a detailed investigation of individuals, groups, institutions or other social units. According to Yin (2003), case study research method is an empirical inquiry that investigates a contemporary phenomenon within its real- life context. He further noted that case studies are comprehensive research strategy with an all-encompassing method, which includes the logic of design, data collection techniques, and specific approaches to data analysis. It is about the particularity and complexity of a single case within important circumstances, which is used to explore the detail of interaction of subjects in their contexts (Stake, 1995). Gall *et al.* (2007) conclude that case studies have three explicit characteristics: study of particular instances, in-depth study of the case, and study of a phenomenon in its real-life context. The researcher sought to obtain an in-depth understanding of the competitive strategies that the Standard Group Ltd is employing to sustain its competitive advantage in the technology world of newspaper industry.

3.3 Target Population

The target population of the study was all the management staff at the Standard Group Limited based at the head office. According to the Human Resource Department, there are 139 management staff in the organization reporting at the head office.

3.4 Sample Size and Sampling Techniques

Due to the manageability of the population, the researcher conducted a census study in which all the elements in the population were sampled. In this case all the 139 management staff participated in the study.

3.5 Data Collection

The data was collected using interview schedules. The schedules were in such a way that the objectives of the study were addressed. Face to face interview was done with the executive directors, heads of departments and some managers. Structured or closed-ended questions was used to obtain background information concerning the population of study and responses on pre- determined options. Unstructured or open-ended questions were used to obtain information on the opinions, attitudes and perceptions of the target population.

3.6 Data Analysis

The data collected from the field was analysed qualitatively. Before the actual analysis, the data was checked for completeness and consistency before being organized into manageable categories. The data was then analyzed using content analysis. Content analysis refers to the analysis of what is contained in a message for that matter an interview (Mugenda and Mugenda, 2003). This is a technique for making references by systematically and objectively identifying specific characteristics of message and using the same approach to relate trends. When using this method, the researcher quantifies and analyzes the presence, meanings and relationships of such words and concepts then make inferences about the messages within the texts. Tabulated data, bar charts analysis of figures and pie charts was incorporated for descriptive statistical analysis.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

In this chapter the study sought to analyse the findings of the study, present the findings and discuss the findings in relation to the theories and with other related studies. The presentations are presented in the subsequent sections.

4.2 Demographic Information

In this section the study sought demographic information of the respondents. The respondents were asked to state their ages, years worked in the organization and years served in the leadership. The findings are presented below.

4.2.1 Distribution by Age

The study established that majority of the respondents (68%) were male while only 32% were female. The findings mean that there were more male in the management of the Standard Group than the female.

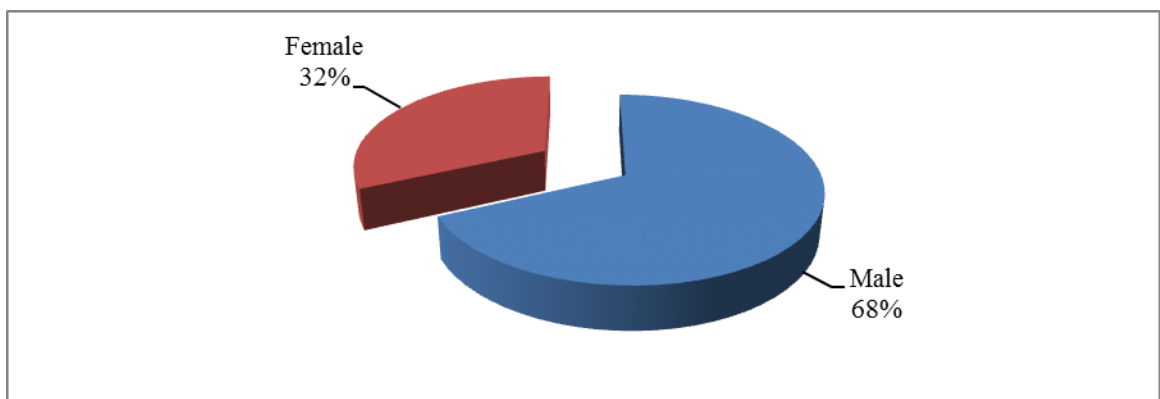


Figure 4.1: Distribution by Age

4.2.2 Duration in the Organization

The respondents were asked to state how long they have been in the organization. The results show that 36.4% of the respondents have been in the organization for between 11 and 15 years. The findings further show that 27.3% of the respondents had been in the organization for between 6 and 10 years while 18.2% of the respondents had been

in the organization for between 16 and 20 years. The findings mean that the respondents have been in the organization long enough.

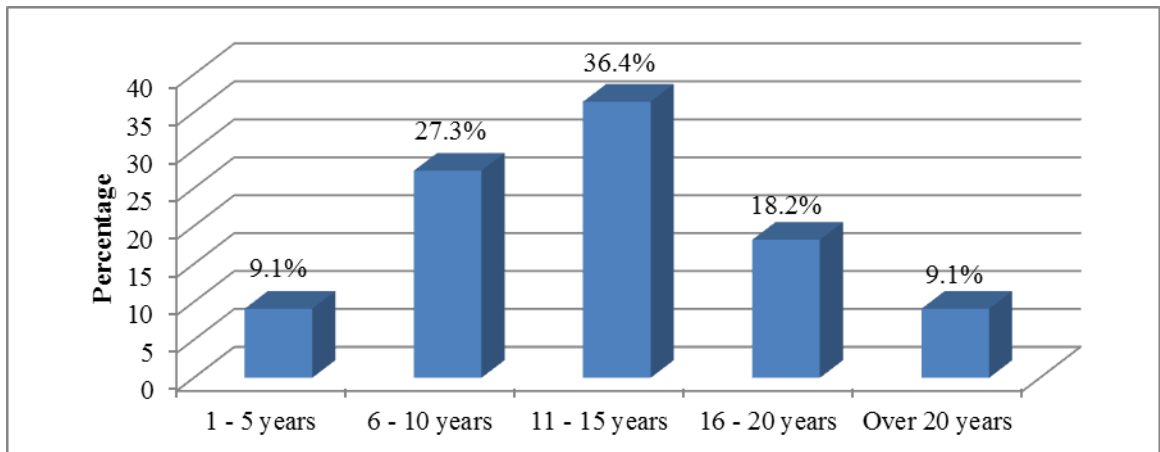


Figure 4.2: Duration in the Organization

4.2.3 Duration in the Management

The respondents were asked to state how long they had been in the management. The findings show that 36.4% of the respondents have been in management for between 4 and 6 years. The results further show that 22.7% of the respondents have been in management for between one and three years while 18.2% have been in the management for between seven and ten years. The findings show that most of the respondents have been in the management for sometimes and therefore understand management of the organization.

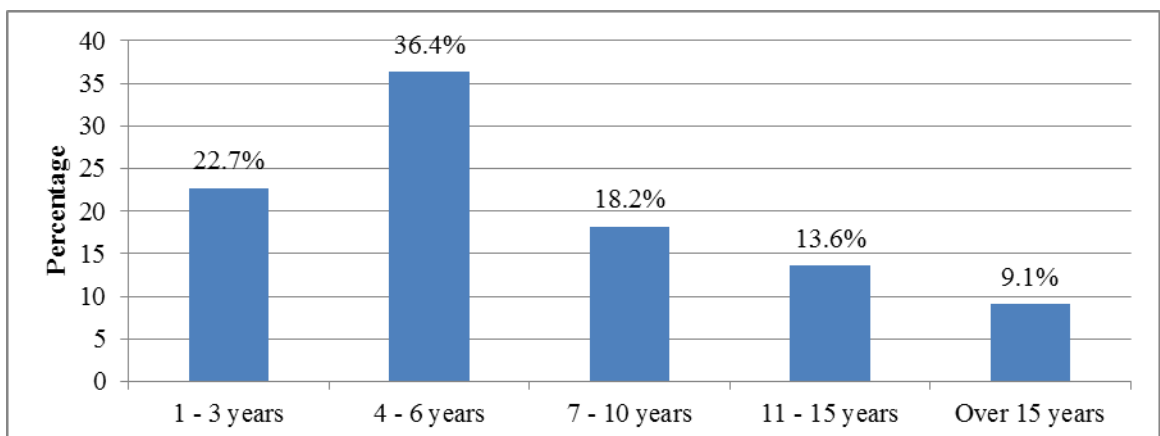


Figure 4.3: Duration in the Management

4.3 Competitive Strategies used by the Organization for Competitive Advantage

In this section the study sought to determine the competitive strategies used by the Standard Group to gain competitive advantage. The findings are presented in the subsequent section.

4.3.1 Organization has Competitive Advantage

The study revealed that according to majority of the respondents, the organization had a competitive advantage. The results revealed that only a few respondents did not believe that the organization had a competitive advantage. The respondents were then asked to explain their answers. The respondents explained that the organization despite the fierce competition that has been there in the recent past especially in the advent of information technology and social media in particular, the organization has continued to be profitable. The respondents indicated that their organization has remained the favorite in the now crowded industry in both the print and the digital media according to survey by the Ipsos Synovate (2011).

4.3.2 Areas of Competitiveness

The study sought to determine the areas of competitiveness of the organization. According to the seven respondents, one of the areas in which the organization has been competitive has been the fact that it invested in the latest technology in printing and broadcast media. The results of the study further show that three respondents stated that the organization had a well and elaborate, organized sales department with experienced and motivated sales team which was located in every county in the Republic of Kenya. This according to the respondents enabled the organization to reach every part of the country. The study findings revealed that according to five respondents, the organization had an elaborate distribution network. The study findings show that respondents indicated that one of the organizations area of competitiveness is the fact that the organization has differentiated its products. The respondents further said that the organization is a strong brand in Kenya and East African region makes the organization more competitive. According to some respondents, the organization is known for bold reporting of the news and some informative programmes like *Jicho Pevu* and *Case Files* which they indicated that is viewed by many Kenyans across the country.

4.3.3 Extent the Products are Unique

The study sought to determine the extent to which the products were unique. The results of the study revealed that majority of the respondents indicated that the products were unique to a large extent. The respondents explained that the organization had some programmes which were only found in the Standard group and not in other media station. The respondents explained that some of the programmes included the investigative journalism called *Jicho Pevu* which tries to unearth some of the puzzles which some have been top secret by the government and other criminals acts for instance *Paruwanja ya Mihadarati* which revealed the problem of drug peddling in the country. Others are *kifo cha mende*, *kaburi la wizi*, and *kibubusa cha kanjo* among others. The respondents further indicated that The Standard is the only daily newspaper in Kenya with a unique pullout everyday which attracts the readers to the paper such as the *Crazy Monday*, *Financial Journal*, *Underworld*, *Home & Away* and *Pulse*. Others are *Eve Gal*, *My Health* and *Business Unusual*. The study findings show that the paper has the widest readership in Kenya being one of the oldest. From the findings of the study, it is means that the organization was unique to a large extent.

4.4 Differentiation Strategy

In this section the study sought to determine the extent to which the organization adopted differentiation strategy. The findings are presented in the subsequent sections.

4.4.1 Ways the Organization is Practicing Price Differentiation

The study sought to determine how the firm was practicing the price differentiation. According to the findings of the study, most of the respondents stated that the firm was practicing price differentiation in the sense that it capitalized on the different market segments namely, the business people, the partners, the high and middle class and the general viewers. In the different market segments, the organization differentiated the advertisers in the print media and the electronic and social media on various categories as shown in the attachment below.

STANDARD DIGITAL ADVERTISING RATE CARD



BANNER TYPE	HOME PAGE UNITS	ARTICLE PAGE UNITS	CATEGORY HOME PAGE UNITS	CATEGORY CONTENT PAGE UNITS
	Cost per Month (Kshs)	Cost per Month (Kshs)	Cost per Month (Kshs)	Cost per Month (Kshs)
Leaderboard 728 by 90	540,000	472,500	270,000	337,500
728 by 90 (ATF)	ⓧ	ⓧ	ⓧ	ⓧ
728 by 90 (BTF)	405,000	ⓧ	ⓧ	ⓧ
Square banner (MPU) 300 by 250 (ATF)	337,500	405,000	243,000	283,500
Square banner (MPU) 300 by 250 (BTF)	300,000	337,500	189,000	229,500
120 by 600	ⓧ	405,000	ⓧ	ⓧ

SPECIAL PRODUCTS

BULK SMS		SPONSORED ARTICLE	
Number of SMS	Cost (Kshs)	Type	Cost (Kshs)
200,000 - 300,000 sms	1.1/= per SMS	Plain text	70,000
400,000 - 800,000 sms	0.9/= per SMS	Text with Pictures	100,000
1,000,000 sms plus	0.7/= per SMS	Multifunctional content	150,000

SECTION SPONSORSHIP	
	Cost (Kshs)
Sponsorship banner	100,000

LIVE STREAMING	
	Cost Kshs
(per event upto 5 hours)	600,000

PLEASE NOTE:
 MPU: mid page unit
 ATF: above the fold (ad visible without scrolling)
 BTF: below The fold (ad visible after scrolling)

FOR THE SPONSORED ARTICLE:
 *price per content piece
 *includes 4 social mentions



COMMERCIAL DEPARTMENT
 P.O. BOX 30080 -00100 GPO TEL: 322 2111
 E-MAIL: commercial@standardmedia.co.ke
 www.standardmedia.co.ke

Figure 4.4: Attachment of the Advertisement Rate Card

The respondents further stated that the organization has practiced price differentiation in the print as the major revenue is from advertisements depending on the page and the size of the advertisement for instance the advertisement on the front page will attract more fee than the one at the back. Further the advertisement on a whole page would be more costly than the classified one. The respondents further said that the last category in the print media is the readers who pay Ksh. 60.00 for the dailies.

In the digital, the respondents indicated that the organization charged differently for every product. For instance according to three respondents, advertisement during the prime time news attracted more fees than the advertisement during other times. Same was the advertisement during popular shows such as the *Jicho Pevu* among others. The results show that three respondents further stated that sponsoring a programme such as the case files meant that the partner carried the cost of its production. However, viewing is free to everybody.

4.4.2 Market Differentiation as Strategy for Competitive Advantage

The study sought to determine whether the organization practiced market differentiation to gain competitive advantage. The study established that according to all the respondents, the organization practiced market differentiation. The products include the radio in the name of *Radio Maisha*, *KTN News*, *KTN*, *The East African Standard* and *The Nairobiian* among others. The respondents explained that the organization had various programmes for different segments of its customers. For instance, in the television show the organization had programmes for the children such as *Scooby Doo* and *Club Kiboko* among others, informative programmes such as the documentaries, news broadcasts among others and entertainment such as movies, music among others.

The study further shows that the organization had other products like advertisements for the print and electronic and the social media (Facebook and twitter). The advertisement is divided in to sponsors (those sponsoring the programmes) advertisement where depending on the amount one choses where to place the advertisement.

4.4.3 Influenced of Differentiation on the Competitive Advantage of the Organization

The respondents were asked to state how differentiation had influenced the competitive advantage of the organization. According to the findings of the study, most respondents stated that indeed the differentiation had influenced the competitive advantage of the organization. The respondents indicated that by differentiating both the price and the products, the organization was able to reach every of its customers including viewers, readers, audience and the partners. The respondents indicated that through the different programmes the organization was able to have a wide coverage as every category was reached by its programmes and none was left behind because even those who did not have, are able to watch for free. The respondents further stated that through products like the *Jicho Pevu* and *Champions League live*, the organization has managed to gain competitive advantage over its competitors as everyone switch their allegiance to the station. These have made the organization more popular and relevant in this turbulent business environment which has seen many firms restructure and reorganize.

4.5 Cost Leadership Strategy

In this section, the researcher sought to determine the extent to which the organization employed cost leadership strategy. The study findings are presented in the following sections.

4.5.1 Organization Minimise Cost of Operation

The study sought to determine the extent to which the organization minimized the cost of operation. The results of the study revealed that most of the respondents indicated that indeed the organization minimized the cost of production to a very large extent. The respondents indicated that the organization searches for the supplier with the lowest quotation and yet with the best quality as a cost minimization strategy. The respondents equally stated that the organization enhanced its efficiency by investing in the use of the latest technology thereby improving the efficiency production thereby minimizing the cost of production. The respondents further indicated that the organization had put in place a policy which minimizes wastages in the organization. Through outsourcing of most non-core activities, the organization has been able to minimize the cost of production as it is able to pay for only what it needs.

4.5.2 Extent Products are Low Priced in the Market

The respondents were asked to state the extent to which the organization ensured that the products were low priced in the market. The findings revealed that the respondents indicated that by outsourcing its non-core activities, the cost of production was kept at minimum and this ensured that the prices of the products were low. The study results revealed that respondents indicated that by sourcing for the lowest suppliers, the organization was able to maintain low product prices as the cost of the raw is kept low and hence the price of the products are kept low. Thirdly, the respondents indicated that by investing in the latest technology, the firm has been able to enhance its production with minimal wastages and hence the low prices of its products. To a large extent therefore the organization has managed to keep the prices of its products low.

4.5.3 The Organization Offer Cost Leadership

The study sought to determine whether the organization offered a cost leadership in the market. The respondents indicated that the organization has been offering cost leadership in most areas. For instance they stated that the organization offered the

lowest advertising rate in the market. The respondents further stated that their rates for the airtime in the airwaves was very competitive compared to its competitors in the market.

4.5.4 Extent Cost Leadership had Enhanced Competitive Advantage

The study sought to determine the extent to which the cost leadership had enhanced the competitive advantage of the organization. The respondents indicated that the cost leadership had indeed enhanced the competitive advantage of the organization to a large extent. The respondents indicated that due to the low product cost, the organization has been able to command a sizeable market share in the sector as many people come asking for their products. The results show that the respondents indicated that the organization through its cost leadership has shaped the perception of the consumers that the organization is the most affordable in the market. By keeping the cost of production low, the organization has been able to attract many consumers to its products which has enhanced its profitability. As a result of the cost leadership, the respondents indicated that while most media housed and printing firms resorted to restructuring through downsizing, re-engineering among others, the organization has remained firmly positioned in its place.

4.6 Technology Strategy

In this section the researcher sought to determine the extent to which the organization employed technology strategy. The results are presented in the following sections

4.6.1 Organization Adopted Technology Strategy

The study sought to determine the extent to which the organization had adopted technology strategy. The results show that all the respondents indicated that the organization acquired a state of the art technology for its printing which has enhanced its production. The respondents indicated that the adoption of the technology has increased the efficiency in the printing.

4.6.2 Areas Technology have been Employed

Asked to state which areas which technology has been employed, the respondents stated that the organization had acquired a new printing press with the latest technology. The respondents further stated that the organization had acquired

information systems to automate its operations such as accounting, procurement, human resource among others. The respondents further stated that the organization had acquired state of the art broadcasting.

4.6.3 Use of Technology Enhanced Production

The study sought to establish whether the adoption of technology had enhanced the production of the organization. The study findings revealed that the respondents indicated that the use of technology had enhanced the production in the organization as technology had enhanced the efficiency in production. The respondents explained that the organization is able to print a bulk of the papers within a short time and without wastages. The respondents stated that through the use of technology, the organization was able to process supply of goods and services at affordable prices and of good quality. The findings further show that respondents stated that through the use of technology, the organization was able to generate real time reports for decision making purposes.

4.7 Challenges in Achieving Competitive Advantage

The respondents were asked to state the challenges the organization faced in achieving competitive advantage. The results of the study show that majority of the respondents had cited increased competition which was occasioned by the rapid competition in the industry with many entrants in the industry due to the liberalization. The respondents further stated that the other challenge was satisfying the more demanding customer base whose needs are always changing which has complicated the business as the organization has to adopt new innovative ways in order to enhance long term customer loyalty and trust. Customer needs continue changing always and thus the organization ought to be conversant with these needs hence to adopt them. The respondents stated that the other major challenge facing the organization is the threat of the social media as the people today are able to read the news at it happens and therefore rendering the newspaper especially the print useless. This even though the organization has launched the digital section to counter this, had affected the revenue of the organization. The respondents further noted that the other treat was in the name of the bloggers who take the news that does not belong to them and use for their own gain. This has intensified the competition in the sector and the organization has ceded a part of its market share.

The respondents further stated that the other challenge has been the fact that retaining talent in the organizations has been rather difficult as there has been mass poaching of staff in the industry. This has caused major loss to the organization being a leading media house and everyone is therefore hunting for its employees after having been trained using a lot of resources. This has placed the organization in a precarious position because besides losing its talents to its competitors, the organization is always on a training session because the process of recruiting new staff is never ending. This has had a challenge in achieving a competitive advantage for the organization.

The other challenge which the respondents provided was that the media industry is which has become very dynamic, changing face every now and then. This respondents explained is due to the fact that is due to the fact that the industry has become a technology oriented with most of its operation being reliant information technology. This means that for the firm to remain competitive, the firm must be highly innovative and looking for every opportunity to adopt to the latest technology which are very expensive and therefore require huge financial outlays to remain competitive. On the other hand, how to harness the revenue from the digital section has remained a challenge as there is no legal framework to protect the rights of the media industries in Kenya. This means that the organization will process the news and disseminate for consumption for free. This has compromised the competitiveness of the organization.

Finally, the respondents stated that the other challenge was the fact that the raw materials for printing are all imported. The respondents pointed out that the instability of the shillings has been a challenge as the importation of these goods has become more and more expensive which compromises the competitive advantage of the organization. A weak shillings means that the imports are expensive as the organization uses more shillings to buy a dollar hence a loss to the organization as this will drive up the cost of production.

4.8 What to do differently for Sustainable Competitive Advantage

The respondents were asked to state what the organization could do differently for sustainable competitive advantage. The findings of the study revealed that the

respondents stated that the organization should seek more ways by which it can cut on the costs of its production as this will attract more customers and be a cost leader.

The respondents further stated that for the organization to remain competitive, the organization needed to invest more technological innovations to enhance the efficiency in its production and to minimize wastages and to improve on the quality of the products with the aim of making the products more appealing to its customers thereby enhancing customer satisfaction with the products.

The organization should device means by which the digital revenue can be harnessed to increase the organizations revenue.

The organization should adopt strategies that will ensure it retains its talents as this is a competitive advantage. This could be done through reviewing of the employee benefits, better working conditions and employee personal development.

The respondents suggested the organization need to diversify more on its products so as to provide a variety to its customers as a differentiation strategy.

4.9 Discussion of the Results

The study established that the organization practiced differentiation strategy where it has various products for different categories of customers. The organization also practiced price differentiation where various products were priced differently which influenced the organization's competitive advantage. The study further established that the organization offered cost leadership in the market with its low cost products. The low cost strategy influenced the organization's competitive advantage. Technology strategy was also employed by the organization as it installed a state of the art printing and broadcasting technology which enhanced the efficiency of its production thereby influencing the competitive advantage of the firm. However the organization experienced challenges in achieving competitive advantage due to the rapid competition in the industry, the increasingly demanding customers, the social media as the dissemination of news is no longer the monopoly of the media houses and the ever changing environment due to the dynamist of technology.

4.9.1 Comparison with the Theory

The findings of the study that the organization had a competitive advantage over its competitors as was depicted by the findings of the study are in consistent with the resource based theory which states that competitive advantage of the firm is measured I relation to the firm's success relative to the competitors (Porter, 1985). The study established that despite the fact that firms in the industry have been forced by the turbulent business environment to restructure through layoffs and reorganization, the Standard Group has remained firm and continued to record profits. The study also supports RBV theory which states that a firm can achieve competitive advantage through lower costs and differentiation advantage. The study established that by low costs the firm was able to provide cost leadership in the market and through differentiation of both the product and price, the organization managed to reach large number of customers with varied needs.

4.9.2 Comparison with the other Related Studies

The stud established that the organization employed both price and product differentiation which affected the competitive advantage of the firm as the organization was able to reach all the carders of its customers. This study is in consistent with Lynch (2003) who noted that differentiation of the products and the price leads to an above average performance of the firm. This implies that by practicing market differentiation, the organization was able to tailor make its products to suit the needs of its customers hence increasing its revenues and hence profitability.

Secondly, the study established that the organization acquired a state of the art technology in both the printing and the broadcasting. This enhanced its efficiency in its production leading to minimization of the cost of production due to limited wastages and the better product quality. This according to the findings of the study enhanced its competitive advantage. These findings agree with the views of Bassellier et al., (2003) who argued that the integration of the human factor and the information technology generates sustainable competitive advantage for the organization. This therefore mean that by adopting technology strategy, the organization was able to enhance its competitive advantage.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings of the study. The researcher then made conclusions based on the objectives of the study. Thereafter, the researcher made recommendations for the management. Suggestions for further research are then presented.

5.2 Summary of the Findings

The study established that the organization was competitive as according to survey by Ipsos Synovate, the organization is among the leading media houses in the country. The findings revealed that the organization has weathered the fierce competition in the industry and has been recording profits. The areas where the organization has been competitive include the investment in the latest technology elaborate marketing and distribution network throughout the country.

The further established that the organization has employed differentiation strategy in both the areas of price and product differentiation. The study established that the organization through differentiation has been able to achieve competitive advantage. The products were priced differently targeting different categories of people. The organization had different products targeting different customer categories including children.

The study established that the organization had a strategy to minimize operational costs. The organization employed cost minimization strategy in the areas of suppliers where the low cost suppliers were contracted. Other areas include enhanced efficiency in production through the use of latest technology in its production to minimize wastages. The products were low priced compared to its competitors. The organization is practicing cost leadership which has enhanced its competitive advantage.

The organization adopted the latest technology which has enhanced its production in terms of the quality of the product and cost minimization. This was in the areas of

printing press, broadcasting and human resource management. The study established that technology had enhanced production.

The challenges facing the organization included competition due to the mass entry in the industry due to the liberalization of the sector. Other challenges included the emergence of information technology and especially the social media which has made accessibility of news ease for everyone. The respondents indicated that the industry has lost revenue as a large chunk of people receive real time news on their phones. The organization has been losing its best talents to its competitors.

5.3 Conclusion

The study established the organization acquired competitive advantage where it has managed to weather the turbulent environment where its competitors are struggling to remain relevant. The organization achieved competitive advantage through differentiation strategy through price and product. The study established that the organization practiced cost leadership where its products were low priced and it practiced cost minimization. This intern enhanced its competitive advantage. Finally, the organization invested in the latest technology which enhanced its efficiency hence the quality of the products and less cost of production. These enhanced the organizations competitive advantage.

5.4 Recommendations

The study recommends that the organization show enhance its product differentiation strategy with the aim of increasing its product range to capture more customers thereby enhancing its competitive advantage.

The study recommends that the organization should intensify its cost leadership with the aim of ensuring that the organization remains competitive despite the turbulence in the industry.

The study further recommends that the organization needed to invest more technological innovations to enhance the efficiency in its production and to minimize wastages and to improve on the quality of the products with the aim of making the products more appealing to its customers thereby enhancing customer satisfaction

with the products. The organization should also device means by which the digital revenue can be harnessed to increase the organizations revenue.

5.5 Areas suggested for further research

The study was on the Standard Group only. The researcher however suggests that similar studies should be done on other firms in the industry. The study focused on only three strategies namely differentiation, cost leadership and technology. The study suggests that there are other strategies influencing the firms competitive advantage which there is need to carry out a study to investigate other strategies influencing the firms competitive advantage.

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APENDICES

APPENDIX I: INTERVIEW GUIDE

1. How old are you?
2. How many years have you worked in the organization?
3. How long have you been in the leadership in the organization?
4. Would you say your organization has a competitive advantage?
5. Could you explain
6. In which areas has your organization been competitive?
7. Explain to what extent are your products unique?
8. In what ways does your organization practice price differentiation?
9. Does your organization exercise market differentiation as a strategy for competitive advantage?
10. In your opinion, how has differentiation influenced the organizations competitive advantage?
11. To what extent does the organization minimize its cost of operation?
12. To what extent does the organization ensure that its products are low priced in the market?
13. Does your organization offer cost leadership in the industry?
14. In your opinion, to what extent has cost strategy enhanced organizations' competitive advantage?
15. To what extent has the organization adopted technology strategy?
16. In what areas has the technology been employed?
17. Has the use of technology enhanced the production in the organization?
18. In your view, how has information technology enhanced the organization competitive strategy?

19. Which areas do your organization face challenges in achieving competitive advantage?
20. In your opinion, what should be done differently for sustainable competitive advantage?