

Key success factors in the coffeehouse business in Nairobi, Kenya

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Abstract:

The coffeehouse business is a novel industry in Nairobi and Kenya at large which has experienced phenomenal growth in recent years. Competition has stiffened as new players enter the market and as existing players expand their operations. The firms have come up with strategies in attempt to gain market share. The strategies employed revolve around the key success factors in the coffeehouse business. The study established the strategies adopted by the coffeehouses so as to take advantage of the key success factors while at the same time determined the level of importance given to the different key success factors. The study also confirmed product development, customer service, branding, outlet expansion and technological advancement as the key success factors in the industry. The research was based on primary data collected using questionnaires which were administered using personal interviews. The findings were analysed using both descriptive analysis and content analysis. Descriptive analysis was used to establish the trends in the industry and these findings were then extensively interpreted and analysed using the information gathered from the personal interviews and the literature review. Some observations were arrived at and this included customer service and product development are the most highly rated key success factors. Outlet expansion on the other hand got the lowest rating. It was also proposed that expansion strategies such as franchising and joint ventures as opposed to organic growth be put to greater use as this would minimise some of the challenges related to achieving strategy such as the lack of capital. Recommendations were also made for further comparative studies such as a research to determine the value attached to the different key success factors by the coffeehouse customers.