# COMPETITIVE STRATEGIES ADOPTED BY WOMEN OWNED ENTERPRISES IN NAIVASHA SUB COUNTY, KENYA

 $\mathbf{BY}$ 

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, FACULTY OF BUSINESS AND MANAGEMENT SCIENCE, UNIVERSITY OF NAIROBI

**NOVEMBER, 2021** 

## **DECLARATION**

This research project is my original work and has not been presented to any other college, institution or university.

Signature.

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This research project has been submitted for examination with our approval as the University supervisor.

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## **DEDICATION**

This research project is dedicated to my entire family for their love, support both emotional and financial and the encouragement throughout. For that I say thank you and may God bless you all.

#### **ACKNOWLEDGEMENT**

All thanks goes to the Almighty God for protection, guidance, love, provision, intellect, health and wealth. This far I have come, this would have not been possible without Gods divine love and enablement.

Special thanks to my supervisor, Mr. Alex Jaleha for the constant support and guidance. The knowledge he offered highly influenced completion of this proposal. I also want to acknowledge the University of Nairobi Library for providing me with the research materials I needed in completion of this research proposal.

To my family, your constant encouragement has enabled me reach this far. May God bless you all. I am also greatly thankful more so to my Mother Hellen, my wife Rachel, my daughter Sandrine my brothers Edward and Patrick and the whole family for their overwhelming support, concern, and encouragement throughout the program.

My sincere gratitude to all those who contributed immensely in one way or another to the completion of this research project. Special thanks to my respondents for facilitating this study, indeed I could not have done it without you. I may not be able to mention all but am forever grateful.

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#### **ABSTRACT**

The current business environment is characterized by high competition, and various forms of challenges. Therefore, for businesses to grow, they must deal with the challenges to their survival through continuous search for competitive strategies. Women owned enterprises face numerous challenges. As a result, the owners adopt various competitive strategies in order to survive and make profit. In this study, the objective was to determine the competitive strategies adopted by women owned enterprises in Naivasha Sub County, Kenya. The study utilized a cross sectional descriptive research design. Data for this study was collected from a sample of 303 respondents using questionnaires. Data analysis was done using descriptive and inferential analysis methods. Descriptive analysis helped in providing a summary of the samples and the measures done on competitive strategies while factor analysis was then used to map out the most common competitive strategies. From the analysis, the study established that women owned enterprises in Naivasha Sub County have adopted various competitive strategies so as to overcome high market dynamism. It indicated that to a large extent; product differentiation strategies were adopted to overcome competition and market turbulence, cost focus strategy to gain competitiveness and achieve market sustainability, diversification to minimize risks, market penetration for achieving more sales and technological innovations to enhance efficiency. The study concluded that the women owned enterprises in Naivasha sub county had adopted product differentiation in order to increase sales, diversification strategies in order to capture more of high revenue market segments and focus strategies in order to appeal more to customers. The study findings imply that most women owned enterprises lack the kind of capital required to undertake fully these strategies and due to these strain they strive to increase market-share via low pricing and good after sale services. The study recommends that there is need for the women owned enterprises in Naivasha subcounty to increasingly adopt competitive strategies for sustainability of their businesses.

#### **CHAPTER ONE: INTRODUCTION**

## 1.1 Background of the Study.

In todays' rapidly changing competitive environment, businesses need to adopt effective competitive strategies that will allow them employ actions either offensive or defensive for a defendable status (Porter 1985). This continues to be of interest to researchers and managers given that everything is rapidly transforming ranging from markets, customer demands, technologies, global boundaries, and products among others. Porter (1985) points out that in the midst of these complex changes, owners are asked to formulate strategies which when adopted and implemented will affect the present business position and its future success. Waruchu (2001) posits that competitive strategies help businesses to hold up a strategic edge in the market and respond to changes. This therefore implies that the key focus of competitive strategies is to devise means of achieving dominance in the market through satisfaction of buyers' needs and responding to the stakeholder's requirements.

This study was anchored on the Game theory (Von Neumann and Morgenstern 1944) and Strategic Conflict Model (Shapiro, 1989). The Game Theory provides a means of devising, structuring, examining, and recognizing strategic possibilities of vital positions in strategic management for firms. It indicates opportunities of deliberately randomized strategy. Strategic conflict model involves emphasizing the critical role of information and commitments in strategic dynamics in the operationalization of enterprises and how to achieve commitment to strategic threats and promises. Notably, his analysis of strategic commitments explained a range of phenomenon including competitive strategies of organizations. This model also offers an understanding of a conflict and prevents its occurrence in the future through strategic commitments. The theories are vital as they explain why competitive strategies are vital in aiding proper utilization of resources to achieve and solidify competitive positions in the industries since businesses are often affected by the environment in which they operate.

The freedom of women owned enterprises to make and steer strategic decisions is greatly affected by various factors among them culture, domestic commitments, financial standing, and lack of entrepreneurial training. Historically, Naivasha sub county is an area that was largely a communal grazing area both for wildlife and livestock (Harper et al. 2011). It has however

continued to experience rapid transformation with increased horticulture and floriculture industry, tourism as well as other commercial activities, increased settlement and geothermal electricity generation as a result of competing conservation and economic development goals causing tremendous shifts.

Naivasha boosts of its natural capital ecosystem the important lake Naivasha, unique in its stature and nature, which continues to shape activities in and around Naivasha. Perhaps one of the key reasons why most corporates ,government and non-governmental entities functions are heavily being hosted in Naivasha including the constitutional dispensation meetings leading to the 2010 constitution, the 2017 council of governors forum held in Naivasha ,the various political parties engagements as well as corporate bodies who have developed an trend of heading to Naivasha for these forums including the scheduled world rally championships earmarked for Naivasha as well. The planned termination of the SGR in Naivasha, the numerous hotels and flower firms as well as the multicultural multiethnic diversity of the town coupled with the towns strategic location along the key Nairobi-Nakuru high way and the increased immigration in to the town are yet more of the uniqueness that continue to shape the SMEs sector in Naivasha making the area of keen interest for a study due to the present and planned activities that goes a long way in placing those with business mindsets with a clear head start and potency for a promising future.

Another key feature is our neighbor countries Uganda and South Sudan investing in the Naivasha dry port, which is the only of its kind in East Africa. These can only but go a long way in shaping more the business acumen in the area. It has been touted as the future of Kenyan tourism and coupled with the on goings has consequently continuously resulted to increased immigration and due to the reduced opportunities led to women among others seeking efforts to go around the opportunity challenges to establish businesses and indeed take advantage of the population and the market potential. Naivasha is however uniquely associated with negative aspects including low wages, poor working conditions and increased population pressure. This is mainly off floriculture, the dominant industry of Naivasha sub county which has seen numerous flower firms set up (Harper et al., 2011). Huge greenhouse operations dot up and play part in increasing immigration but still not able to match the available workforce thus still leaving many with no jobs thus need for urban business and agribusiness projects initiatives mainly for survival and

sustenance. In Naivasha sub county, the population increase and shift of agriculture from ranching and sisal farming to irrigation-based floriculture and horticulture are additional perturbations that have led to changes in the women in Naivasha Sub County to lay more focus on making ends meet through business (Wanjala et al., 2018).

In Naivasha Sub- County, these women owned enterprises in their quest for formidable enterprises are faced by other challenges including lack of basic skills in business, poor business management skills, insufficient funds, poor educational background, and stiff competition (Gogi, Rambo & Osogo & 2017). Due to these challenges, the rate at which women start businesses is low and those that survive continue recording poor performance (Mwobobia, 2012). In order to cope with the turbulent nature of the industry, these women owned enterprises are adopting and implementing various ways in which they can remain competitive. It's therefore necessary that women owned enterprises in Naivasha Sub County, Kenya take conscious efforts to enable them make better informed choices capable of making progressive changes therefore becoming more competitive. Improvements made will in turn lead to generating more income and employment opportunities creation (Gemechis, 2007).

## 1.1.1 Concept of Competitive Strategies

Competitive strategies have been defined by Thompson and Strickland (2010) as all the approaches and activities that a business adopts and implements in order to attract customers endure competition and increase its market position. Ansoff and McDonnell (2010) view competitive strategies as methods used by businesses to survive and record good performance so as to thrive in a highly dynamic industry. Sidorowicz (2007) defines a competitive strategy as being a more skill based, involves critical strategic thinking, positioning and innovation by businesses in the aim to be ahead of market rivals. Furthermore Porter (2008) observes competitive strategy as being about optimizing business efforts in order to help in creating a winning position and unique tradeoffs in the industry. These definitions generally point out that competitive strategies are pursued by businesses to enhance their competitive edge over others in a market characterized by rivalry.

Businesses adopt competitive strategies as a means of achieving dominance and improving competitiveness in the market. Competitive strategy is a game plan adopted by businesses for successful competition in the market (Aithal & Kumar, 2015). According to Porter (2008), there

are three approaches to competitive strategy that businesses utilize: focus strategy, low cost strategy and differentiation strategy. For businesses, competition remains one of the key influences to their wellbeing and survival and even threatens the attractiveness of an industry through reduced profits. This therefore pushes for the continuous formulation of strategies to mitigate the risks. Therefore, businesses work to gain competitive advantage respond to market demands and compete effectively by using their core competencies that are difficult to imitate (Johnson, Scholes and Whittingon 2006).

Competitive strategies are vital to the competitiveness of any business. For instance, according to Majumdar (2015), businesses use cost leadership strategy in order to gain advantage over the others in the market. Businesses that pursue this strategy seek to gain competitiveness mainly by reducing its economies of scale below that of other businesses in the market (Kim, Park, & Kim, 2017). If effectively used, it enables an enterprise to solidify its position in the industry and bar new entrants thus helping an enterprise to generate high returns. Bayraktar et al, (2017) also highlighted the significance of competitive strategies on enterprises. Differentiation for instance helps develop a wide range of products to suit the varied customer needs. Prajogo (2016) also highlighted the significance of competitive strategies indicating that businesses use focus strategy to win customer loyalty.

Businesses can adopt various competitive strategies in order to stay afloat. Among them are cost leadership strategy that is widely used to achieve competitiveness through low pricing (Majumdar, 2015). Differentiation strategy where businesses seek uniqueness by identifying vital customer attributes and positioning them uniquely to meet their needs (Bayraktar et al, 2017). Focus or niche strategy whose focus is on a narrow market segment (Prajogo, 2016). This strategy seeks to appeal to only few groups of customers (Zakaria, Hashim & Ahmad, 2016). Combination strategy where a firm can utilize a combination of low cost and differentiation strategies for competitiveness in the market (Allen & Helms, 2006). According to Salavou (2015), businesses that pursue combination strategy may be much better off than those that pursue one strategy. Market penetration strategy is another strategy exercised through taking partly or competitor's whole market share and it requires both market and competitor intelligence for success (Free Management, 2015). Another strategy is market development which enables enterprises to leverage their key conventional strengths through identifying new use for available products and new markets. Frequent changes in media selections, promotional

appeals and distribution best signals this strategy (Pearce & Robinson, 2011). Product development strategy is yet another strategy which aims to attract satisfied customers to new products due to the positive experience (Pearce & Robinson, 2011).

## 1.1.2 Women Owned Enterprises in Naivasha Sub-County.

According to World Bank (2014), there have been a myriad of initiatives for supporting the potential of women owned enterprises. Evaluations conducted suggest that such programs impact on business growth outcomes has so far been mixed. According to Wangari (2017), women don't have access to the same opportunities. Despite this, women owned enterprises are contributing a lot to the economic development of many nations across the world. Apart from being a key source of income to the owners, women owned enterprises are a key source of employment and a significant contributor to the GDP (Chinomona & Maziriri, 2015). Indeed, the women owned enterprises have become critical spectrums of national, regional, and global growth therefore the need to design strategies for enabling their move to higher growth and higher productivity. (World Bank, 2014). However, in spite of their importance to the economic development, these women owned enterprises are faced by numerous stop gaps which curtail their growth.

World Bank (2014) posits that nowadays, many women do investments, employ and assume production and trade risks. In recent times, initiatives to support women owned enterprises have gained predominance across the globe as means of job creation and boosting productiveness. Insights from different nations are of indication that indeed women's contribution in business is significant with Ethiopia standing at 65%, Kenya at 48% and Tanzania at 43% (Stevenson et al 2005). These enterprises play a critical part in economic advancement as Ochola and Okello (2013) established that women businesses greatly improve family income and prompts wealth creation. Notably, numerous women owned enterprises work under tuff conditions thus before women can accomplish their potential, strategies must be put in place to address the different requirements acting against their success capacity. These constraints are multidimensional, bundled, and often mutually reinforcing (Chakravarty et al 2016). In spite of all these constrains working against women, the potential additional economic contribution of women owned enterprises is large. More so, one out of every three registered businesses are owned by women amidst the resource constrains (ILO 2016). This is so because women owned enterprises remain of great importance even to development processes and thus it would be important even for

governments to advocate them by including their concerns in development programs (Gogi.2017).

Women owned enterprises in Naivasha Sub-County have ventured into various businesses significantly. Naivasha sub county has a very high economic value, being the center of Kenya's flower industry, which remains a top foreign exchange earner in Kenya thus playing a key role in pulling in Kenyans from all parts in search for work. The town is strategically placed powering a good chunk of export trade activities including flowers, horticulture products. Naivasha is also host to east Africa's largest container deport that is revolutionizing transportation. Over the past few decades, human-based land and water use changes have led to disruptions in Naivasha sub county, transforming residents to seek alternative ways of making ends meet (Stoof-Leichsenring et al. 2011). Of which women have been on the forefront through establishment of enterprises. Currently, the planned termination of the SGR at Naivasha and the dry port is the new focus frontier in Naivasha Sub County in enhancing the business acumen of Naivasha as it is significantly changing the shape and direction of Naivasha. The dry port goes a long way in enhancing the potential for business entrepreneurialism of which women owned enterprises are taking the front rows as well and this continues to put Naivasha on the spotlight.

Naivasha subcounty remains correct to the project's triggers targeting industrialists, business community and local authorities. However, it puts local stakeholders in great competition thus forcing many to be innovative enough to seek alternatives and women have not been left behind in the quest for economic fulfillment through veering in business (Harper et al., 2011). More so the confirmation in 2019 of the return or the World safari rally championships in Naivasha sub county goes a long way in changing the scene with lots of new business openings and more through hotel occupancy, transport and purchase of local products such as foodstuffs curios and fuel thus fueling the entrepreneurialism in Naivasha. Indeed, the business community stands to gain from the event greatly especially more for the women owned enterprises that position well. According to Miluge et al (2017), most women in Naivasha own businesses located in Naivasha town, some in the outskirts of the town, and some in rural areas. Majority of the women prefer establishing their businesses in town centers as they harbor a large population. Here, the women have diversified into various forms of businesses including sale of phones, accessories, money agency, grocery shops, hardware, and electrical shops among other forms of businesses. These women owned enterprises are faced by various bottlenecks key among them being lack of basic

business skills, poor business management, insufficient funds, poor educational background, and stiff competition (Miluge et al, 2017).

It's worthy noting that some women owned enterprises lose competitiveness while others close down completely due to stiff competition. In addition to this, research shows that women owned enterprises are the most affected by increased competition especially from male owned enterprises. In male dominated societies particularly in Africa, women enterprises face a myriad of challenges which make it hard for them to make significant growth compared to their male counterparts. According to Siwadi et al (2011), indeed women-owned businesses are known for their low startup and low working capital. Furthermore, under normal situations, the businesses owned and operated by women have low growth rate and have limited potential to grow because of stiff competition and other constraints. A number of reports indicate that many women-owned enterprises enter and leave the market year in year out with a turn-over rate of approximately 32% every year (Organization for Economic Cooperation and Development, 2015).

In order to change this, government support has been muted through various initiatives but regardless of the considerable support by the government and other bodies interested in promoting gender equality, many women owned business ventures still fail within a short duration after start up and those that survive find it difficult to compete effectively. Government and non-governmental initiatives have also been drafted to empower women enterprises through provision of funds, trainings on customer care, marketing techniques, and bookkeeping skills (United Nations, 2019) but still more is needed for stability. Therefore, in response to these and as a result of stiff competition and the market dynamics, women owned enterprises have resulted to adoption and implementation of competitive strategies for survival, competitiveness and so as to outdo rivals.

#### 1.2 Research Problem

Businesses adopt competitive strategies to enable them to attain some kind of advantage over competitors as indeed the success of any enterprise is determined by its competitive stature. Therefore, competitive strategies are the drive towards realization of favorable competitive positions by enterprises in their various spheres. Dansoh (2005) posits that businesses adopt various competitive strategies in order to deal with any unforeseen market alterations. Wang, Walker and Redmond (2008) argue that businesses that adopt competitive strategies are likely to

make high sales revenue, profitability, higher employee growth, higher profit margins, and large market shares. On the contrary, Yasar (2010) argues that the adoption of competitive strategies has negative effects on business growth as it increases the costs and reduces the profit margins. These arguments clearly depict that the debate on the competitive strategies is still inconclusive and requires more studies to get a clear and profound understanding. Women owned enterprises are known for small starter capital which in it also curtails their growth potential meaning they have slow growth potency more so due to the nature of businesses that they undertake.

A large number of women owned enterprises in Naivasha Sub-County have ventured into ownership and operation of various businesses even as numerous opportunities for the sustenance of these enterprises continue to manifest amidst several constraints such as social, economic, environmental, cultural and technological constraints arising from an ever-increasing competitive market that leaves majority still struggling for survival. Indeed, the women owned enterprises are pushed to start own businesses due to limited opportunities and low wages in the workspace against the promises. However, most get the goings challenging to start and run business because of issues around tradition and attitudes towards women. Generally, many women in Naivasha sub county appear to start business for survival of their households, self-emancipation from initially promising but turned low wage jobs and to balance work and family with most having no growth intentions as most are over-burdened by family house demands. It is for these that the women are left with inadequate time for their business against the potential available (Mbiti et al, 2015).

The social cultural factors influence growth of women enterprises in the rural areas more (Mbiti et al, 2015). A significant note is that most women especially more for those in the rural settings are not profit driven but by sheer need to meet their family needs (Muriungi, 2012). Unlike when the small and medium owned enterprises sector was male dominated, currently, a considerable number of businesses are owned by women who have ventured into different lines of business (Miluge et al, 2017). However, while women have shown great efforts in ownership and operation of various businesses, they face numerous challenges that curtail their growth. According to Kihonge (2014), enterprises run by women in Kenya have to thrive against significant odds. Key among the odds women owned enterprises face are lack of appropriate skills, stiff competition, poor business management skills, lack of sufficient funding, among other bottlenecks. Poor management, lack of plans and improper financing have also been

posited as other main causes of failure of the women owned enterprisez (Longenecker, et al., 2006). In response to these issues, the women owned enterprises off necessity are in constant search and adopting of different competitive strategies to enable them gain competitive advantage and edges in the market.

Various global and local studies have been conducted on competitive strategies. Demirbag, Tatoglu & Glaister (2008) analyzed competitive strategy choices for manufacturing firms in Turkey and established that most of them used the integration strategy. Sidek and Rosli (2013) study on competitive strategies adopted by SMEs in Malaysia, noted that to a large extent they adopted innovation and product development strategies respectively. Mugwe (2012) research on the competitive strategies adopted by beer brew firms in Kenya, established that the companies to a large extent adopted cost leadership, offensive, defensive and collusive strategies. A study by Ogot (2014) which examined generic competetive strategies adopted by MSEs in Nairobi established that they majorly adopted from broad hybrid to hybrid differentiation and peer differentiation strategies.

In another study, Akungu and Muturi (2016) researched on the influence of competitive strategiez on financial performance at Mumias Sugar Company and found out that the relationship was positive and significant. A study by Kago, Gichunge, and Baimwera (2018) on the effect of competitiv strategies to the financial performance at Kenyan petroleum companies observed that it was positive and significant. In another study, Wanjohi (2008) conducted a study on the competitive strategies adopted by MFI's. It established that a companys' vision and mission forms the basis for the company goals that aid in coming up with requisite competitive strategies for competitiveness. Ilovi (2008) researched on the competitive strategies by Kenyan courier companies and the findings indicated cost strategy as the most practiced competitive strategy followed by differentiation and then focus strategy.

A review of the empirical studies revealed that while some of the studies focused on the influence of competitive strategies on financial performance, others sought focus on the extent of adoption of competitive strategies in other organizations, none focused on neither women owned enterprises in Naivasha Sub County nor competitive strategies adopted by the women owned enterprises in Naivasha Sub County Kenya. More so, none focused on innovative capacity building strategies for the women owned enterprises and furthermore, as much as some of the

studies were done in various countries and industries, the results and conclusions cannot be applied generally on the women owned enterprises in Naivasha Sub-county as the settings, geographical location and operational conditions are totally different making it impractical in generalizing their findings to apply to the context of women owned enterprises in Naivasha Sub-county. In light of these gaps, this study sought to bridge it through addressing the research question; what competitive strategies have women owned enterprises in Naivasha Sub-County Kenya adopted?

## 1.3 Objective of the Study

The objective was to determine the competitive strategies adopted by women owned enterprises in Kenya's Naivasha Sub-County, Kenya.

## 1.4 Value of the Study

The findings are significant in various ways. It will be significant in contributing to theory and body of knowledge and will therefore be a good and relevant source to students and academicians with an eye on competitive strategies by women owned enterprises. It will offer an understanding of the kind of competitive strategies adopted by women owned enterprises in Naivasha Sub County. This will be crucial for future reference and will contribute to the available body of knowledge .

Secondly, it will also be useful to women owned enterprises in Naivasha sub-county as they will get insightful understanding on the various competitive strategies they can adopt. The study is expected to offer both the owners and or managers of women owned enterprises a better understanding of various competitive strategies adoptable in the markets they operate in. This will help improve competitiveness and enable the women owned enterprises adopt the right competitive strategies. Thirdly, the findings will also be beneficial to other players and enterprises especially in getting some insights on appropriate strategies they can opt for to survive in the industry.

Lastly, it will also be helpful to various policy makers both at national and county level. By highlighting the various competitive strategies, the study will provide insights that would help in designing a model that would enable women owned enterprises to be more profitable and achieve sustainable organizational goals by identifying and adopting competitive strategies that

can minimize constraints brought by the dynamic environments in which the businesses operate. The study will equally aid in formulation of policies towards improved productivity and sett up of institutional infrastructure aimed to improving the sector.

#### **CHAPTER TWO: LITERATURE REVIEW**

#### 2.1 Introduction

This chapter took an in-depth view of theoretical foundation and literature review on adoption of competitive strategies. This was done through identifying and discussing the theories that anchored the study and review of other related research studies.

#### 2.2 Theoretical Foundation

This section covers the theories that were used to anchor the study. In this study, two theories were used, that is game theory by Von Neumann and Morgenstern (1944) and Strategic Conflict Model by (Shapiro, 1989). Game theory is a framework for molding scenarrios where conflicts of interests exists among competing players. Its key for situations such as product releases that can be laid out and their outcomes predicted. According to Anderton and Carter (2019), it's science of strategy and focus is on the game which serves as a model of an interactive situation, amongst rational players whereby the key is that one players' payoff is contingent on the strategy implemented by other players through the game identifying the players identities, preferences, available strategies and how the strategis used affect the outcome. While game theory improves on decision making capabilities through a set of actors called players and outcomes as a result of strategic choices made, it is a theory of rational decisioning in conflict situations.

Conflict theory by Shapiro (1989) on the other hand plays a critical role in simulating the development on non-co-operative game theory and enables provision of an analysis of games with multiple equilibrium thus redefining the scope of economics and its place in social science and calls for considering the basics of how people achieve commitments to strategic threats. The theory also focuses on understanding how people achieve co-ordination in multiple equilibrium games. They seek to probe questions logically through experiments about problems of conflict and co-operation among people who are intelligent and rationally motivated. Conflict theory is equally based on rational assumption and maximizing behavior of agents at stake. It assumes common interests between opponents and focuses on the fact that one's best choice of action depends on what he expects the others to do thus these strategic behaviors concern is influencing another's choice by working on his expectations (scheling 1963). Conflict theory uses game theory to clarify the strategy of rivals as players in a game which is non-zerosum game as there is

no unique winner or loser. On the strategy of action where conflict is mixed with mutual interdependence, the non zerosum games involved especially in price war, traditional game theory has not presented comparable insights. Therefore, the two theories are based on economic determinism (Mehrad, 2009).

## **2.2.1 Game Theory**

Game theory was founded by Von Neumann and Morgenstern (1944) argued that it provides mathematical techniques for analyzing situations and different behaviors displayed to others with whom a long-term relationship is expected, where decisions made affect the welfare of others. Furrer & Thomas, (2000) posits it as a simulation model of rivalry for strategic interaction between sets of players and all have to lay focus on the rival's behavior anticipating likely actions before determining theirs. According to Koc<sub>3</sub>kesen and Efe (2007), the subject of game theory is of interactions within a group of businesses, individuals, or governments where one's moves affect all and are of interest to all.

Game theory has to put forth some rules through which individuals act for it to have any predictive power and its basic assumption is rational behavior. The theory posits that amongst different choices available, there might be a dominant strategy that can offer payoff optimally to one despite the actions of the rivals particularly where an agent's action is needed (Parkhe, 1993). Other assumptions are: that all players act strategically while considering responses of competitors and that its effectiveness is realized when all players are aware and understand the payoffs of their choices. Game theory is a mathematical decision-making theory used in conflicting or cooperating circumstances. Its purpose is to offer guidance for rational behavior in social interaction and strategic decisioning's (Netessine & Shumsky, 2005).

In business game theory manifests well when analyzing an oligopoly characteristic economic environment where competing enterprises have the option to accept the agreed pricing structure or take a lower price schedule route (Papayoanou, 2010). This theory is concerned with concepts related to resolving differences. Included here are stable outcomes, equilibrium situations, optimal strategic behavior, equitable allocations, and bargaining and coalition formations. For women owned enterprises, rivalry and dilemma are the orders of the day and the expected advantage position must therefore be examined based on how well they exploit opportunities and overcome challenges. Every action sparks reactions thus an enterprises effectiveness relies on

how they shape the game played. The theory is employed by business managers to depict what other players are thinking or planning. It heavily aids as a tool of predicting outcomes of interactions among a group of players who in turn will react based on those actions by others. (Martin, 2016). Therefore, when making decisions on strategy choices, enterprises ought to consider other players potential actions (Osak, 2010). In this study, women owned enterprises in Naivasha subcounty adopt the competitive strategies to outdo their rivals and record good competitive advantages. This is because these businesses operate in highly competitive environment.

## 2.2.2 Strategic Conflict Theory

The strategic conflict theory is based on rivalry hypothesis. It was founded by Shapiro (1989) and augments Porter's generic strategies and perceives a firms required capacity to take charge of its commercial center condition. The model is founded on the rational choice analysis that remains essential to strategic managers over a long period. The model highlights that insights on global conflict can be achieved by analyzing competitors as intelligent decision makers and also in examining and assessing managements rational commitments in a common framework that considers the differences in customers' preferences and information (Richard, 2009). By using the theoretical foundation of the game theory, the strategic conflict model can help enterprises envisage and go after desired positions within their sectors. As the businesses pursue various actions, they bear in mind on the movements they think the rivals will likely take.

According to Shapiro (1989), there are various actions that enterprises can take which includes product standardization when the business operates in a highly networked sector, strategic data control, massive physical capital investment, huge investment in assets such as research and development, mergers and acquisitions and strategic contracting. Strategic conflict theory expounds on the limitations of the Game theory. These shortcomings include the use of rationality concept under uncertainty, and the need to create a satisfying analytical framework in conflict (Lebonnois, 2007). This model therefore uses non-zero-sum games to get effective strategic choices that would help the businesses to get better pay offs in strategy during conflicts.

Strategic conflict theory is relevant in this study as it explains how women owned enterprises adopt various strategies in order to survive and remain competitive. These enterprises operate in

highly dynamic sector which make it necessary for them to adopt different strategies to beat other market rivals and gain necessary competitive advantage.

## 2.3 Adoption of Competitive Strategies

Competitive strategies involve modeling and maintenance of competitive advantage in all the areas of the businesses. Strategic analysis and choice remain key in a business in an effort to picking out strategies deemed most succesful at building sustainable units with desirable competitive advantage based on key competencies (Pearce & Robinson, 2011). Numerous studies have been done to analyze the adoption of competitive strategies. Demirbag and Tatoglu (2008) in their study of Turkish manufacturing firms in European Union on competitive strategy choices established that the strategies utilized by the manufacturing firms were those that sought to extend the current products offered by the firms through technology sharing and standardization enablement. It established that the most utilized strategies focused on enabling integration. Another study on competitive strategies by SMEs in Malaysia by Sidek and Rosli (2013) indicated that the SMEs relied heavily on innovation and product development as strategic means of gaining competitiveness and dominance in the industry. Similarly, results of an earlier study by Terziovski (2010) on competitive strategies by SMEs in Australia indicated that the firms relied on the strategy of innovation.

Regionally, a study in Nigeria on the influence of competitive strategiez on the performance of SMEs was done by Princess, Samuel and Ayodotun (2015). It indicated that most SMEs adopted resource base strategies and porter's generic strategies among other strategies for them to carry out their operations consciously in different ways as compared to their rivals. Similarly, in a recent study by Akinso (2018) on successful competitive strategies adoped by business owners in Nigeria, the findings indicated that the businesses relied heavily on market positioning strategy to outdo their competitors in the industry. Study findings by Ewere, Adu and Ibrahim (2015) on the strategies adopted by small scale women entrepreneurs in Nkonkobe municipality in South Africa, found out that the competitive strategies the businesses relied on included technological development, product and market development, and research and development. In an earlier study, Oyewobi, Windapo, and Cattell (2014) analyzed the strategies pursued by construction firms in South Africa and concluded that the firms heavily adopted differentiation competitive strategies in order to achieve high quality business outcomes.

Locally, Mugwe (2012) analysed the competitive strategies adopted and implemented by beer firms in Kenya and found out that they were greatly utilizing cost leadership strategies, offensive, defensive, and collusive strategies as means of gaining competitive power in the market. Ogot (2014) in studying the generic competitive strategies pursued by MSEs in Nairobi, esablished that the major competitive strategies the businesses adopted included broad hybrid, hybrid differentiation, hybrid mentor and peer differentiation strategies. Similarly, Chege (2016) examined competitive strategies of SMEs in Kenya and established that the businesses adopted cost leadership strategy in order to withstand competition, they pursued differentiation strategy in order to enable them to have different products from those offered by rivals in the market and to make their products stand out in the market, and that they used market segmentation and cost focus strategy in order to manipulate cost as they deem fit in order to extend their market share to other areas ignored by large rival firms.

In another study, Wanjohi (2008) studied on the competitive strategies and positioning adopted by MFI's within a changing business environment. It concluded that the company mission and vision forms the basis of a company's goals that aid in coming up with requisite competitive strategies for competitiveness. Ilovi (2008) researched on the competitive strategies by courier companies in Kenya and it showcased that cost strategy was the most practiced competitive strategy followed by differentiation and then focus strategy. Ndunge (2012) examined the various competitive strategies pursued by Kenyan horticultural export firms and challenges faced in implementation. The study showcased that the strategies adopted included differentiation and diversification of products, new market penetration, e-marketing, packaging and focus strategies. In another study by Munyiri (2014) regarding the competitive strategies that Kenyan commercial banks adopted to enhance performance and customer retention, it established that the banks had adopted differentiation strategies, and focus strategies. Gachimbi (2018) carried out a study on the challenges and competitive strategies adopted by female entrepreneurs in Juja to achieve growth and identified that the businesses had adopted SWOT analysis tools which enabled them to analyze their position in the market in terms of strength, weakness, opportunities and threats. The businesses also adopted focus and differentiation strategies in enhancing their performance.

Similarly, in an earlier study, Bisungo, Chege, and Musiega (2014) analyzed the different strategies adopted by famer's cooperative societies in Butere Sub-County and found out that they had adopted product differentiation, customer focus, cost leadership, and quality management

strategies. In another study, Tonui and Ngahu (2016) analysed the competitive strategies pursued by medium manufacturing enterprises in Nakuru and established that the key competitive strategy the businesses had adopted was product differentiation. The study targeted the 176 managers working with manufacturing enterprises in Nakuru town out of which 64 respondents were sampled by simple random sampling. The study gathered that indeed competitive strategies are important in enhancing growth.

The findings of a research on relationship between competitive strategies and performance at Mumias Sugar Company by Akungu and Muturi (2016) established the need for the company to adopt focused strategy through focusing on particular market segments, market knowledge and competitor emphasis as focused strategy positively affected its performance and recommended the need to adopt differentiation strategy for it to succeed and be ahead of its competitors. Kago, Gichunge, and Baimwera (2018) sought to study the influence of competitive strategies to petroleum businesses in Kenya and concluded that the competitive strategies contribute to performance. The competitive strategies had boosted profits, turnover, and sales. It further concluded that businesses need to focus on strategic changes that are evolutionary, revolutionary, reconstructionary and adaptation reconstruction changes as they increase growth.

Isaboke (2018) conducted a study on the competitive strategies and performance of MSEs in Nairobi County. Specifcally, it was to determine the effects of low cost leadership, differentiation, focus and combination strategies on the performance of the enterprises. Based on the analysis, the study found out that the businesses had largely adopted the Michael Porter's generic strategies to achieve competitiveness in the market and to achieve good performance. The study established that the competitive strategies adopted by the businesses contributed about 85.11% of the changes in the performance of the businesses.

In another study, Isaboke (2018) analysed the various competitive strategies adopted by MSEs in Nairobi County by descriptive correllation design using primary data gathered through questionnaires. From the analysis, the study established that the strategies with statistically significant contribution to the performance of the businesses included differentiation, market focus, cost leadership, and strategic alliance. From the study, it was concluded that the MSEs need to take up cost leadership strategies by forming collaborations with service providers, suppliers and other supportive institutions in order to achieve competitive advantage. It also

established that investment in differentiation also helps the SMEs to achieve competitiveness against their rivals in the market. It was concluded that market segmentation is also a key strategy that the SMEs can rely on to win customers' loyalty while strategic alliances enable the firms to increase their market share. In another study, Ogeto, Matwele, and Omari (2016) researched on the effect of competitive strategies on performance of private hospitals in Kisii county. The findings were in line with contention of Michael Porter that there are three basic selling strategies that can be utilized by firms namely; cost leadership, differentiation and focus strategy and an organization records good performance by choosing one. Further, the study established a positive correlation between the competitive strategies adopted by the hospitals and performance.

Sagwa and Kembu (2016) studied the effects of competitive strategies adopted by deposit taking SACCOs (DTSs) in Nairobi County on organizational performance. The results backed the idea that adoption of generic strategies has a good predictive impact on their organizational performance; focus strategy had the highest predictive effect. It was thus established that focus strategy can aid DTSs to achieve significantly higher performance as compared to DTSs that pursue differentiation or cost strategies. From the study findings, a conclusion was drawn that it is possible for DTSs to pursue different generic strategy types to realize superior performance.

## 2.4 Summary of the Literature Review and Knowledge Gaps

Based on literature reviewed, a large number of researchers have analyzed the competitive strategies pursued by various businesses in different industries and in different countries. However, the findings of the studies by Demirbag and Tatoglu (2008), Terziovski (2010), Akinso (2018), Ewere, Adu and Ibrahim (2015), Oyewobi, Windapo, and Cattell (2014) conducted outside the country cannot be generalized to apply to women owned enterprises in Naivasha Sub County since the prevailing market conditions in those countries differ from those in Naivasha Sub County. While the studies have enhanced the knowhow on strategies pursued by firms in different sectors, they largely focused on how strategies influence on business performance. Furthermore, the studies conducted used correlational research designs, rather than cross sectional research design. Notably, the correlational research designs underpinning limitations include not being able to uncover relationships, not being able to determine cause and effect, not being able to determine variables with most influence and can be time consuming.

Among the studies conducted in Kenya (Mugwe 2012; Ogot 2014; Chege 2016; Ndunge 2012; Munyiri 2014; Ogeto, Matwele, and Omari 2016; Sagwa and Kembu 2016; Gachimbi 2018; Bisungo, Chege, and Musiega 2014; Isaboke 2018; and Akungu and Muturi 2016), were conducted in different regions and different industries therefore cannot be generalized to the context of women owned enterprises in Naivasha Sub-County which are largely economically driven by the lake and land use ecosystem, the hotel and tourism, flower and horticulture industries that pushes immigrants in and hence the need for a study focusing on women owned enterprises in Naivasha Sub County. Indeed, due to this, there is rapid population and economic activities growth in the area. It was thus vital to undertake this study to determine which competitive strategies have been adopted by women owned enterprises in Naivasha Sub County.

#### CHAPTER THREE: RESEARCH METHODOLOGY

#### 3.1 Introduction

The chapter highlights stages that were followed involving data collection, measurement as well as analysis. This section looked into the research designs used, the area studied, population under reference, sample size determination, sampling methods and procedures used to collect and analyze data.

#### 3.2 Research Design

This is basically a structural guide on how to conduct a study (Kothari,2004). This study employed a cross sectional descriptive research design which as per Rindfleisch et al, (2008), is a design that can be utilized to describe characteristics of the study population. It is suitable in making inferences about the phenomenon under study and further research. The rationale for choosing the design was that it enabled the researcher gather data across different businesses to aid in answering the research question. This design was the most suitable because the information that was collected represents the occurrences at a specific point in time.

Furthermore, it was the most suitable design since the design has been utilized successfully by various researchers to yield reliable findings. For instance, Muia (2017) used it in his study on insurance firms in Kenya. Kinyungu and Ogollah (2017) used the design while examining the influence of competitive strategiez on performance of Kenya Commercial Bank, and Sagwa and Kembu (2016) utilized the same research design to analyze the effect of competitive strategies on the performance of DTSs in Nairobi.

## 3.3 Target Population

The target population comprised of women who owned and operated enterprises in Naivasha Sub County that have been registered individually under the Women Enterprise Fund Naivasha Office through registered organised groups and from different locations within Naivasha Sub County through which they are onboarded and managed with an effort to move them to reliable stable enterprises, whose records indicated that there were 1570 registered women owned enterprises registered under the women Enterprise Fund Naivasha Office who operate their businesses in Naivasha Sub County (Women Enterprise Fund Naivasha Office Records Department, 2020).

## 3.4 Sample Size Determination and Sampling Methods

The sample was calculated by Yamanes' sample calculation formula as follows: -

$$n = \frac{N}{1 + N(e^2)}$$

Where:-

n= Sample size

N= Total population size (In this case total number of women owned enterprises in Naivasha sub county).

e =Permitted error (5% since the confidence level is 95%)

$$n = \frac{1570}{1 + 1570(0.05^2)}$$

n=319 women who owned enterprises.

The women owned enterprises were picked using simple random sampling method. This method gave each and every woman owned enterprise same selection chance.

#### 3.5 Data Collection

Primary data was utilised and was collected using open-ended and closed-ended questionnaires. The open-ended questions gave freedom of response whereby respondents got a chance to freely express themselves on the subject matter. This thus helped in yielding to more information gathering that was vital in the research. The closed ended questionnaires on the other hand aided in capturing specific data pertaining to the subjects and are easier to administer and to analyse. The first section captured general data pertaining to the respondents and the sampled businesses. The second one gathered data pertaining to the competitive strategies adopted by the different women owned enterprises.

Before carrying out the actual data collection exercise, the researcher with a research assistant conducted a preliminary exercise to acquaint with the area of study. This helped to make contacts and to avoid suspicions by the women enterprise owners as they formed the study's respondents. Six women owned enterprises were utilised in pre-testing done to ensure that quality data is collected during the actual study. It also helped the respondents to understand and interpret the

questions or items in the questionnaires. This method was the most appropriate as it enabled the researcher seek clarity in some responses and it also improved on the response rate.

#### 3.6 Data Analysis

Data was analyzed by the use of descriptive and inferential methods. This analysis was through quantitative methods facilitated by Statistical Package for Social Sciences (SPSS). Mugenda and Mugenda (2010) asserts that data got from the field in raw form is difficult to interpret unless its cleaned, coded and analyzed. Descriptive statistics by way of frequency analysis was performed by presenting and analyzing the data. It involved the calculations of frequency distributions, percentages, mean, mode and standard deviation. Thus, it allowed room for the reduction and summary of data as well as analysis of items.

Demographics and issues of women owned enterprises characteristics were analyzed through statistical tools including tables and percentages. The statistical mean and standard deviations were analyzed by comparing the mean scores and deviations among the respondents. The use of descriptive statistics also helped in comparing the different factors that affect the adoption of competitive strategies by the women owned enterprises by mean and standard deviation of scores.

Factor analysis was then used to map out the most common competitive strategies adopted by the women owned enterprises. Factor analysis is used to examine convergent validity and it is generally regarded as a technique for large sample size of over 200 though Winter et al (2009) later on suggested that a minimum sample size of fifty should be a sensible enough minimum for factor analysis. Therefore, the number of samples in this research is acceptable. It is worth noting, that while the women owned enterprises in Naivasha adopt numerous competitive strategies to improve competitiveness, not all of them have statistically significant hold on the competitiveness and growth of the businesses. In this regard, factor analysis was suitable in picking out the most common strategies adopted by the women owned enterprises. This was done by grouping the competitive strategies to establish which strategies were the most used strategies by the women owned enterprises and the least adopted strategies. It was done using SPSS through grouping of the responses and determining the common strategies reported. The findings were then interpreted, and conclusions made.

## CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

#### 4.1 Introduction

This chapter presents data analysis, findings and discussion of the same in light of the study objective. The study objective was to identify and analyze the competitive strategies adopted by women owned enterprises in Kenya's Naivasha Sub-County with the data being collected by use of structured and unstructured questionnaires. The drop and pick questionnaire administration method was adopted.

#### **4.2** Response Rate

The study targeted a sample size of 319 women owned enterprises registered under the women enterprise fund Naivasha office. Out of the 319 distributed questionnaires 303 were filled up and collected which gave a response-rate of 95 %. This rate was sufficient and satisfactory to yield reliable findings and satisfactory conclusions. It conformed to Mugenda and Mugenda (2003), according to whom a response of 50% and above is sufficient for analysis and reporting,60% is good and a response of 70% and above is excellent and therefore, a response rate of 95 % was excellent and sufficient to yield reliable findings.

**Table 4.1: Questionnaire Return Rate** 

<b>Questionnaire Response</b>	Frequency	Percent
Filled and Returned	303	95
Unreturned	16	5
Total	319	100

#### 4.3 General Demographic Information

The cause of the analysis here was to determine the respondents' demographic characteristics and the general description of the businesses. The demographic variables analyzed included the age, their education level, the duration the businesses had been in operation, the economic sectors of the businesses, the business categories, and the number of employees the businesses

had. Establishment of the respondents' demographic distribution was critical as it formed the basis under which the researcher could gauge reliability of the obtained data.

## **4.3.1** Age of the Respondents

The researcher required that respondents indicate their age noting that respondents of different age groupings are perceived to have varied opinions on different subjects. Therefore, it was vital to determine the distribution of the women who owned enterprises in Naivasha Sub County by age categories. The findings are as presented in table 4.2 below.

Table 4.2: Distribution of the respondents by age

Age of the respondents	Frequency	Percent
18-25 years	30	9.9
26-32 years	78	25.7
33-40 years	98	32.3
41-45 years	56	18.5
over 45 years	41	13.5
Total	303	100.0

The findings of the study as shown in table 4.2 showed that 32.3% of the respondentss were aged between 33-40 years, 25.7 % between 26-32 years, 18.5% between 41-45 years, 13.5% were over 45 years and 9.9% between 18-25 years. From the findings, it was observed that all the age categories were captured, and the findings therefore represented all the age categories of the respondents. However, it generally exhibited that majority of the respondents were middle aged women of between 33-40 years at 32.3% and the least proportion were aged between 18-25 years at 9.9%.

#### 4.3.2 Education Level

Here, the study sought to determine the respondent's education level in order to gauge their ability to respond to the research questions and business management capability. The findings are presented in the figure below.

**Table 4.3: Education Level** 

Level of education	Frequency	Percent
Primary	32	10.6
Secondary	174	57.3
Degree	9	3.1

College	88	29.0
Total	303	100.0

From the findings according to table 4.3, majority of the respondents (57.3%) had attained secondary education, followed by 29% who had attained college level of education, then 10.6% primary education level while 3. 1% of the respondents had university degrees. The finding depicts existence of a positive relationship between the level of education and business as one requires the needs to poses adequate knowledge for running the business as well as adopting and implementing competitive strategies so as to be competitive enough, register business growth and withstand market turbulence.

## 4.3.3 Duration the Businesses have been in Operation

The study sought to determine in years the duration the women owned enterprises had been in operation. This was important since the duration of operation is closely associated with knowledge relating to the competitive strategies that lead to improved business competitiveness. The findings of the analysis are presented in the table below: -

Table 4.4: Duration the business has been in operation

<b>Duration of the Business Operation</b>	Frequency	Percent
Below 5 years	191	63.1
5-10 years	81	26.7
Over 10 years	31	10.2
Total	303	100.0

The research findings in the table 4.4 above indicates that majority of the respondents (63.1%) had operated the businesses for less than 5 years, 26.7% had operated for between 5-10 years, and 10.2% for over 10 years. From the analysis, this is an indication that women venture in business strategically through adopting suitable strategies and understanding the market tenets is fast gaining momentum and growing fast with over 63.1% of the respondents having started their businesses in the last 5 years. On the general front, the businesses sampled had operated for a considerable duration and thus were in a position to give credible data on the competitive strategies adopted by women owned enterprises in Naivasha Sub County.

#### **4.3.4** Type of Business

The researcher sought to find out the types of businesses the women owned enterprises dealt in.

The findings are as presented in the table below: -

Table 4.5: Type of business

Type of business	Frequency	Percent
Hardware	11	3.5
Electrical shops	15	5.1
Beauty and Cosmetics	70	23.1
Phone accessories and money agency	95	31.5
Grocery shop and agricultural produce	78	25.8
Hotel and catering services	34	11
Total	303	100

The findings indicated that the women owned enterprises were strategically diversified in various business lines including hardware, electrical shops, beauty and cosmetics, phone accessories and money agency, grocery shops and agricultural produce, hotel and catering services. The findings indicated that most of the businesses (31.5%) dealt in phone accessories and money agencies, 25.8% in grocery and agricultural produce, 23.1% in beauty and cosmetics, 11% in hotel and catering services, 5.1% in electrical shops, and 3.5% of the business dealt in hardware. This showed that the women owned enterprises had diversified in different business lines a clear demonstration of their adoption of diversification strategies in business to mitigate risks and enhance competitiveness while keeping the businesses afloat.

#### 4.3.5 Form of Business

The analysis here was after determining the form of business ownership practiced by the respondents. The findings are as presented in table 4.6;

Table 4.6: Form of business.

Form of business	Frequency	Percent
Sole proprietorship	198	65.3
Partnerships	90	29.6
Limited companies	15	5.1
Total	303	100.0

The findings indicate that majority of the businesses (65.3%) were run as sole proprietorships due to ease of decision making with regards to which competitive strategy to adopt in order to compete effectively in the markets they operate in. They were followed by partnerships at 29.6% while 5.1% were limited companies due to the increased levels of decision making.

## 4.3.6 Number of Employees

The study sought to determine the number of employees employed by the women owned enterprises. The findings are presented in the table below: -

**Table 4.7: Number of employees** 

Number of employees	Frequency	Percentage
Below 5 employees	188	62.10%
5-10 employees	54	17.80%
Over 10 employees	61	20.10%
Total	303	100.00%

From the research findings, majority of the businesses (62.1%) had less than 5 employees, 17.8% had employed 5-10 employees and 20.10% of the businesses had employed over 10 employees. This is a pointer that majority of the women owned enterprises have less than 5 employees. This is an indicator that it's due to the low startup and nature of the businesses the women owned enterprises deal in. As businesses adopt new strategies, they tend to grow and respond to the need to have more employees on board so as to manage the increased business expectations.

## 4.4 Extent of Adoption of Various Competitive Strategies

The aim of the study here was to establish the extent to which the women owned enterprises in Naivasha Sub County have adopted competitive strategies to position themselves competitively for great survival potential and effective competition. The findings are as presented in the table below.

**Table 4.8: Descriptive Statistics** 

Competitive Strategies	Mean	Std. Deviation	Analysis N
Product differentiation	4.06	1.409	303
Focus Strategy	3.98	1.398	303
Diversification strategy	4.19	1.331	303
Innovation strategy	3.01	1.395	303
Strategic alliances	2.15	1.402	303
Market Penetration	3.20	1.380	303
Mergers	3.12	1.403	303
Restructuring	3.04	1.343	303

Based on these findings, the respondents reported that the women owned enterprises had to a large extent adopted product differentiation (M= 4.06, Std=1.409) and diversification strategy

(M=4.19, Std=1.331). The respondents were of neutral opinion that the businesses have to a moderate extent adopted Focus strategy (M=3.98, Std=1.398), Innovation strategy (M=3.01, Std=1.395), and Market penetration (M=3.20, Std=1.380). Furthermore, it established that the women owned enterprises have to a small extent adopted strategic alliances (M=2.15, Std=1.402). These findings depict that the women owned enterprises in Naivasha Sub County adopted more of differentiation strategy followed by diversification strategy in overcoming competition.

## **4.5** Significance of Competitive Strategies

Analysis was done with an aim to determining the level of agreement of the respondents on various aspects of competitive strategies. The findings are indicated as in the below table.

**Table 4.9: Significance of Competitive Strategies** 

Statements	N	Mean	Std
Adoption of competitive strategies is vital in the current competitive markets.	303	4.71	1.434
Women owned enterprises in Naivasha sub county have to a large extent initiated a culture of adoption of competitive strategies.	303	2.73	1.434
For the women owned enterprises in Naivasha sub-county to compet in the market they need to adopt competitive strategies.	303	4.26	1.441
Women owned enterprises in Naivasha sub county need to focus on the adoption of competitive strategies without compromising on product quality and prices in order to make huge sales.	303	4.94	1.407
Adoption of competitive strategies is not important to the business at all	303	2.19	1.398

The researcher furthermore sought to determine whether or not the adoption of competitive strategiez was of value to the women owned enterprises. The findings on the table above indicate that generally, respondents strongly agreed that women- owned enterprises in Naivasha sub county need to focus on the adoption of competitive strategies without compromising on product quality and prices in order to make huge sales (M=4.94, Std=1.407) and that adoption of competitive strategies is vital in the current competitive markets (M=4.71, Std=1.434). The respondents agreed that for the women owned enterprises in Naivasha sub county to compete in the market they need to adopt competitive strategies (M=4.26, Std=1.441). The respondents however disagreed that women owned enterprises in Naivasha sub county have to a large extent initiated a culture of adoption of competitive strategies (M=2.73, Std=1.434) and that adoption of competitive strategies is not important to the business at all (M=2.19, Std=1.398). Generally, the

findings imply that competitive strategies would be vital to the women owned enterprises if largely adopted and effectively implemented and managed.

#### 4.6. Factor Analysis

Factor analysis being a large sample size data reduction technique bearing in mind the sample size targeted was done to determine the various competitive strategies adopted by women owned enterprises in Naivasha Sub County. In this analysis, loadings were employed to detect the appropriate loadings on the predicted construct with an aim of examining the convergent validity. This was done by grouping the competitive strategies to establish which ones were the most used strategies by the women owned enterprises and the least adopted strategies. The construct items were extracted using the principal component analysis and rotated by varimax rotation. Factor analysis is generally regarded as a technique for large sample size of over 200 though it was later suggested that a minimum sample size of fifty should be a sensible enough minimum for factor analysis. Therefore, the number of samples in this research is acceptable. Notable is that factor analysis exemplifies convergent validity where all loadings values are above the 0.5 thresh hold. The eigenvalues shows variance explained by the particular factor out of the total variance. The findings are presented in the table below.

**Table 4.10 Factor Analysis** 

Component		Initial Eigen	nvalues	Extraction Sums of Squared Loading				
		% of			% of	Cumulative		
	Total	Variance	Cumulative %	Total	Variance	%		
Product	1.468	14.678	14.678	1.468	14.678	14.678		
differentiation								
Focus strategy	1.238	12.376	27.055	1.238	12.376	27.055		
Diversification	1.168	11.685	38.739	1.168	11.685	38.739		
strategy								
Innovation	.978	9.776	58.813	.978	9.776	58.813		
Strategic alliance	.936	9.363	68.176	.936	9.363	68.176		
Market	.823	8.226	85.161	.823	8.226	05 161		
penetration						85.161		
Mergers	.782	7.818	92.979	.782	7.818	92.979		
Restructuring	.702	7.021	100.000	.702	7.021	100		

**Table 4.11: Key Components** 

	Initial Eigenva	Extraction Sums of Squared Loadings				
		% of	Cumulative		% of	Cumulative
Component	Total	Variance	%	Total	Variance	%
1	1.468	14.678	14.678	1.468	14.678	14.678
2	1.238	12.376	27.055	1.238	12.376	27.055
3	1.168	11.685	38.739	1.168	11.685	38.739
4	.978	9.776	58.813			
5	.936	9.363	68.176			
6	.823	8.226	85.161			
7	.782	7.818	92.979			
8	.702	7.021	100.000			

Based on the findings above, the most common competitive strategies among women owned enterprises in Naivasha Sub County were product differentiation, focus strategy and diversification strategy. The findings therefore indicated a mix of porter's generic competitive strategies alongside other competitive strategies adopted by the women owned enterprises in Naivasha Sub County. This was done by grouping the competitive strategies to establish which ones were the most used strategies by the women owned enterprises.

Therefore, from the analysis, Product differentiation was the most adopted competitive strategy largely in order to overcome competition and market turbulence in an effort to grow competitiveness. On the other reverse, strategic alliances were the least adopted strategy due to the fact that most were below 5 years at 63.10% thus the need to self-establish and proper market understanding before consideration of forming any alliances.

#### 4.7 Discussion

From the analysis, majority of the women owned enterprises had to large extent adopted diversification and product differentiation strategies respectively, while formation of strategic alliances was the least strategy adopted. The findings also showed that existing competition and technological changes were significant factors that the enterprises considered when adopting

specific competitive strategies. The study findings indicated that a major proportion of the respondents comprised middle aged women aged between 33-40 years with a tally of 32.3%. This is in agreement with Suganya and KalaiSelvi (2013) and Gogi (2017) generally indicative that the middle-aged women are more involved in business as compared to their younger counterparts. It also agrees with Price (2010) who maintained in his findings that the late twenties and mid-forties are natural age peaks correlated to entrepreneurship. Besides stiff competition, these enterprises adopt the competitive strategies in order improve management competencies and skills and to improve their operational efficiency. From factor analysis, the key competitive strategies adopted by women owned enterprises in Naivasha County were product differentiation, focus strategy and diversification strategy. Innovation, strategic alliances, market penetration, mergers and restructuring were least adopted among the women owned enterprises.

On the significance of the competitive strategies on the business' competitiveness, the respondents strongly agreed that adoption of competitive strategies was vital in the current competitive markets. The findings indicated that the current business environment was highly dynamic and for the businesses to survive they needed to adopt efficient strategies and manage and implement them effectively. The findings agree to those of Sidek and Rosli (2013) who found out that SMEs in Malaysia greatly adopted competitive strategies to survive the highly competitive environment. Similarly, Princess, Samuel and Ayodotun (2015) study that most SMEs adopted resourse based strategies and porters generic strategies to manage operations, Akinso (2018) whose findings indicated the reliance on market positioning strategies to out do competitors, Oyewobi, Windapo, and Cattell (2014) whose study demonstrated that the firms adopted differentiation competitive strategies, Mugwe (2012) showed that strategies such as differentiation and diversification were used, and Ogot (2014) established that the adoption of competitive strategies were vital for the businesses. The adoption of competitive stategies enables the businesses to redefine their positions in the market, to improve their operations and to ascetain competitive advantages. The competitive strategies enable the business to access larger market segments, to increase efficiency in operations, and to make more returns.

The study findings have supported the postulations of game theory since the study established that the women owned enterprises have to constantly be on the radah to watch and depict what the others are planning so as to have appropriate counter measures.it indicated that for the

women owned enterprises to be sustainable, they need to pick specific sttrategies to enable them pitch conter measures against the rivals. Indeed for many of the women owned enterprises they have to constantly focus on the actions and choices of all the players and helps them to predict likely outcomes. The postulations of the strategic conflicts model have also been supported by the study in that it established that the women owned enterprises need to tactical in dscicion making thus envisage and go for designed positions in their sectors bearing in mind what their rivals in business are likely to do. Notably, the business strategy is key in driving the enterprises descisions by helping the enterprises to identify clear plans for reaching set goals

## CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents a summary of findings, conclusions and recommendations both for identifying appropriate competitive strategies and for areas for further research.

## **5.2 Summary of the Findings**

From the analysis, the study established that the women owned enterprises had to a large extent adopted product differentiation and diversification strategy. The respondents were of neutral opinion that the businesses had to a moderate extent adopted Focus strategy. From factor analysis, the key competitive strategies adopted by women owned enterprises in Naivasha County were product differentiation, focus strategy and diversification strategy. Innovation, strategic alliances, market penetration, mergers and restructuring were least adopted among the women owned enterprises.

Under differentiation, the women owned enterprises have to come up with uniqueness in products offered so as to effectively compete in the market as this differentiation is the key to sustaining the customers' needs thus edging the rest. To sustain this edge, the women owned enterprises need to ensure that the products are differentiated to the extent of not being imitated. Under focus strategy, the study findings indicated that those who had utilized focus have successfully identified their target customers and strive to realize the target market's needs. Those who have adopted this strategy exploit special market needs by tailor making products to serve the market.

The study further found out that majority of the women owned enterprises are utilizing information technology as a key tool for differentiation since it enables them to capture new market trends which can be utilized to enhance the products to meet the needs of their customers. Under this strategy, the players strive to give unique products and propositions so as to effectively compete. Product differentiation with an aim of satisfying the customers' needs is vital to realizing competitive advantage amongst others. To maintain this advantage, the women owned enterprises have to work to continually differentiate their product to an extent that it would be difficult for the competitors to imitate.

#### **5.3 Conclusion**

Based on the study findings, the study concludes that women owned enterprises in Naivasha Sub County are largely adopting competitive strategies to overcome high dynamism in the market. The women owned enterprises have to develop resilience so as to be competitive and generate requisite advantage in the market and explore their full potential. The study concludes that most of the businesses are adopting product differentiation strategies to overcome competition. The study thus provides an informed comprehension of the theoretical foundations of differentiation strategy that warrants the women owned enterprises in Naivasha Sub County to successfully adopt this strategy and reap the benefits.

However, it is noted that in the adoption of this strategy, the women owned enterprises face the problem of imitation from competitors and highly transforming customers' tastes and preferences. The study also concluded that the women owned businesses have adopted cost focus strategy in order to gain competitiveness and to achieve dominance. This enables the businesses to develop close relationship with their customers which in turn enables the businesses to monitor their needs.

The study also concludes that women owned enterprises in Naivasha Sub County have also largely adopted diversification strategies. They adopt diversification strategy through other product offerings in order to take advantage of numerous opportunities in the market that can help them to make more returns while making venture to new market lines. In regard to technology usage, the businesses make use technological uptake by use of phones and internet in order to easily access clients and market their items especially new stocks, smoothen and simply operations, to increase efficiency in operations and to capture larger market segments via online based positioning strategies.

The study was able to bridge the research gap as the research findings established that the competitive strategies adoption was demonstrated by the women owned enterprises therefore it is key that the women owned enterprises adopt competitive strategies continuously for them to be sustainable, counter the market turbulence and condition themselves to the various environmental situations in the market they operate in in order to sustain their competitiveness.

#### **5.4 Recommendations for Policy and Practice**

From practice point of view, the study findings established that competitive strategies are vital for enterprises competitiveness amidst dynamism in the market. The study informs the way in which enterprise owners' decisions with regards to the appropriate strategies to adopt in order to define the course of their units' capabilities. To attain the requisite competitive advantage, it is important that they adopt suitable competitive strategies while also focusing on elements of the market environment knowledge.

The study established that product differentiation is a common strategy among women owned enterprises thus recommends that the women owned enterprises to increasingly adopt and utilize this strategy in order to enhance the competitiveness of the businesses. This strategy would help the enterprises to stand out in the market, increase customer loyalty, and boost sales and competitive advantage.

The study also established that women owned enterprises to a large extent adopt focus strategy. Therefore, the study recommends continued adoption this strategy in order to be strong competitively and gain advantage. This is because, focus strategy helps the enterprises to build strong relationships with each of its target market, helps to enhance the pricing strategy of the enterprises, and helps them to identify future customers with specificity.

Diversification also emerged as a key strategy adopted by the women-owned enterprises. The study therefore recommends that women owned enterprises that have not adopted diversification to do so in order to enhance their capacities as the study demonstrated that this strategy enables the businesses to reduce risks since they spread their portfolio in various lines of business and enables the enterprises to access more opportunities to generate more income.

The study recommends that management consultants need to strongly come in and provide advisory services to the women owned enterprises on developing skills to utilize in identifying and applying appropriate competitive strategies and for problem solving in the quest for sustenance of the enterprises by spotting problems faced, helping lay out plans for improvement and implementation of strategic solutions for the enterprise's competitiveness. Furthermore, it recommends that by giving expert advice and strategizing they will be handy to help design right business strategies through analyzing and helping to identify the key issues and strategically plan for solutions therefore helping them work more efficiently towards the aspired growth goals.

The study has established that women owned businesses largely adopt competitive strategies and rely on them to boost their competitiveness. In this regard, the study recommends the government and other relevant stakeholders to design effective policies that will help the women owned enterprises in Naivasha and other areas to adopt and manage competitive strategies while creating a favorable business environment for women to do business in a competitive manner.

The study recommends that women owned enterprises should be equipped with skills and trained well on how to actively participate in the market and thus enhanced on how to identify and adopt the right strategies to suit the prevailing circumstances so as to be able to strategically market their goods and services.

The study recommends that both national and county government levels need to come up with policies including supportive regulatory frameworks, proper coordination programs to promote the development of women owned enterprises, policies on how to train and support them on appropriate business sustenance skills to propel their growth. It recommends that the policy makers must therefore develop policies that foster networking's partnerships and benchmarking among the women owned enterprises at both national and county and establish networks to facilitate women's entrepreneurial ventures. The study recommends that the national and county governments need to set up full-fledged equipped offices for women enterprises development and programs should also be put in place geared towards support on women owned enterprises through creating an entrepreneurship capital for the women by incorporating the women entrepreneurship dimension in all entrepreneurship related policies.

The study recommends that the women owned enterprises need trainings spearheaded at the county and national government levels to ensure their competitive participation and adoption of appropriate strategies in the various markets is enhanced so as to position themselves better and market their items strategically. To promote the sustainability of the women owned enterprises, the study recommends that both the county and national arms of government need come up with policies to building guaranteed market connections including making it easier for the women to access government business. Importantly, the study recommends that a monitoring system should be instituted to regularly monitor women owned enterprise related regulations for consistency check with regular interactions between the women owned enterprises and government policy officials to inform policies responsive to the women owned enterprises.

## 5.5 Limitations of the Study

The study only concentrated on determining the competitive strategies adopted by women owned enterprises in Naivasha Sub County. It did not pay attention on the influence of the competitive strategies on the performance of the businesses. This creates the need for another study to focus on the effect of the competitive strategies on the performance of women owned enterprises in Naivasha subcounty.

The study only focused on enterprises owned by women, and hence the findings are only applicable on women owned enterprises. There is therefore a need for a comparative study to be conducted focusing on competitive strategies adopted by male owned enterprises in Naivasha.

The study only focused on the women owned enterprises in Naivasha Sub County. Thus, the application of the findings is thus limited to the women owned enterprises in Naivasha Sub County and cannot be applied to women owned businesses in other areas. There is therefore a need for comparative studies to be conducted in other areas to get a general profound understanding of the competitive strategies adopted by women owned enterprises.

The use of the cross-sectional research design was in itself another limitation as it cannot be used to analyze the behavior of the women owned enterprises over time, it could not aid in determining cause-effect and majorly, the snap-shots' timing is not guaranteed to be representative as it is a one time/point measurement of exposure and outcome. There is therefore a need for a comparative study by use of correlational research designs to be conducted on the competitive strategies adopted by women owned enterprises in Naivasha.

## 5.6 Suggestions for Further Studies

The study suggests that there is a need for comparative studies to be conducted in other areas on competitive strategies adopted by women owned enterprises. The study further suggests the following as areas for further studies. First, a comparative study on the competitive strategies adopted by male owned enterprises in Naivasha sub county. Secondly, a comparative study on the competitive strategies adopted by male and women owned enterprises in Naivasha sub county. Thirdly, competitive strategies adopted by women owned enterprises in Naivasha sub county using a correlational research design and lastly, the effect of the competitive strategies on the performance of women owned enterprises in Naivasha subcounty.

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**APPENDICES** 

**Appendix 1: Cover Letter** 

Dear Respondent,

RE: REQUEST FOR RESEARCH DATA

I am a student at the University of Nairobi conducting a study on the competitive strategies adopted by women owned enterprises in Naivasha Sub County. You were chosen as one of the respondents to offer useful data and information that will help me accomplish the project

successfully. Kindly set aside sometime and answer the questions in the attached questionnaire.

The data and information provided will be treated with high confidentiality and will only be

utilized for academic purpose.

Yours Sincerely

Duncan Asirwa

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# **Appendix 2:Research Questionnaire**

Section A: Demographic Data
1.Gender:
Male [ ] Female [ ]
2. Age bracket:
18-25 years [ ] 26-32 years [ ] 33-40 years [ ] 41-45 years [ ] Over 45 years [ ]
3. Education level:
Primary [ ] Secondary [ ] Degree [ ] College diploma [ ] Masters [ ] PHD [ ]
4. Duration the business has been in operation
Below 5years [ ] 5-10 years [ ] Over 10 years [ ]
5. In which economic sector is your business?
Manufacturing [ ] Telecommunication [ ] Agricultural products [ ]
Building and construction [ ] Transport and logistics [ ] Service [ ]
Other, please specify:
6. Which of the following best describes your business?
Sole proprietorship[ ] Partnership[ ] Limited liability company[ ]
7(a) Do you have any other branch?
Yes [ ] No [ ]
(b) If yes, please give the actual number and their location
Number [ ] Location
8. Please list the range of your goods/products/services
9. How many employees does your busines have?
Below 5 employees[] 5-10 employees[] Over 10 employees[]

10. What is your annual profits range in Kenya shillings?					
0- 200 thousand[] 201- 400 thousand[] 401- 600 thousand[ million [] 101- 150 million [] 151- 200 million [] Over 201	_		nousan	d[] :	801- 1
11.To what extent do the following factors influence operations	at you	r busin	ess? (1	= Not	at all.
2= Little Extent . 3= Moderate Extent . 4= Great Extent & 5 = Verification	ery Gre	at Exte	nt.)		
	1	2	3	4	5
Use of unique skills, technology internet and mobile phones					
(Technological changes)					
Competition due to entry of other enterprises					
Business government regulatory changes					
Labor regulatory laws					
Consumer/customer available incomes					
selling ways/means (Marketing strategy)					
Availability of capital and resources					
Target markets/customers					
Section B: Competitive strategies adopted by women owned	enterp	rises			
12.In your own opinion, is adoption of competitive strategiez (	measure	es/plan	s/actio	ns /act	ivities
that a business adopts and implements in order to attract custom	ers and	compe	te) of	any va	lue?.
Yes [ ] No [ ]					
13. Have you adopted any strategies(measures/plans/tactics/actic	ons) to	withsta	nd cor	npetiti	on?
Yes [ ] No [ ]					
(b) If yes, which strategies have you adopted?					

14. What factors/things do you consider to be important when identifying the competitive

strategies (measures/plans/actions /activities that a business adopts and implements in order to

attract customers and compete) to adopt?

The internal factors including strengths and Weaknesses[ ]
External factors including Opportunities and Threats[ ]
Both internal and external or others [ ]

- 15. Do you think the competitive strategies (measures/actions/tactics/plans/activities that a business adopts and implements in order to attract customers and compete) adopted by women owned enterprises are sustainable considering the turbulence in the market? Please elaborate.....
- 16. Generally, how would you rate the level of adoption of competitive strategies (plans/actions/measures/activities that a business adopts and implements in order to attract customers and compete) by women owned enterprises in Naivasha Sub County with regards to the following? Use the rating criteria where 1= No Extent, 2= Small extent, 3 = Moderate extent, 4=Large Extent, 5=Very Large Extent.

Statement	1	2	3	4	5
Business Assessments and growth or the ability to observe					
and learn what others are doing and what/how customers					
want in products (research and development)					
The ability to offer distinct, unique value to customers in					
terms of quality, special features/ packaging's or after sale					
service (Product differentiation)					
Specific concentration focal point to a section of					
customers/product offerings (Focus strategy)					
Sale of variety in different products range to capture diverse					
needs as one stop point (Diversification Strategy)					
Creativeness and coming up with new ways					
change/alterations/styling to attract more (Innovation					
Strategies)					
Partnering, collaborations, associations, linkages and					

forming groupings to increase sales and support systems to			
ensure customers' needs are served or referred to partner			
units or getting non stocked items from the partners to sell to			
present customers (Strategic Alliances)			
Alternative means/new ways /skills by use of phones and			
internet for marketing outreach to increase reaching to			
customers (Use of technology)			
Entry or spread to wider customer range/zones/catchments			
(Market penetration)			

17.To what extent would you say your business has adopted the following in strategiez/actions/plans/ activities? (1-Very great extent , 2-great extent , 3 -some extent, 4-Little extent, 5-not at all)

Statement	1	2	3	4	5
My business has joined forces (merged) with others to provide better services.					
My business has formed (strategic alliances) collaborations/ closely associated/partnered with others in the market					
My business has undertaken changes to reorganize/change of operation ways/working style (restructuring) to improve on management					
My business has undertaken new marketing /selling and products presentation/range ways (operational turn round measures)					

18.How would	you rate the effecti	veness of the mea	asuress adopted by yo	our business?
Highly effective	ve [ ], Moderately e	ffective[ ], Some	what effective [ ]	

Less effective	[	]	,Not effective	[	]
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19. Indicate your agreement level to the following statements relating to adoption of competitive strategies (plans/actions /activities that a business adopts and implements in order to attract customers and compete) by women owned enterprises (1 strongly disagree, 2 disagree, 3 moderate, 4 agree, 5 strongly agree.)

Statement	1	2	3	4	5
Adoption of competitive strategies (plans/actions /activities that a business adopts and implements to attract customers and compete) is vital in the current competitive markets.					
Women owned enterprises in Naivasha sub county have to a large extent initiated a culture of adoption of competitive strategies (plans/actions /activities that a business adopts and implements to attract customers and compete).					
For the women owned enterprises in Naivasha sub county to compete in the market they need to adopt competitive strategies (plans/actions /activities that a business adopts and implements to attract customers and compete).					
Women owned enterprises in Naivasha sub county need to focus on the adoption of competitive strategies (plans/actions /activities that a business adopts and implements to attract customers and compete) without compromising on product quality and prices so as to make huge sales.					
Adoption of competitive strategies (plans/actions /activities that a business adopts and implements to attract customers and compete) is not important to the business at all					

20. What major concerns does your business face in adopting the various competitive strategies (plans/actions /activities that a business adopts and implements to attract customers and compete)? Kindly list in order of greater impact ------

## Thank you

APPENDIX III: LIST OF WOMEN OWNING ENTERPRISES IN NAIVASHA SUB COUNTY KENYA REGISTERED UNDER THE WOMEN ENTERPRISE FUND NAIVASHA OFFICE 2020