Abstract

Competitive strategy comprises of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position. It concerns what a firm is doing in order to gain a sustainable competitive advantage by using strategies such as cost leadership, differentiation, focus, use of technology, networking and staffing policies. This study sought to find out the competitive strategies adopted by audit firms in Nairobi.

The objective of the study was to establish the various competitive strategies used by audit firms in Nairobi. The study adopted a cross-sectional survey in its methodology. The population of interest consisted of audit firm in Nairobi, which, according to the Institute of Certified Public Accountants of Kenya were 320 as at the beginning of 2007. A stratified sampling approach was adopted for this study in order to reach 60% of the population, which were 64 firms. Thirty-eight audit firms in Nairobi responded to the questionnaire. Primary data was collected during the month of August 2007 using a questionnaire with a “drop and pick later” gathering method.

The result of the study showed that the major competitive strategies adopted by audit firms within the city include cost leadership, excellent customer service, training of staff, adhering to ethical standards, effective recruiting policies and use of technology. The competitive marketing strategies adopted by audit firms include increasing sales volume to present customers, increasing volume of sales to new customers, identification of new potential users, targeting new segments of the market and outsourcing.

The major limitation of the study was that the respondents were only a small portion of the total population. Of the total population of 320 firms only 38 responded. The current research was focused audit firms in the city of Nairobi. Despite the fact that Nairobi contains a high concentration of small to medium audit firms in the country, a research needs to be focused on other areas apart from Nairobi. This would enable a complete documentation of strategies adopted by audit firms in Kenya.