

**STRATEGIES ADOPTED BY DAVIS AND SHIRTLIFF (KENYA)
TO SUSTAIN COMPETITIVE ADVANTAGE**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD
OF THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF
NAIROBI**

NOVEMBER, 2018

DECLARATION

This research project is my original and has not been submitted in any University for an award of merit.

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This research project has been submitted with my approval as the University supervisor.

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ACKNOWLEDGMENT

I would like to thank the Almighty God for giving me life, good health and sound mind throughout the duration of this project for without His assistance, I would not have completed this undertaking. I appreciate the wholesome support extended by my dear sister, brother, father and mother. I also want to say a special thank you to my supervisor, Dr. C. Angima, for her guidance, patience, availability and well wishes.

I thank all my interviewees for providing me with the data required to conduct this research. Finally, I thank my boss, Rose Ndirangu, for her support in the successful completion of this project as well as Ken Muturi for the role you played in making this project a success. Thank you all and may God bless you in all your endeavours.

DEDICATION

To my parents

Thank you for your love, guidance and support.

You are the best God gave me

To my sister and brother

I am and will forever be grateful for all you have done for me. You are the best God

gave me

To Samuel, Esther, David and Daniel

Education, they say, is the key to success. May you get here and beyond. Thank you

for your love, support and encouragement.

TABLE OF CONTENTS

DECLARATION	ii
ACKNOWLEDGMENT	iii
DEDICATION	iv
TABLE OF CONTENTS	v
LIST OF TABLES	viii
ABBREVIATIONS AND ACRONYMS.....	ix
ABSTRACT.....	x
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study.....	1
1.1.1 The Concept of Strategy	2
1.1.2 Sustainable Competitive Advantage	3
1.1.3 Water and Energy Equipment Supply Industry in Kenya.....	4
1.1.4 Davis and Shirliff Kenya Limited.....	5
1.2 Research Problem.....	6
1.3 Research Objective	8
1.4 Value of the Study	8
CHAPTER TWO: LITERATURE REVIEW	10
2.1 Introduction.....	10
2.2 Theoretical Foundation	10
2.2.1 Dynamic Capabilities View	11
2.2.2 Porter’s Five Forces Model.....	13

2.3 Strategies to Achieve Sustainable Competitive Advantage.....	15
2.4 Summary of Empirical Studies and Knowledge Gaps	16
CHAPTER THREE: RESEARCH METHODOLOGY	20
3.1 Introduction.....	20
3.2 Research Design.....	20
3.3 Data Collection.....	20
3.4 Data Analysis	21
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION.....	22
4.1 Introduction.....	22
4.2 Response Rate	22
4.2.1 Duration Worked in the Company	22
4.2.2 Highest Education Level.....	23
4.3 Strategic Planning at Davis & Shirliff.....	23
4.4 Strategies Adopted by D&S to Sustain Competitive Advantage	24
4.4.1 Cost leadership.....	24
4.4.2 Product Differentiation and Wide Distribution Network.....	25
4.4.3 Complex Technical Skills and Reputation for Quality	26
4.4.4 State-of-the-art Facilities and Aggressive Marketing Strategy.....	27
4.4.5 Focus Strategy.....	28
4.5 Discussion of Findings.....	29

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	31
5.1 Introduction.....	31
5.2 Summary of Findings.....	31
5.3 Conclusion	32
5.4 Recommendations	33
5.5 Limitations of the Study.....	34
5.6 Implications For Policy and Practice	35
5.7 Suggestions for Further Research	35
REFERENCES.....	36
APPENDICES.....	39
APPENDIX I : Interview Guide.....	39
APPENDIX II: Major Competitors in each Business Segment.....	41

LIST OF TABLES

Table 2.1:	Summary of Empirical Studies and Knowledge Gaps.....	13
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ABBREVIATIONS AND ACRONYMS

MBV	-	Market-based View
RBV	-	Resource-based View
DCV	-	Dynamic Capabilities View
SCA	-	Sustainable Competitive Advantage
CA	-	Competitive Advantage
Products	-	Goods & Services
D&S	-	Davis & Shirliff Kenya Limited

ABSTRACT

Organizations in the present day competitive arena are faced with intense competition which in turn makes it challenging to attain and sustain superior profits. The intense competition and rapidly changing environment in which organizations operate in has shortened the time frames of competitive actions or moves adopted by the organizations. It is therefore paramount for organizations to devise and implement strategies that are aligned with their environments. Survival and success will be attained by organizations that exercise flexibility in terms of aligning strategies with the changes in their environment. This study was guided by the dynamic capabilities view which argues that organizations can sustain competitive advantage through the use of their dynamic capabilities. This requires organizations to use their unique resources and competences that is, capabilities to achieve success in a dynamic business environment. The objective of this study was to determine the strategies adopted by Davis and Shirliff to sustain competitive advantage. The motive of the study was drawn from a curiosity as to how the company had managed to continuously stay ahead of competitors for over seventy years now and the research design adopted was a case study. Primary and secondary data was used to realize the research objective. Primary data was collected by interviewing ten departmental heads who were selected due to the critical role they play in devising and implementing strategies, secondary data was also used to support the primary data. The data collected was analysed using the content analysis method. The strategies used by D&S to achieve sustainable competitive advantage are; use of intellectual property, availability of a well stock warehouse and state-of-the art workshop, wide range of products and distribution network, highly skilled personnel, an aggressive marketing strategy, introduction of new innovative products, leveraging ICT to mine data that can be used to the company's advantage and the local assembly of products to customers customized requirements. The study concluded that organizations that aspire to be successful in the present day business environment should pursue a certain strategy(s) in order to achieve and sustain competitive advantage. It is recommended that D&S takes advantage of the various opportunities that exist in order to increase its market share and profitability.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The competitive arena in the twenty first century is characterized by rapid changes mainly resulting from improved technology and increased globalization. As a result, the time frames for strategic actions have become shorter (Hitt & DeMarie, 1998.) Strategy is the plan put in place by an organization in order to achieve business success (Thomson & Strickland, 2002). Organizations that aspire to be successful in the present day competitive arena therefore need to adopt competitive strategies that result in the achievement of sustainable competitive advantage.

Porter (1985) defines a competitive strategy as a plan of action intended to give an organization competitive advantage (CA) over the long term. Companies should strive to offer products that customer's consider valuable so as to gain and sustain CA. Value is offering equivalent benefits to competitors but at lower prices or offering unique products that justify their higher price (Porter, 1985). This study focused on three competitive strategies. These are: differentiation, focus and cost leadership. There are various theories that give guidance on how companies can attain and sustain competitive advantage. This research relied on the arguments put forth by the dynamic capabilities view and Porter's five forces model. Some proponents of the dynamic capabilities view (DCV) are: Teece, Pisano and Shuen. The theory contends that a firm's dynamic capabilities can positively contribute to the achievement of sustainable competitive advantage (SCA).

Porter (1985) suggests that there are five forces that influence a firm's ability to earn superior profits and as such organizations should continuously strive to overcome them so as to gain SCA. The water and energy sectors play a vital role in sustaining human lives and a country's economy. Davis and Shirtliff (D&S) is a market leader in the supply of water and energy solutions in the region of East African. There are many players in the industry hence companies have to devise and implement strategies that result in corporate success. Despite the intense competition in the industry, D&S has continuously managed to stay ahead of its competitors.

1.1.1 The Concept of Strategy

Strategy is viewed by Johnson, Scholes and Whittington (2008) as the direction and scope of an organization which results in corporate success in the long-term. Competition has become fierce in the present-day business environment. Consequently, firms have found it challenging to attain and sustain superior profits. In order to be successful, organizations have to devise and implement strategies that meet customers' needs more effectively and profitably than competitors.

Organizations today have to deal with dynamic business environments which are complex and difficult to predict. Firms in dynamic industries have different ways of dealing with competitive forces in the industries (Muraya, 2010). Long term success in such an environment is achieved by competing effectively and staying ahead of business rivals. Ansoff (1990) stresses that only aggressive strategies will lead to organizational success in a turbulent business environment. Organizations must therefore devise and implement actions that not only enable them to survive but also stay ahead of their competitors.

Porter (1985) refers to such actions as competitive strategies and argues that they result in favourably positioning an organization in an industry which in turn leads to the achievement of CA. He further goes on to emphasize that the extent of competition in an industry is determined by five forces. The external environment is linked to an organization via strategy. The environment must be scanned on a continuous basis so that the organization can implement strategies that take advantage of opportunities or deal with threats presented by the environment (Bourgeois, 1980). The strategy adopted should also aim to meet the expectations of key stakeholders as the organization cannot survive without their support.

1.1.2 Sustainable Competitive Advantage

Porter (1985) argues that a firm can achieve CA by offering customers products that they perceive as having a higher value relative to competitors. SCA refers to the features of a company's products that make them attractive to customers who have a choice and results in customer loyalty. CA is usually achieved when customers perceive the company's products to be of a higher value, relative to competitors, in terms of lower prices or greater benefits that justify a higher price. In highly competitive markets, sources of competitive advantage keep changing and as such competitive advantage is short-lived. Companies should therefore strive to sustain competitive advantage.

Teece (2017) argues that dynamic capabilities can be a source of sustainable superior performance in a rapidly changing competitive arena. Teece (2017) argues that firms can be able to develop and sustain competitive advantage by foreseeing new opportunities that a changing environment presents and aligning of their resources and capabilities to take advantage of the opportunities.

Wang (2004) takes the view that SCA can be influenced by the industries in which firms operate. Specifically, companies that operate in industries that utilize complex information, require customer's to have a deep understanding in order to use an industry's product, have substantial economies of scale and require comprehensive research and development are more likely to have SCA compared to firm's that operate in industries that lack such features.

1.1.3 Water and Energy Equipment Supply Industry in Kenya

Davis and Shirtliff is one of the suppliers of water and energy equipment in Kenya. Companies in this industry specialize in water treatment, irrigation, swimming pools, water pumps and renewable energy products. A recent development in the water equipment supply industry is that a large foreign-based supplier, Grundfos, joined the Kenyan market to compete directly with existing players.

Existing companies therefore need to re-think their strategies to avoid losing market share to Grundfos. Intense competition in the industry has caused companies to alter their strategies in order to protect their market shares. It has therefore become extremely important for companies to devise strategies that not only enable them to survive but to outperform competitors.

The prolonged drought period in Kenya has created demand for water equipment and hence an opportunity for companies in the industry to increase their sales and also their profits. It is paramount for organizations to devise and adopt strategies that result in the achievement and sustenance of competitive advantage.

1.1.4 Davis and Shirliff Kenya Limited

Davis & Shirliff Limited (D&S) is a leader in the supply of water related equipment in the region of East Africa. The Kenyan-based company was established 72 years ago by E. C Davis and F.R Shirliff with its operations based in Westlands in Nairobi. In 1955, the company moved to Dundori road, industrial area, where its current headquarters of an area of 10,000m² is based. The grounds are home to 500 highly trained and professional staff, a well-stocked warehouse, administrative and training facilities. The company uses its own vehicles to distribute products across the country.

D&S is known for the supply and installation of high quality water pumps but has in the recent past diversified into swimming pool, water treatment, power, solar and irrigation products. The management of D&S believe that its market share can be significantly increased by effectively distributing its products. To this end, the company has over sixty branches in Kenya and affiliates in Tanzania, Uganda, Rwanda, South Sudan, Zambia and a business relationship in Ethiopia. It is this network of branches and subsidiaries that has enabled the company to achieve and sustain competitive advantage in the industry.

Davis & Shirliff is ISO 9001:2015 certified and is committed to pursuing the highest quality standards in the provision of water and energy solutions. The company is guided by a general principle of teamwork which states that when people work together they achieve more than they would have achieved working individually. The company aspires to become a leading organization in the world which can be compared to world-class international standards through upholding its values of integrity, quality and altiorapeto, a latin phrase which means 'I seek higher things'.

1.2 Research Problem

Strategy is viewed by Johnson, Scholes and Whittington (2008) as the direction and scope an organization adopts in the long-term. According to them, strategy entails the arrangement of resources and competences in a manner that enables an organization to gain an advantage over its competitors in a changing business environment. Competition has become fierce in the present-day business environment. Consequently, firms have found it challenging to attain and sustain superior profits. In order to be successful, organizations have to devise and implement strategies that meet customers' needs more effectively and profitably than competitors. Long term success in a continuously changing environment is achieved by competing effectively and staying ahead of business rivals. Ansoff (1990) stresses that only aggressive strategies will lead to organizational success in a turbulent business environment.

D&S has been in the water equipment supply industry for 72 years and is currently the market leader. The main source of competitive advantage for the company has been its wide range of products that offer customers a variety in terms of price and quality. D&S has also managed to beat its competitors because of its easily accessible products through a wide network of shops that are available in almost every county in Kenya.

The water equipment supply industry has attracted many players due to the increased need for clean water mainly driven by farming in Kenya. Recently, a large foreign-based company named Grundfos recently joined the industry by establishing its operations in Kenya. There is need for D&S to continuously review its strategies to ensure that they are still capable of defending the company's leadership position in the market. The study set to establish how the company has continuously managed to stay ahead of its local and foreign competitors.

Various studies have been done, both locally and internationally, on strategies pursued by different companies to sustain competitive advantage. Some international studies include: Papulova & Papulova (2006) a cross sectional survey carried out on medium sized manufacturing firms in Slovakia, Yasar (2010) a cross sectional survey carried out in the carpeting industry in Gaziantep, Fathali (2016) a cross sectional survey carried out on the automobile industry in Asia.

Local studies include Muraya (2010) and Nyaanga (2015) which were case studies on Davis and Shirliff Kenya, Njiru (2011) a cross sectional survey of the matatu industry in Nairobi and Kiamburi (2013) a survey carried out on strategies used by commercial banks in Kenya to achieve competitive advantage. The results of these studies were that there was a relationship of a positive nature that existed between adopted strategies and superior performance of the companies. This study differed from these studies in context; this was a case study while the studies mentioned above were surveys.

The current study differed from that of Nyaanga (2015) in the sense that Nyaanga focuses on the effect of adopted competitive strategies on the performance of D&S in East Africa while the focus of the current study was strategies adopted by D&S to sustain CA in Kenya. A study by Muraya (2010) was similar to this research in terms of concept and context but the main difference was that the study was carried out seven years ago. The gap in the body of knowledge that this study sought to fill was to establish whether there were different strategies that had been adopted by D&S since the study carried out by Muraya in (2010) that have sustained the company's competitive advantage to the present day. The study sought to answer the following research question, what strategies have been adopted by D&S to sustain competitive advantage?

1.3 Research Objective

The objective of the study was to determine the strategies adopted by Davis & Shirtliff Kenya Ltd to sustain competitive advantage.

1.4 Value of the Study

The findings of this study, if in harmony with the existing body of knowledge, will provide positive reinforcement to the arguments put forward by the theories of competitive advantage. The research will shed light on whether the recommendations of models, such as Porter's five forces, are still applicable in the current dynamic and uncertain business environment. If the results of the study contradict the arguments in the existing theories, this will highlight aspects of competitive strategies and competitive advantage that can form the basis of future studies. Scholars and other researchers seeking an understanding of competitive strategies adopted by companies for sustainable competitive advantage will find the discoveries of this study beneficial.

The management of D&S will find the results of this study value-adding as it will provide them with factual information regarding the source of its sustained CA due to adopting certain strategies. The team of managers will also benefit from the study's recommendations of dealing with the challenges resulting from the strategies pursued by the company. Other stakeholders in the water equipment supply industry that are likely to benefit from the outcomes of this study include other players seeking benchmarking information on competitive advantage as well as employees who are curious about source of the continued success of Davis and Shirtliff Ltd.

Government and other policy-making bodies may use the information provided by this research to obtain useful insights in the fields of competitive advantage and competitive strategies. This invaluable information can then be used to develop more informed policies regarding the means through which companies can achieve and sustain competitive advantage. The study reveals valuable industry information that policies makers can use to develop policies that facilitate fair business practices amongst industry players.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical foundation upon which the research is based. It contains existing knowledge about the competitive strategies that can be used by a firm to attain and sustain competitive advantage. Specific theories that the chapter will cover are: dynamic capabilities view and Porter's five forces.

The chapter will summarize the findings of related studies and highlight the gap(s) that the outcome of the research seeks to fill. The objective of this write-up is to reveal the underlying knowledge that is the source of the study's in-depth understanding of the concepts being researched.

The literature review consists of findings of both local and international studies. The study will focus on current literature as this is more appropriate in informing the study on how the concepts are applied in the modern business environment in which the company being studied exists.

2.2 Theoretical Foundation

Strategy is a plan that guides the pursuit of the achievement of an organization's objectives. In the previous century, the focus of strategy was to achieve a competitive position in the market by selecting a set of activities capable of delivering an inimitable mix of value (Porter, 1996).

However, the present day business environment is unstable and makes it difficult to make predictions with uncertainty. As such, the focus of strategy has shifted to the pursuit of success through identifying the resources and capabilities that are likely to result in organizational success. Organizations pursuing success are now required to establish how they are different from their competitors and design strategies that exploit these differences. This study is based on the arguments of the dynamics capabilities view and Porter's five forces model.

The dynamics capabilities view is takes the view that organizations can use their dynamic capabilities to achieve competitive advantage. Porter (1979) emphasised that an organization can achieve competitive advantage by taking a favourable position in the market that enables the company to defend itself from the five forces in the industry that collectively determine the ultimate profitability of the industry.

2.2.1 Dynamic Capabilities View

The main proponents of the dynamic capabilities view (DCV) are: Teece, Pisano and Shuen. DCV grew from the inability of the resource based view (RBV) to demonstrate how and why some firms achieved CA in rapidly changing and uncertain environments. The purpose of the DCV is to enhance the views of the RBV (Eisenhardt & Martin, 2000). The present-day competitive arena is characterized rapid change and uncertainties. Dynamic capabilities are necessary to tackle the rapidly changing environment by integrating, building and reconfiguring the internal and external competencies.

Eisenhardt and Martin (2000) view dynamic capabilities as specific and identifiable processes, such as product development, strategic decision-making and alliancing, which enable firms to develop strategies that create value in dynamic business environments through the unique configuration of resources. Helfat et al. (2007) view dynamic capabilities as a firm's ability to "create, extend and modify its tangible, intangible and human assets as well as capabilities owned and controlled, which make up its resource-base. Eisenhardt and Martin (2000) describe dynamic capabilities as the process by which firm develop new resources and resource configurations by acquiring, assimilating and reconfiguring them.

Dynamic capabilities directly influence firm performance and CA and also have an indirect influence through the configuration of resources. Teece (2007) argues that dynamic capabilities can be a source of sustainable superior performance in a rapidly changing competitive arena. Teece (2007) argues that firms can be able to develop and sustain competitive advantage by foreseeing new opportunities that a changing environment presents and aligning of their resources and capabilities to take advantage of the opportunities.

The dynamic capabilities view adapts an inside-out approach, just like the RBV, but also recognizes the influence of a rapidly changing business environment in developing strategies that aim to achieve CA (Ferdinand et al., 2004). The time period within which implemented strategies can sustain CA has significantly become shorter due to the dynamic nature of the business environment in which organizations exist. Li and Liu's (2014) established, after studying 217 firms in China, that there was a significant positive relationship between dynamic capabilities and competitive advantage. The dynamic nature of the business environment was considered a major driver.

Teece (2007) argues that dynamic capabilities can be divided into three for analytical purposes. These are: capabilities that focus on identifying opportunities by continuously studying the environment, capabilities that take advantage of the identified opportunities and those that reconfigure resources to facilitate taking advantage of the identified opportunities. The DCV has been criticised for lacking a clear theoretical foundation, measurability and lack of clear definitions of basic aspects (Gizawi, 2014).

2.2.2 Porter's Five Forces Model

According to Porter (1985), competitive strategies enable firms to defend themselves from forces that determine the ability to attain superior profits in a particular industry. He further highlights that the degree of competition in an industry is determined by five forces. These are: threat of new entrants, threat of substitute products, bargaining power of suppliers, bargaining power of buyers and the degree of rivalry among existing competitors.

Strategic position refers to the uniqueness of an organization's activities that make it different from its business rivals. Competitive strategies should therefore be informed by an in-depth understanding of the underlying sources of competitive pressure which constitute the rules of competition in the chosen industry of operation. Porter (1997) emphasises that the strength of these forces is the major determinant of the returns an organization can attain in a particular industry. Porter's five forces model is classical example of a market-based view of strategy.

Porter (1985) states that firms assess their own competitive advantage by studying the environment that exists outside an organization which consists of forces that intensely influence their performance. He also argues that a firm that has market power is able to achieve relatively higher performance than its business rivals. A firm is said to have market power and strong market position when it is a monopoly and has a strong bargaining power against its customers and suppliers (Grant, 1991).

Today's competitive arena is highly dynamic hence making it difficult for an organization to maintain its competitive position. The theory can also be challenging to apply in the present day complex industries characterized by various interrelationships (Wang, 2004). Furthermore, Prahalad and Hamel (1990) argued that sustainable competitive advantage arises from a firm's resources and capabilities as opposed to just solely being based on the position a firm has in its chosen market. Furrer et al. (2008) highlight the fact that since 1980s and beyond, studies on the competitive advantage of firms have shifted focus from the structure of an industry as the source of competitive advantage to a firm's resources and capabilities as a source of competitive advantage.

Porter's five forces theory, despite playing an important role in assessing an industry's attractiveness, has attracted a fair share of criticism regarding its applicability in today's business environment. Today's environment is characterized by increasing digitization, deregulation and globalization, all of which are not present in the previous business environment on which the five forces are based (Fabian, D. 2014). The theory has been faulted for the assumption that firms operate in a stable and perfect market space.

2.3 Strategies to Achieve Sustainable Competitive Advantage

Porter (1985) recommends that a company can achieve competitive advantage by pursuing one of the three generic strategies. These are: cost-leadership, differentiation and focus strategies. He argues that a company should pursue only one of these strategies at a time and refers to a situation where an organization pursues more than one strategy as a stuck-in-the middle strategy; which only results in wasting scarce resources. In the present day, an organization is faced with a highly competitive business environment hence there is need to devise and implement strategies that enable it to stay ahead of competitors (Bush, 2012).

Various studies have been done, both locally and internationally, that demonstrate that companies pursue a certain strategy to achieve competitive advantage. Papulova and Papulova (2006) carried out a census survey on competitive strategies and competitive advantage of small and medium-sized manufacturing firms in Slovakia and established that financial and human resources were necessary to gain competitive advantage. Fathali (2016) established that Porter's competitive strategies had a positive and significant influence on the corporate innovation which in is a major driver of CA.

Hussein (2011) established that a good strategy used by a specific firm can positively contribute to growth, profitability, market penetration, cost reduction and SCA. This was after undertaking a study that sought to establish the strategies utilized by Mumias Sugar Company to develop competitive advantage. Njiru (2011) carried out a cross-sectional survey to determine the strategies used by matatus in Nairobi to gain CA and established that strategies such as continuous training of employees, vehicle maintenance and compliance to industrial rules were used to achieve competitive advantage.

Kiamburi (2013) carried out a census survey to determine the strategies adopted by commercial banks in Kenya to gain competitive advantage. It was established that firms needed to identify the resources that result in SCA and base their strategies on those resources. Muraya (2010) carried out another study on the strategies adapted by D&S Ltd in a changing business environment in Kenya. The findings were that the company used product development, primarily the introduction of cheaper products, as a strategy to survive in a changing business environment. Nyaanga (2015) study on the “Effects of adopted strategies on the performance of D&S in East Africa” established that the company adopted Porter’s generic strategies, cost-leadership, differentiation and focus were used as competitive strategies. These empirical studies therefore demonstrate the role of competitive strategies in the achievement of SCA.

2.4 Summary of Empirical Studies and Knowledge Gaps

The table below shows a summary of related studies, both local and international, that sought to determine the competitive strategies used by organizations to achieve and sustain competitive advantage. The table shows the title of the study, methodology used, knowledge gaps that exist and the gaps addressed by the current study.

Table 2.1: Empirical studies and knowledge gaps

Author (s)	Research topic	Methodology	Findings	Knowledge gaps	Gaps addressed by the current study
Papulova & Papulova (2006)	“Competitive strategy and competitive advantage of small and medium sized manufacturing firms in Slovakia”	This was a census survey. Primary and secondary data was collected and analysed.	Financial and human resources were necessary to gain competitive advantage	The study fails to capture the applicability of the strategies to specific companies	Current study is a case study which will reveal the strategies used by a specific company, D&S, to achieve SCA.
Yasar (2010)	“Effect of competitive strategies on firm performance in Gaziantep carpeting industrial cluster”	Questionnaires were used to collect data and descriptive statistics were used to analyse the collected data	No significant relationship between competitive strategies and firm performance	The study fails to capture the applicability of the strategies to specific companies	Current study is a case study which will reveal the strategies used by a specific company, D&S, to achieve SCA.
Fathali (2016)	“Effect of competitive strategies on corporate innovation in the automobile industry”	Questionnaires were used to collect data. Correlation and regression analysis were used to analyse the collected data.	The study concluded that Porter’s competitive strategies had a positive and significant influence on corporate innovation which is a major driver of CA	Focus was on the automobile industry and considered the effect on competitive strategies on corporate innovation	Current study focuses on the competitive strategies adopted by a specific company to achieve CA

Hussein (2011)	“Strategies utilized by Mumias Sugar Company to develop CA”	Content analysis was used to analyse collected data	A good strategy used by a specific firm can contribute to growth, profitability, market penetration, cost reduction and SCA	The study was carried out seven years ago and the firm was in a different industry from that of the current study	The study will provide current information on the strategies that result in CA in a firm operating in the water and energy equipment supply industry in Kenya
Njiru (2011)	“Strategies used by matatus in Nairobi to gain competitive advantage”	“Cross-sectional survey was used and data was collected using questionnaires”	Competitive strategies such as training of employees, vehicle maintenance and compliance to industrial rules were used to achieve CA	The study was a survey of competitive strategies that result in the achievement of CA in the matatu industry in Nairobi	This is a case study on the strategies that result in CA in a firm operating in the water and energy equipment supply industry in Kenya
Kiamuri (2013)	“Strategies adopted by commercial banks in Kenya to gain competitive advantage”	A census survey was carried out in an attempt to answer the research question	Firms need to identify the resources that result in SCA and base their strategies on those resources	This was a survey carried out on the banking industry in Kenya	This is a case study on the strategies that result in CA in a firm operating in the water and energy equipment supply industry in Kenya

Muraya (2010)	“Strategic responses adapted by D&S Ltd in a changing environment in Kenya”	This was a case study where data was collected and analysed to answer the research question	The dominant strategies that were adapted to survive in a changing business environment were the adoption of product development and the introduction of cheaper products like Dayliff	This study was carried out eight years ago. There is a dilemma as to whether the research findings are still applicable today.	The study will provide current information on the strategies currently adopted by D&S to sustain CA.
Nyaanga (2015)	“Effects of adopted competitive strategies on the performance of D&S in East Africa”	Case study. Primary data collected using questionnaires. Collected data was analysed using content analysis.	Low-cost, differentiation and focus strategies were used by the company to sustain its CA	The study focused on the East African region and was carried out three years ago. There is a dilemma as to whether the mentioned strategies are still the source of the company’s CA	The current research focuses on how the company sustains CA in the Kenyan market. The study will also determine the strategies currently being implemented by the company to achieve SCA

Source: Researcher (2018)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Three areas are discussed in this chapter. These are; research design, data collection and data analysis.

3.2 Research Design

Research design is a blueprint of how a particular research will be undertaken. Cooper and Schindler (2006) view research design as the pooling and scrutiny of data in a fashion that facilitates the achievement of a study's objective(s) through the use of empirical evidence. It has also been viewed as the structure within which a study is to be done (Kothari, 2004). Ultimately, a research design ensures that the research is carried out within the stipulated time and cost budget. A case study design was used to carry out this research.

This research design is appropriate as it provides a means of obtaining an in-depth understanding of the organization being studied as well as the industry in which it operates. According to Cooper and Schindler (2006), an organization is the single unit of analysis in a case study and provides access to first-hand data that is necessary in answering the research question.

3.3 Data Collection

The study used primary and secondary data to realize the research objective. A structured interview guide was used to obtain primary data from ten departmental heads whose response was believed to be significantly relevant in answering the research question. These interviewees were selected due to the direct role they play in formulating and implementing strategy.

These departments are: Research and Development, ICT, Human Resource, Grundfos, Borehole, Pools, Water treatment, Power products, Solar and Irrigation. The major role played by these departments makes the data collected from them valuable in the study's endeavour to determine the strategies adopted by Davis and Shirliff to sustain competitive advantage. The interview method of collecting data is effective as it provides an opportunity to clarify unclear issues and also can result in the acquisition of additional details that might not have been captured in the interview guide.

Secondary data was also used to provide additional data that may not have been captured through interviews. This data was collected through the D&S's website, newsletters, various departmental annual plans and any other relevant write-up on the company that gave useful information to assist in answering the research question.

3.4 Data Analysis

The data analysis step is crucial as it through analysis that the research question is answered. Cooper and Schindler (2006) define data analysis as the process of organizing, exploring and presenting data in a manner that facilitates the achievement of research objective(s). This study relied on qualitative data was analysed using the content analysis method.

Content analysis is the identification of specified features of data in a methodical and objective fashion. The data to be analysed was collected through verbal means, specifically through interviews, in order to make particular interpretations (Kothari, 2004). The collected data was recorded, read and examined to identify trends, relationships and make interpretations.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter consists of an analysis of the collected data, presentation of results and a discussion of findings. Primary data was collected by interviewing seven of the expected ten departmental heads. The collected data was carefully analysed in order to effectively achieve the research objective which was to determine the strategies adapted by D&S to sustain competitive advantage. The results of the analysis and a discussion of the findings are also discussed in this chapter.

4.2 Response Rate

The study set out to collect data from ten departmental heads, namely; solar, pools, power products, irrigation, borehole, water treatment, ICT, R&D, HR and Grundfos. However, data was not collected from the HR, Grundfos and water treatment departments due to the unavailability of the managers. This was a response rate of 70% which according to Mugenda and Mugenda (2003) is excellent and hence the data collected was considered adequate in achieving the research objective.

4.2.1 Duration Worked in the Company

Interviewees were asked the duration they had worked in the company and in their current capacity. The longest duration was 18years and the shortest was one year. The average number of years the departmental heads have worked in D&S is ten years. This indicates a low employee turnover rate amongst the departmental heads.

Employees are an important asset and provide instrumental value to a company. It was noted that 57% of the interviewees had worked for the company for over 10years while 43% had worked for below 10years. It was also noted that 71% of the interviewees were over 30years of age while 29% were above 40. These are mostly generation X and Y employees who have a lower employee turnover compared to millennials. The relatively longer duration of time worked in the company by the managers is a source of sustainable competitive advantage due to the wealth of experience and skills accumulated over the years which the company has harnessed to stay ahead of its competitors.

4.2.2 Highest Education Level

Interviewees were asked to state their highest education level. It was noted that 57% of the respondents hold a Master's degree while 43% held a Bachelor's degree. The high level of education amongst managers was indicative of their ability to formulate and implement strategies that resulted in the achievement of competitive advantage. It was also noted that the managers had highly technical skills in engineering and ICT that enabled the company to devise and implement informed strategies that are the source of the company's sustained competitive advantage. This information was deemed necessary in answering the research question as the level of education was considered an influential factor in developing and implementing strategies that gave the company sustainable competitive advantage.

4.3 Strategic Planning at Davis & Shirliff

Davis and Shirliff conducts a strategic planning exercise every October. The executive board of directors is responsible for the success of implemented strategies. However, the business unit managers contribute to the strategy formulation process through preparation of annual plans in liaison with their staff. These plans are

reviewed quarterly by the executive board, to track the progress of accomplishment of objectives.

The plan constitutes specific, quantifiable and measurable tasks whose achievement would result in the achievement of the overall organizational objectives. The executive board exercises its responsibility over strategy by holding weekly meetings and a yearly management conference to review how effective the implemented strategies are in dealing with competition and sustaining the company's market leadership position.

4.4 Strategies Adopted by D&S to Sustain Competitive Advantage

D&S has continuously managed to stay ahead of its competitors. This competitive advantage is attributable to the cost leadership, differentiation and focus strategies.

4.4.1 Cost leadership

D&S uses a cost leadership strategy to achieve and sustain competitive advantage. The company has subcontracted overseas manufacturers to produce and brand the DAYLIFF products which are then sold at relatively lower prices in the Kenyan market. The company has successfully managed to compete using this strategy as competitors find it challenging to match the prices of the DAYLIFF products.

Through this strategy, the company is able to earn higher profits due to the low cost of base of the products. The company is able to lower the cost of these products further by ordering in bulk hence accessing bulk discounts. The low cost base has given the company a pricing advantage in the sense D&S charges relatively lower prices for its DAYLIFF products and is still making higher profits.

4.4.2 Product Differentiation and Wide Distribution Network

D&S owns a brand, DAYLIFF, which gives the company exclusive rights to be the sole distributor of DAYLIF products in Kenya. DAYLIFF differentiates D&S's products from those of competitor's in terms of price. These products are offered at relatively lower prices for the same value offered by competitors' products. This in turn has enabled D&S to achieve and sustain competitive advantage.

D&S has a wide range of high quality equipment and spare parts. The company has over five thousand stock lines for both products and spare parts. The availability of this wide range of products and spare parts requires a strong financial muscle which is difficult for competitors to achieve and maintain. D&S enjoys customer loyalty due to this variety of its product offerings since customers like variety. The wide range of equipment and spare parts differentiates the company's products from those of competitors which in turn enables the company to achieve sustainable competitive advantage.

D&S has a dedicated field service department which offers 24-hour service to customers whose equipment has stopped working for one reason or another. Customers prefer servicing their equipment from where they bought the equipment. This results in additional business for the company and increased profits. Competitors are unable to offer this after sale service in addition to selling the equipment due to the high financial investment required. This differentiation results in the achievement of sustainable competitive advantage.

D&S has a research department whose mandate is to continuously scout the business environment with the intention of developing innovative products that are aligned to the changes in the market. The company has dedicated financial resources and highly

skilled personnel to ensure that the departments mandate is accomplished. Only a few companies are able to sustain a research and development function as its operation requires a high financial commitment and its outcomes may take years to be felt. D&S's sustainable competitive advantage can be attributed to its innovative product offerings.

D&S has a wide distribution network with over sixty branches in Kenya in addition to its head office operations. The objective of this strategy is to bring the company's products as close to the customers as possible. In fact, the company has a slogan that says, "There is always a branch near you". The company continuously seeks new areas that have potential business then sets up a shop. This wide branch network is a strategy that competitors have found difficult to replicate as it requires a huge financial muscle. This results in the achievement of sustainable competitive advantage.

4.4.3 Complex Technical Skills and Reputation for Quality

The company has highly skilled personnel with a complex combination of technical engineering and ICT skills which gives the company an unmatched advantage over competitors. This is because competitors find it challenging to hire such personnel as they require relatively higher pay packages in order to give exceptional service. These personnel are involved in the formulation and implementation of strategies that contribute to the company's unique products and efficient and effective processes. This differentiation enables the company to enjoy sustainable competitive advantage.

D&S has a long standing reputation for the supply of quality products. The company has built this reputation for over seventy years. This wealth of experience and reputation is difficult for competitors to achieve and any attempt to do so may need a

huge financial investment to match D&S's reputation. This unmatched long standing reputation is what give D&S a sustainable competitive advantage and enables the company to continuously stay ahead of competitors.

4.4.4 State-of-the-art Facilities and Aggressive Marketing Strategy

D&S also has a state-of-the art workshop where customer's faulty equipment is diagnosed and fixed within a short period of time. This facility gives exemplary service to customers which results in delighted customers who recommend the company to others or give the company repeat business. This gives the company an advantage over competitors.

The company has a substantial marketing budget which is used to embark on an aggressive marketing strategy. This enhances both brand visibility and educates customers of the company's product offerings on a continuous basis. Competitors find it challenging to keep up with D&S's marketing campaigns as this requires a huge financial investment. The inability of competitors to keep up thus gives the company an edge over its business rivals.

D&S has a well-equipped manufacturing facility whose mandate is the local assemblage of products to customer's customized requirements. This customization of products results in delighted customers which in turn results in customer loyalty. The company's manufacturing operation comprises of highly skilled personnel and specialized equipment which is difficult for competitors to copy. This in turn results in the achievement of sustainable competitive advantage.

4.4.5 Focus Strategy

D&S has six main product segments which serve specific customer needs. These are borehole, swimming pool, water treatment, power, solar and irrigation. This strategy involves identifying specific customer needs and striving to satisfy them better than competitors. The company has dedicated financial and human resources to ensure the seamless operation of its main product segments. This focus on specific customer needs enables the company to meet their needs more effectively which in turn results in customer loyalty. This strategy has been used successfully by the company and has consequently resulted in the achievement of sustainable competitive advantage. Specifically, the company has departmental heads in each of these product segments that have highly technical skills which are difficult for competitors to match.

Despite the success of these strategies in achieving sustainable competitive advantage, their delivery has not been without challenges. D&S, like any other company, exists in a highly competitive business environment and hence should continuously seek to safeguard its market share. D&S is faced with the challenge of competitors who continuously seek to imitate the company's innovative products. It is costly for the company to fight these competitors and this drains the company of financial resources.

The rapidly changing business environment in which the company exists in makes it unlikely that the existing strategies will suffice in the long term. It is therefore important and essential for the company to continuously review its strategies to ensure that they are capable of giving the company advantage in the long-term.

4.5 Discussion of Findings

The findings of the study were that Davis and Shirtliff uses the low cost, differentiation and focus strategies to stay ahead of competitors. This is in line with the recommendations by Porter (1985) that a company can be able to achieve competitive advantage by using either a low cost, differentiation or focus strategy. However, the findings of this study contradict Porter's (1985) argument that a company should strictly implement only one of the recommended strategies at a time in order to achieve competitive advantage. He refers to a situation where an organization uses more than one strategy as a stuck-in-the middle approach which he argues will not result in the achievement of competitive advantage. D&S has successfully implemented the three strategies and as a result achieved sustainable competitive advantage.

The findings of this study agree with the arguments put forward by Porter (1979) in his five forces model. Porter argued that organizations that adopted competitive strategies to defend their position in the market were likely to achieve competitive advantage. D&S has successfully defended its market leadership position through the implementation of the cost leadership, differentiation and focus strategies. The findings of this study also agree with the arguments put forward by the proponents of the dynamic capabilities view, these are: Teece, Pisano and Shuen. They argue that dynamic capabilities are necessary to tackle a rapidly changing environment. D&S has successfully been able to remain competitive in a rapidly changing environment. This therefore means that the findings of this study are in line with the arguments of the dynamic capabilities view.

The findings of this study also agree with the findings of other researchers, such as Nyaanga (2015) whose findings were that D&S had adopted the low cost, differentiation and focus strategies to achieve a high performance in the East African region. The findings of this study also agree with the findings of Muraya (2010) whose findings were that D&S adopted the product development and pricing strategies to respond to a changing business environment. The findings of this study also agree with those of Hussein (2011), Njiru (2011) and Kiamuri (2013), whose findings were that the organizations they studied had implemented a low cost, differentiation or focus strategy to achieve competitive advantage.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter consists of a summary of the findings, conclusion and recommendations. Also discussed herein are the limitations of the study, implications for policy and practice and suggestions for further research.

5.2 Summary of Findings

All the respondents agreed that D&S used several strategies to defend its market leadership position. It was unanimous that the company was a market leader in its chosen market and as such it was necessary for the company not to be complacent but actively defend its position. The findings were that D&S used a low cost, differentiation and focus strategies to achieve sustainable competitive advantage.

To achieve low costs, the company used an overseas manufacturer to produce and brand its DAYLIFF products. To achieve differentiation the company used an intellectual property (DAYLIFF brand), availability of a well stock warehouse and state-of-the art workshop, wide range of products and distribution network, highly skilled personnel, an aggressive marketing strategy, introduction of new innovative products, leveraging ICT to mine data that can be used to the company's advantage and the local assembly of products to customers customized requirements. The focus strategy was achieved through the six main product segments of the company that served specific market needs.

5.3 Conclusion

A cost leadership strategy was adopted by D&S to achieve and sustain competitive advantage. The company engages a relatively cheaper overseas manufacturer to produce and brand its DAYLIFF products. The company is also able to lower its prices further by buying in bulk hence obtaining bulk discounts.

D&S also adopted a differentiation strategy to stay ahead of competitors. This was achieved through offering a wide range of high quality equipment and spare parts, offering a 24-hour service for repair or service of equipment, an extensive branch network, the continuous introduction of new and innovative products through its research and development function, leveraging ICT to differentiate its products and processes, use of personnel with complex technical skills and an aggressive marketing strategy. These are sources of competitive advantage for the company since competitors find it difficult to copy these strategies.

Finally D&S also uses a focus strategy to stay ahead of competitors. The company has narrowed its operations to six product segments. It has dedicated resources by establishing departments that deal with each product segment. The departments comprise of highly skilled personnel whose mandate is to fully understand the needs of their customers and offering products that effectively satisfy their needs

In conclusion, organizations that aspire to be successful in the present day business environment should pursue a certain strategy(s) in order to achieve and sustain competitive advantage. D&S is a market leader in the water and energy equipment industry and has actively defended its market position by use of various strategies.

The company has done well in defending its market position and hence managed to achieve sustainable competitive advantage for several years. However, the company should not be complacent with this achievement but continuously strive to align its strategies with the changes in its business environment to ensure that it continues to enjoy competitive advantage in the long term.

5.4 Recommendations

D&S is perceived as a company that sells highly priced products. The perception that the company's products are more expensive than those of competitors has an adverse effect on the company's ability to make superior profits. It is therefore recommended that D&S aggressively markets its DAYLIFF products that are relatively cheaper, in order to counter this reputation. The company should also strive to educate the market on the high quality of the other products, which are not DAYLIFF, which the company offers so that the perception of the products being more expensive can be changed.

It was also noted that D&S operates in a highly competitive environment. D&S should continue offering innovative products that can satisfy the needs of customers better than competitors. The company should consider increasing the number of people who work in the research and development department so that the company can be in a better position to harness the full potential of the department. The company should also consider going 'green' by offering products that are eco-friendly which appeal to a greater proportion of the population in today's world.

The company should also present a proposal to the government to supply solar powered streetlights in the country. This would be a mutually-benefiting opportunity which will lead to increased revenue and profitability for D&S and reduced power bills for the government. The world is now moving towards leveraging ICT to improve business processes and increase revenue streams. The company should also establish how technologies such as BOTs and IoT can be used to improve the company's business processes by increasing their efficiency and effectiveness.

The company is faced by serious threats of cheap imports from China, the introduction of value added tax on some solar products and a reduced government budget on funding for projects. These are real threats that have potential adverse effects on the company's bottom line. It is therefore paramount that the company takes immediate action to counter the potential effects of these threats. The company should continue to diversify its operations beyond Kenya to counter the threats posed by the Kenyan market.

5.5 Limitations of the Study

It was not possible to access the corporate plan as the contents of the document were classified as a trade secret. The conclusion of this study would have been more concrete had access to the corporate plan been possible. The study sought to collect primary data by interviewing ten respondents but only seven of the respondents were interviewed. The researcher would have preferred a response rate of 100% but a response rate of 70% was still considered adequate to effectively achieve the research objective.

5.6 Implications For Policy and Practice

The findings of this study can be used by the government and other policy making bodies. Specifically, the government can note of the impact of the introduction of value added tax to the revenue and profitability of companies that sell solar products. The introduction of tax on solar products makes them more expensive and hence less accessible to many Kenyans.

The government should promote the consumption of green energy in the country by the removal of the value added tax on solar products as this will make the products cheaper and more accessible to Kenyans. This will in turn solve the problem that Kenyans face due the erratic power supply from the main line which is produced through geothermal means and make power more accessible to a wide range of Kenyans. Policy makers should also take note of the intensity of competition in the water and energy equipment supply industry and regulate the industry accordingly to ensure that competition between rivals remains fair for all parties. The management of D&S should take note of the weaknesses, threats and opportunities highlighted and the recommendations given.

5.7 Suggestions for Further Research

Future researchers can establish whether the low-cost, differentiation and focus strategies are the strategies used to achieve sustainable competitive advantage in the telecommunications sector in Kenya. Further studies done on D&S can also seek to establish whether Porter's generic strategies will still be applicable as a source of sustainable competitive advantage in the future. Just because a company is a market leader doesn't mean that the leadership position is guaranteed in the future.

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APPENDIX I
INTERVIEW GUIDE

PART A: GENERAL INFORMATION ABOUT THE INTERVIEWEE

1. What's your position in the company?
2. How long have you worked for D&S?
3. Age in years: 24 to 30 [] 31 to 40 [] Above 40 []
4. Highest education level:

Primary []	Diploma []	Masters []
Secondary []	Bachelor's degree []	PhD []

**PART B: STRATEGY AND SUSTAINABLE COMPETITIVE
ADVANTAGE**

1. Is D&S a market leader in its chosen industry?
2. Who are the major competitors of D&S?
3. How is the competitive environment in which D&S operates and how does it deal with competitors?
4. What strategies is D&S using to respond to the entrance of its foreign supplier to the market?
5. What are the strategies used by the company to ensure that they stay ahead of competitors?
6. Why has the company adopted these strategies?
7. Who is responsible for strategy formulation and how often does D&S review its strategies?
8. What strategies should D&S adopt now to ensure the company maintains its market leadership position?

9. What are the opportunities and threats that D&S faces and what impact do they have on company's ability to sustain competitive advantage?
10. What are D&S's strengths and weaknesses and what role do they play in influencing the company's ability to achieve and sustain competitive advantage?

APPENDIX II

MAJOR COMPETITORS IN EACH BUSINESS SEGMENT

Business segment	Major competitors
Borehole	Direct importers from China and India. Manufacturers like Grundfos and Wilo.
Solar	Chloride Exide (K) Ltd, Power Point Systems, Go-Solar Ltd and Centre for Alternative Technology (CAT).
Irrigation	Amiran (KZM), Balton Group (UG, TZ, ET), Irrico International (k), Agro Irrigation (k), Irritech (K, TZ, ZM), Green 2000 (ZM).
Power	Car and General, Mantrac, Achellis, Ryce, Hypertek, Gaston, Blackwood Hodge, Atlas, Copco, Simba Colt.
Pools	Pool Shop PEA, In the swim, Swim planet, Qua water.