

**GENERIC STRATEGIES AND COMPETITIVE ADVANTAGE OF  
BATA SHOE COMPANY**

**BY**

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## DECLARATION

I declare that this Research Project is my original work and has not been presented for any award in any other academic institution

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This project has been submitted for examination with my approval as the university supervisor.

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## **DEDICATION**

This research project is dedicated to my mentor and boss Mr. Robert W. Barua for his love, support, inspiration and understanding throughout the research period. He gave me the will and determination to complete this study.

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# TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>DEDICATION.....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iv</b>
<b>ABSTRACT.....</b>	<b>viii</b>
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study .....	1
1.1.1 Generic Strategies .....	2
1.1.2 Competitive Advantage .....	4
1.1.3 Shoe Industry in Kenya.....	4
1.1.4 Bata Shoe Company.....	5
1.2 Research Problem .....	7
1.3 Research Objective .....	9
1.4 Value of the Study .....	9
<b>CHAPTER TWO: LITERATURE REVIEW.....</b>	<b>11</b>
2.1 Introduction.....	11
2.2 Theoretical Foundation .....	11
2.2.1 Competence Based Theory .....	11
2.2.2 Resource-Based View .....	12
2.3 Generic Strategies .....	14
2.3.1 Cost Leadership Strategy .....	16
2.3.2 Differentiation Strategy .....	18
2.3.3 Focus Strategy.....	21

2.4 Generic Strategies and Competitive Advantage .....	23
2.5 Summary of Literature and Knowledge Gap .....	25
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>27</b>
3.1 Introduction.....	27
3.2 Research Design.....	27
3.3 Data Collection .....	28
3.4 Data Analysis .....	28
<b>CHAPTER FOUR: FINDINGS, ANALYSIS AND DISCUSSION .....</b>	<b>29</b>
4.1. Introduction.....	29
4.2. Background Information.....	29
4.3. Generic Strategies .....	30
4.4. Importance of Generic Strategies to Bata Shoe Company.....	31
4.5. Need for Generic Strategies .....	32
4.6. Cost Leadership Strategies Adopted by Bata Shoe Company.....	32
4.7. Differentiation Strategies Adopted by Bata Shoe Company .....	34
4.8. Focus Strategies Adopted by Bata Shoe Company.....	35
4.9. Generic Strategies and Company Competitive Advantage.....	36
4.10. Discussion of Findings.....	37
<b>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION .....</b>	<b>40</b>
5.1 Introduction.....	40
5.2 Summary of Findings.....	40
5.3. Conclusion of the Study.....	41
5.4. Recommendations of the Study .....	43

5.5. Limitations of the Study.....	44
5.6. Suggestions for Further Research .....	45
<b>REFERENCES.....</b>	<b>46</b>
<b>APPENDICES .....</b>	<b>51</b>
APPENDIX I: LETTER OF INTRODUCTION.....	51
APPENDIX II: INTERVIEW GUIDE .....	52

## **ABSTRACT**

The study was purposed to reveal the linkage between generic strategies and competitive advantage of Bata Shoe Company, Kenya. Case study was used as a research design with Interview guide being used to collect primary data. Secondary sources from journals, books and other publications were also collected. Content analysis was preferred in data analysis. The study found that the employees appreciate the need for the generic strategies as they help them achieve the targets with ease at the same time improving the company competitive advantage. The information on generic strategies is share among the employees for them to realize the firm objectives as well as working towards the attainment of those objectives. This ensure that both the management and the subordinate staff work in unison to realize the common goal of the company. The study concludes that Bata Shoe Company has adopted various strategies such as product differentiation strategy, focus strategy as well as the strategy of cost leadership that has helped it position itself as the market leader. This position has enabled Bata Shoe Company to grow its client base due to increased customer loyalty. Based on the findings, the study recommends that there is need for managers of Bata shoe company as well as the policy makers to ensure enhanced client relationship management, increased customer satisfaction and growth in revenue and client base.



# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Generic strategies, as a result of previous studies done by several researchers, positive linkage with competitive advantage of an organization have been established (Eunice & Kepha, 2013; Kimani & Douglas, 2014; Kelly, 2016). Globalization and market competition increase has forced the top management to review their competitive strategies to maintain market reputation in terms of quality, cost and ability to deliver so as to withstand the stiff competition. Generic strategies are an unequalled approach utilized by a firm or it intends to use to flourish in the market (Thompson & Strickland, 2014). Porter (2015) posits Generic strategies as a set of skills including; cost leadership strategy, strategy of differentiation as well as the strategy of focus. Generic strategies gives a long term plan to a specific firm to have an upper hand over its rivals by winning customer trust, build immunity against external competitive forces and create a profitable and sustainable position

Competence strategy-based theory and Resource-Based View (RBV) guided this study. Competence strategy-based theory focuses on structure and strategy performance on the industrial organization economics. The theory focus on competitiveness of a firm which depends on its distinguishing features (Prescott, 2011). The theory argues that the industry structure, nature and competitive forces determine a firm's profits. RBV, on the other hand, provides a framework that explains how a firm's valuable resources can drive its performance. It explains how firms can effectively utilize their core competencies and capabilities to achieve superior performance.

In Kenya, The Bata Shoe Company stands out to be one of the leading manufacturer of Shoe Company. It was the company's plan in its strategic plan dated for 2014/2018 to increase its scale of operations by expanding to more than 50 outlets of shops across the region of east Africa as well as within the country. In order to achieve into such a magnificent expansion, there is need for the company to focus on generic strategies that will help the company to outshine its major competitors and to remain a leading company when it comes to manufacturing of shoes.

Continuous adoption of the generic strategies by the Bata Shoe Company will help the company to achieve competitive advantage against its competitors. The shoe manufacturing industry today also remains very competitive necessitating that all shoe manufacturers adopt strategies that give them an advantage over others in the industry. Whilst generic strategies are acknowledged to have effect on competitiveness of a firm, scanty attention has been paid to generic strategies adopted by shoe firms by researchers in Kenya and how they influence their competitive advantage.

### **1.1.1 Generic Strategies**

The strategy of generic, as stated by Dash (2013) comprise of the ways and methodologies an organization has and adopting to attract purchasers, counter pressure and enhance market leadership. Firm uses different strategies of generic and they include differentiation, cost focus and diversification. Kay, (2014) contends that organizations that higher performance is achieved by those firms which have legitimately arranged and applied competitive strategies.

Porter (2015) characterizes system of generic as an association's capacity to structure where, why and how association is going to use either on resources, skills and information to accomplish the expressed objective. Generic strategy consequently involves an association's endeavor to pick up assets that will empower it perform at a more significant level, contrasted with its rivals. With the ever changing and dynamic business environment, firms will have to not only have the ability to compete favorably, but also survive within the market by developing effective generic strategies that enable it to survive.

As per Porter (2015) the three generic strategies that exist include the strategy of differentiation, strategy of low-cost as well as focus strategy (Papulova & Papulova, 2016). If a firm chooses the differentiation, it will compete based on the capability to do things in a different way. If a firm chooses to base its impact on competitive advantage on low-cost strategy, it produces its products at a very low cost while firms that choose niche strategies base on specific set of special skills that are matched with a particular market (Kay, 2014). These serve a small market but are rewarded with high profits (Kamau, 2015).

In the cost leadership strategy, an organization that finds and at the same time exploits the resources available for cost advantage while aiming to serve as the cost producer in the industry it operates is considered to be in pursuit of a sustainable cost leadership strategy. Application of differentiation strategy happens where an organization seeks uniqueness in its industry based on some product or service dimensions, which customers widely value. On the other hand, focus strategy involves a situation where an organization focuses on a

narrow competitive scope, selects groups of segments or a single segment within the sector and develops its strategy to serve them through excluding competitors

### **1.1.2 Competitive Advantage**

Thompson and Strickland (2014) described competitive advantage as “a section of business strategy which handles plans of management that helps in successful competition in enhancing sustainability”. Competitive advantage can be defined as the outcomes realized from the effective performance of business processes from suppliers externally (Porter, 2013).

Porter (2015) stated that competitive advantage essentially focuses on three aspects namely, differentiation advantage, low costs and focus strategy. Porter further highlighted that competitive forces can be addressed based on threat of substitutes, powerful customers, threat of new entrants and rivalry as well as powerful suppliers. However, Mohanty and Gahan (2015) explained that in terms of firm profitability, competitive advantage that exists within a firm when it is sustained beyond normal returns. Therefore, the strength of competitiveness in the shoe sector can result to higher potential gains (Ndungu, 2010).

### **1.1.3 Shoe Industry in Kenya**

For the past two decades, the industry of shoes in Kenya have experienced tremendous growth as it has been experienced by increased number of shoe outlets across the country and especially within Nairobi County. Several firms that have been established within the industry of shoes includes: Acumen, C & P Shoe Industries, Afrolite Industries, Macquin Shoes, Easy Shoes, Tex Palace, Shoe Wind Industries, Umoja Rubber as well as the Tiger Shoes (Okello, 2013).

The above mentioned companies manufacture these shoes and then distribute them to other retail sellers within the country who own shoe stores or sell shoes as part of their merchandise. In Kenya, many shoes outlets exist which ranges from individual owned shop stores to company based shoe stores. A good example of a shoe store is the ‘house of Leather’ based in Nairobi which deals with leather shoes made of various brands. Further, various brands of shoes, inclusive of imported ones are sold in several boutiques across the country.

Also available in plenty across the whole country are second hand shoes which are sold in an open air market and thus the shop for storing the shoes is not a limitation to selling of these shoes since they are sold in an open space (Onyancha, 2015). The second hand shoes are relatively cheaper as compared to the shoes sold in either the boutiques or the shoe stores. Indeed, even with the above mentioned players in the shoe business, Bata shoe remains the main brand in Kenya that makes shoes as well as sells them under its very own image name which is Bata.

#### **1.1.4 Bata Shoe Company**

The uniqueness of the Bata shoe company is that it is the only company which manufactures shoes made to fit all the different categories of consumers under one brand. In the industry of shoe production, Bata Company stands out to be a market leader across over seventy countries. However new firms have come up in the industry causing a stiff competition to the company. New entry manufacturers, second hand shoes as well imported shoes are becoming a threat to the Bata shoe company and thus the need for the company

to adopt generic strategies in order to remain to be a market leader in the industry (Muchie, 2016).

The initiation of Bata shoe Company was by three siblings namely, Anna Thomas and Atonnin which was done in 1894 in Zlin, Czech Republic. Later on Thomas was left to run the operations of the company. At the moment, the company has its operations running in five (5) continents. Production facilities of over twenty-seven in number are under the operations of Bata Shoe Company across twenty (20) countries. The company have more than five thousand store all over the world operating in more than seventy countries. The company has several brands of shoes which are in build (Mwinyihija, 2017).

The brands include Safari boot which still remains to be one of the bestselling shoes across the world. The company initiated its operations in Kenya back in the year 1939 where it settled up its plant in Limuru. The plant had capacity of producing more than sixty thousand pair of shoes daily. As at the year 2018, the Bata Company in Kenya had stores of a hundred and nineteen across the whole country (Kamuri& Odhiambo, 2019).

The company has various innovative products offered to their consumers which have seen the company boosting its sales. In addition, the company offers discount of its products at a rate of 15% at its factory shop in Limuru which have attracted customers and thus thereby increasing its customer base as well as loyalty.

Moreover, the company offers customer's voucher which is redeemable in every retail shop across the country. Ngetich, (2015) opines that by Bata Kenya using the generic strategies, it will be able to understand well the customer's preferences and thus offer products which well fits the customers' needs which will enable it to achieve competitive advantage and overall improved performance.

In the Kenyan economy Bata Kenya have played significance role in enhancing the GDP of Kenya, offering job opportunities to both the farmers who sell their leathers to the company and majority of the employees who have secured the employment in the organization which helps in improving their wellbeing. The turnover of the company has tremendously improved from sh 850M in the year 2004 to over Ksh 3.12B in the year 2014. Different strategies have enabled this tremendous growth ranging from differentiation strategies to the strategies of market expansion (Ngetich, 2015)

## **1.2 Research Problem**

The role of generic strategies on firm competitive advantage has been widely researched over the years. There is a general agreement that generic strategies have influence on competitive advantage (Leitner& Guldenberg, 2016). There are essential features that contribute to the robustness of generic strategies embraced by various companies that can prompt unrivaled competitive advantage levels in the present turbulent economic situations. Kenya's shoe industry sector is yet to realize its full potential despite being one of the most competitive in East Africa. The industry's development is fast and a number of foreign shoe manufacturing firms have extended their operations to Kenya.

This has propelled the stiff competition experienced in the industry hence the need for generic strategies adoption among the firms (Karnani, 2014). Generic strategies adopted by various firms have been studied in different parts of the world. Globally, Papulova & Papulova (2016) evaluated competitive strategy and competitive advantages of small and medium manufacturing firms in Slovakia and explained that strategies in regard to financial resources and human resources were necessary in gaining competitive advantages.

This study relied on collecting secondary data cited from re known authors in the field, as well textbooks and electronic academic sources. Yasar (2016) studied on the how generic strategies relate with performance of Gaziantep carpeting industrial cluster. The study administered questionnaires. Generic strategies were found to have no relationship with performance of Gaziantep carpeting. Uchegbulam, Akinyele and Ibidunni (2015) carried out a study on generic strategies and Performance of Selected SMEs in Nigeria. The study administered questionnaires. The findings revealed that there is a relationship between generic strategies and revenue growth.

Afram (2015) investigated how investment firms in Ghana adopt generic strategies to survive in the competitive sector. The study found that the investment firms employed focus strategy to a great extent so as to pay adequate attention to large corporate clients and improve its financial performance. In Kenya, Abisae (2017) did a study on how generic strategies are applied by supermarkets in Bungoma town, in order to achieve competitive advantage. The study found out that the supermarkets apply differentiation strategies. A study conducted by Ndungú, Machuki and Murerwa (2014) looked at strategies adopted



by investment firms due to economic changes in Kenya. They established that investment firms need to consider the environment while determining the strategies to adopt to avoid environmental negative impacts. Kairu (2013) focused on determinants of sustainable competitive advantage among 100 top performing investment firms in Nairobi County, Kenya. The results revealed that the key factors affecting sustainable competitive advantage were; increased number of new firms in the industry, customer relationship management, market focus and operations cost.

Omwoyo (2016) conducted a study on the effects of generic strategies on competitive advantage with a focus on three scheduled air operators in Kenya. The study examined how the generic strategies affect competitive advantage. From the foregoing, it is evident that there is still a methodological and contextual research gap on the generic strategies and competitive advantage. This study will explore the relationship between generic strategies and competitive advantage of Bata Shoe Company. The research sought to address the following question: What is the relationship between generic strategies and competitive advantage of Bata Shoe Company?

### **1.3 Research Objective**

The main objective of this research was to establish the relationship between generic strategies and competitive advantage of Bata Shoe Company, Kenya.

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

The research is of importance and value to stakeholders including the shoe firm's 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 shoe firms do not come up strategies which promote monopolistic business as a means of safeguarding customers from exploitation by business oriented persons.

The Government is able to understand numerous strategies that lead 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. 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 section reviews the available literature which is either directly or indirectly related to generic strategies. Specifically, the chapter reviews the theoretical frameworks that pertain to the study, the generic strategies adopted by shoe manufacturing firms and Generic strategies adopted and the effects of these strategies on competitive advantage of the firm.

### **2.2 Theoretical Foundation**

A crucial debate that has arisen in the strategic field management over the last two decades is how organizations attain and maintain competitive advantage. This debate has led to the development of two basic schools of thought which can be categorized as the positioning school and the resource based school (Asad, 2016). This study was based on competence based theory and Resource-Based View (RBV).

#### **2.2.1 Competence Based Theory**

Competence based theory argues that the capacity of a firm is based on its competitive advantages over its competitors hence increasing profits which is a key indicator of firm performance (Prescott, 2011). Competence based theory among other theories try to explain how firm performance is affected by the strategies adopted. Hence, this makes it applicable in assessing the competitiveness of a firm and its sales that coincide with customer satisfaction hence enhancing their general performance in the market (Lovelock, 2011). This approach is useful in business management and has to be applied in an appropriate manner.

The theory also proposes that being present success in a competitive industry relies upon effective behavior and leadership of the firm (Prescott, 2011). In order to dominate the market, the management should adopt competent strategies and comprehensively understand the future needs of the customers. Working up a creative view about new courses of action, organizing business part needs later on, and arranging the market interface the customer situated inclinations are beginning strides of dynamic ability. This obviously shows the solid bit of outside-in introduction which is a trademark highlight of the capability based view. Competence based theory allows the businesses to obtain specific resources in an open system interaction with the environment to improve productivity. The emergence of new technologies, products and new competitors' entry in the market constantly affect the competitive advantage of a firm. As a result of this, competitive advantage strategies have been developed based on flexibility and adaptability to technological advancements (Whetton, 2011). This theory gives the basis for competitiveness of firms. Thus this theory corresponds the ability of a firm assessing the generic strategies and come up with competitive advantage strategies

### **2.2.2 Resource-Based View**

The strategy adopted by an organization will determine how well it matches its resources and capabilities to the external environment needs, thus allowing it to achieve a competitive advantage (Henry, 2013). According to Henry, resource-based view emphasizes the value of internal capabilities in strategy formulation and in effect the achievement of competitive advantage. RBV leads to the identification of a unique cluster of resources and capabilities possessed by each organization (Collins &Montgomery, 2015).

Organizations that accumulate valuable, non-imitable, rare as well as non-substitutable resources gains an edge in enterprise competitiveness (Peteraf, 2013). The perception of resources could include all assets, organizational processes, capabilities, information and knowledge, organizational attributes among others. When well controlled and properly used, an organization can use strategies that are effective and efficient (Barney, 2014).

As per Barney (2014), resources of an organization are categorized based on physical which are comprised of equipment, plant as well as finance.

Another categorization is of resources based on organizational capital which entails organizational structure, human resources systems as well as control systems. Also, resources are categorized based on human capital resources which entail skills, judgment as well as knowhow of employees. RBV puts an emphasis on the organizational resources as key determinants of performance and competitiveness (Peteraf & Barney, 2003).

According to Barney (1991), it is based on two primary assumptions in analyzing competitive advantage sources. Firstly, the model makes an assumption that organizations within an industry may be heterogeneous based on the amount of resources they control. Secondly, the theory makes an assumption that resource heterogeneity may be experienced over time based on the fact that resources utilized in implementing organizational strategies are imperfect across organizations. As such, distinct resources or heterogeneity is deemed an essential aspect for a resource bundle in contributing to the competitive advantage of an organization.

## **2.3 Generic Strategies**

Thompson et al. (2014) suggests that for organizations to remain competitive they should come up with generic strategies that adequately respond to their competitors hence giving them an upper hand in the market. Coming up with an effective generic strategy is therefore one of the most vital things an organization can achieve regardless of its size.

Porter (2015) identified three generic strategies that help companies achieve profitability which are Differentiation strategies, Cost Leadership strategies as well as Focus strategies. He defined Cost leadership strategies as where by an organization provides value to its customers at a lower cost compared to its competitors this is achieved by trying to lower on production costs and embracing the economies of scale, he also added that Differentiation being key to competitive advantage organizations has to deliver better benefits than anyone else in the market. This is attained by an organization producing Unique products that are of high quality which is realized through innovation, customer service and focus on quality. Focus involves understanding and serving your target customers better than your competitors.

This can be achieved by use of either differentiation or cost leadership. According to Bonnici (2018), generic strategy involves the process where firms develop competitive advantage and reap above-average returns for the stakeholders. To achieve competitive advantage, strategic management of a firm's resources, core competencies, and capabilities together with the organization's responsiveness to threats and opportunities within the external environment are all essential.

By gaining above average gains, it signifies that such gains are higher than the alternative investments with the same risk profile. Resources serve as the initial stage of core competencies and comprise of the inputs needed in producing a service or a product. Tangible resources comprise of machinery, equipment, premises, and material. On the other hand, intangible resources comprise of finance, human capital, technology, distribution networks, trademarks, patents, supplier networks, customer base, organization's reputation, and brand equity. It is possible to combine and develop resources into capabilities, which as a result lead to core competences.

Capabilities on the other hand comprise of an organization's capacity of transforming resources into competitive products as well as processes. There is a tacit manner that is employed to embed capabilities into the internal processes of a firm. Documenting capabilities as procedures is challenging thus making it hard to copy. A firm's intangible resources tend to serve as the primary source of inimitable strategic capabilities. Capabilities tend to be the main source of unique core competencies, which lead to sustainable competitive advantages. The manner an organization nurtures and equally supports its capabilities towards making them core competencies is less visible to competitors thus making it more challenging to understand and copy an organization's capabilities. Generic strategy helps to mitigate threats and opportunities in the external environment by both reactive and preemptive strategies. Exploitation of new opportunities happens in the emergence of new generic positions that may emerge in the process. A firm's strategic conduct revolves around performance goals like profit maximization, increased sales, policies on pricing (like marginal cost, cost plus, collusive pricing, entry-

detering price, price discrimination, and price leadership), marketing strategies as well as the level of technical change and innovation. Minimization of threats happens through continuous adaptation together with development of the business model.

To ensure an effective generic strategy, continuous realignment and adjustments is imperative as it leads to the development of internal competencies and also in preempting changes within the external environment. To navigate through various complex strategic factors, it requires knowledge relating to their competitors. According to Porter (1985), the firm might opt for one or a blend of various generic strategies, which are; focus, differentiation, and cost leadership.

### **2.3.1 Cost Leadership Strategy**

Cost leadership strategy requires an ease maker in an industry for a given level of value. It looks to draw in clients in view of cost or cost and is exceptionally important if the market is value delicate. As per Porter, (2015), a firm ensures they undertake the most cost effective strategies in production aiming to value their products lower than its competitors hence getting a bigger market share. Associations that accomplish minimal effort administration commonly make ease in respect to contenders the topic of their whole business procedure.

According to the Porter (2015) the firm can either offer its products at normal prevailing prices and fetch higher profits than its competitors, or offer them at a price lower than the normal business costs to gain more market share in the industry. As demonstrated by Porter (2015), cost specialist requires strong improvement of viable scale workplaces, energetic



journey for cost diminishes for a reality, tight expense and overhead control, avoidance of immaterial customer records and cost minimization in regions like imaginative work, advantage, bargains propel, publicizing, among others. Keeping operational costs at their lowest possible cost is important in ensuring organizational competitiveness. Minimization of costs enable organizations to charge competitive prices which can help in achieving sustainable competitive advantage and improved overall organizational performance (Allen et al. 2016).

Akeem (2017) investigated how performance of an organization related with different cost reduction and control approaches. The study focused on finding out the extent that cost minimization strategy had on performance outcomes recorded by the institution over a specified period of time. The analysis of data was conducted through regression analysis and the findings indicated the two strategies had positive influence on performance outcomes recorded by the organizations.

Cost Leadership Strategy is defined as the capacity of an entity to produce products that will be at a lower cost compared to different competitors. Organizations can produce great quality products and offer them at a lower cost consequently give them an upper hand over their competitors. Lower expenses will pull in clients consequently result in higher benefits. Low cost advantage stems from a company being able to keep its cost of production lower than the competition through efficient operations (Akan et al., 2016). A firm pursuing cost leadership competitive strategy must seek and exploit all cost advantages.

Being able to achieve sustained overall cost leadership in an industry enables a firm to offer its products at lower prices than competitors or at near the industry average which translates to higher returns. Firms that adopt cost leadership aims to be low cost products. Such firms sell their products. Such firms sell their products at low prices but also offer a product or services of better quality ` compared to those of competitors. For cost leadership, organisations must ensure efficiency in operation, technological, innovation, economies of scale, low cost labor and easy access to raw materials to cut on transport cost.

Efficiency is the main emphasis of Cost Leadership Strategy. Through production of high volumes of standardized products, the organization aims at benefiting from economies of scale as well as experience curve effects. Such a product is normally basic and produced at a cost that is relatively low with the target customer base being very large. To succeed, the strategy mostly requires a vast market share advantage or even preferential accessibility to important things like labor, necessary inputs, and raw materials. Where a firm has one of these advantages is missing, it is very easy for other players to copy the strategy. Successful implementation may equally be as a result of; process engineering skills, continuous access to inexpensive capital, products manufactured easily, tight cost control, close labor supervision, and incentives on the basis of quantitative targets. The strategy aims at ensuring that costs remain at the best possible minimum.

### **2.3.2 Differentiation Strategy**

Differentiation is the advancement of an item or an administration that is seen industry wide as being extraordinary. Differentiation looks to furnish exceptional items with extra

value qualities. Clients value the special qualities and the value added by the uniqueness of the item may enable the firm to charge a superior cost for it. The firm spotlights on making a significantly separated item offering and exhibiting program with the objective that it gives off an impression of being the class pioneer in the business. Approaches to manage separation can take various structures (Porter 2015): layout or brand picture, advancement, features, customer advantage, dealer mastermind or diverse estimations. Jassim (2016), recommends that a firm can make its items not the same as those of its rivals in terms of quality, marking, feel, sturdiness, taste and so forth.

By differentiating a firm wins brand loyalty with a resultant lower sensitivity to cost. A differentiator still stresses over cost since it will impact the edges. As per Porter (2015), accomplishing differentiation will swap with cost position if the exercises required in making it are inalienably expensive, for example, broad research, item plan, superb materials or serious win of client trust. Differentiation faces various dangers. These include: imitation from different contenders that decrease the uniqueness, changes in client tastes and unwillingness by clients to pay the superior cost.

In differentiation strategy, the organization seeks to be unique in a certain dimension which is valued by consumers and positions itself to meet this need.

A firm identifies a unique attribute that is perceived by most of the consumers in the market as being of importance, and positions itself to meet this attribute for differentiation to be successful the unique attribute has to be seen as valuable to the customer and the price premium generated has to exceed the added cost of being unique, (Pollitt and Bouckaert,

2017). As indicated by Pollitt and Bouckaert, (2017) some of the dimensions that an organization can choose to differentiate itself may include; durability, service delivery, branding, packaging, location of facilities, or product features. Differentiated products are unique, non-standard and retail at a premium price than those of the competition.

Differential approach is a strategy used by firms to develop strong disposition in a specific market also referred as division approach. Utilizing this method, a company will present several varieties of the same commodity under a comparative name into a particular grouping and cover several products that category (Kyengo et al., 2016). Differentiation methodology can also be characterized as situating a brand as the most unique to consumers.

Differentiation is directed at the broad market and comprise of developing services and products, this is perceived throughout the industry as distinct. The product or service is the charged a premium. To achieve this specialty, things like image, design, features, customer service, and network are taken into account. Differentiation serves as a viable strategy that helps to earn above average returns in a specific business due to the consequent brand loyalty, which lowers consumers' price sensitivity. Customer loyalty may equally serve as an entry barrier and thus firms must come up with distinctive competence to help in differentiating their products or services so as to compete successfully.

### **2.3.3 Focus Strategy**

The focus strategy looks into a small segment and endeavors to accomplish either a cost preferred standpoint or differentiation. The focus specializes on a specialty market and offers customized services. The start is that concentrating completely on it and serving the specific target can better market segment satisfaction. A firm seeking to adopt focus strategy has to differentiate its products by either satisfying their customers through quality products, lower the cost of the products or both (Porter, 2015).

Market focus strategy focuses on fewer markets as opposed to focusing on the entire market. By narrowing down to smaller segments, organizations can address the issues of the consumer. It is imperative for organizations to choose which market to deal with or take so they don't get stuck at the center. Focus strategy entails an organization identifying a small portion of the market which it seeks to dominate and this is achieved by emphasising on quality of goods and services. This can either be a cost leadership or differentiation strategy aimed towards a narrow focused market (Reck et al, 2014). Focus strategy focuses on an organization choosing a narrow scope over which it wishes to compete on in any given industry. It involves selection of market segments and tailoring a strategy this market satisfactorily to the exclusion of other market segments (Zhao, Hwang & Yu, 2013). Different strategies have been applied in focus strategy to gain competitive advantage. For instance, Porter (1985) notes that organizations choosing cost focus strives to achieve cost advantage while those pursuing differentiation focus seeks to differentiate their products and services in the identified target market segment. The factors making this

strategy successful include: segments buyers possessing unusual needs or are very sensitive to cost element.

Neumann and Brown (2013) established that focus strategies enabled organization in satisfactorily meeting the needs of a selected market segment thereby edging out competing brands. Lacum, Ossevoort and Goedhart (2014) established that through focus strategy, organizations were able to improve their product offering to a given class of customers. The focus strategy has two narrow dimensions of either cost focus or differentiation focus in which the company narrows its offerings to a targeted segment of the industry. Whereas the other two strategies focus on a broader scope of the industry, focus strategy targets a narrow field within the industry. In cost focus the firm positions itself as the low cost producer within a targeted small segment of the industry whereas in differentiation focus it seeks differentiation within the targeted segment (Porter, 2012).

Focus Strategy involves a firm concentrating on a selected a few target market. The strategy is equally known as the niche strategy and considers focusing marketing efforts on one market segment together with tailoring the marketing mix to the said market helps in meeting the needs of the target customers better. In such a situation, the organization seeks to gain competitive advantage through effectiveness as opposed to efficiency. The strategy may be applied in selecting targets that are less affected by substitutes or in instances where competition is very weak thus helping the firm to earn above average returns. Two variants identify with the focus strategy: cost focus is where an organization aims at gaining cost advantage; whereas differentiation focus entails a firm's focus in gaining differentiation

within the target market. Differentiation focus is directed at exploiting the special needs of consumers in certain segments whereas cost focus is directed at exploiting variations in cost behavior in the target segments.

## **2.4 Generic Strategies and Competitive Advantage**

West (2015) conducted a study on strategy, scanning of the environment and performance of the firm: an integration of satisfaction and process in the food service industry. The study targeted 65 foodservice CEO's who were asked to indicate their opinions on how environmental scanning as well as strategy affects performance in their firms. This was done through the guide of a questionnaire. It was established from the findings that foodservice firms prefer cost focus as well as differentiation strategies as compared to focus strategies. However, the study failed to explicitly show the relationship between generic strategies and competitive advantage

Yasar (2016) studied on the how generic strategies relate with performance of Gaziantep carpeting industrial cluster. The study administered questionnaires. Generic strategies were found to have no relationship with performance of Gaziantep carpeting. The results show that for improvement of firm performance and attainment of competitive advantage there should be resolute use and implementation of generic strategies, that is, cost and differentiation.

Although the study revealed a positive linkage on generic strategies and performance, the study majorly focused on organization performance and thus overlooking the concept of competitive advantage which is the basis of this current study. Afram (2015) investigated how investment firms in Ghana adopt competitive strategies to survive in the competitive

sector. A total of 30 investment firms were considered for the study. However, 12 investment firms were selected as the sample for the study. Primary data and secondary data were used to study the study variables. Well-structured questionnaires were used to capture the competitive strategies while financial performance data (return on assets) was extracted from the investment firms' annual reports available in its website to capture the financial performance using return on equity.

The study found that the investment firms employed focus strategy to a great extent so as to pay adequate attention to large corporate clients and improve its financial performance. Kariuki (2014) on her study on competitive strategies used by commercial banks in Kenya to attract corporate customers found out cost leadership is a strategy developed by various commercial banks. This involves outsourcing activities such as security services, catering. Aggressive pursuit of automation to lower the cost of service delivers, avoidance of marginal customer accounts are other measures adopted to cut on operational costs. From her findings, banks also use differentiation strategy. Some banks frequently introduce new products targeting corporate clients, frequently improves the existing products through offering customized products and some banks even have special interest rates for some corporate clients.

Njoroge (2016) studied generic strategies adopted by shopping malls in Nairobi County to remain a market leader. She found out that shopping malls adopted various generi strategies that were favourable ` for market leadership. In the study, it was established that in a shopping mall, one easily notices two, three, four or more banks next to each other on the same floor. From her findings, the most preferred strategy was branding through aggressive



marketing and advertisement of their products. The study was based on Bank of India and thus little can be borrowed by Bata Shoe Company in Kenya. Abisae (2017) did a study on how generic strategies are applied by supermarkets in Bungoma town, in order to achieve competitive advantage. 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.

## **2.5 Summary of Literature and Knowledge Gap**

Generic strategies are essential to companies that are competing in heavily customer based markets. They are normally applied by organizations wanting to attract customers and withstand the competitive pressure and retain the position of the market. Successful generic strategies play a key role in sustaining a superior performance and competitive advantage. Hernández-Perlines et al. (2016) states that these strategies are long term in nature

specifically developed to direct the operations of the organization to a competitive position in the industry. Today's business world is driven by hyper-competition where too many businesses are competing for too few business opportunities. There is not enough demand for each goods or service provider.

Consequently, the established foundations of competitive advantage such as economies of scale and elaborate budgetary allocations for marketing may not be as effective today as they were in the past. Colley and Hardy (2014) emphasize the role of analyzing the extent of competition before coming up with strategies as the levels and patterns of the performances of rivals affect the strategies that would otherwise earn competitive advantage against the firm's competitors. Although some studies have been carried out on generic strategies in business, there exists a research gap on the influence of generic strategies on the competitive advantage of shoe industry in Kenya. This study, therefore, provides valuable information on the influence of generic strategies on the competitive advantage of Bata Shoe Company in Kenya.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The focus of the research methodology chapter is to illustrate the researcher's scope of operational procedures that has been used in the study. This chapter presents aspects of research methodology to make into use in the research study. It thus presents in detail the research design and the data collection method that was employed to analyze it. Specifically, it comprises philosophies and design, methods of collecting data, and data analysis of the research findings.

### **3.2 Research Design**

A research design is a strategy used for collecting and analyzing data to test the research hypothesis or to respond to research questions. It provided a framework on how the information was collected, from whom, and when, data collection method was used, the instrument used how it was administered and how the information was organized and analyzed to ensure that research objectives have been met by the researcher. This study employed a case study design. According to Yin (2008), a case study is an empirical study that probes an existing occurrence within its real-life environment. A case study permits the researcher to shed better light on phenomena from multiple perspectives defined by the context, unlike other approaches. It offers a useful approach to theory development (Blumberg, Cooper & Schinder, 2011). A case study presents one unit of study thus allowing an in-depth study of the behavior and pattern of the subject. The researcher scrutinized in detail the relationship between generic strategies and competitive advantage of Bata Shoe Company using a case study approach.

### **3.3 Data Collection**

A case study uses interviewing and observation for data collection (Blumberg, Cooper & Schinder, 2011). Structured interviews were designed and analyzed in a qualitative manner. It is of relevant to a process of generic strategies to include several combinations of FGDs, desktop researches, review of literatures, scoping reviews, systematic reviews as well as interviewing key informants in order to reveal various perspectives related to the key term of generic strategy. The interview guide enabled the researcher to obtain up to date information as well as bring to the fore information that could otherwise not be obtained through other data collection techniques. 5 respondents were administered with the interview. They included the ICT Manager, Corporate Strategy Manager, Human Resource Manager, Head of commercial Department as well as the Finance Manager.

### **3.4 Data Analysis**

Since the data was qualitative (data to be analyzed is text rather than numbers), it was analyzed by drawing attention to what the researcher feels is of importance or significance. This is because generic strategies methods are to a large extent qualitative and subjective as much as they are also speculative in nature. The techniques of coding, annotating, labeling, selection and summary was applied to identify relationships. Qualitative analysis transforms data into findings (Patton, 2002). No formula thus exists for this transformation. The destination, unlike quantitative data, remains unique for each inquirer. The research applied content analysis method. Shanon et al (2005) described the content analysis method as a systematic quantitative description of the composition of the exploration of many important but difficult areas to the researcher.

## **CHAPTER FOUR**

### **FINDINGS, ANALYSIS AND DISCUSSION**

#### **4.1. Introduction**

This chapter reports the data analysis and interpretation of the results. The focus was specifically for data analysis from the respective respondents in the Bata Shoe Company and giving interpretation of the research findings. The main purpose of the study was to establish the relationship between generic strategies and competitive advantage of Bata Shoe Company, Kenya.

#### **4.2. Background Information**

In the design stage, the researcher had intended to collect data from ten respondents from the case company. Due to reasons of unavailability or simply unwillingness to respond to the interview guide, the researcher finally managed to interview four respondents. This number was considered good enough for content analysis. The researcher therefore forms the opinion that the number of respondents was good enough for providing reliable results. All of the four respondents indicated that they held senior management positions. They were therefore considered suitable for providing the information that the researcher wanted. All the respondents indicated that they had worked with Bata Shoe Company, Kenya for more than five years. In interviews concerning strategy, it is imperative that the respondents be carefully chosen so as to provide informed responses. The respondents ought to have worked for the company in question for a period of not less than three years. They further indicated that they had degree level of education and this meant that they were in a position to answer the questions appropriately with regard to generic strategies and competitive advantage.

### **4.3. Generic Strategies**

The Generic strategies that Bata Shoe Company, Kenya, choose to enhance their competitive standing are dependent on a number of factors primary of which are company resources, competitive environment and market structure. The respondents indicated that the company is heavily guided by differentiation followed by focus and cost leadership in that order. When the researcher noted that the respondents were comfortably reciting the strategies, it was thought necessary to probe further to determine the source of this knowledge.

It was indicated that the most used generic strategy was achieving competitive advantage through differentiation of the company product bundle from those of competitors. The respondents argued that Bata Shoe Company, Kenya differentiates its product offer at nearly all levels: at the core product level, the respondents noted that the company has always taken pride in the fact that it has heavily patented its products so copying of the formulation is never a possibility. At the promotional level, the respondents noted that the company's promotional campaigns were not comparable to any other globally. The reason for this is that advertisements by the company have a global appeal. This finding is consistent with Sadaghiani, Dehghan & Zand (2011). They indicate that the application of differentiation strategy is critical in some sectors and not so dominant in others.

Respondents indicated that the company applies segmentation of markets, effectively indicating that they produce products with specific segments in mind. The respondents were very clear in their minds that mass marketing or the best one for all kind of marketing

would not work. Segmentation, they noted, is observed even developing the distribution strategy and channel management. They were all in agreement that the company chooses which segments to involve itself in, this finding is in agreement with Kaikkonen (2009). This is a viable strategy for companies that recognize the fact that its market can be subdivided and each segment approached differently with a different proposition.

The respondents indicated that the cost leadership strategy is applied but not as heavily as the other two strategies i.e. differentiation and focus strategies. It was indicated that cost leadership was not considered a very critical strategy because of the nature of the industry Porter (2015), a firm ensures they undertake the most cost effective strategies in production aiming to value their products lower than its competitors hence getting a bigger market share. Associations that accomplish minimal effort administration commonly make ease in respect to contenders the topic of their whole business procedure. The firm can either offer its products at normal prevailing prices and fetch higher profits than its competitors, or offer them at a price lower than the normal business costs to gain more market share in the industry. Cost specialist requires strong improvement of viable scale workplaces, energetic journey for cost diminishes for a reality, tight expense and overhead control, avoidance of immaterial customer records and cost minimization in regions like imaginative work, advantage, bargains propel and publicizing.

#### **4.4. Importance of Generic Strategies to Bata Shoe Company**

The respondents were requested to indicate the importance that Bata Shoe Company lay on generic strategies. According to the respondents 'generic strategies links Bata shoe Company prevailing objective and actions to attaining its targets for the future.

#### **4.5. Need for Generic Strategies**

The respondents were requested to indicate whether employees appreciate the need of generic strategies and whether generic strategies information is shared with them. According to the respondents the employees appreciate the need for the generic strategies as they help them achieve the targets with ease at the same time improving the company competitive advantage.

In addition, the respondents indicated that the information on generic strategies is shared among the employees for them to realize the firm objectives as well as working towards the attainment of those objectives. This ensure that both the management and the subordinate staff work in unison to realize the common goal of the company. The respondents further stated that for Bata shoe company to remain competitive they should come up with generic strategies which should be communicated to the employees and which are adequate enough to respond to their competitors hence giving them an upper hand in the market. Coming up with an effective generic strategy is therefore one of the most vital things Bata Shoe Company has achieve regardless of its size.

#### **4.6. Cost Leadership Strategies Adopted by Bata Shoe Company**

The respondents were requested to indicate the cost leadership strategies that Bata Shoe Company has adopted in order to remain competitive. According to respondents other most notable strategies under cost leadership at Bata Shoe Company were strategic location of storage, filling and loading facilities, minimizing research and development and advertising costs and high operational efficiency through reduced wastage of time and



resources. There was also use of low inputs costs and squeezing of suppliers. The respondents further indicated that Bata avoided retrenchment of workers, closing and disposal of establishments.

According to the findings, respondents further indicated that emphasis is given to service and product delivery, variable cost therefore takes precedence with minimal fixed costs such that every input has a commensurate output. Partnerships with low cost providers in service provision such as healthcare and garages on repairs were cited as some of the measures employed to ensure the cost of the services are minimized resulting in lowering the cost of its products. Low distribution cost through its in-house agency network and direct marketing digitally and through its various branch networks spread across the country were highlighted as key focus to the business towards realizing its low cost strategy. Respondents also pointed out that Bata Shoe Company outsources non-essential services such as surveys, assessments, property development, and document management, as well as maintaining centralized shared services such as human resources, Information technology services and finance functions to avoid duplication of roles hence cutting cost. Cost leadership strategy has contributed to achievement of competitive advantage according to the respondents pointing that through cost leadership, the company is able to project an image of affordable and value provider with products that are pocket friendly and at the same time offer un-paralleled services at affordable cost. Other reasons provided is that customers are more sensitive to price especially when prices go up hence use of cost leadership through low cost products has enabled the company gain competitive advantage in the industry

The respondents further cited that cost leadership has directly contributed towards its huge size of client base especially the retail portfolio and at the same time has helped the company breed and advance customer loyalty. Cost leadership was also quoted to have helped the company offer affordable products as well as reach out to various segment of the market hence maintaining a significant market share which is key in the urge to attaining competitive advantage. In relation to those who disagreed with contribution of cost leadership on competitive advantage, respondent indicated that cost leadership has an inverse effect on quality of service therefore depriving the objective of cost leadership.

#### **4.7. Differentiation Strategies Adopted by Bata Shoe Company**

The respondents indicated Bata Shoe Company offers unique products to its customers. This strategy was said to be useful because the customers' needs and preferences are too diverse to be fully satisfied by standardized products offered by all other shoe companies in the market. The respondents further said the Bata Shoe Company differentiates its products according to what the customer perceive to be of value, and the products are meant to satisfy the customers.

All interviewees agreed that differentiation has contributed towards gaining competitive advantage, they cited that adoption of differentiation has helped Bata Shoe Company remain relevant, be a market leader as well as build a tag of "provider of financial security every step of the way" as envisaged in its mission statement through unique and quality products and services. The interviewees also indicated that the company had prioritized products advertisement on various platforms including on social media, Radios, Television, print media and billboards as well. The company's strategy was to make more

appealing and customer centered products advertisements that would significantly translate to increased sales by the company.

They indicated that consumer need was their key concerns in ensuring quality products in the market. The company conducted shows and offered promotions to their customers to increase brand awareness to the public. They also carried out market surveys to assess their position in the market and plan ahead. This assisted the management in making various decisions such as consumers' satisfaction and new consumer trends.

#### **4.8. Focus Strategies Adopted by Bata Shoe Company**

The respondents were requested to indicate the focus strategies that Bata Shoe Company has adopted in order to remain competitive. According to the respondents Bata has adopted focus strategy which has two narrow dimensions of either cost focus or differentiation focus in which the company narrows its offerings to a targeted segment of the industry. Whereas the other two strategies focus on a broader scope of the industry, focus strategy targets a narrow field within the industry.

According to the respondents cost focus has enabled Bata to position itself as the low cost producer within a targeted small segment of the industry whereas in differentiation focus it seeks differentiation within the targeted segment.

The respondents mentioned focus strategy as a key strategy developed by Bata Shoe Company where the company mainly focuses on a certain market niche to serve its customers better. The respondents stated Bata Shoe Company mainly focuses on high net worth clients who include embassies, International NGOs, large multinational

corporations, senior government officials among others. The respondents indicated Bata Shoe Company focuses on exploiting this narrow segment of the market. The products and services offered to this population are tailor made to suit their tastes and preferences. The products and services were also said to be of high quality given the target audience is high net worth hence suiting their needs.

#### **4.9. Generic Strategies and Company Competitive Advantage**

The respondents were requested to indicate whether generic strategies enhance Bata Shoe company competitive advantage. According to the respondents through the use of generic strategies Bata Shoe Company has been able to be the market leader in the footwear industry since the commencement of its operation. Bata Shoe Company used a number of different generic strategies in offering their products in order to effectively and efficiently outcompete their rivals which led to high firm performance and sustainable competitive edge. Some of competitive strategies include cost leadership strategy, differentiation strategy, focus strategy, diversification, globalization, mergers and acquisition, strategic alliances, market development and product penetration strategy which aided the company to gain competitive advantage like quality products and services, increase market share, survival, profitability and growth.

Bata Shoe Company satisfied their customers better than their rivals to gain sustainable competitive advantage which was done by adding value to their services to meet and exceed customers' needs. Some of the essential elements used to add value to banks products and services includes: commitment to quality, speedy reaction to competitor's

opportunities and threats, benchmarking of rivals, understanding customers' needs, their taste and preferences, attending to customers' complaints among others.

#### **4.10. Discussion of Findings**

The study indicated that Bata Shoe Company uses cost leadership strategies to gain competitive advantage. As per Porter, (2015), a firm ensures they undertake the most cost effective strategies in production aiming to value their products lower than its competitors hence getting a bigger market share. Associations that accomplish minimal effort administration commonly make ease in respect to contenders the topic of their whole business procedure. According to Porter (2015) the firm can either offer its products at normal prevailing prices and fetch higher profits than its competitors, or offer them at a price lower than the normal business costs to gain more market share in the industry. In most cases, companies apply generic strategies to gain superior advantage over their competitors and to increase return on investments ultimately (Kay, 2001).

Rindova and Fombrun (1999) distinguish between firm level strategies and business level strategies. Business-level strategy involves choices made by organizations when arriving at decisions on how to compete in individual product markets. As such, it comprises of a set of actions as well as commitments that are coordinated and integrated, which an organization relies in gaining competitive advantage by exploring the core competences in particular product markets.

The study revealed that Bata Shoe Company uses differentiation strategies to gain competitive advantage. The results are consistent with findings by McCracken (2003) who

states that a company should provide unique products that will capture a particular segment of the market. The study is also consistent with findings by Kariuki (2014) that differentiation strategies allows organizations build a strong customer base when such organizations frequently introduce new unique products targeting clients to achieve corporate customer satisfaction to ensure customers receive specific value in the products offered.

Focus strategy adopted by Bata Shoe Company was also noted to be a key strategy to Bata Shoe Company. Having decided to focus mainly on a particular market segment has enabled Bata Shoe Company understand its market share effectively through research and development activities. Bata Shoe Company has therefore been able to effectively respond to the needs of its clients by offering valuable products to the high end clients, diplomats, embassies, consulates and large corporation. This is consistent with findings by Karanja (2002) who found out focus strategy is competitive allowing organizations to get more clients and able to increase customer base. The results are also consistent with Ndung'u (2016) findings that some companies concentrate on specific target market to offer quality products and services to its customers to gain competitive advantage. The study found that the employees appreciate the need for the generic strategies as they help them achieve the targets with ease at the same time improving the company competitive advantage. The information on generic strategies is shared among the employees for them to realize the firm objectives as well as working towards the attainment of those objectives. This ensures that both the management and the subordinate staff work in unison to realize the common goal of the company.

The study found that for Bata shoe company to remain competitive they should come up with generic strategies which should be communicated to the employees and which are adequate enough to respond to their competitors hence giving them an upper hand in the market. Coming up with an effective generic strategy is therefore one of the most vital things Bata shoe company can achieve regardless of its size. A differentiator still stresses over cost since it will impact the edges. As per Porter (2015), accomplishing differentiation will swap with cost position if the exercises required in making it are inalienably expensive, for example, broad research, item plan, superb materials or serious win of client trust. Differentiation faces various dangers. These include: imitation from different contenders that decrease the uniqueness, changes in client tastes and unwillingness by clients to pay the superior cost when the cost differential between the ease contenders and the differentiated firm turns out to be excessively incredible for separation, making it impossible to hold mark devotion.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Introduction**

This chapter presents the summary, conclusion and recommendations upon analysis of the findings. Also included in this chapter is limitations during the study as well as what the study suggests should be studied further

#### **5.2 Summary of Findings**

The study revealed that Bata Shoe Company offers unique products to its customers. This strategy was said to be useful because the customers' needs and preferences are too diverse to be fully satisfied by standardized products offered by all other shoe companies in the market. In addition, Bata Shoe Company differentiates its products according to what the customer perceives to be of value, and the products are meant to satisfy the customers. The study revealed that focus strategy is a key strategy developed by Bata Shoe Company where the company mainly focuses on a certain market niche to serve its customers better.

The respondents stated Bata Shoe Company mainly focuses on high net worth clients who include embassies, International NGOs, large multinational corporations, senior government officials among others. The respondents indicated Bata Shoe Company focuses on exploiting this narrow segment of the market. The products and services offered to this population are tailor made to suit their tastes and preferences. The products and serves were also said to be of high quality given the target audience is high net worth hence suiting their needs. The study found that the employees appreciate the need for the generic strategies as they help them achieve the targets with ease at the same time improving the



company competitive advantage. The information on generic strategies is share among the employees for them to realize the firm objectives as well as working towards the attainment of those objectives. This ensure that both the management and the subordinate staff work in unison to realize the common goal of the company.

The study found that for Bata shoe company to remain competitive they should come up with generic strategies which should be communicated to the employees and which are adequate enough to respond to their competitors hence giving them an upper hand in the market. Coming up with an effective generic strategy is therefore one of the most vital things Bata shoe company can achieve regardless of its size. The study found that Bata Shoe Company should invest resources in the realization of generic strategies.

### **5.3. Conclusion of the Study**

Bata Shoe Company 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 study concluded that the employees appreciate the need for the generic strategies as they help them achieve the targets with ease at the same time improving the company competitive advantage. The information on generic strategies is share among the employees for them to realize the firm objectives as well as working towards the attainment of those objectives. This ensure that both the management and the subordinate staff work in unison to realize the common goal of the company.

The study concluded that for Bata shoe company to remain competitive they should come up with generic strategies which should be communicated to the employees and which are adequate enough to respond to their competitors hence giving them an upper hand in the market.

The study concluded that for Bata Shoe Company had built its niche market greatly throughout the country and across borders, some of it niche markets includes microfinance, insurance, business investments, and local community. The bank had heavily invested in R&D, training and development of employees, technological advancement, improvement quality management, branch and regional expansion, diversification among others which had earned them high profitability, growth and increased market share.

#### **5.4. Recommendations of the Study**

The study was aimed at establishing the application of generic strategies adopted by Bata Shoe Company, 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 Bata Shoe Company management propose and bring forth are long term in nature therefore reducing the costs implementation.

Bata Shoe Company 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 Bata Shoe Company possesses generic 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 Bata Shoe Company 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. Differentiation was reported to be the most dominant strategy. Differentiation means that the management attempts to create real or perceived differences between its products and those of competitors. Creating real differentiation may be achieved by Bata Shoe Company through distinctive tastes of the company products. This may not be very easy. Perceived differences may be created by positioning the company's products differently from those of competitors

The study recommended that Bata Shoe Company needs to invest heavily in R&D to improve current strategies and develop new competitive strategies to outcompete rivals. The study also recommended the company also to invest in technology which was constantly changing, which helps in attracting and retaining customers while improving quality of service

### **5.5. Limitations of the Study**

This research depended on and was particular to Bata Shoe Company. The research did not consider shoe companies operating in the country and therefore the strategies which the other shoe companies' 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 generic strategies that are applied by shoe companies all over the country. The interview guides distributed to the manager 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 shoes companies so as to maintain a competitive edge that has not been highlighted in this research.

## **5.6. Suggestions for Further Research**

Whilst this study clearly provided insight into how generic strategies influence competitive advantage, there is need to explore further areas of research associated with the system which would help gain more insights into the association between generic strategies and competitive advantage. 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 interview guide since this study concentrated on the managers who worked in the respective departments at Bata Shoe Company.

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# APPENDICES

## APPENDIX I: LETTER OF INTRODUCTION



### UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS

Telephone: 020-8095398  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsities

Tel: 020 8095398  
Nairobi, Kenya

DATE: 21<sup>st</sup> Oct 2019

#### TO WHOM IT MAY CONCERN

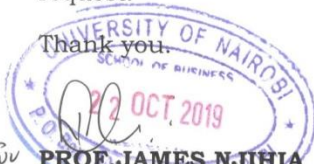
The bearer of this letter, Irshim Bigega Ismael of Registration Number D61/81090/2016 is a Master of Business Administration (MBA) student of the University of Nairobi.

He/she is required to submit as part of his/her coursework assessment a research project report

We would, therefore, appreciate if you assist him/her by allowing him/her to collect data within your organization for the research.

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

Thank you.

  
for **PROF. JAMES NJIRIA**  
**DEAN, SCHOOL OF BUSINESS**

## APPENDIX II: INTERVIEW GUIDE

### Section 1: Staff demographics

- i. Name (optional) \_\_\_\_\_
- ii. Gender  
Male  Female
- iii. Designation \_\_\_\_\_
- iv. Period of service \_\_\_\_\_
- v. Level of qualification \_\_\_\_\_
- vi. Area of Specialization \_\_\_\_\_

### Section 2: influence of environmental scanning on the competitive advantage

- i. How do you understand generic strategies to be?
- ii. What importance does Bata shoe Company lay on generic strategies?
- iii. Do the employees appreciate the need of generic strategies? Is the generic strategies information shared with them?
- iv. To what extent has Bata Shoe Company invested resources in generic strategies?
- v. Which cost leadership strategies have Bata Shoe Company adopted in order to remain competitive?
- vi. Which differentiation strategies has Bata Shoe Company adopted in order to remain competitive?
- vii. Which focus strategies has Bata Shoe Company adopted in order to remain competitive?
- viii. Do you feel generic strategies enhances Bata Shoe company competitive advantage? If yes kindly explain how.