THE COMPETITIVE STRATEGIES ADOPTED BY EVENTS MANAGEMENT COMPANIES IN NAIROBI, KENYA.

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION DEGREE, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI.

OCTOBER 2012
DECLARATION

This Management Research Project is my original work and has not been presented for a degree in any other University.

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D61/7086/2006

This Management Research Project work has been submitted for examination with my approval as University Supervisor.

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DEDICATION

To my Grandmother, Sarah Wanjiku, though gone, your memories live forever. You taught me everything I know. To my Mother, Margaret Chubi, you have taught me how to work hard. To my husband Davis Adieno, you are an inspiration to me. And to my Son Robbin Adieno, I am inspiring you through this work.
ACKNOWLEDGEMENT

Am most indebted to my project supervisor Prof. Martin Ogutu who gave me invaluable guidance without which this document would not have attained the desired quality. In addition my appreciation goes to the University of Nairobi, for admitting me to undertake a master’s degree in Business Administration.

I would like to extend my gratitude to many people including my family for their moral support during the writing of this work, in particular my husband Davis Adieno for his support and encouragement and my friend Victoria Kithuku for her valuable support.
ABSTRACT

Competitive strategy specifies the distinctive approach which the firm intends to use in order to succeed in each of the strategic business areas. Competitive strategy gives a company an advantage over its rivals in attracting customers and defending against competitive forces. There are many roots to competitive advantage, but the most basic is to provide buyers with what they perceive to be of superior value a good or service at a low price, a superior service that is worth paying more for, or a best value offering that represents an attractive combination of prices, features, quality, service, and other attributes that buyers find attractive. Competitive strategy is thus the search for a favorable competitive position, in an industry, the fundamental arena in which competition occurs. Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition. This study was designed to achieve two specific objectives: to determine the competitive strategies adopted by event management companies in Nairobi and to establish the factors influencing the competitive strategies adopted. In this study, Cross-sectional survey was adopted. The target population of interest in this study was the events management companies that are members of the Public Relations Society of Kenya. There are currently forty registered members. The researcher employed simple random sampling during the data collection. A sample size of 30 was targeted based on the table of random sampling. Data was collected using a questionnaire that allowed for uniformity of responses to questions. Data collected was processed through computer software packages that include: SPSS (Statistical Package for Social Studies) and presented in the report in the form of tables, and graphs. The study found out that the competitive strategies used by event management companies were cost reduction and product differentiation. The study also found out that the factors affecting the choice of competitive strategies were threat of new entrants, threat of substitutes, power of suppliers, bargaining power of buyers and intensity of rivalry.
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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

With competition intensifying with globalization of the world economies, the environment is becoming increasingly volatile and unpredictable. The question at the heart of strategy is: Why do some firms outperform others in similar environment and in the same industry? The answer to this is crucial to managers in order to make better strategic decisions.

According to Gordon Walker, Modern Competitive Strategy) an effective strategy gives a firm three benefits. It is a source of economic gain, it provides a framework of resource allocation, and it guides the firm’s decisions regarding management and organization. Mintzberg and Quinn (1991) indicate that strategy is about survival in business, on the battleground, or through life in general. They define strategy as a pattern, or a plan that aligns goals, policies and actions into a cohesive whole.

According to Grant (2002), success requires strategy that provides a consistency of direction based on clear understanding of the game being played. It involves creation of awareness of how to maneuver into position of advantage. Bowdin et al (2006) defines an event as an organized occasion such as a meeting, gala dinner, etc. An event is composed of different yet related functions. The field of event management is fast paced, creative, innovative and offers good business opportunities. The purpose of strategic thinking within sustainable events management is to ensure that any interventions are timely and influence resource and principles of sustainability.
Individuals and companies find they lack the expertise and the time to plan events themselves. Large businesses hire event managers to produce a myriad of events—from golf tournaments to cocktails with hundred of attendees. Dwyer, et al. (2000) support the view that organizing and managing a planned event involves many component parts and many stakeholders.

1.1.1 Competitive Strategy

Drucker (1986) affirms that the resolutions are passed generating action that produces results. Organizational results are the products of the decisions made by its leaders. The framework that guides and focuses these decisions is strategy. The framework that guides competitive positioning decisions is called competitive strategy. The purpose of competitive strategy is to assemble a prolonged competitive advantage over the organization’s rivals. It defines the fundamental decisions that guide the organization’s marketing, financial management and operating strategies.

Competitive strategy involves decisions on: the choice of products, meeting needs of customers, gaining advantage over competitors and exploiting or creating new opportunities (Howe, 1986). Bryson (1988) asserts that the most important strength of any business should be directed towards meeting the needs of the targeted clients to enable it obtain returns that are above average. This is achievable through competitive strategies. Competitive strategies provide a breakdown of activities that will provide value to customers and gain a competitive advantage by maximizing core competencies in specific products or services. Competitive strategy focuses on an organization’s position in an industry, relative to competitors. Event management companies in Nairobi offer their services to a wide variety if clientele including corporate events, product launches, press conferences, corporate meetings, road
shows, hospitality events, concerts, award ceremonies, fashion shows, weddings and birthday celebrations. The event management company is hired to handle the scope of services for the given event which may include creative, technical and logistical elements of the event depending on the clients’ budget.

1.1.2 The Concept of Events Management

According to Silvers (2003) event management is the application of project management to the creation and development of festivals, events and conferences. Event management involves studying the intricacies of the brand, identifying the target audience, devising the event concept, planning the logistics and coordinating the technical aspects before actually executing the modalities of the proposed event. Events basically depend on three components: an organizing body; a place to host the event; and an audience.

Getz (2007), notes that post-event analysis and ensuring a return on investment have become significant drivers for the event industry. The recent growth of festivals and events as an industry around the world means that the management can no longer be ad hoc. Events and festivals, have a large impact on their communities and, in some cases, the whole country. The industry now includes events of all sizes from the Olympics down to a breakfast meeting for ten business people. Many industries, charitable organizations, and interest groups will hold events of some size in order to market themselves, build business relationships, raise money or celebrate.

Bowdin et al (2010) argues that underrated, undervalued and underutilized – events management is most often rated as a tedious and ungrateful task. Administrators shy away from event and the events contained within, citing lack of time and clear
definitions to the events produced as the principle detractors to the events management process. Getz (2007) states that, regardless of size, all events have other things in common – they require a high degree of planning, a range of skills and a lot of energy. Today, special events range from the Olympics to a community street party, to the Super League, to the visit by an overseas celebrity to launch a new entertainment complex. The number and range of events in a country like Kenya has grown phenomenally over the past few years.

Events are also big business and are increasingly viewed as entertainment - competing for a share of people’s leisure time. They have also become a significant way for sponsors and organizers to reach their target markets. Events have high visibility and impact. They can be a powerful way to zero in on specific markets (Goldbatt, 2010; Silvers, 2003). Monroe & Kales (2005) argue that staging an event takes more than a dream or wish. Preparation is the key to any successful event. They do not just happen; they are well planned and coordinated.

Raj, Walters and Rashid (2008) state that, good planning of events is a continuous process and good plans should be adaptable and flexible; they require a solid foundation and a straightforward structure. Successful events are usually based on a strong concept and purpose. Ideas for holding events arise from a multitude of reasons. If the event is staged on an annual or repeated basis, at the beginning of each year’s planning process always make time to review the reasons that you are staging the event and to consider how it can be developed further.

Several authors advise events managers on holding successful events. Silvers (2003) assert that one should be able to define and communicate an event’s objectives. The objectives should help deliver the vision and mission. Objectives also need to be
clearly set out and should follow the SMART principle: Specific, Measurable, Achievable, Relevant and Time-Based. Goldbatt (2010) argues that at the beginning of the planning process there is need to undertake a simple ‘SWOT Analysis’ which helps determine the Strengths, Weaknesses, Opportunities and Threats (SWOT) in relation to the event. This will help shape plans. It is critical to consider the strengths and weaknesses of the event and how these will affectability to deliver it.

1.1.3 Events Management Companies in Kenya

Bowdin et al (2010) indicate that in the last 10-15 years, there has been enormous growth in the event management business. Event management is a way of outsourcing occasions that are either business, social or a combination of the two. Events can be as diverse as weddings to political rallies. For any business meeting or social occasion you can think up, an event management team can be called in to organize it. Almost 500 billion US dollars is spent annually on planned events around the world. It is no longer adequate to have a small catering team supplying food at business events. If one wants an event to be successful and look impressive to potential clients, then event management is the way to go.

Getz (2007) notes that, the range of events that an event management company can supply is impressive. They can arrange events for a small group of people or huge events with around 5,000 people attending. Most businesses contact an event management team because their expertise in the field should be second to none. Planning an event is a time consuming and stressful affair; it is also a costly one. Event management teams have contacts within their field in order to obtain the best price quotes and the most reliable service.
Events management companies have also been on the rise in Kenya. According to Nankya (2012), most Public Relations Companies organize events. There is no event management body in Kenya yet or an associations, but there are preparations to establish an association for the country’s events managers. This was discussed at the first Kenya Events Festivals and Conferencing Forum for events planners at the Kenyatta International Conference Centre (KICC) in 2010. Majority of Event Management companies and independent planners have very diverse backgrounds. Most event management consultants organize events as a hobby or part time job and thus do not dedicate much time to participate in activities that may end up in the formation of a body in the country.

1.2 Research Problem

With rising competition within the events management industry reaching fever pitch, a successful competitive strategy is needed as it helps focus on assessing an organizations unique strengths, identifying growth opportunities, collecting competitive intelligence, and responding to competitive threats. It effectively support’s the organization’s top-line growth objectives by helping develop a differentiated and sustainable competitive position.

Kenya has witnessed a growth in demand for events management as companies and individuals seek to concentrate in areas of core strength. This has led to the emergence of numerous events management companies offering scores of products to clients. The competition in the industry is cut-throat with survival of companies becoming increasingly difficult. According to Getz 1980, the study of events began to grow dramatically in academia in the 1980s.
Research on events management in Kenya remains scanty with most research in events management being concentrated in the developed world. Bowdin et al (2010). Locally, only Nankya (2012. (Getz 2008:421) concludes that event management studies and related research are still in the early stage of development. Therefore, strategies used by events management companies in Kenya are a knowledge gap that the study wishes to address as follows.

In addressing this gap, the researcher will ask the following questions:

i. What are the competitive strategies adopted by events management companies in Nairobi?

ii. What are the factors influencing the competitive strategies adopted?

1.3 Objectives of the Study

The objectives of this study are:

i. To determine the competitive strategies adopted by event management companies in Nairobi.

ii. To establish the factors influencing the competitive strategies adopted by the companies.

1.4 Value of the Study

The findings of this study will contribute to the body of knowledge in events management in Kenya. The findings will be of use to students and scholars interested in undertaking further research in events management not only within Nairobi but also far and wide.
The study findings will be useful to the managers of events management companies in Nairobi and elsewhere in Kenya as the final report will analyze the competitive strategies adopted, weaknesses and challenges faced by events management companies. The information will be used by management in fine-tuning its competitive strategies.

The study findings will also contribute to the understanding of competitive strategy hence the further development of strategic management. This will further strengthen and improve strategy in organizations.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Various authors and researchers around the world have conducted research and written articles on competitive strategies. This chapter will review the available literature in the area of strategic management and competitive strategies as well as the theories linked to competitive strategies.

2.2 Theoretical Review

There are several tools for analyzing industries and competitors in an industry. Without a well-defined strategy, organizations will be driven by current operational issues rather than by a planned future vision (Ackoff, 1981). Through the use of Porters five forces and the game theory, it is possible to identify the competitive forces that shape the Event management industry as well as the intensity of competition.

2.2.1 Porters five forces theory

Porter (1979) provided a framework that models an industry as being influenced by five forces. He argues that industries are influenced by the following five forces:

Rivalry—in the traditional economic model, competition among rival firms drives profits to zero. But in real life, competition is not perfect and firms are not unsophisticated passive price takers. Organizations strive for a competitive advantage over their rivals. The intensity of rivalry among firms varies across industries, and strategic analysts are interested in these differences. Where rivalry among firms in an industry is low, the industry is considered to be disciplined. This discipline may result
from the industry's history of competition, the role of a leading firm, or informal compliance with a generally understood code of conduct. Explicit collusion generally is illegal and not an option; in low-rivalry industries competitive moves must be constrained informally.

Porter (1979) observes that a maverick firm seeking a competitive advantage can displace the otherwise disciplined market. When a rival acts in a way that elicits a counter-response by other firms, rivalry intensifies. The intensity of rivalry commonly is referred to as being cutthroat, intense, moderate, or weak, based on the firms' aggressiveness in attempting to gain an advantage. In pursuing an advantage over its rivals, a firm can choose from several competitive moves: changing prices - raising or lowering prices to gain a temporary advantage; improving product differentiation - improving features, implementing innovations in the manufacturing process and in the product itself; creatively using channels of distribution - using vertical integration or using a distribution channel that is novel to the industry; exploiting relationships with suppliers.

Threat of substitutes refers to substitute products in other industries. A threat of substitutes exists when a product's demand is affected by the price change of a substitute product. A product's price elasticity is affected by substitute products - as more substitutes become available, the demand becomes more elastic since customers have more alternatives. A close substitute product constrains the ability of firms in an industry to raise prices. Too many opportunities for copy cats and counterfeit products is a challenge to events managers. To counter this, Berry (1995) argues that this can only be countered by the application of the focus strategy by limiting your appeal to a narrow group and attempting to meet their needs exceptionally well. The most
common basis for a focus strategy is geography. However, the key remains alignment. Traverso (2000) notes that, first mover advantage suggests that the firm that is first to the market with a good or service will be successful.

Buyer power refers to the impact that customers have on a producing industry. Where buyer power is strong, the relationship to the producing industry is near to a monopsony - a market in which there are many suppliers and one buyer. Under such market conditions, the buyer sets the price. Many Organizations chose to outsource event management services to keep the costs low. Dess, Lumpkin and Eisner (2009) contend that a cost leader is producing at an industry's lowest costs. Such a firm often strives to produce at large volumes to take advantage of economies of scale. It does this by targeting the average consumer knowing that while the product may not be exactly what each consumer wants, it has broad enough appeal to create demand for a large volume production. Ackoff (1981) notes that, efficiency provides the foundation for the cost leadership strategy. Efficiency is commonly obtained from each of the functional areas, economies of scale, and learning effects.

According to Johnson & Whittington (2008), each functional area of the firm (e.g. marketing, production, etc.) is a potential source of efficiency. If economies of scale, unit cost reductions as output expands, are present then there are opportunities for cost leadership to be especially effective. Similarly with learning effects, which represent cost savings from learning by doing? These also reduce costs, and unlike economies of scale, are often highly visible in service industries.

Other force by Porter is the supplier Power, which refers to the raw materials required by a producing industry e.g. labor. This requirement leads to buyer-supplier relationships between the industry and the firms that provide it the raw materials used
to create products. Suppliers, if powerful, can exert an influence on the producing industry, such as selling raw materials at a high price to capture some of the industry's profits (Porter, 1979).

The fifth force by Porter is barriers to entry. Under this force, Porter observed that it is not only incumbent rivals that pose a threat to firms in an industry; the possibility that new firms may enter the industry also affects competition. In theory, any firm should be able to enter and exit a market, and if free entry and exit exists, then profits always should be nominal. In reality, however, industries possess characteristics that protect the high profit levels of firms in the market and inhibit additional rivals from entering the market. These are barriers to entry (Porter, 1979).

### 2.2.2 Game Theory

The game theory assesses strategic interactions in which the outcome of one's choices depends upon the choices of others. For a situation to be considered a game, there must be at least two rational players who take into account one another's actions when formulating their own strategies. If one does not consider the actions of other players, then the problem becomes one of standard decision analysis, and one is likely to arrive at a strategy that is not optimal. Game theory assumes that one has opponents who are adjusting their strategies according to what they believe everybody else is doing. The exact level of sophistication of the opponents should be part of one's strategy. If the opponent makes his/her decisions randomly, then one's strategy might be very different than it would be if the opponent is considering other's moves. To analyze such a game, one puts oneself in the other player's shoes, recognizing that the opponent, being clever, is doing the same. When this consideration of the other
player's moves continues indefinitely, the result is an infinite regress. Game theory provides the tools to analyze such problems (Howe, 1986).

Game theory can be used to analyze a wide range of strategic interaction environments including oligopolies, sports, and politics. Many product failures can be attributed to the failure to consider adequately the responses of competitors. Game theory forces one to consider the range of a rival's responses. Elements of a Game are: players, actions, information, strategies, outcomes, payoffs and equilibrium. When evaluating a situation in which game theory is applicable, the following framework is useful: Define the problem; identify the critical factors; build a model, such as a bi-matrix game or an extensive form game; develop intuition by using the model; formulate a strategy. A sound strategy could be used as a set of instructions for someone who knows nothing about the problem. It specifies the best action for each possible observation. The best strategy may be formulated by first evaluating the complete set of strategies. The complete set of strategies is a list of all possible actions for each possible observation (Drucker, 1986).

2.3 Competitive strategies

Competitive strategy specifies the distinctive approach which the firm intends to use in order to succeed in each of the strategic business areas. Competitive strategy gives a company an advantage over its rivals in attracting customers and defending against competitive forces (Ansoff, 1965). There are many roots to competitive advantage, but the most basic is to provide buyers with what they perceive to be of superior value: a good or service at a low price, a superior service that is worth paying more for, or a best value offering that represents an attractive combination of prices, features, quality, service, and other attributes that buyers find attractive (Thompson and
Competitive strategy is thus the search for a favorable competitive position, in an industry, the fundamental arena in which competition occurs. Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition (Porter, 1999).

Competitive strategies should lead to competitive dominance, which in other words is about sustained leadership and levels of undisputed excellence. They contend that competitive dominance is an attitude that begins with the realization that leadership is no guarantee for long term success, especially in the global marketplace. Firms also develop competitive strategies to enable them seize strategic initiatives and maintain a competitive edge in the market (Porter, 1999). The competitive aim is to do a significantly better job of providing what buyers are looking for, thereby enabling the company to earn a competitive advantage and out compete rivals in the market place.

Competitive strategies provide a framework for the firm to respond to the various changes within the firms operating environment. Firms also develop competitive strategies that enable them develop strategic initiatives and maintain competitive edge in the market (Grant, 1998). Ansoff and McDonnell (1990) define competitive strategy as the distinctive approach which a firm uses or intends to use to succeed in the market. In examining the concept of competitive strategies, different authors have done it differently, however major studies in this area have been done by Michael Porter. He defines competitive strategy as the art of relating a company to the economic environment within which it exists.

2.3.1 Cost Leadership

A firm producing at the lowest cost in the industry enjoys the best profits. Producing at lower cost is a strategy that can be used by various firms so as to have a significant
cost advantage over the competition in the market. This in effect leads to growth in
the market share. This strategy is mostly associated with large businesses offering
standard products that are clearly different from competitors who may target a broader
group of customers. The low cost leader in any market gains competitive advantage
from being able to many to produce at the lowest cost. Factories are built and
maintained; labor is recruited and trained to deliver the lowest possible costs of
production. Cost advantage is the focus. Costs are shaved off every element of the
value chain. Products tend to be 'no frills.' However, low cost does not always lead to
low price. Producers could price at competitive parity, exploiting the benefits of a
bigger margin than competitors. Some organizations, such as Toyota, are very good
not only at producing high quality autos at a low price, but have the brand and
marketing skills to use a premium pricing policy. A low cost leader’s basis for
competitive advantage is lower overall costs than competitors. The need to manage
cost is nothing new, yet surprising number of organizations struggles to successfully
control their operating expenses overtime (Barnett and Hansen, 2009). Successful low
cost leaders are exceptionally good at finding ways to drive costs out of their
business.

2.3.2 Differentiation Strategy

Differentiated goods and services satisfy the needs of customers through a sustainable
competitive advantage. This allows companies to desensitize prices and focus on
value that generates a comparatively higher price and a better margin. The benefits of
differentiation require producers to segment markets in order to target goods and
services at specific segments, generating a higher than average price. For example,
British Airways differentiates its service. The differentiating organization will incur
additional costs in creating their competitive advantage (Porter, 1996).These costs
must be offset by the increase in revenue generated by sales. Costs must be recovered. There is also the chance that any differentiation could be copied by competitors. Therefore there is always an incentive to innovate and continuously improve. Targeting smaller market segments to provide special customer needs is a strategy widely used in the corporate scene. It involves identification of the needs of the customers in the market and designing products that can fit their needs. Companies can pursue differentiation from many angles. Grant (1998) notes that, firms may find it profitable to enter an industry and produce a similar but distinctive product.

2.4 Factors Influencing Competitive Strategies

Factors that influence a firm’s competitive strategies are varied but the main factors are changes in competition and customer demand. Competition will increase the supply of comparable or alternative products thus forcing a firm to differentiate to avoid commoditization. Changes in customer wants and demand can cause a firm to suddenly have a glut of unsold inventory. These factors are critical to monitor and a firm’s competitive strategy must adapt quickly to these changes.

2.4.1 Threat of New Entrants

New entrants to an industry can raise the level of competition, thereby reducing its attractiveness. The threat of new entrants largely depends on the barriers to entry. High entry barriers exist in some industries (e.g. shipbuilding) whereas other industries are very easy to enter (e.g.restaurants). Key barriers to entry include: economies of scale; capital/investment requirements; customer switching costs; Access to industry distribution channels and the likelihood of retaliation from existing industry players (Grant, 1998).
2.4.2 Threat of Substitutes

The presence of substitute products can lower industry attractiveness and profitability because they limit price levels. The threat of substitute products depends on: Buyers' willingness to substitute; the relative price and performance of substitutes and the costs of switching to substitutes (Grant, 1998).

2.4.3 Bargaining Power of Suppliers

Suppliers are the businesses that supply materials & other products into the industry. The cost of items bought from suppliers (e.g. raw materials, components) can have a significant impact on a company's profitability. If suppliers have high bargaining power over a company, then in theory the company's industry is less attractive. The bargaining power of suppliers will be high when: there are many buyers and few dominant suppliers; there are undifferentiated, highly valued products; Suppliers threaten to integrate forward into the industry (e.g. brand manufacturers threatening to set up their own retail outlets); buyers do not threaten to integrate backwards into supply and the industry is not a key customer group to the suppliers (Grant, 1998).

2.4.4 Bargaining Power of Buyers

Buyers are the people / organisations who create demand in an industry. The bargaining power of buyers is greater when: there few dominant buyers and many sellers in the industry; products are standardized; buyers threaten to integrate backward into the industry; suppliers do not threaten to integrate forward into the buyer's industry and the industry is not a key supplying group for buyers (Grant, 1998).
2.4.5 Intensity of Rivalry

The intensity of rivalry between competitors in an industry will depend on: The structure of competition - for example, rivalry is more intense where there are many small or equally sized competitors; rivalry is less when an industry has a clear market leader; the structure of industry costs - for example, industries with high fixed costs encourage competitors to fill unused capacity by price cutting; Degree of differentiation - industries where products are commodities (e.g. steel, coal) have greater rivalry; industries where competitors can differentiate their products have less rivalry; Switching costs - rivalry is reduced where buyers have high switching costs - i.e. there is a significant cost associated with the decision to buy a product from an alternative supplier (Grant, 1998).

This will also depend on Strategic objectives - when competitors are pursuing aggressive growth strategies, rivalry is more intense. Where competitors are "milking" profits in a mature industry, the degree of rivalry is less and Exit barriers - when barriers to leaving an industry are high (e.g. the cost of closing down factories) - then competitors tend to exhibit greater rivalry. Being the low cost provider of a good or service can be a quick path to gaining more business or market share than your competitors. But this strategy has serious risks. A lower labor, materials or overhead cost is necessary (Grant, 1998).

2.5 Challenges of Competition

Competition is the presence of a sufficient number of buyers and sellers within a market for some good or service, ensuring that no single market participant has enough influence to determine a standard price of the good or service. To identify significant problems encountered in implementing competitive strategies in the event
management business, a critical look at competition would be a good pointer. Competition between businesses consists of trying to get the customer to buy a product or service instead of the one offered by the competitor and therefore in Events management, this applies. Lamb (1984) states that finding data is a real challenge in event management. This makes it difficult to determine demand and sales of competition in event management business. An increasingly competitive environment has given new meaning to the phrase “survival of the fittest.” Traverso (2002) notes that most events managers are experts in the technical process of the organization but they are not well educated in strategic management and thus focus on what they know and neglect what they do not know hence affecting the implementation of competitive strategies.

The challenges that competition has for businesses that motivate events managers of companies to come up with competitive strategies.

<table>
<thead>
<tr>
<th>Competition Challenge</th>
<th>Strategies</th>
<th>Motivation for strategies</th>
</tr>
</thead>
</table>
| 1. Identical products by service providers | • Seek unique suppliers  
• Differentiate products  
• Innovations on existing products | • Have unique products - stand out  
• Add value and sell more  
• Retain existing and attract new customers |
| 2. Similar pricing for products | • Special/seasonal offers  
• Price cuts  
• Offer extras with products  
• Seek alternate cheaper suppliers | • Attract as many customers as possible  
• Retain existing customers  
• Attract new customers |
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
</table>
| 3. Drives down profits | • Monopolize suppliers  
• Sale at the same price with higher profit margin  
• Monopolize a particular product or products | • Minimize costs through retrenchment and cutting operation costs  
• Target mass market  
• Identify niche market and charge premium prices  
• Business to survive/stay afloat  
• Capitalize on volumes with thin margins  
• Have small niche market but netting high profits |
| 4. Inferior products compared to competitors | • Special offers  
• Price cuts  
• Offer freebies with products  
• Target lower end market  
• Aggressive marketing | • Attract the masses and sell volumes  
• Create a sudden market rush to business to capitalize on volumes  
• Keep existing and new customers smiling  
• Specialize in low end market and create a sense of belonging  
• Make noise about products and create impression they are just as good as superior |
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>Customer flight</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Conduct competitor studies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Perform customer analysis to determine reason for flight</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Streamline internal operations to eliminate customer service hiccups</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Listen to customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Adopt to their changing demands</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Determine their strengths and weaknesses</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Determine reason for flight and how to counter</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Enhance efficiency and customer service</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Determine early warning signs of flight and employ interventions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Retain customers by staying true to their needs and demands</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Substitute products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aggressive marketing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Offer variety</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Retain and attract new customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Give customers greater variety and choice</td>
<td></td>
</tr>
</tbody>
</table>

*Source of Table: Researcher’s own compilation.*

Competition in the event management market is fierce. The increasing number of event management companies has created this competition. The competition consists of not only other event managers but also in house meeting planners hired by corporations.

In the corporate environment, event managers have to compete with smaller enterprises that provide catering facilities, florists, and self made party planners.
Drucker (1986) observes that a sound competitive strategy is designed to create efficiency in getting a product or service from the company to the customer, according to the business. Buzzel (1987), states that, most employees and managers are not aware about the value of competitive strategies and they may consider it a waste of time.

The other main competition to event managers includes other entrepreneurs who have taken on the responsibility of managing events as a sideline function. The last two decades have evidenced dramatic changes in the global environment, driven by macro-environmental factors including globalization of businesses, technological advances, oil market fluctuations, corporate scandals and increased risk associated with terrorist activities and wars, event management businesses have found themselves in an increasingly competitive environment,. Trying to get a niche to fill in order for an event management company to stand out in the crowd is a motivator for event managers to come up with competitive strategies as well as the scramble for major customers by different event management.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter specifies the nature of the research design, the population studied, sampling techniques, data collection and data analysis methods that will be adopted in the research process.

3.2 Research Design

A research design can be defined as the structure of the research. It is the core of all the different aspects of any research (Krueger, 1988). Winkler & McCuen (1985) assert that a research design is a plan of all the conditions and elements for the collection and analysis of data in an objective manner that is in line with the research aims. It provides a framework within which research is done. In this study, Cross-sectional survey was adopted. Cross-sectional survey enhances a systematic description that is accurate, valid and reliable. It describes phenomenon as it is.

3.3 Population of study

Population in statistics is the specific group of items about which information is desired. According to Ary, Jacobs and Razavieh (2006), a population is a well defined or set of people, services, elements, events, group of things or households that are being investigated. This definition ensures that population of interest is homogeneous. The target population of interest in this study was the events management companies that are members of the Public Relations Society of Kenya. There are currently forty registered members.
3.4 Sample Design

A sampling frame was obtained from the Public Relations Society of Kenya which has a list and contacts of all the members. The researcher employed simple random sampling during the data collection. A sample size of 30 was targeted based on the table of random sampling.

3.5 Data Collection

The main instrument for data collection was a structured questionnaire that allowed for uniformity of responses to questions. The questionnaire is a fast way of obtaining data as compared to others instruments (Mugenda & Mugenda, 1999). Questionnaires give the researcher comprehensive data on a wide range of factors. Both open-ended and closed-ended items will be used. Questionnaires also allow greater uniformity in the way questions are asked, ensuring greater compatibility in the responses.

Before initiation of the actual survey, two research assistants were identified to assist the researcher in administration of the questionnaires. The two assistants were briefed about the project and its objectives and then trained on the administration of the questionnaire to the subjects. The researcher approached the targeted Events Management Companies and sought authority to collect data. The questionnaires were hand delivered by the two assistants and handed over to the respondents for filling in. They were collected back after two weeks.

Pilot testing was carried out prior to the questionnaires being used. Participants in the pilot study were asked to comment on any perceived ambiguities, omissions or errors concerning the draft questionnaire. A few suggestions on ambiguous statements were noted and rephrased to ensure clarity before the questionnaires were used for the intended study.
3.6 Data Analysis

Both qualitative and quantitative types of data were collected in this study and hence two types of statistical analysis were used. The qualitative data was analyzed using content analysis while quantitative data was analyzed through the use of descriptive statistics, which include frequencies, percentages and measures of central tendency like means. Data collected was processed through computer software packages that include: SPSS (Statistical Package for Social Studies) and presented in the report in the form of tables, and graphs.
CHAPTER FOUR

ANALYSIS, INTERPRETATIONS AND DISCUSSIONS

4.1 Introduction

The objective of this study was to determine the competitive strategies adopted by events management companies in Nairobi Kenya. Out of the population of 30 event management companies, 25 companies representing 83% responded to the questionnaires. This was considered adequate for the objective of this study. Primary data was collected in this study through questionnaires. The collected data was entered into SPSS and analysed using descriptive statistics especially mean and standard deviations. The results are presented as follows. Section 4.2 shows the characteristics of the companies, 4.3 shows the competitive strategies used by event management companies, 4.4 shows the factors influencing choice of competitive strategies, 4.5 shows the discussion of findings and 4.6 shows the summary of findings.

4.2 Demographic Information of the Companies

The analysis of the characteristics of the companies was so as to determine the average age of event management companies in Nairobi

4.2.1 Age of the Company

It was necessary to find the age of event management companies operating in Kenya. The findings showed that 40% of the companies had operated for a period of between 1 to 3 years, 28% for a period of between 3 to 5 years, 20% had operated for more than 5 years and 12% had operated for a period of less than 1 year.
<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 1 year</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>1-3 years</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td>3-5 years</td>
<td>7</td>
<td>28</td>
</tr>
<tr>
<td>5 and above years</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2012)

From the findings, it is evident that most of the event management companies have operated for a period of between 1 to 3 years.

4.3 Competitive Strategies

The objective of this study was to determine the competitive strategies adopted by event management companies in Nairobi. In order to meet this objective, the researcher asked several questions and these are presented in the following sections.
4.3.1 Use of Cost Leadership as a competitive strategy

The respondents were asked to indicate to what extent they used cost leadership as a competitive strategy. The answers were ranked on a 5 point likert scale where 1=Not at all, 2=Little extent, 3=Moderate extent, 4=great extent and 5= very great extent in order to show the extent of use of cost leadership. The results are shown in the table and figure below.

**Table 2: Use of Cost Leadership as a competitive strategy**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Prices</td>
<td>3.76</td>
<td>0.830133</td>
</tr>
<tr>
<td>Cost cutting measures</td>
<td>3.32</td>
<td>0.550345</td>
</tr>
<tr>
<td>Efficiency in operations</td>
<td>3.08</td>
<td>0.692589</td>
</tr>
<tr>
<td>Low advertising costs</td>
<td>3.56</td>
<td>0.637746</td>
</tr>
<tr>
<td>Low R&amp;D costs</td>
<td>3.4</td>
<td>0.581034</td>
</tr>
<tr>
<td>Use of technology</td>
<td>3.24</td>
<td>0.408314</td>
</tr>
<tr>
<td>Use of Value chain analysis</td>
<td>3.4</td>
<td>0.469042</td>
</tr>
<tr>
<td>Maximise capacity</td>
<td>2.84</td>
<td>0.535462</td>
</tr>
<tr>
<td><strong>Grand Mean</strong></td>
<td><strong>3.325</strong></td>
<td><strong>0.588083</strong></td>
</tr>
</tbody>
</table>

Table 2 shows the extent to which competitive strategies relating to cost leadership are used by event companies to deal with competition. As shown, the strategies included low prices (Mean = 3.76), cost cutting measures (Mean = 3.32), efficiency in operations (Mean = 3.08), low advertising costs (Mean = 3.56), low research and development costs (Mean = 3.4), use of technology (Mean = 3.24), use of value chain analysis (Mean = 3.4) and maximizing capacity (Mean = 2.84). On average, these strategies had a mean of 3.325 and a standard deviation of 0.588083. A mean of 3.325
means that, the respondents believe that these strategies are used to a moderate extent. This means that these strategies are significant in ensuring cost leadership.

4.3.2 Use of differentiation as a competitive strategy

The respondents were asked to indicate to what extent they used differentiation as a competitive strategy. The answers were ranked on a 5 point likert scale where 1=Not at all, 2=Little extent, 3=Moderate extent, 4=great extent and 5= very great extent in order to show the extent of use of the differentiation strategies. The results are shown in table 3 below.

Table 3: Use of differentiation as a competitive strategy

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique market driven products</td>
<td>4.64</td>
<td>1.459699</td>
</tr>
<tr>
<td>Improved services</td>
<td>4.52</td>
<td>1.285488</td>
</tr>
<tr>
<td>Developed unique packages</td>
<td>4.6</td>
<td>1.532057</td>
</tr>
<tr>
<td>Wide range of services</td>
<td>4.12</td>
<td>0.956075</td>
</tr>
<tr>
<td>Unique adverts</td>
<td>2.24</td>
<td>0.343395</td>
</tr>
<tr>
<td>Better understanding of customer needs</td>
<td>4.32</td>
<td>1.200866</td>
</tr>
<tr>
<td>Offer better services</td>
<td>4.28</td>
<td>0.995831</td>
</tr>
<tr>
<td>Have loyal customers</td>
<td>3.52</td>
<td>0.69432</td>
</tr>
<tr>
<td>Invested in R&amp;D</td>
<td>2.16</td>
<td>0.217991</td>
</tr>
<tr>
<td>Improved product branding</td>
<td>1.92</td>
<td>0.323234</td>
</tr>
<tr>
<td>Grand Mean</td>
<td>3.632</td>
<td>0.900896</td>
</tr>
</tbody>
</table>

Table 3 shows the extent to which competitive strategies related to differentiation are used by event management companies. As shown, these strategies are offering unique
market driven products (Mean = 4.64), improved customer services (Mean = 4.52), developed unique packages (Mean = 4.6), offering a wide range of services (Mean = 4.12), unique adverts (Mean = 2.24), better understanding of customer needs (Mean = 4.32), offering better services (Mean = 4.28), having loyal customers (Mean = 3.52), investing in research and development (Mean = 2.16) and improved the quality of product branding (Mean = 1.92). These strategies have a combined mean of 3.632 and a standard deviation of 0.900896. A mean of 3.3632 means that, the respondents believe that these strategies are used to a great extent. This shows that these strategies are competitive significant strategies.

The results also indicate that differentiation is a more significant competitive strategy and most of the event management companies use it.

### 4.3.3 Competitive scope

It was necessary to find out the competitive scope of these companies. The findings show that 52% of the companies compete in many market segments, 24% in the market as a whole, 20% in few market segments, and 4% of the companies in one market segment.

**Table 4: Competitive scope**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>One market segment</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Few market segments</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Many market segments</td>
<td>13</td>
<td>52</td>
</tr>
<tr>
<td>The market as a whole</td>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td>All of the above</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Author (2012)*
Source: Author (2012)

The findings indicate that a majority 52% are competitive on many market segments showing that these companies focus on many market segments.

4.4 Factors influencing competitive strategies

The objective of this study was to establish the factors influencing the competitive strategies adopted by event management companies in Nairobi. In order to meet this objective, the researcher asked several questions and these are presented in the following sections.

The respondents were asked to indicate to what extent the following factors influenced their companies’ competitive strategies. The answers were ranked on a 5 point likert scale where 1=Not at all, 2=little extent, 3=Moderate extent, 4=Great extent and 5=Very great extent in order to show the extent of how the factors affect the choice of competitive strategies. The results are shown in the tables and figures below.
4.4.1 Threat of new entrants

Table 5: Threat of new entrants

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthened ability to retain staff</td>
<td>3</td>
<td>0.483322</td>
</tr>
<tr>
<td>Highly trained staff</td>
<td>2.84</td>
<td>0.360444</td>
</tr>
<tr>
<td>Raised costs of switching to new companies</td>
<td>2.96</td>
<td>0.39436</td>
</tr>
<tr>
<td>Entry of new firms is very costly</td>
<td>3.32</td>
<td>0.714759</td>
</tr>
<tr>
<td><strong>Grand Mean</strong></td>
<td><strong>3.03</strong></td>
<td><strong>0.488221</strong></td>
</tr>
</tbody>
</table>

Table 5 shows how event management companies handle threat of new entrants which is one of the factors that influences their competitive strategies. As shown, these ways are strengthened ability to retain staff (Mean = 3), highly trained staff (Mean = 2.84), raised the costs of switching to new event management companies (Mean = 2.96) and entry of new event management companies is very costly due to license costs (3.32). These strategies have a combined mean of 3.03 and a standard deviation of 0.488221. A mean of 3.03 indicates that these factors affect the choice of competitive strategies to a great extent. This shows that these methods are important in minimizing the threat of new entrants in the market.
4.4.2 Threat of substitutes

Table 6: Threat of substitutes

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduce new event types every year</td>
<td>3.92</td>
<td>1.195525</td>
</tr>
<tr>
<td>Better reputation than other companies</td>
<td>3.8</td>
<td>1.034601</td>
</tr>
<tr>
<td>Offer services to a larger geographical region</td>
<td>3.76</td>
<td>0.917126</td>
</tr>
<tr>
<td><strong>Grand Mean</strong></td>
<td><strong>3.83</strong></td>
<td><strong>1.049084</strong></td>
</tr>
</tbody>
</table>

Table 6 shows how event management companies handle threat of substitutes which is one of the factors that influences their competitive strategies. As shown, these ways are introducing new event types every year (Mean = 3.92), better reputation than other companies (Mean = 3.8) and offering services to a larger geographical region (Mean = 3.76). These strategies have a combined mean of 3.83 and a standard deviation of 1.049084. A mean of 3.83 shows that threat of new substitutes affects the choice of competitive strategies to a very great extent. This shows that these strategies are significantly counter the threat substitutes.

4.4.3 Power of suppliers

Table 7: Power of suppliers

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved competitive position</td>
<td>3.88</td>
<td>1.204525</td>
</tr>
<tr>
<td>High number of suppliers</td>
<td>3.84</td>
<td>1.040538</td>
</tr>
<tr>
<td>Offer better prices to suppliers</td>
<td>3.84</td>
<td>0.899066</td>
</tr>
<tr>
<td><strong>Grand Mean</strong></td>
<td><strong>3.85</strong></td>
<td><strong>1.048043</strong></td>
</tr>
</tbody>
</table>
Table 7 shows how event management companies handle power of suppliers which is one of the factors that influences their competitive strategies. As shown, these ways are improved competitive position (Mean = 3.88), high number of suppliers (Mean = 3.84) and offering better prices to suppliers (Mean = 3.84). These strategies have a combined mean of 3.85333 and a standard deviation of 1.048043. A mean of 3.85 shows that power of suppliers affects the choice of competitive strategies to a very great extent. This shows that these strategies are significantly counter the power of suppliers.

4.4.4 Bargaining power of buyers

Table 8: Bargaining power of buyers

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wide variety of event services</td>
<td>3.92</td>
<td>0.79024</td>
</tr>
<tr>
<td>High quality events</td>
<td>3.96</td>
<td>0.839714</td>
</tr>
<tr>
<td>Established many offices to reach many customers</td>
<td>3.92</td>
<td>0.769727</td>
</tr>
<tr>
<td><strong>Grand Mean</strong></td>
<td><strong>3.93</strong></td>
<td><strong>0.799894</strong></td>
</tr>
</tbody>
</table>

Table 8 shows how event management companies handle the bargaining power of buyers which is one of the factors that influences their competitive strategies. As shown, these ways are wide variety of event services (Mean = 3.92), high events (Mean = 3.96) and establishing many offices to reach many customers (Mean = 3.92). These strategies have a combined mean of 3.92 and a standard deviation of 0.799894. A mean of 3.92, shows that, the bargaining power of buyers affects the choice of competitive strategies to a very great extent. This shows that these strategies are used
by some event management companies to counter the bargaining power of buyers and are very significant in influencing competitive strategies.

4.4.5 Intensity of rivalry

Table 9: Intensity of rivalry

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcomes conform to highest customer expectations</td>
<td>3.24</td>
<td>0.457296</td>
</tr>
<tr>
<td>Few event firms in Nairobi thus no rivalry</td>
<td>3.48</td>
<td>0.55541</td>
</tr>
<tr>
<td>Collusion with other firms to set price</td>
<td>3.68</td>
<td>0.620065</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.47</strong></td>
<td><strong>0.544257</strong></td>
</tr>
</tbody>
</table>

Table 9 shows how event management companies handle the intensity of rivalry which is one of the factors that influences their competitive strategies. As shown, these ways are their outcomes conform to the highest customer expectations (Mean = 3.24), there are few event management companies in Nairobi therefore no rivalry (Mean = 3.48) and collusion with other companies to set prices (Mean = 3.68). These strategies have a combined mean of 3.47 and a standard deviation of 0.544257. A mean of 3.47, shows that the intensity of rivalry affects the choice of competitive strategies to a great extent. This shows that these strategies are used by some event management companies to counter the intensity of rivalry and are significant in influencing competitive strategies.
Table 10: Factors influencing competitive strategies

<table>
<thead>
<tr>
<th>Factor</th>
<th>Mean</th>
<th>STDEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threat of new entrants</td>
<td>3.03</td>
<td>0.488221</td>
</tr>
<tr>
<td>Threat of substitutes</td>
<td>3.83</td>
<td>1.049084</td>
</tr>
<tr>
<td>Power of suppliers</td>
<td>3.85</td>
<td>1.048043</td>
</tr>
<tr>
<td>Bargaining power of buyers</td>
<td>3.93</td>
<td>0.799894</td>
</tr>
<tr>
<td>Intensity of rivalry</td>
<td>3.47</td>
<td>0.544257</td>
</tr>
</tbody>
</table>

Table 10 shows the factors that influence the competitive strategies of event management companies. As shown, bargaining power of buyers, power of suppliers and threat of substitutes affect the choice of competitive strategies most. The factor that least influences the choice of competitive strategies is threat of new entrants.

4.5 Discussions of findings

The study sought to determine the competitive strategies adopted by event management companies in Nairobi. The study found out that cost leadership related strategies were low prices (Mean = 3.76), cost cutting measures (Mean = 3.32), efficiency in operations (Mean = 3.08), low advertising costs (Mean = 3.56), low research and development costs (Mean = 3.4), use of technology (Mean = 3.24), use of value chain analysis (Mean = 3.4) and maximizing capacity (Mean = 2.84). The differentiation strategies were offering unique market driven products (Mean = 4.64), improved customer services (Mean = 4.52), developed unique packages (Mean = 4.6), offering a wide range of services (Mean = 4.12), unique adverts (Mean = 2.24), better understanding of customer needs (Mean = 4.32), offering better services (Mean = 4.28), having loyal customers (Mean = 3.52), investing in research and development.
(Mean = 2.16) and improved the quality of product branding (Mean = 1.92). These results are consistent with the findings of (Ackoff, 1981).

The study also sought to establish the factors influencing the choice of competitive strategies. The study found out that strategies related to threat of new entrants were strengthened ability to retain staff (Mean = 3), highly trained staff (Mean = 2.84), raised the costs of switching to new event management companies (Mean = 2.96) and entry of new event management companies is very costly due to license costs (Mean = 3.32). Strategies related to threat of substitutes were introducing new event types every year (Mean = 3.92), better reputation than other companies (Mean = 3.8) and offering services to a larger geographical region (Mean = 3.76).

Strategies related to power of suppliers were these ways are improved competitive position (Mean = 3.88), high number of suppliers (Mean = 3.84) and offering better prices to suppliers (Mean = 3.84). Strategies related to bargaining power of buyers were wide variety of event services (Mean = 3.92), high events (Mean = 3.96) and establishing many offices to reach many customers (Mean = 3.92) and strategies related to intensity of rivalry were outcomes conform to the highest customer expectations (Mean = 3.24), few event management companies in Nairobi therefore no rivalry (Mean = 3.48) and collusion with other companies to set prices (Mean = 3.68). These findings are consistent with the findings of (Porter, 1996).
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, conclusions and recommendations of the study.

The chapter is presented as follows. First, a summary of the study is presented; then, the conclusions of the study are presented. This is followed by the recommendation for policy and practice, then the limitations of the study. Finally, suggestions for further research are presented.

5.2 Summary of Findings

This study was designed to achieve two specific objectives: to determine the competitive strategies adopted by event management companies in Nairobi and to establish the factors influencing the competitive strategies adopted.

A review of literature was therefore performed to understand the theories of competition in firms. These theories help to ascertain why competition takes place in firms. Secondly, a review on the competitive strategies that companies use literature was made. Finally, the factors influencing the choice of competitive strategies were reviewed.

The study was therefore designed as a cross-sectional survey. The target population of interest in this study will be events management companies that are members of the Public Relations Society of Kenya. There are currently forty registered members. A sample of 30 event management companies was selected using simple random sampling. Primary data was collected using questionnaires administered to respondents in the event management companies. A total of 25 event management
companies responded to the questionnaires giving a response rate of 83.3%. Data was analysed using descriptive analysis.

The study found out that the competitive strategies used by event management companies were cost reduction (low prices, cost cutting measures, efficiency in operations, low advertising costs, low research and development costs, use of technology, use of value chain analysis and maximizing capacity) and differentiation (offering unique market driven products, improved customer services, developed unique packages, offering a wide range of services, unique adverts, better understanding of customer needs, offering better services, having loyal customers, investing in research and development and improved the quality of product branding).

The study also found that the factors affecting the choice of competitive strategies were threat of new entrants strategies (strengthened ability to retain staff, highly trained staff, raised the costs of switching to new event management companies and entry of new event management companies is very costly due to license costs), threats of substitutes (introducing new event types every year, better reputation than other companies and offering services to a larger geographical region), power of suppliers (improved competitive position, high number of suppliers and offering better prices to suppliers), bargaining power of buyers (wide variety of event services, high events and establishing many offices to reach many customers) and intensity of rivalry (outcomes conform to the highest customer expectations, few event management companies in Nairobi therefore no rivalry and collusion with other companies to set prices).
5.3 Conclusions of the study

The study concludes that major competitive strategies used by event management companies are cost leadership and differentiation. These strategies include low prices, cost cutting measures, efficiency in operations, low advertising costs, low research and development costs, use of technology, use of value chain analysis, maximizing capacity, offering unique market driven products, improved customer services, developed unique packages, offering a wide range of services, unique adverts, better understanding of customer needs, offering better services, having loyal customers, investing in research and development and improved the quality of product branding.

This study further concludes that the major factors that affect the choice of competitive strategies for event management companies are threat of new entrants, threat of substitutes, power of suppliers, bargaining power of buyers and intensity of rivalry. These factors include strengthened ability to retain staff, highly trained staff, raised costs of switching to new event management companies entry of new event management companies is very costly due to license costs, new event types every year, better reputation than other companies, offering services to a larger geographical region, improved competitive position, high number of suppliers, offering better prices to suppliers, wide variety of event services, high events, establishing many offices to reach many customers, outcomes conform to the highest customer expectations, few event management companies.

5.4 Recommendations for policy and practice

The recommends that event management companies should strive to leaders in terms of cost management and differentiation in order to stay ahead of competition. This will ensure good performance of these companies.
The study also recommends that event management companies should consider factors such as threat of new entrants, threat of substitutes, power of suppliers, bargaining power of buyers and intensity of rivalry when choosing the competitive strategies to use.

5.5 Limitations of the study

This study focused on the event management companies in Nairobi. The results may not therefore apply to other firms in other industries. Such conclusions and interpretations should therefore be approached with utmost care.

Secondly, this study relied on only one research design where data was collected using only one method. There are issues which might not have been captured using this methodology and therefore the study may have omitted some of the important issues on competitive strategies in event management companies.

5.6 Suggestions for Further Research

The study recommends that more studies be done on this subject to establish other factors other than competitive strategies that may significantly explain the variance in performance of event management companies. This is important for the event management companies because, they seem to operate on the same levels and with the same intentions. A multi-step data collection method should also be employed in the future.
REFERENCES


APPENDICES

Appendix 1: List of event management companies in Kenya

1. Event Gracers (K) Ltd,
2. Beta Event
3. Matata Events and Textiles, online company
4. Audio Visual Media,
5. Kaygee Travel choice,
6. Daybreak Ltd,
7. Zimmerman Harmony Events,
8. Party Maker Investments,
9. Sterling Investments Bank Ltd,
10. Harmony Events,
11. Transtalk, Donholm,
12. Planet Sounda International,
13. Zaidi Events and Caterers,
14. Rose Gardens and Events Center,
15. Tafrija Events,
16. Unikim Agencies,
17. Tamurech Caterers & Tents,
18. Beautiful Works,
19. Parties Plus Enterprises
20. Inspire Harvest Company
21. Multinet Services,
22. Contemporary Designs Ltd
23. Suave n' Splendor Events,
24. kuwans enterprises
25. Cloud/nin9,
26. Master Ventures,
27. Lishebora Farmcare,
28. Asepsis Ltd ,
29. Skylight Outdoor Events,
30. Orchard In Paradise Gardens,
31. TopCom Limites,
32. Fair park event org,
33. Luminous events,
34. Discmen Entertainment,
35. Vineyard enterprises,
36. Iconic event manangers,
37. Decorations Haven and Events Ltd,
38. Wanderjoy Party World Ltd,
39. Xpose Entertainment
40. Vivi Communications Limited, Nairobi
Appendix 2: Letter of Introduction

Dear Respondent,

I am an MBA student at the School of Business, University of Nairobi. I’m currently undertaking my research project entitled “The competitive Strategies adopted by events management companies in Nairobi, Kenya.”. The attached questionnaire is for gathering data, which will be useful in the mentioned research.

You have been selected as one of the respondents in this study. I therefore request you to kindly facilitate the collection of the required data by answering the questions herein.

Please note that the information sought is purely for academic purposes and will be treated with utmost confidentiality.

I look forward to your co-operation.

Yours faithfully,
Appendix 3: Questionnaire

SECTION A: BACKGROUND INFORMATION

NAME OF THE COMPANY

AGE OF THE COMPANY

NO. OF EMPLOYEES

YEAR OF INCORPORATION

SECTION B: COMPETITIVE STRATEGIES

To what extent do you use each of the following competitive strategies to deal with competition? Please indicate with a tick in the relevant column the extent to which you have used each of the strategies to gain competitive advantage: Rate on a 5-point scale where: 1=Not at all  2=little extent  3=moderate extent  4=Great extent  5=Very great extent

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<td>Low Prices than other event companies</td>
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<td>Company has introduced cost cutting measures to deal with rising operational costs</td>
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<td>Company emphasizes efficiency in operations</td>
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<td>Lowering Company advertising costs</td>
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<td>Lowering Company Research &amp;Development costs</td>
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<td>Company has embraced technology to minimize cost</td>
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<td>Use of value chain analysis to manage cost</td>
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<td>Maximizes capacity to reduce cost</td>
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<th>DIFFERENTIATION</th>
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<tr>
<td>We offer unique market driven products and services</td>
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<td>We have improved our services to customers compared to our competitors</td>
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<td>We have developed unique packages</td>
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<td>We have a wide range of services</td>
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<td>We have unique adverts</td>
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We understand customers’ needs better to serve them
We offer better services
We have royal customers
We have invested in Research and Development
We have improved the quality of product branding

Which of the following is your Competitive Scope? (Tick one only)
One Market Segment (   )
Few Market Segments (   )
Many Market Segments (   )
The Market as Whole (   )
All of the above (   )

To what extent do you consider each of the following factors to influence your competitive strategies? Rate on a 5-Point Scale where: 1=Not at all  2=little extent 3=moderate extent 4=Great extent 5=Very great extent

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<th>Threat Of New Entrants</th>
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<td>We have strengthened our ability to retain staff</td>
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<td>We have highly trained staff</td>
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<td>We have raised the costs of switching to new event management companies</td>
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<td>Entry of new firms is very costly due to high licence costs</td>
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\{*Threat of Substitutes\} 1 2 3 4 5

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<tr>
<td>We introduce new event types every year</td>
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<td>We have better reputation than other events companies</td>
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<td>We offer services to a larger geographical region</td>
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<td><strong>Power of suppliers</strong></td>
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<td>We have improved competitive position in the market</td>
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<td>We have a high number of suppliers at our disposal</td>
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<td>We offer better prices to our suppliers</td>
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<td><strong>Bargaining power of buyers</strong></td>
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<tr>
<td>We have a wide variety of event services for our customers to chose from</td>
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<td>High quality of the events that we provide</td>
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<td>We have many offices to reach many buyers</td>
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<td><strong>Intensity of rivalry</strong></td>
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<td>Our outcomes conform to highest customer expectations</td>
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<td>There are few event firms and many event customers in Nairobi, thus no rivalry</td>
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<td>We collude with other firms to set prices</td>
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