

**COMPETITIVE STRATEGIES AND PERFORMANCE OF FLOWER
EXPORTERS IN KENYA**

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DECLARATION

This research project is my original work and has not been presented for any academic award in any other University.

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The research has been submitted for examination with my approval as The University supervisor.

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DEDICATION

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ABBREVIATIONS AND ACRONYMS

EU	European Union
HCD	Horticultural Crop Directorate
KFC	Kenya Flower Council

ABSTRACT

The current business environment is characterized by frequent unexpected changes and organizations are forced to compete for clients, market share and revenues with their offerings that offer viable solutions to their clients' needs. The clients are asking for products and services of superior quality from organizations who have to listen due to technological advancements that have fanned the global competition. This has resulted to organizations placing much importance on firm competencies as well as competitive advantage believing it would position them in an ideal position competitively. Among the many objectives that majority of organizations set out to accomplish in the current business environment, two stand as being major which are achieving a position that a firm considers to be of competitive advantage as well as improve the performance of the organization as compared to that of similar players in the market. Competitive strategy involves trying to achieve advantage over competitors, on some cost or differentiation advantage over competitors. This study focused on looking at how competitive strategies affected performance of flower exporting companies. The research objective was to establish the competitive strategies implemented by the flower exporter companies in Kenya and how they affect their performance. The research design adopted was cross sectional survey whereby primary data used was collected from the respondents using questionnaires and analysis done using SPSS. Research findings indicated conventional competitive strategies had been adopted by the flower exporting firms though implementation varied across organizations. It was established from the research that firm performance is influenced by different competitive strategies differently whereby their style of implementation influences the overall effect. The study concluded that a significant relationship existed between competitive strategies and performance of the flower exporting firms. Research findings also conclude that flower exporting firms have adopted competitive strategies which has enabled them to continuously improve their performance. This is evident from the result on growth in different areas including revenue and the market share. Referring to the research findings the researcher recommends that flower exporting firms continue implementing competitive strategies that work for them and even seek further assistance on ways in which they can leverage on the benefits of these strategies to further push their growth upwards. Further areas or research are suggested that future studies to extend their scope and look at how the different classes of competitive strategies impact the various performance aspects in the organization

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The current business environment is characterized by frequent unexpected changes and organizations are forced to compete for clients, market share and revenues with their offerings that offer viable solutions to their clients' needs. The clients are asking for products and services of superior quality from organizations who have to listen due to technological advancements that have fanned the global competition (Dirisu et al., 2013). The accelerated global competition has had an impact on the lifecycle of products offered by firms whereby it has been shortened. This has resulted to organizations placing much importance on firm competencies as well as competitive advantage believing it would position them in an ideal position competitively.

Among the many objectives that majority of organizations set out to accomplish in the current business environment, two stand as being major which are achieving a position that a firm considers to be of competitive advantage as well as improve the performance of the organization as compared to that of similar players in the market (Raduan et al., 2014). The context in which organizations operate can impact the firm's operations in a positive or negative way and that depends on the kind of the business being conducted. The environment is made up of various external and internal factors which potentially affect the operating context such as competition. Competition refers to the rivalry among organizations that strive to sale and gain returns whereby it is the force that drives markets. Lewis (2004), contends that for any industry to experience growth and develop economically, it is essential to have markets that are fair and efficient.

The nature of relationship among the competitive strategy and firm performance can be linked to industrial organization framework of industry behavior; whereby the profitability of an organization is largely perceived to be a function of industry structure. Barney (1986) notes that the performance of any organization is majorly influenced by the industry features. Porter (1980), contends that organizations are able to maximize their output by either endeavoring to take the position of low cost producer in the industry or by offering differentiated products and/or services as compared to the existing businesses.

Strategy is about making choices (Porter, 1985). Competitive strategy involves trying to achieve advantage over competitors, on some cost or differentiation advantage over competitors. The firm should try to achieve some position that is difficult or impossible for rivals to imitate (Kay 2014). (Porter 1985), Porter sees the competitive strategy as the determination of a firm's position in a competitive environment. The performance of a business organization is determined by the strategies that the organization has put in place. It may take many forms depending on whom and what the measurement is meant for. Different stakeholders require different performance indicators to enable them make informed decisions.

There are several theories that explain performance in relation to competitive advantage. Those relevant for this study include the dynamic capabilities pioneered by Teece (1989). A dynamic capability presents an organization's ability to deliberately formulate or modify its resources in consideration to the constantly dynamic external forces (Teece, Pisano & Shuen, 1997). Organizations that have been successful internationally gain competitiveness by responding to the market dynamics in a timely manner as well as growing fast product innovation as well as developing swift schedules on the deployment of external as well as internal competences (Teece, et. al., 1997). The Industrial Organization (IO) theory developed and introduced by Bain, (1956) and most recently (Caves, 2007) also explains organizational performance in relation to its environment. The principle of contingency which explains the fit between the environment and the business best illustrates this theory, and is key in organizational performance (De Jong & Shepherd, 2007).

The floriculture industry, one of the most important industries in Kenya, has placed the horticulture industry among the top economic drivers in the country, by earning the country almost \$0.8 billion annually, providing employment for more than 500,000 people, and impacting over two million livelihoods. Globally, the flower business has experienced substantial growth over the last decade. Kenya has been ranked among the top exporters worldwide and its position has continued to improve over the years and with 38% market share to the European Union (EU) market, it is among the leading exporters (Horticultural Crops Directorate, 2018).

The flower export industry is however characterized by rapid growing competition from other upcoming countries like Ethiopia, Zambia, Tanzania Egypt and Uganda, where these countries have discovered they share the favorable condition for growing flowers as Kenya, now Kenya is not only facing the competition from South America, and South Africa to target the same market, but also its immediate neighbors, exporting to the same destination which is Dutch conglomerate of florist. The country's position as a major flower producer in the world has however been changing from time to time majorly due to changing market conditions as well as other factors. The aim of this paper is to assess the competitive strategies that are employed by Kenyan large flower exporters and their impact in the organizations' performance.

1.1.1 Competitive Strategies

Dess et al (2006) explains that a competitive advantage refers to an advantage acquired over the competitors by providing clients higher value, by either offering reduced prices or giving extra benefits and service that validate similar, or possibly increased prices. When the competitive advantage is sustainable, then competitors will find it more difficult to neutralize the advantage. Barney (1991) points out that competitive advantage can be classified into two main types, comparative advantage and differential advantage. Comparative advantage which is also referred to as cost advantage, refers to the ability of the organization to produce goods at minimum costs as compared to competitors which therefore enables them sell at prices lower as compared to the competitors, thus generating larger sales margins. A firm enjoys a differential advantage when it produces goods that differ from those of the competitors and are alleged to be of superior value as compared to the competitors.

A firm that adopts competitive strategies gains a competitive advantage which includes pricing of products, investment in production and distribution facilities, research and development as well as contracting practices with customers and development expenditures. Competitive strategies enable firms to position themselves in the industry, create mechanisms to counter competitive forces or influence them to their favor. Scholes and Whittington (2005), present strategy to be an organization's long term direction and scope, which enables the organization achieve competitive advantage in an environment that is frequently changing by configuring its resources and capabilities aimed at meeting the expectations of the stakeholders.

Scholes & Whittington (2005) further explain each level of strategy which includes the corporate-level strategy that focuses on the overall scope of a firm and value addition to the different departments within the organization, the business-level strategy that focuses on the various businesses outlined by the corporate strategy and how they are going to compete in the particular markets, and lastly functional-level strategy, that relates to the different functional areas such as, marketing, production, finance, and human resource. It is well matching to industry and competitive state, reflecting company's awareness of best market opportunities. Managers need to determine if the firm should position itself as the low-cost producer, or develop products and services that are unique which will enable the firm to charge premium prices-or some combination of both (Porter, 1985). It ensures that the competitive advantage of the firm is sustained through investment of resources necessary to ensure development of critical capabilities that will lead to superior performance in the long term (Lin et al., 2014).

Competitive strategies are a wide range of strategies organisation employ in order to deal with competition, overcome competition or outdo competitors. There are different models of competitive strategies. The generic competitive strategies, advanced by Porter (1988), propose that organizations can choose to apply either or a blend of cost leadership, differentiation or focus strategies so as to gain a competitive advantage against competition. The resource based view argues that organizations can effectively compete when they capitalize on the unique resources at their disposal that are not readily available to competitors and cannot easily be duplicated. The grand strategies otherwise known as business strategies were advanced by Pearce and Robinson (1997) is a collection of various strategies that organizations adopt so as to be competitive in their markets as well as deal with competition.

An organization's competitive strategy aims to find a market spot where the organization can be cushioned against competitive forces or even manipulate them to act in its favour. A competitive strategy that is effective assumes either an offensive or defensive action so as to build a position of advantage against competitive forces yielding a better organizational performance. Competitive strategy therefore puts emphasis on enhancement of the firm's competitive position in the specific market segment or which therefore implies that the competitive strategies a firm adopts results in a specific competitive advantage (Welch and Welch, 2005). An organisation has to adopt different strategies in order to achieve competitive advantage in the market.

1.1.2 Measures of Organizational performance

Barnard (1938) describes organizational performance to be the achievement of firm objectives. It is the efficiency as to which the personal motives are accomplished and at the same time become satisfactory. Value could be tangible or intangible. Organizational performance gauges how effective an organization is in achieving their se goals (Hamon, 2003). Performance measurement as defined by Richard et al. (2009) is the process of quantifying the efficiency and effectiveness of past actions or the process of evaluating how well organizations are managed and the value they deliver for customers and other stakeholders. Weidinger and Platts (2012) explain that performance measurement entails the collection, analysis and/or reporting of data concerning the output of an individual, team, firm, system or component.

Organizational performance can be assessed by a firm based on how efficient and effective the goal achievement process is (Robbins and Coulter, 2002). Andersen (2006) argues about effectiveness as a concept being a ratio, which implies that there is need to have more than one entity when defining and gauging the concept of effectiveness. Effectiveness is perceived to be the level to which a goal has been attained. Alternatively, organizational performance entails measuring the firm's actual results against the intended outputs.

The Theory of Industrial Organization considers it from a microeconomic perspective. It states that, the performance of a firm is closely linked to the performance of the industry and usually influenced by structural components like; input costs, price, collusions, diversification of products etc. Performance can be emphasized from the individual level management level, team level, business level as well as corporate level. The measurement perspective can also be adopted when approaching performance whereby selection of ideal indicators as well as quantification of firm's outcomes is considered (Guérard et al., 2013). This measurement of performance of an organization is represented as results of different activities within the organization over a period of five years in cases of formulated and implemented strategies.

There are four classifications of measurements of organization performance based on the recent studies. These classifications include accounting measures, operational measures, market based measures and survival measures of performance. Accounting measures include variables like profitability. The ability of continuously making profits by an organization is taken to be key for survival (Drucker, 1954). For public traded companies, the major research in respect of the accounting measures include the content of the information of the earnings and how this relates to the organizations valuation (Lev 1989). Thompson et al, (2007) notes that, if an organization's business strategy successfully addresses the success key factors in the industry then the strategic performance of the organization will be determined which therefore implies that performance is highly influenced by strategy more so the selected competitive strategies.

Measuring strategic performance can be done financially or in looking at the market success. Performance of the financial aspect is vital for sustained business activities and also for financial capabilities that are important for backing up functional strategies as well as for conducting infrastructural investments. Kotler et al (1999), says that the share of the market illustrates the ability of the firm to attract and maintain clients, which affects the success of the organization in the long term. Kaplan and Norton (1984) on the other hand propose that effective and efficient measures of the performance of an organization should be conducted using a balance scorecard. Arguments that accounting measures are historical because the financial statements are prepared based on historical information and not the opportunities for future investments. The accounting measures do not consider the time value of money.

On this basis, they concluded that a combination of operational and financial measures is important in determining the organizational performance (Kaplan 1984; Kaplan and Norton1992). The variables for balanced scorecard include “market share, changes in intangible assets such as patents or human resources, customer satisfaction, and stakeholder performance”. Majority of these gauges may results to problems with regards to response validity due to the fact that they need to be fed with primary data provided by senior managers assessing their performance. The main benefit of adopting operational measures together with financial measures is that they give more information regarding available opportunities that haven’t yet been realized financially. The fact that the balanced scorecard approach utilizes operational measures that are unique to each organization is one major weakness.

1.1.3 Floriculture Industry in Kenya

The floriculture industry, being among the most important industries in Kenya, has placed the horticulture industry among the top economic drivers in the country, by earning the country almost \$0.8 billion annually, providing employment for more than 500,000 people, and impacting over two million livelihoods. Kenya anticipates to expand its flower trade to over 45 countries in Australia, Eastern Europe and the Far East. Should these goals be realized, the country will surge to second position, after the Netherlands, overtaking South America and other flower exporters worldwide. It has further been acknowledged to be an important economic contributor therefore was highlighted in the Kenya's Vision 2030. The government through the Ministry of Trade and Industry is working on putting up policies that would favor innovation and provide favorable operating environment for the flower exporting companies in Kenya (KFC2018).

The floriculture industry has continued to draw the attention of both local as well as foreign investors due to, the reliable infrastructure, inherent knowledge, global-positioning, productive local workforce and favorable climate condition in areas like Nakuru, Naivasha, Eldoret, Nyahururu, Limuru Mt Elgon, Thika, Kitale, Kiambu, Kericho, Mt. Kenya region and Athiriver. Most of the flower firms are engaged in breeding, production and exportation of pot plants, cuttings and cut flowers such as roses, Carnations, Alstromeria, Gypsophila, lilies, eryngiums, arabicum, hypericum, statice and a range of other summer flowers (Kenya Flower Council, 2018).

Kenya flower export industry has recorded recommendable performance in volume and value of cut flowers exported every year from 10,946 tons in 1988 compared to 86,480 tons in 2006, 120,220 tons in 2010, 136,601 tons in 2014, 133,658 in 2016 and 159, 961 tons in 2017. According to Horticultural Crop Directorate (HCD) in 2017, the floriculture industry earned USD 823 million, Support from the national and county governments on policies that create ease of investment and doing business. Despite the flower industry looking lucrative, just like any other business it susceptible to challenges that affect to achieve its set objective, some of which include; policy on licensing, strike of workers, political issues, Kenya shilling strength against the dollar and environmental issues concerns with Chemical waste disposal and over consumption of lake water which affects aquatic life and the community living there.

1.1.4 Flower Exporters in Kenya

The current Kenya Flower Council membership represents 60% of the flowers exporters. In 1970s Kenya was not exporting flowers, but currently it is one of the major flower exporter in the world, exporting to about 50 destinations. Netherlands stands as the major importer supplying 71 per cent share by volume, with most of the product being distributed through the auction system. Next is the UK on 20 per cent, followed by Germany on 6 per cent, the rest is USA, Russia and Japan, (KFC2018). The Kenyan flower exporters have focused mainly on roses, Carnotion and Alstromeria and a range of summer flowers. The main products exported include cuttings, cut flowers and pot flowers.

Recently the Kenyan flowers exporters industry has encountered some challenges with regards to the standards that should be complied with exporting to Australia. The new demand for fumigation flowers in the country of origin imposed by Australian government. While the Australian market is putting restrictions other opportunities are opening up from other destinations like the USA market favored by the Kenya Airways Direct flight and the new strategy aimed at creating direct link and grow exports to the Asian marketing by opening a cut flower distribution center in China. The flower exporters have also utilized technology which include pre-cooling, cold storage facilities, grading banqueting and recycling system to prevent wastage, with this the flower export industry is project grow by 20 percent in 2019 as compared to 2018 (Xinhua, 2019).

The Kenyan government has a well-planned transportation system, in that it gives a possibility to deliver flowers from the growers directly to the customers and Vendors, the availability of airfreight, Kenya being a ' hub' for the airline industry in the east African and central Africa, thereby providing very crucial cargo capacity, sea port in Mombasa is also used for flower export. The success of export business depends on the ability to validate information on international and local market. Exporters should always obtain appropriate information about their competitors and needs of foreign customers, develop closer and deeper relations with suppliers and vendors, identify reliable distribution channels and improve their marketing communications, to increase export performance (Mohsen and Sahar 2016).

1.2 Research Problem

Overtime performance improvement in organizations has been the main concern in the field of strategic management. The state of the external environment with regards to the dynamism and levels of predictability determines how organizations fit their competitive strategies which affects their future performance (Machuki, 2011). The organization's competitive capabilities prove to determine the competitive strategies that was selected since firms ought to align their set strategies to the environment considering its characteristics. Successful competitive strategies result in greater performance and maintainable competitive advantage (Porter, 2004).

The flower industry has witnessed significant growth rates over the past few decades in a global scale and is characterized by high levels of dynamism. Trade is dominated by south-north flows whereby the largest consumer markets are North America together with Europe, whereas countries that produce are situated near the equator. Countries that lead in producing and exporting flowers have for a while been Colombia, The Netherlands, Israel, Kenya and Ecuador (World Bank, 2016). The floriculture industry varies widely, and is extremely competitive which therefore means that strategic management and a competitive framework is essential to ensure viable decisions are made on common factors that ensure success among players in the industry.

Although Kenya has experienced significant success producing and exporting fresh produce and flowers in sub-Saharan Africa, several other countries within Africa as well as elsewhere, have been bringing tough competition which could result in export market erosion if not guarded. A competitive strategy is vital to adaptation of an organization to the changing environment for superior performance.

Ansoff (1987) argues that competition has forced many companies to review their strategies and tactics in order to achieve their objectives and maintain the competitive advantage for superior performance. Lately many African countries especially Ethiopia, have been rising aggressively in flower business, realising they share the same ecological condition as Kenya and they can flourish in the export of flowers as well.

Several researches have been conducted focusing on competitive strategies in varying contexts for example, Akingbade (2015) focused on finding out how competitive strategies adopted by selected telecommunication companies in Nigeria influenced the firm performance. The research was a descriptive cross sectional survey whereby results showed that the firms were aware of the dynamic environment and therefore spent time to find the best strategies that would enable them remain competitive in the industry. Luliya et al. (2013) looked at the mediating role performance measurement played in the relationship between competitive strategies and organizational performance in Thai. The research was a mail survey where 101 listed firms were interviewed. Findings showed that the adopted competitive strategies had a positive and significant influence on firm performance.

Ortega et al., (2011) also examined the viability of hybrid competitive strategies, which combine differentiation and cost elements, and their impact on organizational performance in comparison to pure strategies and 'stuck-in-the-middle' combinations. The study a descriptive survey that targeted 164 Spanish firms whereby the findings showed that majority of the organizations used different hybrid and that those strategies tended to be associated with improved levels of organizational performance. All these researches reveal that organizations in different industries take up unique competitive strategies which are uniquely suitable contextually.

Locally, studies done on Kenya flower export industry with regards to Competitive strategies and Performance remains relatively scanty with most research being concentrated on the individual flower farms in specific areas. Among the studies include one conducted by Kurendi (2013), who used descriptive cross sectional survey and focused on factors that influence strategy implementation among flower organizations in Naivasha. Results from the study showed that although firms documented their strategies, implementation was a major challenge whereby citing factors such as top management commitment, prevailing legal requirements and budget constraints being a hindrance among other factors. Miako & Machuki aimed at determining challenges encountered with strategy implementation practices at Adrian Company Limited. A case study research design was adopted by the study whereby data collection was done using an interview guide. The findings indicated that strategy implementation at Adrian company followed a systematic process that ensured successful implementation. Several challenges were also note among the being lack of adequate resources.

Despite this background, limited studies have been done to determine the influence of sustainable competitive strategies on performance of large flower exporters in Kenya as they operate within such an environment. This research therefore sought to explore the factors that are influencing the competitive strategy to enhance performance in large flower Exporters companies in Kenya, by providing answers to the research question, what competitive strategies have the flower exporters in Kenya adopted and what is their impact on organization's performance?

1.3 Research objective

The objective of this study was to establish the competitive strategies adopted by the large flower exporters companies in Kenya and their effect on performance.

1.4 Value of the study

The Research findings provides information to various flower growers, exporters and the horticulture industry, it seeks the competitive strategies to enhance performance use by flower exporters to export flowers to the international markets. It guides the players on this industry on how they are going to stay significant in the market despite the rising competition from the neighbouring countries. This study gives insight on the factors influencing the competitive strategies implemented by Kenya flower exporters to enhance performance, and how to deal with those factors that may be inhibiting strategies in flower export industry, and also giving possible alternative measures and recommendations.

The study enlightens the members of the regulatory organizations and policy makers on the strategies used by the firms that operate the horticultural industry and the level of competitiveness. This helps them get more information pertaining the industry and come with proper regulatory framework that is necessary to govern the industry and even promote them in their efforts in dealing with the dynamics present in their operating environment.

Researchers are also set to benefit from this study through further understanding of the flower export industry and hence contribute to the existing literature on the flower industry and stimulate a foundation for further studies. The results add more value to the theoretical understanding of the concept of firm resources and competitive advantage. This is because it elaborates on how competitive strategies are linked with the performance and resources and capabilities of the flower exporters, hence add more value on the RBV theory that addresses company resources as well as capabilities. The study also builds more on the area of competitive strategies by providing information on the external environment of the organizations such as competitive strategies adopted by the various flower exporters and their influence in their performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews relevant and existing literature that is available on competitive advantage and its effect on performance of organizations. It was structured on the various thematic areas namely theoretical perspectives, the competitive strategies and their effect on performance as well as the empirical studies that have previously been conducted in various contexts together with the knowledge gaps that exists.

It first looks at the theoretical framework that this research is anchored on to bring out the various factors that are raised with regards to the concepts being studied. The chapter also discussed previous literature buildup from studies conducted by different researchers with regards to the variables, and presents an empirical literature based on the study objective before outlining the research gap identified by the study.

This section also presents a review of the conceptual framework upon which this research is based on. It discusses different competitive strategies that affect the performance of firms as well as their competitive advantage. The chapter reviews relevant literature on the competitive strategies employed by organizations in the effort to achieve a competitive advantage and better their performance.

2.2 Theoretical Foundations

Several theories explain the concept of competitive strategies employed by organizations and their impact on performance. This study is premised on a number of theories that have evolved overtime and helps in understanding these concepts in relation to the context of this study. These theories include Dynamic Capabilities theory and the Industrial Organizations theory. These theories agree that competitive strategies have an influence on organizational performance but vary on the activities that contribute to optimal performance. The theories are analyzed as below.

2.2.1 Dynamic Capabilities Theory

Pioneered by Teece (1989), the dynamic capabilities theory was further advanced by other scholars including Pisano & Shuen (1997) in their paper “Dynamic Capabilities and Strategy Management”. A dynamic capability is defined to be a firm’s ability to deliberately formulate and modify its available resources in consideration to the dynamic environmental forces (Teece, Pisano & Shuen, 1997). Organizations that have been successful internationally gain competitiveness by responding to the market dynamics in a timely manner as well as growing fast product innovation as well as developing swift schedules on the deployment of external as well as internal competences (Teece, et. al., 1997).

Helfat et al., (2007) described dynamism referring to the capacity and capability of renewing competences that will enable the organization to fit strategically considering the constantly dynamic business environment. The key role in competitive strategy lies with the capability possessed such as the set of skills owned by a firm. By integrating and reconfiguring the competencies as well as capabilities possessed by the firm, the firm aligns itself to the changing environment.

Three factors are suggested by this theory that sheds light on the concept of an organization's competitive advantage. The three factors include processes illustrating the conduct of activities as well as operations, positions which illustrate categories of assets and the connections within the firm and lastly paths which give a description of strategic direction taken by the firm. Generally, the basis of firm competitiveness as described by DC theory is explained by firm processes, different asset positions as well as the current and future direction of the firm (Teece et al., 1997). Bowman and Véronique (2009) argue that there are two broad categories where position can fall and these include the external and the internal. The internal position entails assets internal to the firm like institutional and reputational assets whereas the external position entails those external to the firm. The current position of a firm is determined by the firm boundaries as well as market assets owned by the firm.

2.2.2 Industrial Organization Theory

The Industrial Organization (IO) theory developed and introduced by Bain, (1956) and most recently (Caves, 2007) also explains organizational performance in relation to its environment. The principle of contingency which explains the fit between the environment and the business best illustrates this theory, and is key in organizational performance (De Jong & Shepherd, 2007). IO theory contends that there is need for organizations to conduct scans focusing on environmental forces both internally as well as externally so as to be aware of the opportunities available for the firm as well as the threats facing the organization. Critical to this is that the firm's internal capabilities get aligned with the strengths and the weaknesses that have been identified in order to counter the threats present within the environment.

An organization's ability to swiftly act to the dynamics present in the market and industry leads organizations to attain a position of advantage. In order for organizations to adapt effectively to the variations in their operating environment resulting to gaining a sustainable competitive advantage, competitive strategies that are effective and efficient ought to be formulated which further need to be aligned with organizational as well as the carrying forces in the environment (Carlton & Perloff, 2005). The IO theory has reinforced the environmental aspects as well as dimensions by putting emphasis on the forces present in the external environment, (Andrews, 1971). The theory contends that firms are able to be competitive when they implement strategies which exploit the strengths and capabilities owned by the firm and at the same time in a strategic way respond to the available opportunities present in the external environment.

2.3 Competitive Strategies and Organizational Performance

The issue on organizational performance and competitive strategies is a complex unresolved issue (Pearce et al., 2007). The framework of the competitive strategies and performance of an organization can be linked to Bain (1956) and Mason (1939) in their research on behavior of an industry, where the profitability of a firm is as a result of the structure of the industry. Industry characteristics and not the organization are the critical determinants of performance of an organization (Barney, 1986). In accordance with Johnson and Scholes (2008), core competencies of a firm are extra robust and hard to imitate as they are related to the way linkages in the value chain of a firm are managed.

Drucker (1954) argued that the survival of the firm is the definitive measure of organizational performance. Porter (1985) argues that a business can make best use of performance either by endeavoring to be the low cost manufacturer or by differentiation. Existing literature on strategy-performance is based on the notion that a strategy custom-made to a firm's internal and external environment is more than likely to result in superior performance (Hamilton and Shergill, 1992). Each organization selects a strategy that determines the means by which the organization intends to successfully meet and outmaneuver competitive challenges (Porter, 1980). Better certainty and information about the environment tend to improve performance (Katz, Zarkeski, and Hall, 2000; Thompson, 1967). In most cases managers devote a lot of time in planning but the most important part of a strategy is the implementation part.

As mention by scholars, strategy that is formulated in a brilliant manner is not useful if it is not implemented (Hill et al, 2009; Olson et al, 2005; Simons, 1995; Giles, 1991; Hambrick et al, 1989). Present literature sheds light on the link between measurement of performance and competitive business strategy presenting with it various dimensions (Gosselin, 2005). Different strategies have unique characteristics and therefore demand for different types of performance measures. Miles and Snow (1978) classify firms into two depending on the type of competitive strategies they adopt, and these include the defender and prospector. Firms classified under defenders have a tendency of using financial measures, while those firms labelled to be prospectors use non-financial measures.

Firms considered to be prospectors tend to adopt the differentiation strategy whereas those considered to be defenders are more affiliated to the cost leadership strategy. Therefore, an organization that adopts differentiation strategy have a preference of non-financial measures while firms that adopt cost leadership lean more on using financial measures. Looking into the varied typologies of strategies and firm performance, Simons (1987) contend that firms considered to be defenders have a tendency of relying more on financial measures to reward their employees. Olson and Slater (2002) find that organizations that perform highly with preference to low-cost strategies that is the defenders emphasize more on financial perspectives and less on customers, innovation and also growth perspectives.

A strategy that is creative and distinct differentiates the company from the rest of the players which therefore implies that creating a competitive position stands as the most viable option to ensure enhanced performance. Thompson et al. (2007) argues that organizations that ignore this fact face the risk of being outwitted by tougher rivals and also face the threat of getting stuck in non-exemplary financial performance. The heightened uncertainty in the global business environment is forcing firms to make preparations of facing stiffer competition. It is therefore important that come up with clear strategy that focus on narrow objectives addressing the most pressing issue, then ensuring that the strategy is well aligned with the whole organization. Even with increasing discussions with regards to strategy, the agreement with regards to whether firm capabilities or market competition should be given more importance in shaping activities and general performance is still not there. Huber (2004) contends that common collaborations at various analysis levels between the business context and organization's capabilities influences the business strategy together with firm performance, whereas strategy and performance interactions influences both firm capabilities as well as the competitive environments.

Reuer (2004) view with regards to competition as a concept is becoming popular among firms as they strive to enhance efficiency by getting into joint ventures, strategic alliances and organizational networks which have enabled firms avoid resource duplication. Cooperation however leads organizations to be exposed to certain risks such as losing their control over crucial activities as well as the possibility of being exploited by new partners. Focusing on inter firm competition therefore ensures that such risks are avoided helping the organization further to be innovative and efficient in managing resources.

Pearce et al. (2003) noted that when firms apply concepts like ensuring that there is a strategic fit among opportunities and resources, embracing generic strategies such as low cost and product or service differentiation together with focus as well as strategy hierarchy of planning goals, strategies, and tactics, the firm most often abets the competitive decline process. Two models of strategy that are highly contrasting exist and these models are meant to establish an advantage against the organization's rivals. The strategies include firms maintaining a strategic fit and the other looks at how firms leverage resources. There is no mutual exclusivity between the two strategies though they exemplify a major difference in emphasis that to a large extent affects the competitive battles being conducted.

Porter (1998) recognizes the models as addressing the issue on operating in an unfriendly environment coupled with less resources, yet whereas the first emphasizes on lowering ambitions so that they can match with the resources that are available to the firm, the second emphasizes on taking full advantage of the firm's resources to attain goals that apparently unattainable. The two models appreciate the fact that relative competitive advantage will have an influence on the relative profitability, whereby the first puts emphasis on finding advantages essentially sustainable whereas the second model puts emphasis on importance of accelerating organizational learning so as to stay ahead of the competitors while creating new advantages.

2.4 Empirical Studies and Research Gaps

Several researches have been conducted on competitive strategies in various sectors, industries and countries. Internationally, Taylor and Francis (2010) looked at strategies adopted in cross border banking. The data gathered was from 60 largest banks globally. Findings from the research indicated that majority of the banks surveyed focused on regions that had an affinity with regards to culture or economic. Findings illustrated that majority of the banks were international and not global.

Mariotto and Verdier (2015) conducted a research in Paris that focused on how competitive strategies affected competition in internet and mobile banking. Their findings showed that present strategy framework on the financial institutions may be enhanced by ensuring that policy makers are able to balance the competition and stability in the banking industry. Locally in Kenya, Achieng (2013) conducted a research that focused on competitive strategies adopted by bank agents in an effort to maintain their share of the market in the county of Migori. The research results indicated that agency banking success depended on the level of customer service, how efficient the technology used was, product knowledge by the agents as well as visibility and support given to the agents based on the organizations structure.

Arasa (2014) did a research focusing on the link that existed between competitive strategies and company performance whereby the mobile telecommunication firms were the context. Findings indicated that competition was great within the industry which forced majority of firms to formulate competitive strategies which ensured that they survived.

Koske (2003) also conducted a descriptive case study that focused on strategy implementation at TELKOM Kenya Ltd. The findings showed that despite the institution having formulated strategy, implementation was a huge challenge which led to poor adoption or failure of conclusive implantation and follow up. A research conducted by Miako & Machuki, foused on determining strategy implementation practices and challenges at Adrian Company Limited. The findings indicated that strategy implementation at Adrian company followed a systematic process that ensured successful implementation. Several challenges were also note among the being lack of adequate resources.

The studies mentioned above clearly show that none concentrated on determining what relationship existed between competitive strategies and firm performance of flower exporters in Kenya as their focus was on competitive strategies in different contexts. This research intends to bridge this gap by conducting a research looking to determine the competitive strategies that have been adopted by flower exporters in Kenya and the link between these competitive strategies and performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section explains the methodology to be applied accurately to determine the competitive strategies adopted by flower exporters in Kenya and their effect on organizational performance. It also shows the research population, research design, gathering of data as well as techniques employed in analyzing.

The tools and techniques that a research adopts in conducting data gathering and analysis from the study population is key in ensuring relevance and applicability of the information in answering the research question. This chapter highlights this critical aspect of research and explains more on how the research was conducted

The section describes the approach followed to conduct the study with regards to the design, research population, gathering of data together with analysis as well as methods of presenting the findings. The research plan was first discussed, elaborating the process of research and how data was gathered to enable the research come to a conclusion. The methods of collecting data were highlighted in detail followed by data analysis tools and practices.

3.2 Research Design

Research design is defined by Burns and Grove (2003) a research guide followed when conducting research that has maximum control of elements that have the ability of interfering with validity of results. According to Parahoo (1997) research design refers to the plan which dictates how, where and when collection of data would be done and analyzed. He defines research design to be the overall guide for answering research questions and for testing the hypothesis of the study.

A cross sectional survey of flower exporters was adopted for this study. The choice of design was arrived at based on the fact that it could assist to gather diverse data types and was fast and saved costs. Jorde, (2008) states that the focus of cross sectional survey is to determine frequencies of specific attributes, in a population that has been defined at a specific time period. This research design was therefore appropriate for this research.

The researcher also adopted the descriptive design so as to enable answering of the research question which is a key point to deliberate on for social researchers. Saunders et al., (2003) presents descriptive studies to be those that collect data that relates to phenomena being defined in respect of variables or situations under research. It concentrates on establishing way things are which enables the determination of the current state of the issue being studied.

3.3 Population of the Study

Population is described by Mugenda & Mugenda (2003) as entire team, group or items, in the field of study, being considered and have shared characteristics. Creswell, (2003) defines the research population to be the entire collection of respondents that meet the outlined specifications or criteria of the study.

This study targeted the flower exporting companies in Nairobi since the population of the study was small. According to the Kenya Flower Council, there were 38 companies registered as large flower exporters that operate in Nairobi as of April 2019 (kenyaflowercouncil.org, 2019) and the target employees were in the senior management levels in these firms.

In the present research, the intention of the researcher was to focus on flower exporters since their operating environment was dynamic and competitive. Therefore, it was key to understand the various competitive strategies adopted by each firm that enables them to enhance their performance. There was also an interest in determining whether those competitive strategies applied enhanced performance.

3.4 Data Collection

The type of data that was used in this research was primary data. The data was obtained using self-administered questionnaires. The questionnaire as a data collection tool provided the respondent an opportunity to respond to questions and give the relevant information as inquired. It is ideal in collecting structured information from a large population within a short period of time. This enabled the researcher gather data within the minimum timelines.

The semi structured questionnaire was distributed to the respondents in the flower exporting firms. The respondents included directors, department heads, senior management as well as middle management since it is staff from this level of the firm that were involved in the development and implementation of the competitive strategies to ensure enhancement of organizational performance. The instrument was chosen based on the type of data needed and that the responses would have been precise and relevant for the study

Designing of the questionnaire was based on the objectives addressed. The type of data gathered was primary data whereby the researcher dropped the questionnaires and then guided respondents on how to answer. In some instances, the research assistant provided assistance in the administration of questionnaires and their collection.

3.5 Data Analysis

Analysis of data began after the data gathering. As stated by Mugenda and Mugenda (2003), data analysis assists in studying the existing information so as to determine those factors that describe a specific occurrence. This research yielded quantitative data from the questionnaires and inferential statistics was utilized in analyzing the collected data since the researcher intended to get data that is quantitative in nature.

After the data had been collected, it was cleaned to remove the inaccurate, incomplete and irrelevant data. This improved the quality through the correction of errors and omissions. Thereafter, the gathered data was changed into coded data to facilitate categorization. Analyzing data was done using regression analysis, mean and standard deviation and the tool used was “Statistical Package for the Social Sciences (SPSS)”.

A key aim of statistical examination was to determine relationship and this made it possible to forecast the variables in respect of the other variables (Freund, 2001). The relationship between the competitive strategies to the dependent variable (performance of flower exporters) was determined using the regression analysis. The findings from the data analysis were summarized in tables, pie charts and percentages. This method was the most desirable as it ensured proper understanding and a thorough insight on the concepts.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This section covers the data analysis of the data gathered and presentation of the results in the tables as generated by the analysis tool. The study objective establishes the competitive strategies adopted by the flower exporter companies in Kenya and how they affect their performance. The data collected was primary data which was analysed qualitatively.

The chapter also presents a discussion of the findings and how it relates to the previously reviewed literature in the study. It referred to the empirical literature as well as the theories reviewed in the previous chapters and relate them to the findings generated from this study. This facilitate the comparison of the findings between this study and past researches which aided understanding and drawing of conclusions.

The questionnaire had three sections, whereby section one the respondents were required to provide their demographic profile. This was necessary for the researcher to ascertain if they were qualified to provide the necessary data to answer the research questions. The second section entailed questions with regards to the independent variable which was competitive strategies while the third section entailed questions on the dependent variable which was organizational performance.

4.2 Demographic Profile

The questions that were asked aimed at finding out various demographic profile of the respondents and also the basic background information regarding their organizations. This information needed to enable determination of the appropriateness of the expected responses regarding the variables under research.

4.2.1 Rate of Response

The population that the researcher targeted for data collection was 38 flower exporting firms operating in Nairobi and listed by the Flower Council. Although questionnaires were issued to all these 38 organizations to be filled out by the respondents, the total number that was filled and submitted back on time was 35 questionnaires. This accounts for 92.1% rate of response whereby referring to the assertions of Mugenda and Mugenda (1999) is excellent for purposes of analysis and reporting and conclusions to be drawn.

4.2.2 Number of years of Operation

The respondents were asked to indicate the number of years that the organization has been operating. The findings are as presented in the Table 4.1.

Table 4. 1: Number of years of Operation

Number of years	Frequency	Percentage
0-10years	10	28.6
11-20 years	12	34.3
21-30 years	13	37.1
Total	35	100.0

Source: Research Data, 2019

Table 4.1 indicates a significant number of the organizations had operated for between 21-30 years (37.1%), followed by those who have been in operation for between 11-20 years (34.3%). Those who have been in operation between 0-10 years were the least represented by 28% of the total firms. This implies that majority of the organizations were in existence long enough to have the understanding of the concepts under study and therefore were able to give reliable information to the researcher.

4.2.3 Size of the Firm

The questions inquired for the size of the organizations with regards to head count of permanent staff working for the specific organization. The results are as indicated in the Table 4.2.

Table 4. 2 Size of Firm

Number of employees	Frequency	Percentage
1-50 employees	9	25.7
51-100 employees	23	65.7
101-150 employees	1	2.9
151-200 employees	1	2.9
Above 200	1	2.9
Total	35	100.0

Source: Research Data, 2019

Table 4.2, indicates that a good number of the organizations were medium sized with employees between 51-100 employees as represented by a percentage of 65.7%. The organizations that had between 1-50 employees accounted for 25.7% of the total organizations, while those having 101-150 employees, 151-200 employees accounted for 2.9 % and 2.9% respectively. Organizations with more than 200 employees represented 2.9% as well of the total organizations.

4.2.4 Core Niche

The respondents were asked to indicate the main flower products that the organizations were exporting. Output is as indicated in Table 4.3.

Table 4. 3 Core Niche

Exported product	Frequency	Percentage
Cut Flowers	21	60.0
Cuttings	9	25.7
Pot plants	5	14.3
Total	35	100.0

Source: Research data, 2019

Results in Table 4.3 illustrate that a significant number of the organizations exported cut flowers as indicated with a figure of 60% of the total respondents. Only 25.7% of the respondents exported Cuttings while the rest exported pot plants as indicated by a figure of 14.3%.

4.2.5 Export Destination

The question aimed at finding out the market destination firms export their flowers to. Output is as presented in Table 4.4.

Table 4. 4 Export Destination

Export Destination	Frequency	Percentage
Australia	3	8.6
Middle east	2	5.7
Netherlands	29	82.9
United Kingdom	1	2.9
Total	35	100.0

Source: Research findings, 2019

Results in the Table 4.4 indicate that majority of the organizations exported their flower products to the Netherlands as presented by 82.9%, followed by 8.6% exporting to Australia and 5.7% exporting to the United Kingdom. The rest 2.9 % exported flower products to the United Kingdom.

4.3 Analysis of Responses

The respondents were required to show to what degree their respective organizations had adopted competitive strategies. These included Cost Leadership strategy, Differentiation Strategy, Focus strategy and Strategic Alliance strategy. The findings are as indicated in the section below.

4.3.1 Cost Leadership

The respondents were asked to indicate the extent to which their firms used the cost leadership strategies to remain competitive in the market. The measure was on a scale of 1 to 5 with the lowest being 1 and the highest being 5.

Table 4. 5 Cost Leadership

Statements on cost leadership strategy	Mean	Std. Deviation
There is cost minimization in research and development, advertising and sales force	4.0000	.05848
We offer products at a cheaper rate than our competitors	3.2286	.49024
Products are usually sourced from cheap suppliers	4.88571	.322803
Products are usually sourced from cheap suppliers	4.74286	.443440
Savings in cost allow the organization to offer its products for bargain prices	3.4286	.50210
Enhancement of process efficiencies	3.3714	.54695
We leverage on IT to deliver value	4.0857	.04900
We offer products and services to a broader customer segment	3.3714	.54695
Valid N (listwise)		

Source: Research Findings,2019

Findings illustrated in the Table 4.5 represents mean values and SDs of the responses given by the respondents. The results indicate that the organizations minimized on their costs with regards to research and development, advertising and sales force as shown by a mean of 4.0000 with a SD of 0.05848. the respondents as well quoted that they were offering products at a cheaper rate as compared to the competitors and that they were sourcing inputs from cheap suppliers with a mean of 3.2286 and 4.88571 with SD of 0.49024 and 0.322803 respectively. The findings indicated that the flower exporting firms were continuously searching for ways to reduce costs while maintaining the highest quality as well as essential features of products and that they were saving on costs so which will enable them offer products for bargain prices with a mean of 4.74286 and 3.4286 with SD of 0.44340 and 0.50210 respectively. On enhancement of process efficiencies, the responses had a mean of 3.3714 with a standard deviation of 0.54695. with regards to leveraging on IT to deliver value as well as offering products and services to a broader client segment the responses recorded a mean of 4.0857 and 3.3714 with a SD of 0.4900 and 0.5469 respectively.

4.3.2 Differentiation Strategy

The study set to establish to what extent the companies had implemented the differentiation strategy. The measure was on a scale of 1 to 5 with the lowest being 1 and the highest being 5. The findings are as illustrated in the Table 4.6.

Table 4. 6 Differentiation Strategy

Statements on Differentiation strategy	Mean	Std. Deviation
We offer products and services that are unique from which clients are willing to spend	2.6571	.59125
We encourage innovative products and process re-engineering	2.5143	.65849
Service quality and customer care	2.8000	.67737
Using corporate image as a selling point	3.6571	.71007
We do value addition	2.7143	.53922
Valid N (listwise)		

Source: Research data, 2019

Results in the Table 4.6 shows the responses on the differentiation strategies by the different flower firms. With regards to offering products and services that are unique whereby clients are willing to spend, the responses registered a mean of 2.6571 and a SD of 0.59125. On encouraging innovative products and process re-engineering as well as ensuring service quality and customer care, the responses recorded a mean of 2.5143 and 2.8000 and with standard deviation of 0.65849 and 0.67737. With regards to using corporate image as a selling point and doing value addition, the findings indicated a mean 3.6571 and 2.7143 with a SD of 0.71007 and 0.53922 respectively.

4.3.3 Focus Strategy

The questions asked by the researcher aimed to establish the degree to which the companies had adopted the Focus strategy to remain competitive in the market. The measure was on a scale of 1 to 5 with the lowest being 1 and the highest being 5.

. The findings are as illustrated in the Table 4.7.

Table 4. 7 Focus Strategy

Statements on focus strategy	Mean	Std. Deviation
"Focus on products and services not offered by competitors"	1.6571	.48159
"Custom made products and services to customers"	2.8286	.38239
"Identified a specific niche in the market"	3.4000	.49705
"Concentrating in one market"	3.4286	.50210
Valid N (listwise)		

Source: Research Findings,2019

Output in Table 4.7 indicate that focusing on goods not offered by competitors had a low mean of 1.6571 with a SD of 0.48159 while custom making products and services to customers had a moderate mean of 2.8286 with a standard deviation of 0.38239. with regards to identifying a specific niche in the market to serve and focusing in one market, the findings indicate a fairly high mean of 3.4000 and 3.4286 with a SD of 0.49705 and 0.50210 respectively.

4.3.4 Strategic Alliances

The study aimed at finding out to what degree Strategic Alliance strategy had been adopted by the firms to remain competitive in the market. The measure was on a scale of 1 to 5 with the lowest being 1 and the highest being 5. The findings are as illustrated in the Table 4.8.

Table 4. 8 Strategic Alliances

Statements on strategic alliances	Mean	Std. Deviation
We have a cooperation agreement with other firms to gather and share market information.	3.4286	.50210
There exist technology alliances relating to product research and development.	3.2571	.44344
There are alliances in the sector to jointly carry out tasks with other SMEs.	3.2857	.45835
Strategic alliances have led to risk reduction.	3.2571	.56061
There is sharing of human resources and management skills.	4.2000	.79705
Valid N (listwise)		

Source: Research Findings,2019

Results presented in Table 4.8 illustrates the responses given with regards to using strategic alliances as a strategy by flower exporter companies. With regards to having a cooperation agreement with other firms to gather and share market information, the mean stood at 3.4286 with a standard deviation of 0.50210. On existence of technology alliances relating to product research and development as well as existence of alliances in the sector to jointly carry out tasks with other SMEs the responses recorded a mean of 3.2571 and 3.2857 with SD of 0.44344 and 0.45835 respectively. With regards to Strategic alliances ensuring risk reduction and sharing of human resources and management skills, the findings indicated a mean of 3.2571 and 4.2000 with a SD of 0.56.61 and 0.79705 respectively.

4.3.5 Firm Performance

The researcher aimed at establishing the effect the competitive strategies adopted by the firms had on performance. The measure was on a scale of 1 to 5 with the lowest being 1 and the highest being 5. The findings are as illustrated in the Table 4.9.

Table 4. 9 Firm Performance

Parameters	Mean	Std. Deviation
Growth of sales and revenue	4.3429	.68354
Growth of assets	4.2857	.71007
Increase in number of employees	2.9429	.23550
Increase in number of suppliers	4.2000	.75926
Reduction of costs	4.1143	.86675
Market penetration and growth	4.3714	.64561
Acquired higher market share	3.9143	.95090
Valid N (listwise)		

Source: Research Data, 2019

The results in the Table 4.9 illustrates the responses with regards to performance of the flower exporting companies based on competitive strategies they have adopted. With regards to growth of sales and revenue and growth of assets, the findings recorded a mean of 43429 and 4.2857 with a standard deviation of 0.68354 and 0.71007.

On increase in number of employees and increase in number of suppliers, the response registered a mean of 2.9429 and 4.2000 with SD 0.23550 and 0.75926. With regards to reduction of costs the mean was 4.1143 and a standard deviation of 0.86675. With regards to market penetration and growth and acquiring a higher market share, the findings registered a mean of 4.3714 and 3.9143 with SD of 0.64561 and 0.95090 respectively.

4.3.6 Regression Analysis

A regression was done so as to ascertain the existing relationship among competitive strategies by flower exporting companies and the performance as shown in the Table 4.10.

Table 4. 10 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.599 ^a	.359	.274	.49635

a. Predictors: (Constant), Strategic Alliances, Differentiation Strategy, Cost Leadership, Focus Strategy

Source: Research data, 2019

As shown in the Table 4.10, independent variable was competitive strategies. 35.9% variation of performance is thus explained by the variation of choice of strategy. The regression findings illustrate that holding all factors constant, other factors influencing performance will account for 64.1.

Table 4. 11 ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.139	4	1.035	4.200	.002 ^b
	Residual	7.391	30	.246		
	Total	11.530	34			

a. Dependent Variable: Performance

b. Predictors: (Constant), Strategic Alliances, Differentiation Strategy, Cost Leadership, Focus Strategy

Source: Research data, 2019

The Table 4.11 indicate the ANOVA that was used to establish the significance of the model of regression whereby the value of P was established ($p=0.02<0.05$). This indicated that the model is statistically significant in the prediction of how competitive strategies impact performance. This implies that model was reliable at 95% level of confidence.

Table 4. 12 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.283	1.185		5.302	.000
	Cost Leadership	-.042	-.066	-.093	.629	.034
	Differentiation Strategy	-.237	.177	-.202	-1.338	.011
	Focus Strategy	1.260	.376	.583	3.349	.002
	Strategic Alliances	.616	.294	.367	2.098	.044

a. Dependent Variable: Performance

Source: Research data,2019

As shown in the Table 4.12, findings showed the existence of a significant relationship between competitive strategies adopted and performance of flower exporting firms. Cost leadership ($p=0.034<0.05$), Differentiation strategy ($p=0.011<0.05$), Focus strategy ($p=0.02<0.05$) and strategic alliances ($p=0.044<0.05$). According to the findings, cost leadership (-0.042) and differentiation strategies (-0.237) have significant relationship that is negative with performance of flower exporting firms, while focus strategy (1.260) and strategic alliances (0.616) have a significant positive relationship with performance. results imply that performance of flower exporting firms will be 6.283 when the competitive strategies remain constant at zero. The study equally establishes that taking all other factors constant, a unit increase in cost leadership strategy would prompt a -0.042 change in performance of flower exporting firms, a unit increase in differentiation strategies would prompt a -0.237 change in performance, a unit increase in focus strategy prompts a 1.260 change in performance and finally a unit increase in strategic alliances prompts a 0.616 change in performance of flower exporting companies.

4.4 Discussion of Findings

The research sought to find out the impact of competitive strategies on the performance of flower exporting companies operation in Nairobi county. The study focused on the generic strategies which include the cost leadership strategy, differentiation strategy and focus strategy together with one grand strategy which was strategic alliance strategy. The research corroborated that majority of the firms applied several competitive strategies concurrently as no specific strategy on its own effectively impacts organizational performance. Organizations have been forced to be sufficiently aggressive in order to achieve growth and maintain their market shares in the flower export business as this will mean growth in revenues. The choice of strategy to adopt depends on the market as well as competition.

The flower exporting firms conduct their activities in a dynamic and unsettled environment which has resulted to organizations expanding products offered as well as markets whereby their motive is to find more customers, more resources as well as accomplish efficiency. The study shows that the companies have tried a number of strategic approaches with the aim of enhancing the competitive edge. Considering this fact, the companies chosen to review the prices of their products and services so as to match or be slightly lower than that of the competitors, they have also moved away from the traditional way of conducting business and adopted new ways, increased their customer base and also introduced new products to the market. In the research problem, it is contended that competitive strategy entails identification of areas which will improve efficiency and also enhance performance as well as enable the company to be unique among the rest (Peng, 2000).

Findings from this research determine that indeed conventional competitive strategies have been adopted by firms in the flower export industry though implementation varies across firms. The findings showed that various strategies impacted firm performance differently depending on how they have been implemented. The research findings also showed that the competitive strategies indicated different degrees of essentialness which meant that the competitive strategies affect the performance of an organization although the significance of the impact will depend on how the multiple strategies are adopted.

The research also established that the performance of the firm could not be influenced by a solely single strategy. In order to grow sales and ultimately profits, flower exporting companies need to be very competitive so as to make sure that they grow and retain their market share. The strategy selected will be determined by the market characteristics as well as competition. findings from the research established that despite the commonalities and inter firm differences with regards to adoption and execution of competitive strategy, the needs of the clients were considered and modification of the industry strategy to be match with the needs of the client was common.

The study established that competitive strategies influence firm performance in various different degrees, and the overall effect influenced by the combination. The firms have gotten into vertical as well as horizontal integrations and merged activities which has enabled them concentrate on their core services or otherwise and engaged in the conservation of the environment, the firms have formed joint ventures with other firms, formed strategic alliances with other firms and tried to leverage on the opportunities and capabilities available to them to improve their performance positively.

The flower exporting industry characteristics which vary from the rest and these characteristics plays a role in deciding the competitive strategy to be adopted and because of the dynamism of the environment and operating conditions, flower exporting firms adopt strategies from different approaches. This was established by the study where strategic alliances as a competitive strategy played a very significant role in determining performance of a firm. The research established that an organization's competitive strategies focus on enhancing both the financial, social and the environmental performance. This concurs with Porter (1998) who argued a firm's performance both socially and environment wise results from aligning the firm's strategy with different factors.

The resources available for strategy implementation play a very big role in the choice of competitive strategy adopted. Findings showed that that flower exporting firms were more inclined to the financial performance aspect when choosing a competitive strategy to adopt. Most firms choose cost lowering strategies and market expansion strategies to achieve financial benefits. The findings in this study further concurred with findings of Wambugu (2012) who conducted a research and concluded that the strategy an organization adopts largely affects the non-financial performance was largely affected by the strategy adopted and that different organizations selected competitive strategies to adopt based on their goals and expectations.

The results showed that the adopted competitive strategies contribute to 35.9% of performance with varying levels of impacts. These findings concur with those of Kalia (2012) whose research found that when independently adopted, the impact of competitive strategies on organizational performance varied. The results also showed that different competitive strategies posted different levels of impact and significance on different performance indicators. These findings concur with Kelly (2016) who contended that competitive strategies had significant varying impact on different components of performance.

The findings demonstrated that cost leadership strategy and differentiation strategy had the least impact on performance of flower exporting with a value of 0.042 and 0.237 respectively while focus strategy and strategic alliances both had the greatest impact with a B value of 1.260 and 0.616 respectively. The findings also demonstrate that all the competitive strategies significantly affected the overall performance of the flower exporting firms ($p < 0.05$). These findings concur with Machuki (2011) who found that competitive strategies are key factors which play a critical role in firm's performance. With regards to cost leadership, the findings indicated that the flower exporting firms were trying to lower their costs by emphasizing on practices that are cost effective. This enabled the firm to cut on the different overheads. This concurs with Brooks (2003) whose research findings indicated that a firm can achieve a cost advantage that is superior as compared to the competitors and acquire a bigger share in the market which translates to increased profit margins.

Study findings indicated that the differentiation strategy was partly adopted mainly to segment their markets. This concurs with McCracken (2002) who asserts that the most important skill when formulating a differentiation strategy is figuring out the unique aspects about the organization that makes it different from the competitor. The greatest factor in this strategy is the cost that comes with differentiating which includes technological factors. With regards to focus strategy, the findings demonstrated that the flower exporting firms focused on specific markets which has enabled them to cut a niche for themselves in the market where their products are viewed to be superior and unique. These findings are in agreement with the assertions of Stone (2005) that an organization can decide to focus on definite product or range of service, zone or pick a customer segment so as to fully and effectively satisfy the specific market segment. The findings also indicate that the flower exporting firms highly value strategic alliances. This is due to the increased synergies that business integration brings. These findings are in agreement with Kimani & Douglas who found that strategic alliances were powerful strategies that organizations could utilize to leverage on external resources and capabilities and improve their performance.

These findings concur with the assertions of Thompson et al. (2007) who stresses that a strategy that is creative and distinctive enables an organization to distinguish itself from the competitors yielding a competitive advantage which is the firm's sure path to enhancing its performance. They are also in line with assertions of Kotler et al. (2008), who asserts that the process of seeking better performance often led managers to look into the market entry opportunities. The opportunities entail inventing a market or taking advantage of an already existing market.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section looks into the research findings and summarizes the results as presented in the previous chapter. The research objective was to find out how competitive strategies influenced the performance of flower exporting companies in Nairobi County. Several strategies were analyzed and how they contributed to performance of the firms.

The chapter summarizes the research discoveries, point out determinants and interest points with regards to the concepts under research. Conclusions were also being drawn considering the study findings relating to previous literature and also with regards to the theories applicable.

The chapter gives the recommendations based on the findings where suggestions presented for policy and practice were in line with the research objective. The chapter concludes with the limitations faced in the course of this study as well as suggest areas that can be explored for further studies.

5.2 Summary

Organizations exist to provide goods to their customers competitively. The research aimed to find out how competitive strategies influenced performance of flower exporting companies operating in Nairobi county. The research corroborated that majority of the firms applied several competitive strategies concurrently as no specific strategy on its own effectively impacts organizational performance. Organizations have been pushed to be sufficiently aggressive in order to achieve growth and maintain their market shares in the flower export business as this will mean growth in revenues.

The choice of strategy to adopt depends on the market as well as competition. The competitive strategies that are mainly applied in flower export industry by firms and examined in this study include cost leadership, differentiation strategy, focus strategy and strategic alliances. The results showed that the competitive strategies had a notable effect on the performance of the organizations. The regression analysis indicated that 35.9% of the performance was affected by competitive strategies while the rest 64.1% was affected by other factors not part of the study.

The performance measures looked at include growth of sales and revenue as well as assets, increase in number of employees and suppliers, reduction of costs, market penetration and also acquiring of a larger market share. The study deduced that cost leadership and differentiation had the least impact on performance with a B value of 0.042 and 0.237 respectively while focus strategy and strategic alliances both had the most remarkable impact with a B value of 1.260 and 0.616 respectively. The findings also indicate that the model of regression was significant all the p values being less than the conventional $p=0.05$. These results show that the strategies are significant as far as performance of the flower exporting firms is involved.

Findings from this study found conventional competitive strategies have been adopted by the flower exporting companies though implementation varies across organizations. It was ascertained from the research that competitive strategies impacted organizational performance in a number of ways and the way they are implemented will influence the general effect. The findings indicated different levels of essentialness and this means that competitive strategies affect the performance of an organization although the significance of the impact will depend on how the multiple strategies are adopted.

5.3 Conclusion

The flower exporting firms sell their products in a number of countries characterized by varied legal and operating environments. The socio-economic characteristics of clients also differ hence it is important that firms employ a number of competitive strategies in order to penetrate the markets. As pointed out in the discussion, the competitive strategies adopted by flower exporting firms in the market offered high quality services, superior client service, introducing new products to the market, conducted frequent market surveys to be informed on the customer needs, better product attributes to niche and also market segmentation, new product lines in response to demand, keeping overheads same as industry, keeping charges lower than competition and enhancement of process efficiencies.

As discussed earlier, the research concludes that flower exporting firms have adopted competitive strategies which has enabled them to continuously improve their performance. This is evident from the result on growth in different areas including revenue and the market share. The findings also conclude that there is a significant relationship between competitive strategies and performance of the flower exporting firms. The study also concludes that the study has successfully illustrated why the match between business strategy and marketing is key for organizations. The study clearly illustrates that specific strategies work in circumstances where information is scanty, contrary to the ideal where best solutions need full information about the prevailing and future circumstances.

Market development is among the most critical goals that spurs growth and development in the horticultural sector. The various strategies used in the dynamic markets in the horticultural that ides enhancement of performance include offering that are not in the list of the competitors, adopting the most recent technology, introducing new products in market and regular surveys of client needs.

The findings also conclude that no single competitive strategy is adopted on its own but rather the firms use a blend of several competitive strategies to ensure that they take advantage of opportunities available to them. That a strategy works solely depends on the organization implementing it and the market it serves and so organizations will pursue a strategy that supports it vision. The study also found that competitive strategies were more skill-based and required the firms to think strategically, be more innovative execution, think critically, positioning as well as ensuring organizations achieve improved performance that would mean that their customers are highly satisfied, as well as being more competitive when encountering rival businesses. According to Besanko et al (2006), various competitive strategies influence organizational performance in various ways and so their mode of combination will generally determine the level of impact. The firms focus on ensuring that a unique product or service is provided which means that they are unique when compared to the competitors.

The study deduced that the firms have realized benefits of the adopted competitive strategies. The goal of a competitive strategy for a business is to enable the firm position itself critically to be able to guard against competitive forces which can alter them to work for their favor. The findings and discussions show that different strategies exhibited varying degrees of significance which implied that every strategy influenced firm performance although there are variations in the significance. Applying various competitive strategies significantly affects the performance of the firms' performance. When using the strategies, the efforts of the firm are directed towards provision of a unique product, resulting to unique products as compared to competitors.

The study also concludes that strategic alliance is the most preferred competitive strategy by flower firms in the flower export industry and the reason is that it enables the organizations to pool the available resources together including human resources, technological resources and managerial skills, which then ensures that they tap from these resources to pursue opportunities and reduce the risks facing their businesses. The review of previous literature indicated that previous studies conducted that looked into similar concepts posted similar output even though the context differed. It reached to the conclusion that competitive strategies significantly affected performance of firms. However, the magnitude of the impact varies across firms as it is mainly reliant on type of industry and how it has been implemented.

5.4 Recommendations and Implications of the Study

The study found that competitive strategies had consequential impact on the performance of the flower exporting firms and that it is a critical aspect in the organization. The study therefore recommends that the firms continue implementing competitive strategies that work for them and even seek further assistance on ways in which they can leverage on the benefits of these strategies to further push their growth upwards. The research being done by various interest parties including academicians should focus on looking into the most widely adopted competitive strategies and try and find the relationship with the operating environment. This will enable the experts to advice the industry on best practices from a point of knowledge.

The researcher recommends that the responsible government bodies ought to formulate appropriate policies that offer support to flower exporting companies so as to increase their economic contribution. The findings present the importance of matching the business strategy and market strategy and also finds that there are strategies intended circumstances where information is limited, even though a sound solution usually needs full data the entire state of things. Accordingly, involved institutions need to formulate policies and standards which will govern the conduct of horticultural sector. Of importance in this is the cushion that will be provided to organizations against adverse impacts of the dynamic and competitive operating environment resulting from globalization and enhanced technological developments.

The research ascertained that different competitive strategies required different sets of skill-base and involved thinking strategically, being innovative, executing, thinking critically, positioning as well as the art of warfare so as to make sure organizations achieve better output, client satisfaction and also become more competitive. As such the firms should engage in more of the proactive strategies by coming up with new innovations in order to keep pace with the rivalry. The study also recommends that, since flower exporting firms are faced with various challenges brought about by industry competition, it is important that they adopt innovative strategies so that they are able to provide customers with products at reduced price as compared to competitors. The firms need to engage in promoting and advocating for their products so as to enhance client focus strategies.

Recommendations are also given with regards to policy makers should encourage the organization to collaborate and form strategic alliances which has proved to be beneficial to the firms as illustrated by the findings of the study. This will aide gathering and sharing of information which is very critical in this current business environment most especially in business. It is recommended as well that the flower exporting firms be aware of the needs of their clients, their preferences, their styles as well as their spending power and habits. This will enable the firms to produce the right kind of products and services as well as select the right competitive strategies that will make sure their competitiveness is sustainable.

5.5 Limitations for the study

This research was not able to accomplish 100% response rate due to respondents hesitating to return questionnaires. This combine with limitations on time and resources made the endeavors of getting a higher response rate impeded otherwise the exactitude of the results would have been improved in the case that more information would have been gathered for analysis.

The other limitation faced in this research was with regards to holding back information by the respondents. Given the delicate nature of the data that was being sought, the respondents abstained from giving away private and sensitive information on their competitive strategies. This was despite assurances from the researcher on the manner in which the information was to be handled with confidentiality.

Lastly there was a limitation with regards to scope whereby it only concentrated in flower exporting companies that operated in Nairobi County. This means that the research findings together with the recommendations could face difficulties in their applicability to another context to a limited extent. The study also focused on specific strategies despite there being other competitive strategies that organizations could adopt to enhance their competitiveness in the market.

5.6 Suggestions for Further Research

This research focused on competitive strategies that had been adopted by flower export firms in Nairobi County and how their effect on performance. Considering the recommendations arising from the findings and limitations faced in this study the researcher presents a number of suggestions of research areas that can be pursued further.

First the analysis depended on regression analysis to test the relationship which was speculated. Despite the appropriateness and accuracy of such methods, further research is recommended that will employ nonlinear methodologies to test the relationship of these factors. Future studies can extend their scope and look at the different classes of competitive strategies and their impact on different aspects of performance in the organization.

The study also suggests that future studies can be done in different contexts applying similar concepts and compare the findings and differences which will help explain the different market and industry behaviors witnessed. This will go a long way in unearthing factors that inform decisions in different contexts about competitive strategies. The researcher also suggested that to effectively and conclusively understand the competitive strategies that organizations adopt in order to gain a competitive advantage, it is important that a similar research is conducted in a different industry and the findings compared. Possibly a different approach like case study would bring out more information on the concept. This would reduce the error that might have been encountered due to limitations in the number of respondents who might have compromised data due to emotions.

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APPENDICES

Appendix I: Research Questionnaire

Dear Respondent,

This interview guide is designed to collect data that will guide the researcher in answering the question on sustainable competitive strategies and performance of large flower exporters in Kenya. The information provided will be treated with confidence and only be used for academic purposes only.

PART A: ORGANIZATIONAL BIO DATA

1. Name of Firm
2. Age (Year of incorporation)
3. Size of Firm (Number of Permanent employees)

100- 200 []

201- 300 []

301- 400 []

401- 500 []

Above 500 []

4. Scope of Business

• Kenya []

• East Africa []

• Africa []

• Global []

5. Core Business

• Cut flower []

• Cuttings []

• Pot plants []

PART B: Sustainable Competitive Strategies

Please indicate by ticking appropriately the extent to which your institution uses the following strategies to remain competitive in the market. The measure is on a scale of 1 to 5 whereby 1- not at all, 2- Little extent, 3- moderate extent, 4- great extent and 5 very great extent.

Parameters	1	2	3	4	5
Cost Leadership					
There is cost minimization in research and development, advertising and sales force.					
We offer products at a cheaper rate than our competitors					
Products are usually sourced from cheap suppliers.					
Continuous search for cost reduction without sacrificing quality and essential features of products					
Savings in cost allow the organization to offer its products for bargain prices.					
Enhancement of process efficiencies					
We leverage on IT to deliver value					
We offer products and services to a broader customer segment					
Differentiation Strategy					
We offer unique products and services from which customers are willing to pay more					
We encourage innovative products and process re-engineering					

Service quality and customer care					
Using corporate image as a selling point					
We do value addition					
Focus Strategy					
Focus on products and services not offered by competitors					
Custom made products and services to customers					
Identified a specific niche in the market					
Concentrating in one market					
Strategic Alliances					
We have a cooperation agreement with other firms to gather and share market information.					
There exist technology alliances relating to product research and development.					
There are alliances in the sector to jointly carry out tasks with other SMEs.					
Strategic alliances have led to risk reduction.					
There is sharing of human resources and management skills.					

PART C: Firm Performance

Kindly rate the performance of the firm on the listed attributes on a scale of 1-5 whereby
1- Very poor, 2- Poor, 3- Average, 4- Good, 5- Very Good.

Parameters	1	2	3	4	5
Growth of sales and revenue					
Growth of assets					
Increase in number of employees					
Increase in number of suppliers					
Reduction of costs					
Market penetration and growth					
Acquired higher market share					

THE END

Appendix II: List of Flower Exporters in Nairobi

1.	Xpressions Flora Limited
2	Wilfay Investments Ltd
3	Waridi Limited
4	Terrasol Ltd
5	Subati Fowers Ltd - Naivasha
6	Sosiani Flowers Ltd
7	Maasai Flowers Ltd
8	Equator Flowers Ltd
9	Agriflora Kenya Ltd
10	Syngenta - Kenya Cuttings Ltd.
11	Rain Forest Farmlands Kenya Ltd
12	P. J. Dave Flowers Ltd
13	Phinna Flowers Ltd
14	Petra Flora Company Ltd
15	Penta Flowers Ltd
16	Winchester Farm Ltd
17	Magana Flowers Kenya Ltd
18	Lauren International Flowers Ltd
19	Kimman Roses Limited
20	Isinya Flowers
21	Imani Flowers Limited
22	Flora Ola Limited
23	Flamingo Horticulture Kenya Ltd
24	Prime Flora Limited
25	Fina Flower Ltd
26	Everest Enterprises Ltd
27	Desire Flora Ltd
28	Cultural De Afrique Flowers
29	Bloomingdale Roses K. Ltd
30	Utee Estate Limited
31	Sun Floritech Ltd
32	Black Petals Ltd.
33	Batian Flowers Limited
34	Baraka Roses Ltd
35	Aquila Dev. Co. Ltd s
36	Annak Ltd (Manda Orchids)
37	Africalla Lilies Ltd
38	AAA Growers Ltd

Source: Kenya Flower Council, 2019