

**APPLICATION OF GENERIC STRATEGIES ADOPTED BY
SUPERMARKETS IN BUNGOMA TOWN, KENYA TO ACHIEVE
COMPETITIVE ADVANTAGE**

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DECLARATION

This research project is my original work and has not been submitted to any other university, college or institution for academic purpose.

Signed..... Date.....

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D61/84315/2016

The research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This project is dedicated to my loving daughter Yvette Amor. You hold a special place in my heart.

To my beloved family and friends for their ever flowing love, concern, care, encouragement, enthusiasm and immense support that richly inspired me to strive and achieve this goal. Special gratitude to my husband Musila for the immense support and understanding during this period. I love you all.

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ABBREVIATIONS AND ACRONYMS

MBV- Market Based View

RBV- Resource Based View

SCP- Structure-Conduct-Performance paradigm

SMEs- Small and Medium Enterprises

ABSTRACT

Strategy is an indispensable element for all competent business plans. An organization identifies its commercial niche, studies and understands about its customer. Porter affirms that there exists three principal business organizational strategies namely; differentiation strategy, cost leadership strategy and focus/niche strategy and an organization achieves better by identifying one strategy in which to concentrate on. In Kenya, retail businesses have realized overwhelming growth and therefore, purpose of this study is to establish application of generic strategies adopted by supermarkets in Bungoma town, Kenya to achieve competitive advantage. This study was directed by the following objective: to determine the application of generic strategies adopted by supermarkets in Bungoma town, Kenya to achieve competitive advantage. The study applied a descriptive survey design. The population of this study was 20 supermarkets licensed by Bungoma County. No sampling was done in the survey. Data collection was done through questionnaire which was administered to the senior managers of the supermarkets. Data was analyzed by using Excel worksheet. This research relied on descriptive statistics such as percentage, mean scores and standard deviation. The study found out that the supermarkets apply differentiation strategies for instance innovation and markets strategies in a quest to sustain competition in the market that is only to a little extent. It was also confirmed that geographic areas, consumer groups or buyer characteristic features and service line form focus strategies adopted by the supermarkets influences output performance of supermarkets to a little extent. The research also established that it was a bit complex to arrive at long-term strategies as a result of the market changes and the case that costs of implementing some strategies was an expensive affair. The study recommends; that supermarkets should mix retail market trend analysis and therefore investigate on strategic challenges. Secondly, supermarkets should adopt finest practices for instance to have an effective and visible communication measures directed by a professional and experienced personnel who makes ensure that information on the strategy implementation is well communicated in good time across the organization. The study was restricted to the stated classification of strategies as a result of time limitation constraints. Nevertheless, there exists alternate and unique strategies that could be adopted by the firm so as to retain competitive advantage; this has not been studied in this research. The research is exclusive to supermarkets in Bungoma County, Kenya and therefore the findings cannot be universalized to entire retail industry. This is because of diversity in company formation system, capabilities and structures. Therefore, there is a call for further study to be conducted to establish competitive strategies being adopted by supermarkets all over across the country.

CHAPTER ONE

INTRODUCTION

This chapter introduces the background in which the research is pegged. The sections include background of the study in which the Concept of the study, Competitive advantage and Supermarkets in Bungoma town are highlighted. The research problem, Research objective and value of the study has also been discussed.

1.1 Background of the study

Strategy is by definition an essential and critical part of any effective business plan. To gain a compelling competitive strategy, an organization needs to acquire and understand its business niche and learn about its consumers (Porter, 1980). Porter introduces three primary business strategies that is; differentiation strategy, cost leadership strategy and focus strategy.

A firm operates finest through selecting one strategy in which it concretes on and adopt for performance. Strategy in supermarkets involves switching over more users, optimizing average order sizes and retaining customers to come back for more based on proven approaches and strategies used by supermarkets in the economic setup (Shilpa, 2009). In any given market, there will be competition to appease the needs and wants of the participating consumers at a profit will always exist. Wherever there is an opening, someone will spot it and attempt to take advantage of on it (Cox & Brittain, 2000). The natural outcome of all these is competition, which is too many firms chasing too few customers and pursuing a share of a finite market.

Hoskisson et al (1999) correlates transformation of strategic management theory to a swaying pendulum. The significance 'oscillates' amongst a company's internal, firm-specific weaknesses and strengths and its external threats and opportunities. The study was anchored on the following theories: these are market based view and resource based view. The Market based view (MBV) demonstrates an organization's achievements over strategic behaviour of their competitors within the industry and the external industry structure.

In comparison, the resource based view (RBV) concentrates on their internal, capabilities to demonstrate performance and firm-specific resources. This "inside-out" relative importance demonstrates a firm's competitive advantage over their extraordinary connection of scarce resources, of which are unique to rivals and are beneficial for the definite goal of the firm.

The supermarkets expansion and growth within upcoming countries has obtained extensive consideration in advancing economies over the preceding generations (Reardon et al, 2003). This literary work demonstrates that supermarkets' grow speedily in urban metropolitan areas and are regenerating their commodities thereby distinguishing them from the ones used by long established wholesalers and retailers. This research was motivated by the fact that Bungoma town is universal and therefore attracts occupants from various parts of Kenya. According to Neven & Reardon (2004) supermarkets in Kenya are giving a yearly rate of 18% and have a 20% stake of the urban food market overall.

1.1.1 The concept of Strategy

Organizations need smart business strategic plans to; give control, purpose and direction, to coordinate the decisions made by different individuals and to dispose capital in the utmost efficient manner. Strategy is progressive and therefore forward looking. It concentrates on what the firm will become in the future and how the firm will compete now. A major goal of strategy is to give a guide of the organization's progress as well as to set ambitions that can not only inspire but also motivate the members of the organization.

Thomson & Strickland (2001) define an organization's strategies as the working design that the executive management authority has for locating the company position wise in its selected market field, competing successfully, charming customers and achieving good business performance. They added that it constitutes of the competitive movements and business avenues that managers employ in operating the company. This demonstrates that strategy is all about competition. Hamel & Prahalad (1989) relates the term strategic intent to illustrate the articulation of a desired leadership position. Additionally, they stated that 'strategic intent creates an intensive misfit between ambitions and resources. The top most directors then reconstructs the firm to narrow and wind the gap by establishing new competitive advantages.'

Porter (1990) maintains that in enduring through with five competitive forces, the three specific outstanding generic strategic ways also outplay and surpass other organizations in an industry. This knowledge base consists of the firm's intellectual capital, that is the tangible and intangible knowledge, experience, and skills of

employees in an organization. In the absence of strategies that guides a firm, organizations will be guided by currently ongoing operative issues rather than by a planned future. Competitive strategies of a firm are meant to address the main business of the firm. The magnitude of rivalry in an industrial environment regulates its profit probability potential and competitive attractiveness hence strategy should be able to spell out how the organization acknowledges the competitive forces in these commercial markets (Porter M. , 1990). He noted that competition is significant for every success or downfall of firms. This means that it is necessary for every firm to craft competitive strategies that will enable it gain competitive advantage over their rivals.

Porter (1980) says that, strategy concentrates either on differentiation, focus, or cost leadership. These strategies are referred to as Porter's three generic strategies and can be utilized in any size or form of organization. According to Porter, an organization must adopt and perfect only one of the three or face the risk of the business wasting precious resources. They highlight the relationship between minimizing cost approach, product differentiation approach, and market focus approach strategies. The cost management approach associates the firm successful acquisition for market share by attracting cost-conscious customers.

An organization can achieve this through offering the minimum target market prices. The organization must be in a position to offer lower costs than its competitors to achieve the minimum price bid while still attaining revenue benefits and huge return on investment. Increased profitability and high return on investment leads to the organization increasing its assets which is a measure of business growth.

1.1.2 Competitive Advantage

The 'competitive advantage' concept was introduced in the mid 1980 by Michael Porter as an outgrowth of the law of Competitive Advantage, which was thereafter formulated by David Ricardo end of 18th Century. Porter adopted a resource-based view by suggesting that an organization will have competitive advantage as when it acquires resources that are superior to its rivals, which enables it to deliver superior value (Porter, 2008). An organization is said to have a competitive edge when it has an upper hand over its competitors in retaining consumers and safeguard from competitive forces (Thomson & Strickland, 2001).

On the other hand, Hamel & Prahalad (1989) perceived a firm as a bedrock for continued competitive advantage when it acquires resources or expertise that give exceptional value to consumers and those not easy to imitate. Organizations are in stiff competition with each other and more so when they are selling similar products and services. It becomes even stiffer if the style of business is almost rigid, thereby giving the players minimal chance to diversify.

Daft (2011) states that to attain progressive advantage over rivals, the businessmen attempt to improve their pricing models, after sales services, and service levels agreement. Therefore to safeguard margins and avoid erosion, the retailers try minimising their cost-to-serve per consumer therefore ensuring that comprehensive takeover costs of a customer over time is minimised (Elms & Low, 2013).

An organization's strategy in this context is a well-drawn and structured action plan for conducting operations and running a business (Chisnal, 2005). The strategy design represents a managerial engagement in order to pursue a specific array of activities in improving business, pleasing and attracting consumers, match strengths prosperously and undertaking processes and enhancing organization's economic and market realization achievements. Hence for an organization to remain competitive it needs to have clear strategies (Papulova & Papulova, 2006).

1.1.3 Supermarkets in Bungoma

Going by McClelland (1962), supermarket is defined as a grand retail store of more than two thousand (2000) square feet trade space with at least three or more exits and majorly it is functional on self-service mode. A supermarket offers a wide range of household merchandise and food products that are organized into aisles for instance meat stuff, fruits and vegetables, dairy commodities, bakery as well as non-food household requirements for instance detergents and general cleaning components among other commodities.

McCullough, Pingali, & Stamoulis (2008) Confirms early premier supermarkets in Kenya spurred in 1960s. On the other hand, during mid -90s is when the sector began encountering accelerated growth/expansion which led to the setting up of numerous supermarkets countrywide. Strategy implies to directors response program for executing business and organizing operations. The trade arena is experiencing an outspread pace of advancement, unanticipated technological change and enormous increase of new rivals.

A firm's leading affair is on endurance and their continuity to stay aggressive and productive. Therefore, firms accommodate radical modifications within the territory for this reason; both chaotic and radical attributes. The sole chance is for the company to have competitive advantage by constantly being able to renew its competitive advantage within the market.

Bungoma town has a vibrant retail sector which has been growing immensely. There are five major supermarkets operating within the central business district namely; Khetias, Nakumatt, Naivas, Choppies and Tesia (Businesslist.co.ke 2016). The diverse business endeavors in the region is partly as a result of the existence of supermarkets which act as distribution centers for some commodities among other services. The supermarkets further have engaged in division, revamping and expanding of the wholesale and distribution of commodities and services which has led to expansion in other nearby towns such as Kitale and Webuye towns. This has borne more fruits to the economic sector that has diversified businesses.

1.2 Research Problem

Various authors have explained how organizations are able to gain competitive advantage by adopting the competitive strategies in the face of competition (Ansoff and McDonnel, 1990; Porter, 1980; Johnson and Scholes, 1999). The organizational design behind the product/services development processes determine the success of a firm in a massive way; with the business environment that is ever changing. Firms therefore needs to promptly and effectively act in response to the fundamental environmental attributes.

Examples in which competition determines the acceptance of their products/services in the contemporary market. With the rapid changes in consumer tastes, preference and improved rivalry margins, it is essential for firms to concentrate on the competitive strategy than ever before. The current exponential growth of supermarkets sector has resulted in cutthroat competition. Their presence is vivid with some operating on the same street and with their doors facing that of the rival. It is interesting to know “how” they manage to open the doors each day and stay in business (Reardon et al, 2003). The how denotes competitive strategy that we seek to highlight in this research.

In Kenya, the battle to control the retail market has intensified as both foreign and local megastores roll out and implement expansion plans. This competition has forced some supermarkets such as Woolmatt Supermarket to exit the Kenyan market in the wake of growing and emerging competition following proliferation of supermarkets in general. The research question was ‘What are the generic strategies applied and adopted by supermarkets in Bungoma town, Kenya to achieve a sustainable competitive advantage?’

Empirical analysis shows that supermarkets currently face massive competition motivating them to concentrate on enhanced promotion game plans and customer service to advance customer buying shares and wallets. Supermarkets serviceability are prone to expound on demand directly to every commodity sold by appealing to additional customers (Shilpa, 2009). Cost wise, the means of improving store quality conditions through services bring about a hike in costs (Ellickson, 2006).

Borges-Tiago (2008) conducted a research on Internet driven customer centric whereby he puts that enhanced service delivery to customer grants the recognition of customers' demands and therefore puts much emphasises on remarkable consumer values to give appropriate response actions to their demands or needs and therefore achieving sincerity and contentment. The researcher's main finding was that in order to furnish the company to endure with the external world of consumers and rivals, it is equally important to enlighten and inspire all employees in the firm. This will ensure that they provide appropriate level of service to customers.

Scholars have conducted several studies on different aspects of retail chain operations that evaluate on the performance of supermarkets in Kenya. For example, Imbuga (2005) did a survey on determinants of brand loyalty to supermarkets in Nairobi while Kiilu (2008) developed a case study on corporate strategy at Nakumatt Holdings Ltd. Njiru (2010) studied factors that determine brand loyalty to supermarkets in Nairobi; Langat (2011) carried out a research on strategic response to change in external environment by supermarkets in Nairobi. All these studies show different aspects of supermarkets thus, this is the gap that this research seeked to address. The research question was 'What are the applications of generic strategies adopted by supermarkets in Bungoma Town, Kenya to achieve sustainable competitive advantage?'

1.3 Research Objective

The main objective of this research was to establish the application of generic strategies adopted by supermarkets in Bungoma Town, Kenya to achieve competitive advantage.

1.4 Value of the Study

The research is of importance and value to stakeholders including the supermarkets management, policy makers, and researchers among other interested parties. The study intends to inform the management on the inherent generic strategies they can adopt during strategic planning for both present and future references. This will ensure that the management secure the market and pinpoint an approach that appeals to consumers in relation to the other competitors in the market.

The government and non-governmental organizations rely on this study in formulating positive fiscal policies. These bodies should ensure that supermarkets do not come up strategies which promotes monopolistic business as a means of safeguarding customers from exploitation by business oriented persons. The Government is able to understand numerous strategies that leads to sustainable competitive advantage and their effects on both social, economic and as well as environmental attributes of the economy.

Further, scholars and researchers find this study of importance because it boosts and improve the body of knowledge in this area. It contributes on proper assessment, identification of strategies and use of appropriate technologies by supermarkets. The researchers with further research interests in this area are in a position to get reference materials.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter introduces theories which underpin the research and the relevant literature reviewed. Theoretical foundations, generic strategies and competitive advantage is discussed in this chapter. Additionally, this section provides theoretical framework upon which the study was based. Theoretical foundations of this study were; resource based view and market based view, and competitive advantage which highlights on Porter's generic strategies has been discussed.

2.2 Theoretical Foundations

This study sought to find out theories on organizational performance under two theories namely; resource based view theory and market based view theory. Pursuance of competitive prevalence and researches evaluating organizational capital realization have drawn consideration to the urge for understanding the fountains of sustainable competitive advantage. These needs are significant to most firms' objective mission, and additionally has turned into a dominant research area in strategic management grounds. This answers to the question why some organizations outperform others has been discussed using these two theories.

2.2.1 Resource Based View Theory

The resource based view applies the firm's interior domain as a coaching approach for competitive advantage. This theory maintains that firms develop assets to contest in the environment. Ansoff (1965) & Chandler (1962) formed decisive input as

researchers for the development of the Resource-Based View design (Hoskisson et al. 1999). Beginning 1980s forth, with reference to Furrer et al. (2008), target reciprocated from the industry framework, for instance, Structure-Conduct-Performance (SCP) model and five forces model to the organization's centralized structure, with resources and potential competence that are fundamental components of the Resource-Based View. RBV developed as a suitable model of competitive advantage (Furrer et al. 2008; Hoskisson et al. 1999).

Resource Based View origin is traced to Penrose (1959), who suggested that capital deployed, acquired, and consumed by organisations are undoubtedly most important than commercial layout structure. Later Wernerfelt (1984) considered the organization as an assortment of valuable capital or revenues which are linked partially to the organization. (Prahalad & Hamel, 1990) secured the concept of pivot expertise that focuses on important class of capital being a firm's competence.

Previous analysts commonly grouped firms' capital into three different groups: physical, human, and monetary (Ansoff, 1965). This emerged to comprehensive explanations of legislative resources (knowledge and skills) and professional know-how (Hofer & Schendel, 1978). Barney (1991) recommended that apart from ordinary assets of a company, there exists other assets such as physical capital resource and human capital resources.

Subsequently, Barney & Wright (1998) later included human resource management associated capital to the listing of supplementary capital to the firm. The capital can either be intangible or tangible (Ray et al. 2004). Wernerfelt (1984) also argued that capital may be linked partially to the company. Barney (1991) attracted consideration

towards 'entire equity, firm attributes, potential, information, legislative development, expertise among others, guided by a firm that empowers it to visualize and execute game plans which promotes its effectiveness and efficiency'. Conclusively, organizations capable of leveraging wealth to execute a 'value generating strategy not concurrently enforced by any prevailing or future rival' Barney (1991) can attain combative edge. Scholars advocating for RBV asserts that sole strategically, meaningful and appropriate collateral, and expertise need to be considered experts and originators of competitive advantage.

BVR embrace two assumptions in investigating origin of competitive advantage (Barney, 1991 and Peteraf & Barney, 2003). First, is that this layout supposes that organizations in a given commercial setup (or in a given strategic society) can be different to the extent of the capacity of resources which they control. Secondly, it presumes that resource heterogeneity can recur within sometime since the capital used to execute firms' strategies are not totally changeable beyond firms (that is, some of these capital wealth cannot be transferred in agency markets and are challenging to imitate and accumulate). Resource diverseness (uniqueness) is contemplated as a fundamental position for capital quantity to commit to competitive advantage.

2.2.2 Market-Based View Theory

The MBV approach illustrates that exterior market assimilation and industry factors are the principal motivation of a company's achievement. Bain (1968) Structure-conduct-performance frame of reference and Porter's five forces models are among two perfectly-established models in this class. The source of profit for the organization is enclosed in the competing position indicating its final product decisive

and critical point. The firm's distinctive set of activities from that of their competitors is said to be its strategic position; this is determined through how it executes comparable actions to other associations, but in extremely unique manner. In this view, an organization's profit suitability is established entirely by the framework and competing changes of the commercial setup which it conducts business (Schendel, 1996).

The market-based view involves classifying school-age of models of game plan and models that advanced in the mechanized system business phase of Hoskisson's account, of the advancement of critical thinking (Hoskisson et al. 1999; Mintzberg et al. 1998; Porter 1980). All along this stage, concentration was on the organization's surrounding and alien elements. Scholars ascertained organization's achievements were somewhat depending on the mechanized surrounding. They examined strategy from the industry form of view at large and the environment of the company in the market with relation to its rivals. In formulation strategy, organizations regularly form a comprehensive judgement of their personal competitive edge through an appraisal of the independent surrounding pegged on the five forces model (Porter 1979; 1985).

The five forces debated consists of: barriers to entry, substitutes threats, suppliers bargaining power, buyers bargaining power and competition among rivals (Porter, 1985). In that view, a company's determinant of market prowess highlights its cognigent execution. Three origins of market potential are regularly recommended are monopoly, barriers to entry, and bargaining power (Grant, 1991). If a firm is monopolistic, it has a forceful market placement and so achieves best (Peteraf, 1993).

Great boundaries to entry for new rivals in a commercial enterprise results to minimised rivalry and therefore improved achievement. More advanced trading capabilities in the industry relating to traders and consumers can as well result in improved achievement (Grant, 1991).

The five-force model permits firms to scrutinize the present position of their commercial enterprises in an analytical approach. Nonetheless, the approach has limitations. Porter's approach presumes a typical superb market along with fixed market network, which is rarely to exist in current changing economical setup. Additionally, other commercial enterprises are complicated with numerous correlations, which makes it challenging to envision and analyse using the five forces approach (Wang 2004).

Furthermore, Rumelt (1991) declared that the most influential elements of profitability are firm-specified other than industry-specified. Prahalad & Hamel (1990) recommended that competitive advantage positioned on capital and competence most crucial as compared to just individually positioned on commodities and market placement with reference to contribution to continuous competitive advantages.

Among the more useful and generally indicated critique of the MBV is the assumption of capital homogeneity and the flexibility of capital in a commercial set up. Apart from early management scholars' observation that rival firms in an economic enterprises are somewhat similar, the MBV recognises firms to be of comparable existence. If temporary heterogeneity in capital distribution arise between

firms, the MBV resumes it will be immediately amended via market structures and the unconditional flexibility of capital. This assumption view in simple variation to real world. For concentration on the framework of an industry as an external reputation to the firm, the MBV thereby has an oversight of a firm's internal attributes, framework, and capital.

2.3 Generic Strategies and Sustainable Competitive Advantage

The basis of strategic positioning is to determine actions that results in remarkable economical benefits since they are distinctive from rivals' and therefore establish a sustainable competitive advantage. Strategy comprises not only the aggregate approaches and capital of a firm but the prevalent cord of logic that associates them in sync into a meaningful and dependable perfection (Andrews, 1971); Ansoff, 1965). In further plain circumstances, strategy links an organization's prevailing objective and actions to attaining that organization's targets for the future.

Subsequent to an empirical review essentially using Porter's (1980) generic strategies, Namiki (1989) established that SMEs generally embrace four types of competitive strategies. The first, being marketing differentiation, is placed on competitive pricing, brand advancement, regulation over delivery, promotion and modification in terms of marketing approaches. The second, being segmentation differentiation depends on the capacity to give specialized commodities to definite consumer groups.

The third, being innovation differentiation is linked on the capacity to offer new and technologically high tech commodities. The fourth, being commodity service is established on the nature of the commodities and supply given to consumers. Porter

(1980) bids generic strategies are applicable for modest manufacturing firms under various economic circumstances: First, differentiation strategy to establish an exclusive commodity/ supply, consumer patriotism, price-inelasticity, competitive barriers, and bigger limits; and Second, low-cost strategy to establish a sustainable competitive advantage by giving the minimum prices in an economic segment with reference to low-cost producer position.

Pricing approach indicates the extent of the pricing strategies (reconstruction of pricing method, credit extension, policy on discounting prices, and margins) for a product varies across national perimeters. Lastly, the distribution strategy adaptation emulates the readjustment of distribution (basis to identify the budget for distribution, distribution structure, distribution system and transportation strategy) to the export market (Kotler & Armstrong, 1996).

Table 2. 1: Porter’s Generic Strategies

Target Scope	Sources of Competitive Advantage	
	Low cost	Product Uniqueness
Broad (Industry wide)	Cost Leadership Strategy	Differentiation Strategy
Narrow (Market Segment)	Focus Strategy (Low Cost)	Focus Strategy (Differentiation)

Source: **Porter, 1980.**

Porter (1980; 1985) asserted that there are only two forms of competitive advantage a firm could adopt, general cost leadership or differentiation, and these measures a firm's capability to endure with industry forces better than its competitors. The forms of competitive advantage can be realized in three ways, hence the three generic strategies of: differentiation, cost leadership and focus.

Cost leadership and differentiation concerns competing in an expansive dimension of industry sections while focus concerns competing in a compressed segment. All the three strategies possess the likelihood of leading to above average profits; nonetheless, all the three strategies might not be equally satisfactory for an organization. The major reason being three strategies vary on capacity and show various requirements, for instance in relation to organizational arrangements, skills, resources, management style, incentive systems and control procedures.

Competitive advantage is "an act that an organization undertakes better than its rivals and that which provides an advantage in customer service needs and/or mutually maintaining satisfaction relationships with executive stakeholders" (Ferrell, 2012). William & Curtis (2008) have based pivotal competences on commodity capabilities and features. This proves to be counter-productive in regards to adjusting to diversities in external market environment. On the same note, William & Curtis (2008) asserts that core competencies might eventually graduate to a core rigidity which imposes restraints to long term growth prospects of the business. It has been established that "when consumers become strongly connected to the organisation products, then competitive advantage prevails more" (Sekhar, 2010).

Boone & Kurtz (2013) highlights the stakes of imitations of competitive advantages for long term prospective businesses' growth. Boone & Kurtz (2013) puts that competitive advantage that comes with low orders for example advantages on costs can be easily copied by rivals who can enjoy availability and access to less costly resources. They also propose adopting stronger brand images and advanced innovation technology in several business procedures as the causes of competitive edge, majorly because of high sustainability levels of such sources of competitive advantage as a result of them being difficult for competitors to imitate.

Governmental regulation changes are aforementioned by Ginter (2013) as an avenue to gaining competitive edge by some specific private organizations. Ginter (2013) specifically refers to tariffs introduction as to support local producers when it comes to importing certain products, and therefore local producers enjoy cost advantages to compete with foreign multinational corporations.

A firm can conveniently manage costs of operations through having a strategy, effectively execute project, and subsequently have superior market and economic intelligence as well as attaining competitive advantage. Barney (1991) advocates that organizations attain a competitive advantages that is sustained through enforcing competitive strategy that ventures into their strengths internally, by acting in response to environmental opportunism, while overcoming threats from external forces and evading weaknesses internally. As far as it concerned, it is of importance to acknowledge that generic strategies are the means to gain competitive advantage and are closely linked to the capabilities and resources the company possess and uses.

2.4 Summary of Literature reviewed and Gaps

Several studies have been carried out on supermarkets for example Kariuki (2011) carried out a study on challenges and survival strategies of supermarkets in Nairobi, Kenya and found that for a supermarket to endure competition it has to realize the outstanding obstacles within the environment and his desire to dominate the way or the strategy to be executed to adverse these obstacles. This will enhance competition in the market. It should be strongly noted that the prevailing threats promotes a specific endurance strategy to outperform the rivals as a result of competition.

Neven & Reardon (2004) did a research on the rise of Kenyan Supermarkets and the Evolution of their Horticulture product Procurement Systems. The findings were that in Kenya, supermarkets have expanded from an insignificant opening at the beginning of the 1990s to 20% of the urban market sector in 2003. They also found that supermarkets have escalated from the prime to average and scanty towns, with 44% of supermarket sales and 58% of supermarket stores situated away from Nairobi in 2003. A research by Brennan (1991) pertaining the actions that small retailers applied to compete with discounters demonstrated that giving better quality products offers, better customer services and providing specialized services were the most successful strategies that a firm can adopt. However, in practice no firm can adopt all the strategies and at the same time, not a single strategy can be deemed successful in all situations. It is for this reason therefore, that this study evaluates these strategies so as to identify and demonstrate the one with bigger returns.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the research methodology to meet the intensions of the research was explored. It covered the research design; where descriptive method was applied, the population size of which the entire population was studied through census. Data collection and data analysis was conducted through a structured questionnaire and descriptive measures respectively.

3.2 Research Design

This research applied a cross sectional survey design to investigate the application of generic strategies adopted by supermarkets in Bungoma town to achieve sustainable competitive advantage. The researcher conducted a census of supermarkets based in Bungoma County. This method gave convenient freedom to the researcher to conduct an intensive study about the supermarkets. This method also gave room to the researcher to collect and gather exclusive knowledge.

Descriptive design permitted the researcher to explore the fundamental aspects in their original form and state without adjusting them. This design provides the researcher with information and data for the definite variable that will be investigated, also allowing the researcher to consider large sample sizes and general observation of the results (De Vaus, 2002). Additionally, this method can be applied to demonstrate the correlation between the dependent variable and independent variable (Mugenda & Mugenda, 1999). This approach also complements the interpretation and understanding of results and findings.

3.3 Population

Population of the study comprised of supermarkets operating in Bungoma County. According to Bungoma County Government licensing data, a supermarket is one defined to occupy at least between 800 to 5,000 square feet. Based on the same information, there are 20 supermarkets in Bungoma County (Appendix II). The researcher considered a census in order to represent the entire supermarket population. The advantages attached to census method includes providing an accurate dimension of the population since there's no or a small margin of sampling error. The benchmarking data can be retrieved for further studies and researchers. Additionally, comprehensive and accurate information about sub-groups within the population is highly likely available.

3.4 Data Collection

The researcher committed to primary source of data; this was through using self-administered questionnaires as the main instrument in the data collection process. The questionnaire examines items which are related to the research objective and research question generated for the investigation. The questionnaire comprised of two (2) parts. The first part comprises of the demographic questions was aimed to capture information on the organization profile whereas second section aimed to gather data about strategies adopted by supermarkets in Bungoma town to achieve competitive advantage pegged on Porter's generic strategies.

The questionnaire constituted of both open-ended and closed questions constructed to bring out specific feedback for both qualitative and quantitative analysis subsequently. The open-ended questions enabled respondents express themselves as well as give more information to the researcher. Respondents targeted were the chief operations manager or supervisors at senior management level. The questionnaires were distributed via “drop and pick later” mechanism.

3.5 Data Analysis

Analysis of quantitative data is an active and interactive process which will commence after the data collection. Quantitative data gathered through the carefully developed and structured questionnaires were used to provide arithmetic which was evaluated statistically and provided results that can be generally established to some larger population through descriptive statistics.

The data collected was analyzed, summarized and tabulated through descriptive mechanisms; percentages, mean and frequency distribution tables while the graphs and tables will be used for findings presentation. However, ahead of final analysis, data was cleaned to wipe out discrepancy errors and thereafter, grouped on the basis of correlation comparability and thereafter organized in tables. This analysis design was most preferred as it granted the researcher to get a perception on the regularly used strategies of the respondent supermarkets.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS.

4.1 Introduction

This phase outlines the findings and discussions in relation to data that was collected and analysed. This aims at establishing the application of generic strategies adopted by supermarkets in Bungoma Town, Kenya to achieve competitive advantage. The study results were shown in charts, tables and graphs format. The tables assisted to compile data, while graphs and charts were adopted to demonstrate the research findings.

The results were established on the feedback from the questionnaires returned and data collected on the research questions. 20 questionnaires were circulated to the various supermarkets listed and licenced to operate in Bungoma County. 16 of the supermarkets responded making the response rate be 80 percent.

4.2 General Information

General information is classified in the following sections: Name of Supermarket, Job Title, Highest education level, Respondents age, Years of operation of the supermarket. This section also presents the number of branches of the supermarket and the total number of employees in the supermarket.

4.2.1 Educational level

The study desired to establish the education level of respondents to ascertain the level of understanding of the generic strategies and their effects on competitive advantage. Respondent's level of education was categorised under four sections. These were Secondary, College/Diploma, Undergraduate degree, Postgraduate degree. The responses are presented in Table 4.1

Table 4. 1 Education Level

Education Level	Frequency	Percentage
Secondary	0	0
College or Diploma	4	25
Undergraduate degree	8	50
Postgraduate degree	4	25
Total	16	100

Findings presented in Table 4.1 indicate that no respondent had secondary level of education. Four (25%) of the respondents had college diplomas, Eight (50%) had university first degree while Four (25%) had postgraduate degrees. These distributions of respondents in relation to level of education show that they are learned and therefore competent enough to respond to the questions.

4.2.2 Age of respondents

These sections of the research desired to demonstrate the respondents' age (managers and supervisors). The responses aimed at distinguishing the age brackets of the managers/supervisors in the respective supermarkets as well as establish the average age of superior staff who handles decision making. The findings are presented in Table 4.2.

Table 4. 2: Age of respondents

	Frequency	Percentage
Below 25	3	18
25-35	7	44
36-45	5	32
46 and Above	1	6
Total	16	100

From the findings, it was established that most of the managers/supervisors were between 25-35 (44%) and above 46 years present the least number of managers at (6%). This shows that most supermarkets look for the young and energetic to make their management team.

4.2.3: Years of Operation of the Supermarkets

The study desired to establish the number of years supermarkets had operated. This was to evaluate on the supermarkets that have been in existence longer than their competitors as well as the ones that were in operation for a shorter term. The findings are shown in Table 4.3.

Table 4. 3: Years of Operation of the Supermarkets

Number of years	Frequency	Percentage
Below 10 years	4	25
10-15	3	18
16-20	7	44
21 and Above	2	13
Total	16	100

Results demonstrated in Table 4.3 shows that 4 (25%) of the supermarkets had been operating for less than 10 years while 3 (18%) indicated to have been in operation for between 10 to 15 years. Seven (44%) had been operating business for between 16-20 years while Two (13%) had been involved in business for above twenty years. This is an indication that most of these supermarkets had been in business for long to have an understanding of competitive strategies.

4.2.4: Number of branches of the Supermarkets

The research aimed to ascertain the branch network of the supermarkets. This was with a view to find out the need to have strategy implementation. The number of branches was also used to indicate the supermarkets with a broad base in terms of customers. Results are presented in Table 4.4

Table 4. 4: Number of branches of the Supermarkets

Number of branches	Frequency	Percentage
Below 5	6	38
6-10	5	31
11-15	3	18
16 and Above	2	13
Total		

Results presented in table 4.4 indicate that 6 (38%) of the supermarkets had below 5 branches. The supermarkets with between 6-10 branches and those with between 11-15 branches were 5 (31%) and 3 (18%) respectively. Those supermarkets with over 16 branches were 2 at (13%). This means that majority of the supermarkets have upto ten branches and therefore a larger competitive avenue is realised.

4.2.5 Number of employees in the Supermarket

The research desired to ascertain the number of employees the supermarket had. The number of employees indicates the importance of strategy implementation and to give direction especially where the number of employees is large. Results of the finding are presented in Table 4.5.

Table 4. 5: Number of employees in the Supermarkets

Number of employees	Frequency	Percentage
Below 100	8	50
101-150	5	31
151-200	2	13
201 and Above	1	6
Total	16	100

Findings shown in table 4.5 shows that 8 (50%) of the supermarkets had below 100 employees while those with between 101 and 150 employees were 5 (31%). Those supermarkets with between 151 and 200 employees were 2 (13%) and those with over 200 employees was 1 (6%). The findings show a strong correlation between the number of branches and the number of employees.

4.3 Differentiation Strategies

The researcher asked the respondent to illustrate the extent that their supermarkets used differentiation strategy in a proposition to endure market competition. The measurement was done within a range of very large extent, large extent, moderate extent and a little extent. The findings obtained are shown in Table 4.6.

Table 4. 6: Differentiation Strategy

	Frequency	Percentage
To a very large extent	2	13
To a large extent	3	19
To a moderate extent	2	13
To a little extent	8	50
To no extent	1	5
Total	16	100

From the above findings shown in Table 4.6, 2 (13%) of the supermarkets show they use differentiation strategy to a very great extent, 3 (19%) of the supermarkets show they use differentiation strategy to a large extent, 2 (13%) use moderate extent, 8 (50%) of the supermarkets show they use the differentiation strategy to little extent and 1 (5%) show they do not use the differentiation strategy at all.

The respondents were further requested to indicate the level of differentiation strategies application tabled below in their supermarkets. This was measured within four factors namely product, price, innovation and market characteristics. The mean and standard deviation was determined to show further the extent. The findings were demonstrated in Table 4.7.

Table 4. 7: Level of Application of the Differentiation Strategies

	No extent	Little extent	Moderate extent	Great extent	Very great extent	Mean	Standard Deviation
Product	0	7%	32%	43%	18%	3.7714	0.6631
Price	0	12%	50%	25%	13%	3.8714	0.9467
Innovation	0	6%	24%	44%	26%	4.3000	0.6670
Market	6%	12%	75%	50%	13%	4.3286	0.7750

From the findings in above table 4.7 it shows that market has the highest mean of 4.33 and therefore the most used differentiation strategy, innovation is second with a mean of 4.30 then followed by price with a mean of 3.87. Product is the least differentiation with a mean of 3.77. Generally, market characteristics are most favourite at 75%.

4.4 Focus Strategy

The researcher also asked the respondents to pinpoint the extent to which supermarkets use focus strategy. This was measured from a range of very large extent, large extent, moderate extent, little extent and lastly no extent. The responses are as demonstrated in Table 4.8.

Table 4. 8: Focus Strategy

	Frequency	Percentage
To a very large extent	2	12.5
To a large extent	8	50
To a moderate extent	4	25
To a little extent	2	12.5
To no extent	0	0
Total	16	100

The researcher asked the respondents to show the level at which various factors inform focus strategies in the supermarkets. The factors evaluated are buyer characteristics, product range, geographical area and service line. The findings are shown in table 4.9.

Table 4. 9: Factors of Focus Strategy

	No extent	Little extent	Moderate extent	Great extent	Very great extent	Mean	Standard Deviation
Buyer characteristics	0	0	18%	51%	31%	4.0714	0.6214
Product range	7%	0	20%	48%	25%	4.1857	0.6658
Geographical area	0	6%	12%	80%	24%	4.1429	0.8561
Service line	5%	12%	21%	43%	19%	4.1714	0.8842

From the findings of above table 4.9 the supermarkets preferred product range as a focus strategy to the greatest extent of 4.1857 while the others they were assessed on following closely; service line 4,1714,geographical area 4.1429 and the least used is buyer characteristics with 4.0714.

4.5 Cost Leadership Strategy

The respondents were further asked to show the extent that choice of cost leadership as a cutthroat strategy influences the achievements of supermarkets. This was measured from a range of very large extent, large extent, moderate extent, little extent and lastly no extent. The results were shown below in Table 4.10.

Table 4. 10: Cost Leadership Strategy

	Frequency	Percentage
To a very large extent	4	25
To a large extent	3	18
To a moderate extent	7	44
To a little extent	2	13
To no extent	0	0
Total	16	100

From the findings of Table 4.10, 2 (13%) indicated that they used cost leadership to a little extent, 7 (44%) as the majority indicated that they use moderate extent, 3 (18%) said they used this strategy to a large extent. Those who said they use the strategy at a very large extent were 4 (25%). Clearly majority of respondents said that choice of cost leadership as a competitive mechanism influences the productivity of supermarkets to minimum extent.

The respondents were asked to show the scope under which they used the stated options of cost leadership style in relation to diversity in the market. These measures revolved around the charges in terms of costs that the supermarkets had put in place in comparison to their competitors. The overheads were also measured within the industry. Use of past knowledge, new service features and staff reduction levels were also measured. The responses were as presented in Table 4.11

Table 4. 11: Adoption of Cost leadership Strategies

	No extent	Little extent	Moderate extent	Great extent	Very great extent	Mean	Standard Deviation
Keeping charges same as competitor	5%	12%	49%	13%	21%	3.2860	1.0176
Keeping charges lower than competitor	0	6%	57%	24%	13%	3.7571	0.9696
Keeping overheads lower than others	0	10%	52%	27%	11%	3.7000	1.3005
Keeping overheads same as industry	0	6%	28%	60%	6%	4.3571	0.5906
Use knowledge from past experience	4%	11%	23%	38%	24%	4.3286	0.6532
New service features in response to demand	5%	12%	25%	47%	11%	3.8857	0.8434
Staff reduction	0	0	49%	34%	17%	3.5000	1.0734

As presented in Table 4.10, the respondents demonstrated with a mean of 4.3571 that they use and rely on knowledge from past experience in the relation to the advertisements in the market to a greater extent. They also indicated with a mean of 4.3286 that they use new service features in response to demand strategy in response to changes in the market to a great extent. In extension, the respondents recorded a mean of 3.8857 that they keep overheads same as industry in response to changes in the market to a moderate extent. The respondents also indicate with a mean of 3.7571 that they charge same as completion in response to the changing market to a moderate extent.

4.6 Competitive Strategies

For smooth resources accessibility, a business location is a key element that ought to be considered. To attract customers' attention, their comfort needs to be considered. The researcher took an interest into the location of the supermarkets in terms of the distance within town and from common areas like bus stage. The actual reasoning was to evaluate the unconventional effect to customer preference on distance to supermarkets for their ordinary commodities.

It is acknowledged that besides other factors, customer satisfaction plays an important role in consumer satisfaction. Price gives commodities for those who have the will and are able to buy. It is consequently a vital element in businesses since it gives monetary capital amidst manufacturers with regards to how perfect they fulfil consumers' wants. The price strategies are determined by elements that mediate in producing and distributing processes. Those elements comprise of but not restricted to; raw materials costs, wage and salary, transportation costs and storehouse elements.

The offer price of a commodity ought to be greater than at the break-even point in the process of production if it has to realise a profitable output and remain competitive. It is essential to educate consumers concerning new products or services, its price, the manufacturer and more gains for consumers, so as to encourage their buying and use. Promotional activities plays a role of creating a psychological effect to consumers, which excites the choice of buying the commodity. The aims of promotional exertions are plenty and varied, for example giving commodity information, appealing demand, increased store traffic, commodities differentiating, building a quality brand model, advising current consumers on commodity benefits, counteracting to rivals' bids, act in response to the news, aligning periodic demand variations, and consumer relationships remodelling.

People establish diverse perceptions for commodities offered in the market setup. It is for this reason therefore worth to notice when a person may not realise the usefulness of something when they develop a negative attitude towards it. The researcher examined several strategic mechanisms as adopted by supermarkets in Bungoma County and made an observation that there is a significant impact on the competition. The managers are of the opinion that location plays a major role in determining the supermarket that consumers shop.

4.7 Discussion

Porter (2007) defines competitive strategy as “the quest for a favorable competitive state in industrial setup, the essential environment under which rivalry takes place”. He added that “competitive strategy targets establishing a continuous and viable state contrary to the forces that determine industrial rivalry”. This involves determining competition sources in the dynamic environmental setup then highlighting strategies

that equates to the organizational competence to the change in environment. Some managers in the 16 supermarkets of the research appreciate this form of strategy as they have executed the strategy by operating their supermarkets for longer hours and also having branches strategically located near bus-stations.

Chaharbaghi and Lynch (1999) cite that due to the volatility of the present-day markets to promote the future market requirements, the current capital of a firm may not be sufficient. There is a crucial and fundamental need therefore to adjust and expand resources so as to face the future market competition. In order to sustain competitiveness in the near future market environment, a firm ought to rediscover the current business connections by applying the current resources while developing a new set of resources; therefore, a firm needs to be committed in resources management and resource development.

This approach majority of supermarkets in Bungoma County have since embraced, they have popularized use of loyalty cards which encourages frequent purchases and complement customer loyalty thus increased sales revenue. Additionally, they have popularized automated programs which gives room for swiping of Visa cards for the purchaser to shop conveniently and with ease having not to carry cash for the same.

There are the vital features of a resource that enables it to be strategically significant: Valuable; since there is no reason for obtaining resources if it will not be of valuable use to the organization. Rare; since resources retained by a bigger population of firms are not able to give a competitive edge for they are not able to deliver an exclusive

strategy. Inimitable; for a fact that resources can only be a medium for continuous competitive edge if the organizations that don't own these resources are not able to acquire them. Finally, they should be non-convertible this is explained that other firms are not able to produce a similar resources. In relation to this, some supermarkets in Bungoma County have chosen to acquire a system in which they brand their own items. These branded commodities remain outstanding to a particular, distinct and specific retail entity and a consumer will categorically go to purchase that uniquely branded commodity that he or she presumes to provide quality and perfect value for their money. Examples of these branded products are; sugar, washing detergents and cereals.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section shows summary of the findings on application of generic strategies adopted by supermarkets in Bungoma Town, Kenya to achieve competitive advantage, conclusions and recommendations drawn thereof. This part is analysed in sections namely; summary of the findings, conclusions, recommendations, limitations of the study and suggestions for further study.

5.2 Summary of Findings

The main purpose of this research was to investigate on the application of generic strategies adopted by supermarkets in Bungoma Town, Kenya to achieve competitive advantage. The findings are summarized as follows. The research well-established that supermarkets apply differentiation strategies for instance the innovation and the market strategies in an effort to survive competition in economic market only to ‘a little extent’. In addition, the researcher found out that geographical area, service line and consumer group characteristics in form of focus strategies by supermarket influences by ‘a large extent’. The research also established that the selection of cost leadership method as a competing strategy influences supermarkets to ‘a little extent’ in terms of performance output. The research also demonstrated that product features, consumer demand, economic and market progressions affects the supermarkets while setting a product’s optimal price to ‘a great extent’.

These findings agrees to Cantor and Macdonald (2009) affirmation that except for when a product's benefits are appreciated and made clear to the target consumers, it is worthless regardless of how appropriately refined the product may be. In consumer satisfaction and high stock turnover, business image is one of the main elements which translates to huge profits benefits for commodities hence help in establishing a competitive edge. The study highlighted the same findings since some supermarkets charged household commodities more expensive as opposed to other entities and in return they attracted more customers.

Successful organizations will always have people who associate themselves with it. The responses have indicated that as a major competitive strategic approach, supermarkets put into consideration the location of their premises majority of their consumers prefer not walking longer distances to their respective bus terminals. The present locations of supermarkets however is likely not to change anytime soon though they are meant to put into consideration location strategic plans that would tackle the distance issue. This finding was signified since supermarkets located nearer to the bus terminals realised bigger a number of clients regardless of how expensively they had priced their commodities.

The research and progressive conclusion of the adoption of generic strategies on supermarkets in gaining competitive advantage was arrived at after an investigative study which was contributed to by averages, observation and descriptive analysis that was expressed by using tables and charts. Excellent customer care and the quality of the commodities should harmonize with the information conveyed to them. Important to note is that customer's patriotism is attained when rightful information is relayed to

the recipients expected. Prices, professionalism, level of customer service, and social status among others are important factors which emphasize the aforesaid strategies. Therefore in enhancing the strategies, the right proportion should be ensured; that is care must be taken into consideration so the business should generate sufficient revenue income for its investors. It was evidently confirmed that the supermarkets apply branding mechanisms. The study further acknowledged that, supermarkets recognize product packaging, after sales services and operating speed to be of huge value when it comes to the ever dynamic environment. This finding is in line with Kamau (2009) that business persons have since proved to hasten demand by adopting several advertising mechanisms for instance volume discounts, cash discounts and freebies.

5.3 Conclusion

According to the research findings, focus/niche strategy is the most effective strategy to apply. Focus strategy implies the geographic area placement, available and sufficient park arenas and also considering the physical presentation and display of the supermarket. Additionally, the inherent aspects of purchasing behavior ought to be enhanced. A great number of people who normally buy from the supermarkets are the upper and middle-class persons. Supermarkets should consider positioning themselves strategically so as to boost the customer base with reference to space and location. Nevertheless, as per the current regulatory law pertaining city planning, the supermarkets that are located further from the bus terminus ought to accommodate other mechanisms, for instance assisting with carrying bulky commodities for the benefit of customers to bus terminals by using of hand-carts and trolleys.

Promotions advancements influences generation of the perfect icon image of a firm or its commodities, describing characteristic features of the current commodities and newer ones which are yet to be initiated in the market. In consideration to product commodities that are undergoing declining stage, promotion make attempts to retaining their reputation recognition. Primarily, promotions are paramount to the products in which customers ought to be given information on the superiority they have acquired, comparing them to various competitive commodities whereby customers were not yet informed. Several aspects should be considered by companies during development of their promotion schedules, of which the most critical are the product type, market to be targeted, the consumer's decision making process, the products life cycle stages and distribution avenues (Belch and Belch, 2003).

All the same, promotion exercises don't operate in desolation. This research also conforms to Brennan's (1991) study of retailing in small-scale cities in Minnesota in regard to the measures taken to compete with discounters (lowly priced) and the accomplishments of those practices in which administering special services, Offer best quality commodities and Improve customer service were considered the most successfully accomplished strategies. On the contrary, increased promotions and sales, low pricing and increased advertisements were least successful. The major challenge was radical changes in market that leads supermarkets to keep on adjusting to and changing their strategies.

5.4 Recommendations

The study was aimed at establishing the application of generic strategies adopted by supermarkets in Bungoma Town, Kenya to achieve competitive advantage. For policy makers, this study commends that the Government supported by its financial affairs sector should analyse and figure out on inflations, shilling depreciation and curb interest rates. This will ensure that the strategies which supermarket management propose and bring forth are long term in nature therefore reducing the costs implementation.

Supermarkets' management should consistently and continually nourish their employees through training so as to help them upgrade and most importantly maintain the quality that clients demand and expect and therefore be able to develop a competitive advantage. In the current changing business entrepreneurial environment, training usually empowers the managing directors to withstand challenges by establishing effectiveness and relevance. The iconic image of the business undertaking is safeguarded by staff who are focused and equipped with relevant knowledge. The relationship between the customers and sellers provides a vital element in service etiquette delivery and general business expansion.

The research acknowledged and confirms that supermarkets possess competitive strategies. On the other hand, there were shortcomings in the step-by-step mechanisms since they do not follow the best outstanding processes. Therefore the research recommends that the supermarkets to adopt and follow the best practices for example, to institute and implement a visible and effective communication techniques led by and advocated for by professional persons who will ensure that information on competitive strategy is communicated in good time across the organization.

5.5 Limitations of the Study

This research depended on and was particular to supermarkets operating in Bungoma County. The research did not consider supermarkets operating in other counties and therefore the strategies which the other supermarkets use could be different. This is as a result of variation in organizations structures, systems, and capabilities. Therefore there is need for extensive studies to be conducted in order to outline competitive strategies that are applied by supermarkets all over the country.

The questionnaires were distributed to the manager/ supervisors who may in most cases happen to be related parties of the owners and therefore they might have been biased in some of their responses. The research was confined to the stated category of strategies due to limited and bound time constraints. In practice, there exists considerable alternate strategies which can be adopted by the supermarkets so as to maintain a competitive edge that has not been highlighted in this research.

5.6 Suggestions for further research

The research cross-examined application of generic strategies adopted by supermarkets in Bungoma Town, Kenya to achieve competitive advantage. The population studied included all the twenty licensed supermarkets in Bungoma County. The study highlighted that supermarkets in Bungoma County combines and mixes a number of strategies so as to achieve competitive edge.

Porter argues that the generic strategies cannot be applied concurrently. Therefore a research can be conducted to outline whether the definite circumstances which Porter's prospects is appropriate. One could also look into the customer perceptions in the questionnaire since this study concentrated on the staff who worked in the respective supermarkets.

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APPENDICES

Appendix I: Letter of Introduction



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DATE...24/10/2017

TO WHOM IT MAY CONCERN

The bearer of this letter ...PHENNY A. ABISAE

Registration No. ...D61/84315/2016

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.




PATRICK NYABUTO
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

Appendix II: Questionnaire

Kindly tick appropriately or put your response in the space provided.

Information will be treated with utmost confidentiality.

Section A: General information.

1. Name of the Supermarket.....
2. Job title.....
3. How long have you held this position?.....
4. Age bracket
 - a) Below 25 ()
 - b) 25-35 ()
 - c) 36-45 ()
 - d) 46 and Above ()
5. Highest level of education
 - a) Secondary ()
 - b) College/ Diploma ()
 - c) Undergraduate degree ()
 - d) Postgraduate degree ()
 - e) Any other (specify).....
6. Years in operation of the supermarket
 - a) Below 10 years ()
 - b) 10-15 ()
 - c) 16-20 ()
 - d) 21 and above ()
7. How many branches does the supermarket have?
 - a) Below 5 ()
 - b) 6-10 ()
 - c) 11-15 ()
 - d) Above 16 ()
8. Number of employees in the supermarket
 - a) Below 100 ()
 - b) 101-150 ()
 - c) 151-200 ()
 - d) 201 and above ()

9. What is the annual turnover of the firm?
- a) Less than 1M ()
 - b) 1M – 5M ()
 - c) 5M - 10M ()
 - d) Above 10M ()

Section B: Competitive Strategies

Differentiation strategy

10. Rate the level of application of the following differentiation strategies in your company by placing a check mark in the appropriate box in a scale of 1-5. (Where 1=to no extent; 2=little extent; 3=moderate extent; 4=great extent; 5=very great extent).

	1	2	3	4	5
Product					
Price					
Innovation					
Market					
Others, specify					

.....

Focus strategy

11. To what extent do the following inform focus strategies in your company? Please rate in a scale of 1-5 by placing a check mark in the appropriate box. (Where 1=to no extent; 2=little extent; 3=moderate extent; 4=great extent; 5=very great extent)

	1	2	3	4	5
Buyer characteristics					
Product range					
Geographical area					
Service line					
Others, specify					

Cost leadership strategy

12. To what extent do you use each of the following cost leadership options in response to changes in the market?

Please rate by ticking the appropriate box in a scale of 1-5. (Where 1=to no extent; 2=little extent; 3=moderate extent; 4=great extent; 5=very great extent)

	1	2	3	4	5
Keeping charges same as competitor					
Keeping charges lower than competitor					
Keeping overheads lower than others					
Keeping overheads same as industry					
Use knowledge from past experience					
New service features in response to demand					
Staff reduction					
Others, specify					

.....

Kindly indicate by ticking in the appropriate space in the table below the extent to which the following have improved your supermarket competitiveness in the market.

Competitive Strategy	To a very large extent	To a large extent	To a moderate extent	To a small extent	To a very small extent
	5	4	3	2	1
Location					
The location is easily accessible and the opening hours are convenient.					
Well merchandized and properly arranged supermarket.					
Proper location has led to improved customer satisfaction, retention and loyalty.					
Price					
Reduced prices compared to					

other retail stores					
Proper price strategies have led to improved customer satisfaction, retention and loyalty					
The use of end month, mid-month and other special day offers like Christmas and Easter					
Promotion					
Participation in corporate social responsibilities					
Sponsorship events					
Road shows and other communication methods					
Customer loyalty scheme					
Below the line advertising i.e internet, social media, magazines					
Proper promotion strategies have led to improved customer satisfaction, retention and loyalty					
Improved Customer Service					
Complain handling mechanism					
The supermarket's customer care handles questions and complains effectively and in a friendly manner					
Well trained and skilled personnel					
Staff at the supermarket treat customers well					
There is a close relationship with the supermarket staff					
Improved service has led to improved customer satisfaction, retention and loyalty					

Thank you for your cooperation and response.

Appendix III: List of Supermarkets in Bungoma County

1. Khetias Supermarkets
2. Choppies Supermarket
3. Shariffs Supermarket
4. Nakumatt – moi avenue
5. New Nyanza Supermarket
6. Tessia- Mumias road
7. Naivas supermarket
8. Riziki supermarket
9. Yakho Matt supermarkets
10. Mama Watoto Supermarket
11. Baraka supermarket
12. Mesoras supermat
13. Dharuvika Supermarket
14. Naitiri Supermarket
15. Suam Supermarket
16. Discount Supermarket
17. EastMart Supermarket
18. Ramesh Shah Supermarket
19. Hira One Ltd
20. Centre Point Supermarket

Source: Bungoma County Government

Appendix IV: Plagiarism Report