STRATEGIC MANAGEMENT PRACTICES AND COMPETITIVENESS OF FAST-FOOD EATERY CHAINS IN NAIROBI, KENYA

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DECLARATION

This research project is my original work and has not been submitted for examination in any other university.

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This research project has been submitted for examination with my approval as the university supervisor.

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DEDICATION

This project is dedicated to my family members. My mother Syprose Kizito, my siblings Anthony Kizito and Antoinette Kizito. Special dedication too to my late brother Domnick Kiki Kizito and late dad Amimo Kizito, all of whom have supported me all my life to do well in academics.

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ABSTRACT

This study sought to explore the interconnected relationship between strategic management practices and the competitiveness of fast-food eatery chains in Nairobi, Kenya. The study adopted a descriptive research design. The target population for this study was fast food eateries in Nairobi. A sample of 98 fast food eateries was selected from the PERAK database which reports about 1308 fast food eateries operating in Nairobi. The study adopted stratified sampling to select a sample with a sampling fraction based on the ratio of Managers: Supervisor. Primary data was collected using questionnaires and interview guides. Through a comprehensive analysis of survey data and restaurant performance metrics, this research revealed a significant correlation between these strategies and a restaurant's ability to attract and retain customers, expand its market reach, and foster brand loyalty ($r = 0.831$, $p = 0.042$). The findings underscored the critical role of these strategies in enhancing a restaurant's competitiveness. Moreover, they emphasized on the importance of continual adaptation to changing customer preferences and market dynamics. Efficient operations, cost-effectiveness, and the potential for market expansion are additional benefits of implementing these strategies. This study provides valuable insights for restaurant owners, managers, and stakeholders, offering a roadmap for enhancing competitiveness in an ever-evolving culinary landscape.

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ABBREVIATIONS AND ACRONYMS

KFC	Kentucky Fried Chicken
RBT	Resource Based Theory
PLC	Product Life Cycle
PERAK	Pubs, Entertainment and Restaurant Association of Kenya
SPSS	Statistical Packages for Social Science

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The dynamic, business setting in which businesses operate is characterized by frequent, quick changes that have deemed traditional business strategies useless (Ofunya, 2013). Strategic management techniques have been used by firms to protect them from the volatility that goes with operating in an unstable environment. Strategic management procedures require the description of a firm's strategy as well as management performance. It also entails ongoing appraisal of the establishment's operations and the sectors wherein it operates. Strategic management, as defined by Bakar et al. (2011), is a system of decision-making and successful execution targeted at achieving a company's objectives over the long term. It entails a series of initiatives and choices that culminate in the formulation and implementation of strategies meant to meet company goals (Pearce & Robinson, 2008).

Sakas et al. (2014) asserts that businesses that have adopted complex and sophisticated decision making requiring strategic management have gained a competitive advantage. Embracing strategic management practices within a business assist in winning market shares away from more traditionally managed competitors. This makes it easier for the firm to be in the best possible position in its market. They can easily and accurately forecast the internal and external environment and be better prepared to respond to unforeseen internal and competitive needs. In the fast-food industry, strategic management practices serve as a platform for developing sustainable strategies for the organization. Luck, structure, and strategy, in Marriot's view (Marriot, 1997), are essential elements of both successful firms and smart entrepreneurs. According to Muchoki (2016), strategic management techniques adoption and a company's competitiveness are positively correlated. Moreover, the utilization of strategic management, in contrast to other management techniques, provides the highest degree of satisfaction, as per Bordean and Borza (2014). They also observed that the best possible results with the least capital investment can be achieved if the senior management can select the best strategies and thereby achieve a competitive edge.

The resource-based theory, the Porter's Theory of Competitive Advantage and the McKinsey 7S Model will serve as the study's guiding principles. The resource-based theory is pertinent to the research as it examines how "strategic resources" affect a company's competitive edge and why managers must be aware of the kinds of strengths they have before designing strategic initiatives (Kozlenkova et al., 2014). Wernerfelt's (1984) resource-based concept for an organization, which was later extended and refined by Barney (1991) and other scholars, has garnered broad backing in the business literature field. Porter's Theory of Competitive Advantage, which offers a comprehensive instrument for studying competitiveness for all of its ramifications, is the other premise guiding the study (Omalaja & Eruola, 2011). The theory was pioneered by Michael Porter and highlights the need for national efforts to zero in on productivity growth (Porter, 1985). Lastly, the McKinsey 7S Model recommends the effective allocation of resources as a way to accomplish organizational goals and achieve a competitive advantage.

The fast-food industry operates in a highly competitive and rapidly evolving landscape, making it an area of significant research interest for strategic management practices. The context that justifies this attraction lies in the ever-changing consumer preferences, where customers demand healthier and more sustainable food options. Understanding and implementing effective strategic management practices in response to these preferences can give fast food eateries a competitive edge. Additionally, the impact of digitalization cannot be ignored, with online ordering, delivery services, and social media playing crucial roles in shaping consumer behaviors. Moreover, as fast-food chains expand their operations globally, cross-cultural management becomes imperative to cater to diverse markets effectively. This coupled with few works of literature on how strategic management practices influence the competitiveness of fast food eateries in Kenya necessitates this study. Research in this area can uncover innovative approaches that not only appeal to environmentally conscious consumers but also streamline operations and enhance profitability. In light of the dynamic challenges and opportunities, investigating strategic management practices influencing the competitiveness of fast-food eateries becomes essential for sustained growth and success in the industry.

1.1.1 Strategic Management Practices

Strategic management practices give direction to decision makers, leading to better decision-making and implementation remedial measures (Mcharo, 2016). It outlines the organization's goals, strategy, and initiatives for achieving those goals. Decisions and activities that affect a company enterprise's long-term performance are part of strategic management techniques. It is a continuous process that assesses and controls the enterprise and the sectors of the economy in which the business operates; evaluates its rivals and establishes objectives and stratagems to outdo all present and prospective players; then regularly evaluates every tactical strategy to discern its effectiveness or to determine whether a fresh approach is needed to deal with a shifting environment, emerging technologies, rivals a new economic environment, or a new financial, social, or political environment.

The strategic management process is split into four major phases. The first is strategic planning. Strategic planning can be described as an institutional management activity. It is utilized in the establishment of organizational objectives, focus resources, and ensure that all stakeholders work toward achieving the objective. Additionally, Businesses get a competitive edge through strategic planning, which evaluates the firm's direction and modifies it in response to changing business conditions (Gatheru, 2018). The subsequent step in the strategic management process is strategic formulation. It encompasses a series of purposeful acts designed to obtain a competitive edge. This is linked to a considerable increase in the number of achievable corporate goals, targets, and missions. An organization's strategic formulation allows it to construct a set of directives that serves as a blueprint.

Strategic execution is the third phase. It consists of codified steps that assist the company toward achieving its objectives. A firm's ability to accomplish its stated objective is dependent on good resource coordination and allocation. The senior management must consistently explain its specified strategies to employees, as well as regularly reorganize and structure the company to ensure its seamless operation (Gabow, 2019). Moreover, strategic implementation helps a firm to execute innovative tactics that culminate in a long-term competitive edge, allowing it to adjust to the volatile business environment in which it operates. The final part of the strategic management process is strategy appraisal, which is focused with examining the process's ultimate outcome (Gatheru, 2018). When a company keeps track of recent external developments, assesses its progress, and makes the necessary modifications, it is compelled to go forward or revise its goals.

1.1.2 Competitiveness of Firms

Firm-level competitiveness comprises the capacity of a business to design, produce, and/or sell commodities that are of higher-quality than those offered by opponents, considering both price and non-price qualities. It means that the firms surpass other players in their industry of operation. The phrase can be interpreted as anything that a company performs remarkably better compared to its competitors. This makes firms outperform their rival in terms of profitability creating value for the enterprise and its owners (Ejrami et al. 2016). A competitive edge should be hard to imitate, if not insurmountable. It is not deemed a competitive edge if can be effortlessly duplicated or replicated. A business can only have a source of sustainable competitive edge for a limited time because competitors replicate and duplicate dominant businesses' ideas, causing the originator corporation to lose its competitive edge over time (Fatonah, 2017). Building and maintaining a long-term competitive edge, is therefore essential for firms. This can be accomplished by adjusting to the shifting external business environment on a regular basis.

According to Hitt et al. (2016), a company achieves strategic competitiveness when it effectively develops and executes a value creation strategy. When a company employs a strategy that produces a greater value for its consumers and that its rivals are unable to reproduce or deem too expensive to replicate, the firm earns a competitive edge. Additionally, businesses must realize that no competitive edge is everlasting, necessitating constant self-reinvention. According to Ireland et al. (2013), a firm's competitiveness is determined by the market environment where it operates. The firm's external environment, which comprises the sector wherein it operates as well as its rivals, has an impact on the competitive activities and strategic reactions the company uses to outshine rivals and achieve above-average success. The overall status of the enterprise, its sector, and its competitors all has a bearing on the firm's competitive actions and reactions.

Therefore, a competitive edge must be won, acquired, and maintained. Consequently, in the unforgiving corporate world of the twenty-first century, only the few organizations who are nimble and adaptable to changes in the marketplace, and whose internal skills are matched with external prospects, will flourish. As shown by the definition, competitive advantage is ephemeral and malleable; thus, businesses must incessantly be on the hunt for potential sources of competitive edge and be on the lookout for rival actions (Fatonah, 2017).

1.1.3 Fast Food Sector in Kenya

In Kenya, the number of fast food restaurants has grown, with well-known brands lining the major streets in the country's metropolitan areas in an effort to take advantage of the burgeoning middle class's rising disposable income. Some of the major fast food restaurants operating in Kenya are; Java, KFC, Pizza Inn, Galitos, Creamy Inn Big Square, Pizza Hut, Steers, among others. With an approximated 34 percent market share, Java is the market leader. This is determined by how many locations it operates in the Kenyan major cities and towns. With a 16% and 15% share of the market, respectively, Pizza Inn, Galitos, Creamy Inn, and KFC are in second and third place. According to data from the National Restaurant Association, this sector is dominated by fast food, which accounts for 47.8% of total spending. The capacity of fast food to satisfy customers' demand for affordability and convenience is credited with this success by the survey. Additionally, it was reported that approximately 64% of all fast food orders were made to be consumed away from the premises.

Fast-food establishments and other types of catering businesses mostly differ in how they promote and advertise. Fast-food restaurants primarily promote their brands rather than their menus. Fast-food enterprises, in contrast to traditional restaurant operations, aggressively publicize in mass as well as other media, hold their brands in high regard, and charge exorbitant amounts as licensing fees and royalties to run their franchises. People, particularly the young and impressionable, are drawn into the world of fast food by this type of spectacle, just to be associated with a renowned brand. This has given fast foods a competitive edge making it stand out in the hospitality industry. They attract strong customer loyalty and recognition and continue to offer steady quality and service

New entrants have found it difficult to compete with established companies because their brands are unrecognizable and their marketing campaigns are costly. Established brands have the capability to proactively counterattack through promotional offers, discouraging new entrants from joining the market. In order to compete in this high-turnover, low-margin market, incumbent chains have built up economies of scale over time that new competitors lack (Datamonitor 2010). Kohi (2020) advises increasing number of outlets, making products unique, allowing convenience and ease of accessibility, ensuring attractive outlet layout, design, and general cleanliness of outlet to beat competition in the market.

1.2 Research Problem

Significant research efforts have recently focused on the implications of strategic management on corporate competitiveness. Strategic management is key in developing and executing strategy and an organizational strategy is the main driver of competitive advantage. A sound strategy enables a company to assess its capabilities, seize outside possibilities, and reduce risks from the environment in which it operates (Barney & Hesterly, 2010). This involves rearrangement of resources as well as development of an environment capable of supporting the intention articulated in the strategic plan. According to Raduan et al. (2009), major corporations in particular must aim to achieve two key goals: gaining a competitive edge position and improving overall performance in comparison to their rivals.

In today's business world, most businesses including fast-food establishments recognize the importance of strategic management practices in influencing the reputation and competitive advantage of companies (Kohi, 2020). Strategic management practices hold paramount importance for fast food eateries as they navigate a fiercely competitive and rapidly evolving market. These practices help differentiate themselves from rivals. Therefore, some fast food eateries have invested resources on product innovation achieved through introducing new and unique menu items that cater to evolving consumer tastes. Others invest heavily in marketing and branding to create strong brand recognition and customer loyalty. They also optimize their supply chain management to ensure cost-effectiveness and timely delivery of ingredients. Lastly, many have embraced technology through online ordering platforms and mobile apps enhance convenience for customers.

Understanding how effective strategic management practices influence competitiveness is crucial for fast food eateries to adapt and thrive in the face of evolving consumer preferences and market trends. The intensifying competition in the fast-food industry, coupled with the entry of new global food chains into the Kenyan market, has created a compelling research problem that prompts the investigation of how strategic management practices influence the competitiveness of fast-food eateries. With an increasing number of players vying for consumer attention, it becomes crucial to understand the strategic approaches adopted by successful fast-food chains to maintain and improve their competitive positions.

Many studies on the bearing of strategic management practices on the competitiveness of organizations have been conducted both nationally and globally. Some global work, which includes Monday et al. (2015) and Phina (2020), found that all strategic procedures such as strategy formulation, strategy objective, strategy evaluation, and strategy implementation were found to substantially affect performance and the competitiveness of an establishment. Additionally, Mulyaningsih et al. (2021), Nkemchor et al. (2021) and Hamadamin and Atan (2019) found a significant correlation between strategic management and competitive edge of organizations. Locally, it was discovered by Owich (2018), Kakunu (2006), and Awino (2013) that strategic management significantly shaped the performance and competitiveness of many sectors in Kenya.

None of the aforementioned studies cover how strategic management approaches affect the competitiveness of businesses in the fast-food sector. There are few works of literature on how strategic management practices influence the competitiveness of fast food eateries in Kenya, despite a notable rise in fast food eating place with well-known brands along major streets in important cities. This is one reason that necessitated this study. Several additional reasons necessitated this study with the first being that the fast-food industry in Kenya is evolving rapidly, and understanding the strategic management practices in this context is crucial. Secondly, as consumers' tastes and preferences continually change, examining how these practices impact competitiveness is vital for the sustainability of these businesses and thirdly, the global fast-food chains' presence in Kenyan cities adds complexity to the competitive landscape, making it essential to explore how local and international strategies intersect and influence the market. Lastly, this research can offer valuable insights to inform the strategic decisions of fast-food businesses aiming to thrive in this dynamic environment.

All these contextual, conceptual, methodological, and information gaps necessitated this study. This current study attempted to address some gaps that exist. The study examined the effect of strategic management practices on the competitiveness of firms in the fast-food industry in Kenya. It attempted to respond to the research question, what is the effect of strategic management practices on the competitiveness of firms in the fast-food Sector in Nairobi, Kenya?

1.3 Research Objective

The study's objective was to determine the effect of strategic management practices on the competitiveness of firms in the fast-food industry in Nairobi, Kenya

1.4 Value of the study

The outcomes of the research will be critical to the management the fast food industry in Kenya. It will detail how effective strategic management practices can help the organization increase its competitiveness. Strategic management decision makers and investors in the fast food industry can utilize the findings of the study to determine which strategies are critical in surviving in an ever-changing business environment while staying competitive. They can also customize the strategies identified to their individual situation.

Additionally, the knowledge can be used in formulating and implementing policy decisions that provide an enabling environment to give businesses a competitive advantage. The study will provide a strategic framework key in governing the fast food industry. In conclusion, the study will develop new models for implementing strategies where organizations are operating in new and foreign markets.

Lastly, Researchers and academicians who might be interested in pursuing research on competitive advantage in the hotel industry will find this study useful. The study will help them understand the strategic responses used by organizations in the sector as well as tactics used to remain competitive in the growing fast food market.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter gives a summary of past studies undertaken by colleagues in the same academic subject matter. It comprises a theoretical assessment, an examination of empirical data, and an investigation of research flaws that have impacted the current study.

2.2 Theoretical Framework

Several theories have revolutionized strategic management and hence have been relevant to the research subject matter. The theories reviewed include; Porter's Theory of Competitive Advantage, Resource-Based Theory, and McKinsey's 7S Model.

2.2.1 Resource-Based Theory

The theory was settled by BirgeWenefeldt (1984). It is a way of examining and recognizing the strategic advantages of a firm based on evaluating skills, assets and competences. This theory argues that every firm possesses exceptional resources both physical and intangible and the structural competencies to exploit those assets. Each business develops competencies from these assets, which, when exceptionally well developed, serve as the foundation of the corporation's competitive edge. According to this notion, it stands to reason that a company's resources will be crucial to the process of implementing its strategy. This is because, regardless of how effective the methods are, they cannot be put into action without the requisite funding. According to the resource-based tactic, businesses using more advanced structures are successful not because of making investments that might prevent the increment of prices in the long-term, but rather because they offer quality products and superior product performances at significantly reduced pricing. Instead of emphasizing the financial gains from product market placement, this strategy concentrates on the charges that accrue to those who own limited resources that are specific to the firm. The basis of the company's unique and challenging-to-imitate resources is its competitive advantage, which exists "upstream" of product markets.

According to Pearce & Robinson (2007), the resource-based theory increases a company's resource capacity, aids in achieving strategic alignment between resources and opportunities, and also adds value to performance through efficient resource use. Omalaja and Eruola (2011) recommended that for businesses' products to remain successful in the global marketplace, they must offer consumer’s goods that are valuable, which may be done through cost advantage, superior service, or differentiating items. For a business to maintain a competitive edge, the majority of the resources it needs must be attained from an external business setting. As per Barney et al. (2012), a business's competitive edge is based entirely on how efficiently and effectively it utilizes its resources.

Every business has both current and prospective strengths and limitations, therefore it's essential to define each one of them and tell them apart. Therefore, what a company can do depends on its ability to manage resources as well as the opportunities it faces. Vertical incorporation and diversification are seen from a new perspective from the resource-based approach. Both can be seen as strategies for collecting payments on specific assets of a firm that are hard to sell in the intermediate markets (Barney et al., 2012). The resource-based viewpoint, however, also encourages thinking about managerial tactics for acquiring new skills. In fact, its emphasis is on the importance of issues like skill acquisition, learning, and knowledge which become crucial strategic concerns if the control over finite resources becomes the source of profits.

One criticism of the RBT is its lack of clear causality between resources and competitive advantage. While the theory highlights the importance of valuable and rare resources, it does not explicitly explain how these resources directly translate into improved competitiveness for fast-food eateries. Additionally, the theory assumes that resources are heterogeneous and immobile, meaning that firms possess unique resources that competitors find challenging to replicate. However, in the fast-food industry, certain resources, such as branding strategies, can be easily imitated or substituted, reducing the potential for sustained competitive advantage. Moreover, the dynamic nature of the fast-food industry, characterized by evolving consumer preferences and technological advancements, challenges the static nature of the RBT.

Despite its criticisms, the RBT offers valuable applications in the study of strategic management practices in fast-food eateries. The theory helps identify core competencies that set fast-food chains apart from their competitors in Nairobi. By analyzing the unique resources, capabilities, and skills of these eateries, the study can uncover the key strengths that contribute to their competitive advantage. Understanding these core competencies allows fast-food chains to focus their efforts on nurturing and enhancing these aspects, ensuring continued competitiveness in the market. Moreover, the RBT assists in assessing the sustainability of competitive advantage achieved through strategic management practices. By understanding how resources are aligned with the firm's long-term objectives, the study can determine whether the competitive advantage is temporary or enduring. This insight enables fast-food eateries in Nairobi to make informed decisions and adapt their strategic approaches to maintain their competitive position in the face of changing market dynamics.

2.2.2 McKinsey 7S Model

Since the development of the model, it has been widely used by academics and professionals to analyze hundreds of businesses. McKinsey 7S Framework was developed as a distinctive and simple to remember the business model (McKinsey, 1980s). The seven variables—all of which begin with the letter "S"—are referred to by the authors as "levers." These seven components include style, strategy, structure, skills, systems, staff members, and shared values (Muthiani 2013). The structure is referred to as the organizational framework or organizational chart.

The course of action for assigning resources to accomplish specific goals gradually is what the authors refer to as a strategy. The standard operating procedures and processes that an organization follows are known as its systems. Staff is characterized as personnel categories inside the organization, whereas skills refer to the collective competencies of the entire workforce within an institution (Channon & Caldart, 2015). Style, which is believed to include the culture of the organization, is assumed to represent how managers act to accomplish the goals of an organization. The superordinate objectives variable, also known as shared values, assesses the extent to which individuals within an organization agree on essential meanings or guiding concepts.

The components listed above can typically be divided into soft and hard elements. The organizational strategy, structure, and systems are the challenging parts because they are typically documented, visible items or reports like strategy declarations, corporate tactics, firm’s charts, and other credentials, and are typically workable and simple to identify. However, understanding the latter four Ss is more challenging. For instance, corporate culture's competencies, values, and other components are always changing thanks to the organization's workforce. Therefore, it is only feasible to comprehend these features by carefully scrutinizing the organization, typically through making observations and/or conducting interviews. But there are certain connections made between hard and soft parts (Alshaher, 2013).

Despite its criticisms, the McKinsey 7S Model offers valuable applications in the study of strategic management practices for fast-food eateries. The model assesses seven interconnected elements, including strategy, structure, systems, shared values, skills, style, and staff. By using this model, the study can evaluate the alignment of these elements and their impact on the competitiveness of fast-food eateries in Nairobi. The model aids in identifying gaps and inconsistencies between different organizational components. For instance, it can assess if the strategic vision aligns with the capabilities and skills of the staff, or if the organizational structure supports the implementation of strategic initiatives. By identifying these misalignments, fast-food chains can make informed decisions and adapt their strategic management practices to achieve better competitiveness. Moreover, the McKinsey 7S Model provides a comprehensive framework for internal analysis, complementing other external analyses in the study. Understanding the internal dynamics of fast-food eateries in Nairobi helps them build a strong foundation for implementing effective strategic practices that respond to external challenges and market opportunities.

2.2.3 Theory of Competitive Advantage

Porter developed this hypothesis in 1985. According to the theory, firms and governments must chase strategies that culminate in the development of quality products that can be sold for a premium on both local and intercontinental markets. This illustrates how competitive edge can maintain an advantage over current or potential rivals, resulting in superior performance and competitive edge that propels a company to market leadership. The theory also clarifies how a company's assets and business plan play a significant role in creating its competitiveness.

The theory explains the five forces of industrial competitiveness model. According to the five forces concept, five main competitive factors affect an industry's structure and a firm's strategy and competitiveness (O'Shaughnessy, 1996). The firm's markets, suppliers, rivals, comparable items, and the danger of new competitors are among the competitive forces. Each of the five forces affects how much a company charges for its goods as well as how much it spends and how much it invests to build and maintain entry barriers to the market. The ability of the corporation to charge high price decreases as buyer power increases. The pricing of a firm's inputs is dependent on the purchasing power of its suppliers. Costs are increased in direct proportion to supplier power.

Competitive strategies frequently aim to change the firm's standing among suppliers and competitors in the market. In determining and constraining strategic activity, the industry structure is crucial. This is because they contain structural barriers to the competitive pressures that give businesses better possibilities to develop durable competitive advantages making some industries or sub-sections of the industries more appealing (Porter & Kramer, 2011).. Instead of at the business level, rents are mostly generated at the industry or the subsection level of the industry. While firm-specific assets are acknowledged to some extent, distinctions between firms generally stem from a scale.

One criticism of the theory is its emphasis on a generic approach to achieving competitive advantage, which may not fully account for the unique complexities of the fast-food industry in Nairobi. Another criticism is that the theory tends to focus primarily on cost leadership and differentiation strategies. The theory's narrow focus on cost and differentiation may overlook these vital aspects. Despite its criticisms, the Theory of Competitive Advantage offers valuable applications in the study of strategic management practices for fast-food eateries in Nairobi. By analyzing the five forces that influence industry competition - namely, the bargaining power of buyers and suppliers, threat of new entrants, threat of substitutes, and existing rivalry - the study can identify the key competitive forces impacting fast-food chains' profitability and sustainability in Nairobi. Moreover, the theory emphasizes the importance of understanding the value chain, where each activity within the organization adds value to the final product. By applying this concept, the study can identify critical activities within fast-food eateries that contribute most significantly to competitiveness.

2.3 Strategic Management Practices and Competitiveness

The competitiveness of businesses and industries, both domestically and abroad, has been the subject of several research studies. The studies have provided insight into the internationally competitive nature of businesses and have described methods and practices that would make it possible for firms to remain competitive.

Maina and Kagiri (2016) proposed that organizations can create and maintain a competitive edge by differentiating their products. They discovered that businesses pursue tactics that allow them to outperform their rivals to survive and flourish in the competitive marketplace. Therefore, the business can influence the creation of customer service-based initiatives, improve product differentiation, and preserve competitive edge hence making it more durable.

Per Llonch-Casanovas (2012), there are multiple tactics for distinguishing brands, and discovering important product-driven distinguishing characteristics may always be very advantageous in establishing and keeping a competitive edge. Companies that market the same product, for instance, the petroleum industry, produce goods with varying performance or quality that result in the creation of cheaper, lower-quality oil products or more expensive, higher-quality oil products. According to research by Muthiani (2013) on product differentiation by oil industry companies, National Oil and independent petroleum dealers both differentiate their goods to appeal to target markets that are hypersensitive to pricing, such as the "matatu" market. Total differentiates its products via service (64%), OiLibya through Non-fuel offers (54.5%), Shell through quality (45%), and Independents on price (46%). All of the biggest oil companies depend on their brand names as the backbone of their sturdy foundation. Differentiation can help a company increase its competitive edge in the market, as opposed to price-based competition, which is destructive to the industry (Muthiani, 2013).

The gains of the differentiation strategy include increasing customer loyalty to its brand and increasing their willingness to spend a bit more, providing a defense against competition strategies, and the fact that it can make the offerings offered by numerous companies appear to have different products (Angeon & Vollet, 2004). However, there may be no guarantee that differentiation will result in a meaningful competitive advantage if the consumers do not perceive any value addition in the product.

According to Maingi and Gitonga (2017) a product modification strategy is an effort by businesses to lengthen the Product Life Cycle (PLC) by carrying out minor or significant modifications to a product to maintain consumers' interest in the product or encourage them to purchase accessory merchandise to help maintain the product's popularity. The brand has come to be regarded as a company's most important asset in recent years. Enterprises must consequently search for numerous cutting-edge marketing strategies or techniques in a competitive and dynamic environment if they hope to build their brand, increase their competitiveness, and advance their market position.

An investigation of the bearings of the product-market modification approach on performance in Nigeria across 48 business entities discovered that 62.5 percent were looking for unrelated, related, or blended modification tactics, whereas 37.5 percent of the evaluated firms used a specialized approach (Oyedijo 2012). Businesses employ a related modification approach to reap financial gains through the exploiting of relationships across divisions by aggregating and combining human and physical resources to create scale economies and distributing promotional or technological resources to benefit from economies of scale (Hill 2008).

Product innovation concentrates on existing products and differentiates through features and functions those existing products do not have. It includes the creation of novel products, alterations to the existing product design, or the use of new tactics and means in the existing production methods. Product innovation may be regarded from two vantage points: internally, based on firm knowledge, abilities, assets, and technological advances, and externally, based on consumer wants and the owner's expectations. Successful innovation creates new products and services, expands businesses, and boosts consumer value (Wong, 2012). By enhancing current products and procedures, innovation helps to enhance output, cut costs, boost profits, and create jobs. Innovative businesses have greater market shares globally, better growth rates, bigger profits, and greater market valuation. Customers who purchase cutting-edge items benefit from a broad pool of selections, better services, lesser prices, and augmented productivity. The "intellectual base" of the nation grows when innovations are embraced and circulated lays the groundwork for an increase in productivity, accretion of wealth in the long term, and better living standards.

In Nigeria, Dirisu *et al*., (2013) noted that the need for continuous exploitation of an innovative edge creates incentives for changing the strategic configuration. A company may be able to increase its market attractiveness by introducing cost savings in addition to distinctive characteristics thanks to an innovative edge. Knowledge of when to adjust and when to avoid change is compulsory for effective adaptability. A company will be more likely to keep its competitive edge if its innovation advantage aids in smart decision-making.

Abdullah et al. (2014) explained that proactiveness and constant innovation, or the search for alternative business ideas and the creation of innovative company concepts, are two ways that a competitive edge is attained. The competitiveness of firms depends greatly on information, research, and innovation. Opinions and intuitions of employees are essential for innovation to materialize (Triebswetter & Wackerbauer, 2008). Corporate entrepreneurship as described by Verhees and Meulenberg (2004) encompasses both innovations to current products and brands as well as the creation of new ones. The phrase refers to entrepreneurial actions taken within the framework of well-established organizations. The process of renewal of an organization can be accomplished via the "formation, promotion, and execution of fresh ideas and is the core of this broad concept.

According to Abdullah et al. (2014) innovation is the effective adoption of a superior product or procedure. It is the incorporation, synthesis, or integration of information into brand-new, useful, highly valued products, procedures, or services. Un et al. (2010) describe innovation as the creation of a niche product, technology, market, and organizational combination. An invention can be incremental, synthetic, or discontinuous, depending on how novel it is judged to be. A small-step invention known as incremental innovation involves making modest changes or minimal adjustments to an existing product, technology, marketplace, or enterprise. The ability of a business to maintain itself is dependent on its capacity to create a competitive edge in its products that enables it to win over consumers' loyalty and expand its customer base through product innovation. Companies must therefore embrace product innovation as well as provide a supportive environment.

2.4 Empirical Studies and Knowledge Gaps

The fast-food industry in Nairobi, Kenya, has witnessed remarkable growth and intensified competition over time. To thrive in this fiercely competitive market, fast-food eateries must employ strategic management practices that elevate their competitiveness. Several empirical studies have explored the impact of digitalization on fast-food eateries' competitiveness, revealing that those embracing technological advancements, such as mobile apps for online ordering, efficient delivery services, and social media marketing, outperform their rivals. For instance, Lin and Li (2019) found that fast-food chains in Nairobi adopting advanced digital technologies experienced increased customer engagement, operational efficiency, and overall performance, positively influencing their competitiveness.

Moreover, research has examined consumer preferences for sustainable and eco-friendly practices in the fast-food industry. Lacey et al. (2020) discovered that consumers in Nairobi are increasingly concerned about the environmental impact of fast-food eateries. Establishments that prioritize sustainable sourcing, waste reduction, and environmentally conscious practices tend to attract environmentally conscious consumers, leading to increased customer loyalty and market share. Strategic innovation also plays a vital role in fast-food chain performance and competitiveness. Patel et al. (2018) demonstrated that fast-food eateries in Nairobi gaining a competitive advantage continually innovate by diversifying their menus, enhancing customer service, and offering unique experiences. These strategic innovations enable these establishments to meet evolving consumer demands, thus influencing their market performance.

Despite Nairobi's diverse cultural landscape, there is a knowledge gap in effectively managing cross-cultural aspects in fast-food eateries. This includes understanding how these establishments cater to the varied preferences and expectations of different customer segments. A study on cross-cultural management in the context of strategic management practices would provide valuable insights into strategies that enhance competitiveness in a multicultural market (Harris & Moran, 2021). While existing research has explored the impact of digitalization on fast-food competitiveness, there is a knowledge gap regarding the specific technologies that have the most significant influence. Further research is needed to investigate the role of emerging technologies such as artificial intelligence, data analytics, and automation in gaining a competitive edge (Henderson & Venkatraman, 2017).

Research on the long-term effects of sustainability practices in fast-food eateries in Nairobi remains limited. Evaluating how sustainable practices impact brand reputation, cost structures, and consumer perceptions over time can offer valuable insights for strategic management decisions (Hart & Milstein, 2003). Furthermore, there is a lack of research on how the regulatory landscape, including health and safety standards, labor laws, and environmental regulations, affects fast-food competitiveness in Nairobi. Understanding the compliance challenges faced by eateries and the potential for regulatory compliance to become a source of competitive advantage is essential (Porter, 1995).

Additionally, with the entry of new global food chains into Nairobi's fast-food market, there is a knowledge gap regarding their specific market entry strategies and the challenges faced by local fast-food eateries in response to increased competition. Exploring how local establishments adapt and compete against global giants can offer valuable insights for strategic management (Dunning & Lundan, 2016). Conducting further research to address these knowledge gaps is crucial for the survival and success of fast-food eateries in Nairobi's highly competitive market. The existing empirical studies have shed light on various aspects of strategic management, such as the impact of digitalization, consumer preferences for sustainability, and strategic innovation. However, bridging the gaps related to cross-cultural management, technology adoption, long-term sustainability practices, the regulatory environment, and market entry strategies of global food chains will enrich the understanding of the fast-food industry in Nairobi. This, in turn, will enable stakeholders to make informed decisions and implement effective strategies to enhance their competitiveness. As the market continues to evolve, closing these knowledge gaps becomes pivotal in developing sustainable and successful strategic management practices for fast-food eateries in Nairobi.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter deliberates the study's methodology. It focuses on the data collection, analysis, and research design, and why those methods were chosen for the project.

3.2 Research Design

According to Akhtar (2016) research design is a strategy for picking subjects, a research topic, and data collection in efforts to address proposed research questions. They also posit that a research design is the blueprint used in research and serves as the manual for data collection and data analysis. A descriptive research design was used in this inquiry. In general, a descriptive research design establishes the rate of occurrence or the correlation between variables. According to Cooper and Schindler (2003), a descriptive research design establishes the what, who, how, and where of a phenomenon, which is the study's goal. Additionally, it uncovers a phenomenon's where, what, and how.

This study understood respondents' perspectives on how strategic management techniques affect organizations' ability to compete in the fast food industry, a descriptive research approach is suitable. To fully comprehend the phenomenon, the research will use both quantitative and qualitative methods (Cooper and Schindler, 2003)

3.3 Population of the Study

A population, per Mackey and Gass (2015), is a curated collection of study components of interest to the investigator. The target population for this study was fast food eateries in Nairobi. This is because according to the pubs, entertainment and restaurant association of Kenya (PERAK) there are 1,635 licensed restaurants within Nairobi with about 80% of these being fast food eateries. This means that the population was be made up of 1308 fast food eateries.

Data was primarily collected from managers as they play a crucial role in strategic management processes within these establishments. Managers are integral to fast food eateries' strategic decisions, encompassing menu planning, operations, and customer service. Their insights provide a comprehensive view of the business, making them the key data source for understanding and improving the operational aspects of these establishments.

3.4 Sample Design

Bryman and Bell (2003), defining a sample size is key to data collection. Researchers must make sure that the suitable procedures are followed to choose a sufficient number of respondents. Additionally, the sample should be carefully selected to represent the population. The sample will be drawn from PERAK database which reports about 1308 fast food eateries operating in Nairobi. The Study will select a sample from this collection following the formula below;

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

Where n = sample size,

N = target population

e = level of precision

$$n = \frac{1308}{(1+1308(0.1^2)}$$

After calculation, the sample size was 98 fast food eateries in Nairobi. To select the 98 fast food eateries, the study used simple random sampling to ensure a representative sample. This approach guaranteed that each eatery within the population has an equal opportunity to be included in the sample, ensuring the chosen 98 representatively reflected the diverse characteristics of the entire population. The study collected data from one manager per restaurant. In the event the manager was unavailable, data was gathered from a supervisor instead. This approach ensured data collection continuity and flexibility in the research process.

3.5 Data Collection

This study relied on primary data gathered via self-administered questionnaires and interview guide. The questionnaires were structured in a way that they have both open ended and closed ended questions. They were distributed to various fast-food eateries and the respondents were given a week to respond to the questionnaires. Managers and supervisors situated at the head office or administration department were targeted. They were directed to provide insights into a couple of the methods they have implemented to maintain an edge over their rivals. The study ensured that only two people, a manager and a supervisor, participate in the study per fast food outlet.

3.6 Data Analysis

Both qualitative and quantitative data analysis methodologies will be used in the study. Software for social sciences statistical programs will be used to examine the primary data collected (SPSS). Descriptive analysis will be conducted to find trends and patterns in data. These findings were be presented in charts and graphs. Further analysis was conducted using inferential analysis which attempted to examine whether a relationship exist between the variables.

Below is the model which was used in the study:

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon}$$

Where: Y is the competitiveness of firms in the fast-food industry

X_1 – Product Differentiation

X_2 – Product Modification

X_3 – Product Innovation

β_0 is the intercept

β_i (i=1,2,3) are parameters associated with the independent variable.

ε is the error term

CHAPTER 4

DATA ANALYSIS, INTERPRETATION, AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter analyses data and then interprets and discusses the study findings. The results of this study were derived from the responses of respondents collected using questionnaires and interviews. The research sought to evaluate strategic management practices that influence the competitiveness of fast-food eatery chains in Nairobi, Kenya.

4.2 Response Rate

90 of the targeted 98 respondents took part in this study. They returned fully filled questionnaires. This is about 91.8% of the sampled population. A survey response rate of fifty percent or greater must, in most cases, is regarded as excellent, as per Sandelowski (1995). Additionally, he adds that the high response rate is motivated by enthusiasm to take part in a survey, or a strong connection to the research topic.

Table 4.1: Rate of response

Response rate	frequency	percent
Response	90	91.8%
Nonresponse	8	8.2%
Total	**98**	**100%**

Source: Field Data (2023)

4.3 Reliability test

A reliability test was used to evaluate the questionnaire's internal consistency. The results in Table 4.2 below demonstrate the reliability of the questionnaire utilized. For every variable, Cronbach's Alpha values greater than 7 were reported.

Table 4.2: Reliability test

Variable	Number of items	Reliability coefficient

Product Differentiation	7	0.789
Product Modification	7	0.812
Product Innovation	7	0.776
Competitiveness of the Firms	5	0.787

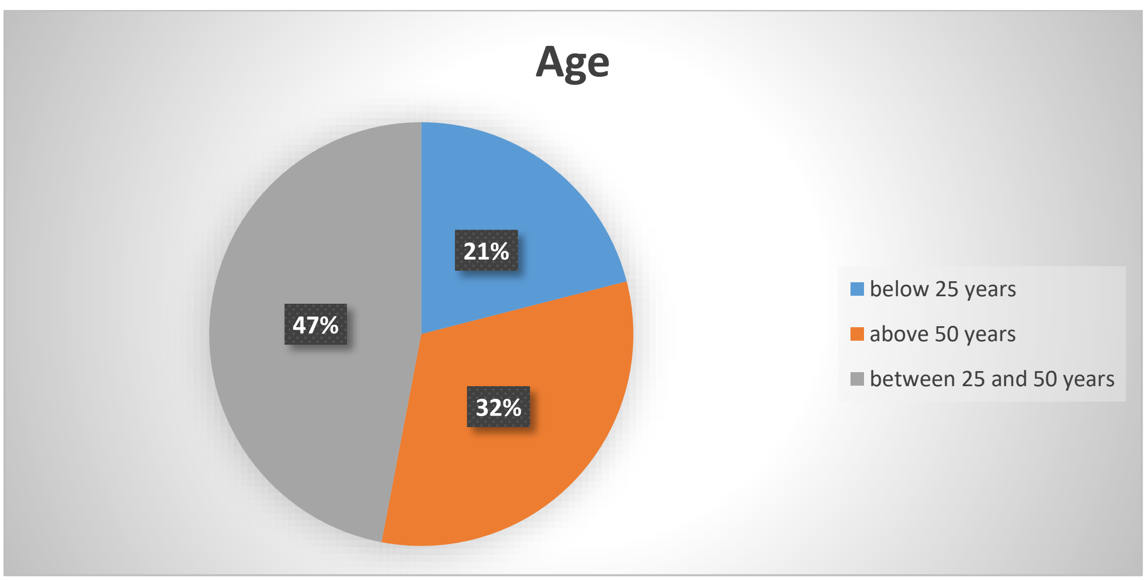
Source: Field Data (2023)

4.4 Demographic Information

The researcher collected background information about the respondents. Demographic information enables you to better comprehend specific basic characteristics of an audience which is key in identifying whether the respondents are likely to give an untrue or biased view. This way the respondents can be removed from the sample before they influence the authenticity of the study. The research asked the respondents to specify their gender, level of education, department working in, Age, and years of experience.

It was requested of the respondents to identify their gender. Analysis revealed that 67% (n=60) of the respondents were female while 33% (n=30) were male.

Furthermore, analysis revealed that 21% (n=19) of the respondents were aged below 25 years while 29% (n=70) were above 50 years and 47% (n=42) were aged between 25 and 50 years.



4.2: Age

Further analysis revealed that 46.67 % (n=42) of the respondents had achieved a bachelor's degree while 16.67% (n=15) had a master's degree and 5.56% (n=5) had a PhD. Additionally, 31.11% (n=28) of the respondents had a Diploma. Given the high levels of education, the researcher believed that the responses came from reliable sources and were therefore unlikely to be biased or false.

4.3: Education Status

The table below showed the education level of the respondents.

Table 4.3 Education Status

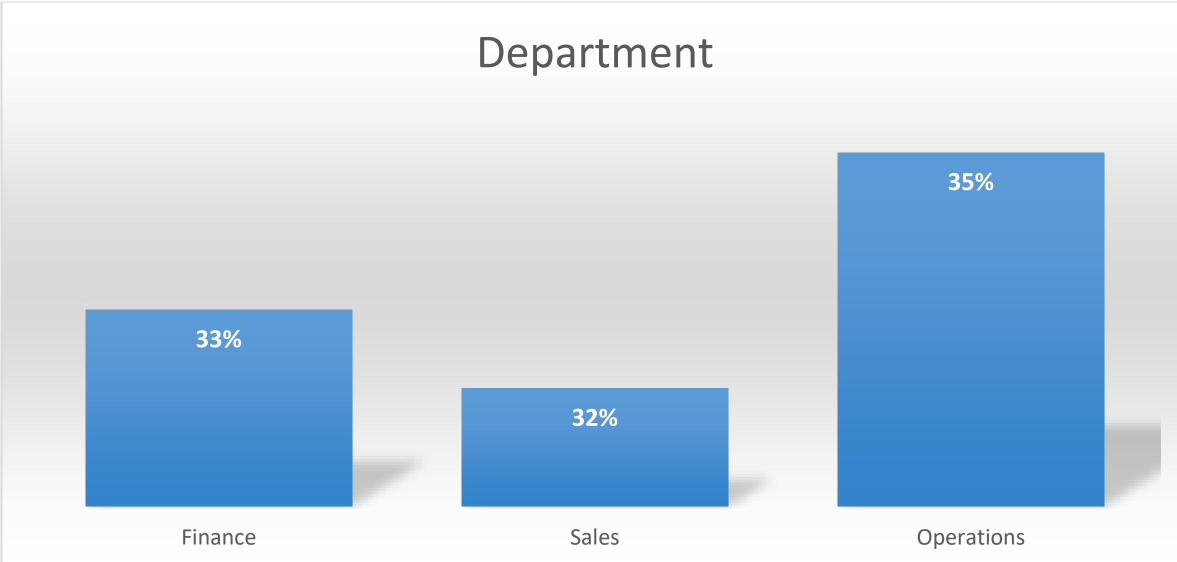
Highest level of education attained	Frequency	Percent
Diploma	28	31.11%
Bachelor's Degree	42	46.67%
Masters	15	16.67%
PhD	5	5.56%
Total	90	100.00%

Source: Field Data (2023)

Additionally, the respondents were requested to indicate the department they worked in. 33% (n=30) of the respondents worked in the finance department while 32% (n=29) of them worked in the sales department and 35% (n=32) worked in the operation department.

4.3: Department

The figure below shows the various departments that the employees worked in.

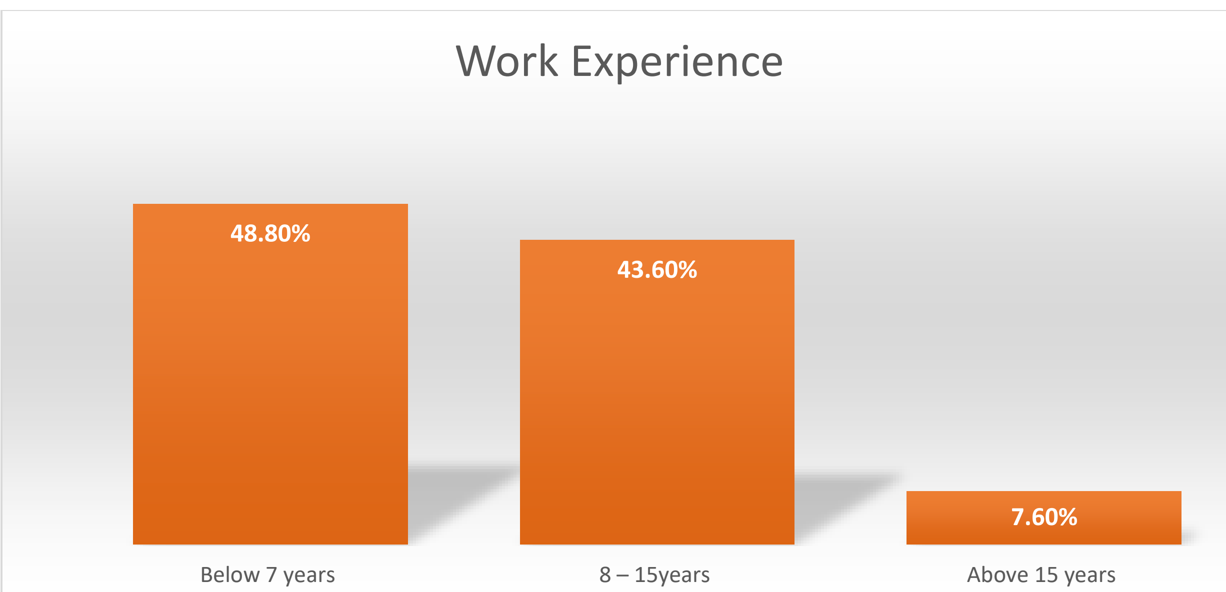


Lastly, respondents indicate years of experience in the sector. As evidenced in the table below, 48.8% (n=44) employees indicated that they had worked for 1 to 5 years while 43.6% (n=39) employees had worked for 6 to10 years, and 7.6% (n=7) had worked for more than 10 years. These findings are an indication that the employees have enough experience in the food and beverage industry and that they can offer reliable information and unbiased responses.

4.4: Work Experience

Figure showing work experience of the employees

Figure4.4 work experience



4.5 Descriptive Statistic

The study measured the respondents' agreement with some statements about product differentiation.

4.4: Product Differentiation

The table below shows the nab and standard deviation of different indicators of product differentiation

TABLE 4.4 Product Differentiation

Indicators	Mean	std
We offer high-quality and unique products compared to our competitors	4.00	0.110
Providing unique products has increased our income	4.08	0.267
The unique products have created value for consumers	3.31	0.751
The unique products have given us a competitive advantage	3.38	0.768
We have created brand loyalty among our customers through our exclusive products	3.78	0.868
It concerns us when other businesses try to imitate us	3.56	0.354
We have increased revenue growth through our unique products	3.58	0.372

Source: Field Dat (2023)

Most of the respondents strongly agreed they offer high-quality and unique products compared to our competitors (m=4.00, s.d=.611) and that providing unique products has increased their income (m=4.08, 0.267). They also agreed that the unique products have created value for consumers (m=3.31, s.d=0.751), that unique products have contributed to the business competitive advantage (m=3.38, s.d=0.768), and that they had created brand loyalty among our customers by providing exclusive products (m=3.78, s.d=0.868). Lastly, the respondents agreed that It concerned them when other businesses tried to imitate them (m=3.56, s.d=0.354) and they had increased revenue growth through their unique products (m=3.58, s.d=0.372).

The respondents were also asked to indicate their level of agreement with some product modification statements.

4.5: Product Modification

The table shows the mean and standard deviation of indicators of product modification.

TABLE 4.5 Product Modification.

Indicators	Mean	std
We offer a wide array of unique products to our customers	*3.97*	0.841
New products increase customer attention towards our products	3.55	0.768
We create brand loyalty through introduction of new products	3.83	0.543
The diverse products offered by the business have given us a competitive advantage	3.75	0.876
We have created brand loyalty among our customers through our exclusive products	3.23	0.647
New products enables easy penetration into new markets	3.34	0.587
Introduction of new products influence market share in the industry	382	0.260

Source: Field Data (2023)

The respondents agreed that they offer a wide array of unique products to our customers (m=3.97, s.d=0.841), that new products increase customer attention towards their products (m=3.55, s.d=0.768) and that they create brand loyalty through introduction of new products (m=3.83, s.d=.543). They also agreed that the diverse products offered by the business have given us a competitive advantage (m=3.75, s.d=0.876), that they have created brand loyalty among our customers through our exclusive products (m=3.23, s.d=0.647), that new products enable easy penetration into new markets (m=3.34, s.d=0.587) and that introduction of new products influence market share in the industry (m=3.82 s.d=0.260).

Furthermore, the study measured the respondent's level of agreement with some statements about product innovation on a 5-point scale.

4.6: Product Innovation

Table showing indicators of product innovation, mean and standard deviation.

Table 4.6: Product Innovation

Indicators	Mean	std
Product innovation has increased product Development	3.74	0.590
Our innovations have brought about improved Product Quality	3.56	0.862

The new innovation increase Customer Satisfaction	3.68	0.612
Product innovation has increased Sales Volume	3.48	0.864
Product innovation has increased Market Share	3.54	0.987
Product innovation has increased Customer Loyalty	3.23	0.647
Product innovation has increased Profitability	3.73	0.937

Source: Researcher (2023)

The respondents agreed that Product innovation has increased product Development (m=3.74, s.d=0.590), their innovations had brought about improved Product Quality (m=3.56, s.d=0.862), and that new innovation increase Customer Satisfaction (m=3.68, s.d=0.612). They also agreed that product innovation has increased sales volume (m=3.48, s.d=0.864), market shares (m=3.54, s.d=0.987)), customer loyalty (m=3.23, s.d=0.647) and profitability (m=3.73, s.d=0.937).

Lastly, the study sought to understand how the competitiveness of the business was influenced by some strategic management practices adopted.

4.7: Competitiveness of the business

The indicators of competitiveness of the business are shown in the table below with their mean and standard deviation

Table 4.7: Competitiveness of the Business

	Mean	std
Cost reductions has influenced the profitability of the business increasing the competitiveness of the firm	3.74	0.590
focus on providing outstanding customer service influences the competitiveness of the firm	3.56	0.862
Controlling quality of products/services influences the competitiveness of the firm	3.68	0.612
Our brand name influences the market share we command which gives us a competitive advantage.	3.48	0.864
We have a bigger market share than competitors in the industry	3.78	0.964

Source: Researcher (2023)

The respondents agreed that Cost reductions have influenced the profitability of the business increasing the competitiveness of the firm (m=3.74, s.d=0.590), that focus on providing outstanding customer service influences the competitiveness of the firm (m=3.56, s.d=0.862) and that controlling quality of products/services influences the competitiveness of the firm (m=3.68, s.d=0.612). They also agreed that their brand name influences the market share they command which gives them a competitive advantage (m=3.48, s.d=0.864) and that they have a bigger market share than competitors in the industry (m=3.78, s.d=0.964).

4.6 Inferential Statistics

Inferential statistics allows one to make inferences (predictions) from data. When using inferential statistics, the results from the sample are generalized to the population.

4.6.1 Correlation Analysis

The researcher conducted a correlation analysis to determine whether there was a relationship between strategic management practices and the competitiveness of the fast-food restaurants. Pearson's correlation method was adopted to estimate the direction and strength of the relationship. The results are presented in Table 4.8

4.8: Pearson Correlation

The table summarizes the Pearson correlation of to determine the relationship between strategic management practices and competitiveness.

TABLE 4.8 Pearson Correlation

		Product Innovation	Product Modification	Product Differentiation	Competitiveness of Fast-food restaurants
Product Innovation	Pearson Correlation	1	.516	.543	.911
	Sig. (2-tailed)		.127	.120	.031
	N	90	90	90	90
Product Modification	Pearson Correlation	.516	1	.616	.887
	Sig. (2-tailed)	.127		.077	.010
	N	90	90	90	90
Product Differentiation	Pearson Correlation	.543	.616	1	.611
	Sig. (2-tailed)	.120	.077		.047
	N	90	90	90	90
Competitiveness of Fast-food restaurants	Pearson Correlation	.911	.887	.611	1
	Sig. (2-tailed)	.031	.010	.047	
	N	90	90	90	90

Source: Researcher (2023)

The study revealed a strong positive and significant relationship between product innovation and the competitiveness of Fast-food restaurants ($r = 0.911$, $p = 0.031$). This suggests that increased product innovation positively impacts the competitiveness of fast-food restaurants.

Additionally, the study found a strong positive and significant relationship between product modification and the competitiveness of Fast-food restaurants ($r = 0.887$, $p = 0.010$). This implies that product modification similarly contributes positively to the competitiveness of fast-food restaurants.

Lastly, the study found a strong positive and significant relationship between product differentiation and the competitiveness of Fast-food restaurants ($r = 0.611$, $p = 0.047$). This implies that product differentiation likewise has a positive impact on the competitiveness of fast-food restaurants.

4.6.2 Multiple Linear Regression Analysis

Multiple linear regression was computed to examine whether the dependent variable can be predicted based on the independent variables.

4.9: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712[a]	.507	.468	.622

a. Predictors: (Constant) product innovation, product modification, and product differentiation

Table 4.11 indicated an R Square value of 0.507, implying that only 50.7% of the variations in the dependent variable (competitiveness of fast-food restaurants) can be explained by the independent variables (product innovation, product modification, and product differentiation). The remaining 49.3% is explained by other variables not considered in this model.

4.10: ANOVA results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.253	3	6.751	29.871	.000[b]
	Residual	19.729	87	.226		
	Total	39.982	90			

Source: Researcher (2023)

a. Dependent Variable: Competitiveness of fast-food restaurants

b. Predictors: (Constant), product innovation, product modification, and product differentiation.

Results of the analysis of variance (ANOVA) indicate that the overall regression model influences the study positively. Since the p-value ($p < 0.00$) was less than the significance level 0.05, the influence is significant. A conclusion can be made that product innovation, product modification, and product differentiation significantly influence the competitiveness of fast-food restaurants

4.11: Individual predictor coefficient

Table 4.1.1 shows individual predictor performance

Table 4.1.1 Individual Predictor Performance

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.131	0.52		0.253	0.801
	Product Innovation	0.316	0.131	0.331	2.419	0.019
	Product Modification	0.557	0.106	0.576	5.236	0.023
	Product Differentiation	0.216	0.175	0.193	1.235	0.042

Source: Researcher (2023)

Analysis of individual predictor variables indicated that the relationship between product innovation and competitiveness of fast-food restaurants was statistically significant since the p-value of 0.019 was less than the chosen significance level (0.05). This means a unit increase in product innovation while holding all other factors constant, increases the competitiveness of fast-food restaurants by 0.316. Therefore, product innovation influences the competitiveness of fast-food restaurants.

Additionally, the analysis found a statistically significant relationship between product modification and the competitiveness of fast-food restaurants as the p-value of 0.023 was less than the chosen significance level (0.05). This means a unit increase in product modification while holding all other factors constant, increases the competitiveness of fast-food restaurants by 0.557. Therefore, product modification influences the competitiveness of fast-food restaurants.

Lastly, there was a statistically significant relationship between product differentiation and competitiveness of fast-food restaurants as the p-value of 0.042 was less than the chosen significance level (0.05). This means a unit increase in product differentiation while holding all other factors constant, increases the competitiveness of fast-food restaurants by 0.216. Therefore, product differentiation affects the competitiveness of fast-food restaurants.

The regression model will be.

$\mathbf{Y = 0.131 + 0.316X_1 + 0.557X_2 + 0.216X_3}$

Where: Y is the Competitiveness of fast-food restaurants

X_1 – Product Innovation

X_2 – Product Modification

X_3 – Product Differentiation

4.7 Qualitative Analysis

The subsections analyzed areas are.

4.7.1 Product Innovation and Competitiveness of fast-food Restaurants

The respondents were asked whether they were familiar with the company's strategies related to product innovation. Most of the respondents indicated that their company had adopted various strategies for product innovation to maintain its competitiveness. Many respondents indicated that they regularly introduce new menu items to attract customers. They conduct extensive research and development to create innovative and unique dishes. For instance, one restaurant introduced the Double Down sandwich, which replaced traditional bread with fried chicken.

The respondents further explained that introducing innovative menu items, driven by extensive research and development, enhanced their competitive advantage. These novel offerings differentiated them from their competitors which attracted a wider customer base. They were also able to boost sales, revenue, and customer retention as they had noted that the new items became more popular among customers and some in the end became a staple on the menu, contributing to long-term revenue growth. One respondent added that constantly introducing new menu items enhanced the overall brand image and created a positive reputation for the restaurant. This signalled to customers that a restaurant was dynamic, creative, and willing to adapt to evolving tastes and trends. Another added that it helped with feedback and Learning. They explained that the R&D process provided their restaurant with valuable insights and feedback from customers. The restaurant has been able to learn more about customer preferences and use this information to refine its menu and make data-driven decisions for future menu development.

Additionally, the respondent explained that to attract more customers and to stay competitive they had introduced healthier options to the menu. One respondent explained that this was brought about by the growing obsession with eating healthy. They explained that with consumers increasingly becoming conscious of their dietary choices, and seeking nutritious options when dining out, their restaurants have had to change their menus. As a result, they now offer more diverse and transparent menu items. Another respondent described that they have introduced salads, lean proteins, and plant-based dishes, as well as the inclusion of calorie counts and nutritional information on the menus. Some restaurants in the fast-food chains also added that they now feature healthier alternatives like grilled chicken sandwiches, salads, veggie burgers, wraps, fruit cups, and yogurt parfaits to provide lower-calorie, lower-fat, and more nutritious choices. They also offer healthier beverages and whole-grain options. In this health-conscious era, the demand for balanced, wholesome meals has pushed restaurants to adapt and innovate, catering to a more nutrition-savvy customer base.

The respondents agreed that this expansion of menu choices had broadened their customer base by appealing to health-conscious individuals and those with specific dietary needs. This not only resulted in increased sales and revenue but also fostered a positive brand image, promoting customer loyalty and positive word-of-mouth. Moreover, offering healthier options differentiated the restaurant in a health-conscious market, providing a competitive edge. One respondent indicated that their restaurants benefited from compliance with nutritional regulations and the ability to adapt to evolving dietary trends. The respondent also indicated that diversifying menu offerings to include healthier choices enhanced their resilience by creating a more diverse revenue stream.

Furthermore, the respondents indicated that they adopted the “Global Inspiration" strategy to create limited-time menu offerings that draw inspiration from international cuisines. This approach involved incorporating flavours, ingredients, and cooking techniques from different parts of the world into their existing menus. One respondent indicated that their restaurant offered their diverse customer base tastes across different regions and cultures. They explore global cuisines and adapt elements from these cuisines into their menu items. This strategy allows them to offer unique and exciting flavours that may not be part of their regular menu. Another respondent indicated that they always introduce global-inspired items as limited-time or seasonal offerings. Some restaurants indicated that during a Mexican-themed promotion, their restaurant introduced a spicy chicken burrito with salsa and guacamole. These limited-time offerings created a sense of urgency for customers to try something new and exciting. Another restaurant indicated that during Diwali, the festival of lights and one of India's most significant celebrations; they added Diwali treats include sweets like "laddoos", "barfis, and "jalebis" to their menu.

Lastly, the respondents were asked to indicate challenges in implementing product innovation in restaurants and how they deal with them. The respondents indicated that managing costs is crucial and that they assessed the return on investment for new menu items and adjusted pricing to balance innovation with profitability. One respondent indicated that sourcing unique ingredients was difficult at times so they established reliable supplier relationships, diversified sources, and prepared contingency plans for ingredient shortages. Others offered staff training by investing in thorough training programs and engaging staff in the development process to ensure they can effectively execute new recipes. One respondent indicated that they had noted a disruption of operational efficiency when new items were introduced to the menu. They explained that to address this, restaurants evaluated kitchen operations, equipment, and workflows to accommodate innovations without causing operational hiccups.

4.7.2 Product Modification and Competitiveness of fast-food Restaurants

The respondents were asked whether they were familiar with the company's strategies related to product modification. Most of the respondents indicated that their restaurants had adopted ingredient tweaking to modify their products. The restaurants adjust ingredients and recipes to improve taste, texture, and in some case to cater to some health factors. Another respondent indicated that they frequently tweaked their recipes and ingredients to cater to changing consumer preferences. One respondent specified that they reduced the salt content in their pizza sauce to meet the demand for lower-sodium options. An Asian fusion restaurant indicated that they experiment with alternative proteins like tofu and tempeh to appeal to vegetarian and vegan diners. Another in the fast-food chain category indicated that they had adjusted its burger patty recipe by incorporating leaner meats and plant-based alternatives to provide a healthier option. They had also added trendy ingredients, such as avocado and quinoa, to create unique and more health-conscious menu items, reflecting the evolving tastes and dietary choices of their customer base.

The respondents also explained that they often modify portion sizes to cater to different customer preferences. They often offer choices like small, regular, and large portions to accommodate varying appetites. One respondent indicated that their health-conscious diners offered smaller portions to provide better portion control. Conversely, respondents, mostly operating Somali and Swahili restaurants specified that since they cater to hearty eaters, they opt for larger servings. Other restaurants offered "tapas" or "shareable" portions for those who prefer variety or communal dining. There were restaurants that also offered half-sized or lunch-sized portions during specific hours allowing flexibility for cost-conscious patrons and those seeking lighter meals. These portion size variations align with customers' desires for flexibility in their dining experience, enhancing customer satisfaction and accommodating different preferences.

Most respondents agreed that portion sizing significantly impacted their competitiveness. Providing a range of portion sizes catered to diverse customer preferences, attracting a wider audience, from those seeking smaller, health-conscious servings to those desiring larger, hearty meals. This versatility enhanced customer satisfaction and loyalty. One respondent explained that smaller portion options aligned with the demand for healthier eating, while larger sizes catered to value-conscious customers and offering shareable portions promoted social dining. This diversity had allowed restaurants to adjust pricing and cost management strategies. They have also been able to not only satisfy varied customer needs but also gain a competitive edge by appealing to a broader customer base, improving overall performance, and ultimately increasing revenue.

Additionally, the respondents that they offer personalized dining experiences to customers by allowing them to modify their orders by choosing from various ingredients or toppings. One respondent explained that their restaurants had adopted a build-your-own pizza strategy allowing customers can select from a range of crusts, sauces, cheeses, meats, vegetables, and seasonings to design their unique pizza. Similarly, another fast-casual Mexican eatery enabled customers to craft custom burritos, bowls, or tacos by selecting their preferred proteins, salsas, vegetables, and extras. Such flexibility empowered diners to tailor their meals to their specific tastes and dietary preferences, enhancing their dining experience while also fostering customer loyalty and repeat business.

Additionally, other respondents indicated that they had undergone significant modifications to offer halal-certified products, conforming to Islamic dietary laws. These adjustments encompassed various aspects of the culinary process, such as meat sourcing, kitchen organization, ingredient substitution, and alcohol-free cooking techniques. One eatery explained that their halal establishments meticulously selected suppliers to provide meats that meet the Islamic dietary guidelines, guaranteeing that the animals have been slaughtered in accordance with halal standards. Beyond ingredient sourcing, some halal restaurants designate separate kitchen areas and utensils for the preparation of halal dishes. This isolation is essential to prevent cross-contamination with non-halal items. One respondent also indicated that they substituted Gelatin, which is often derived from non-halal sources, and replaced it with agar-agar or other permissible alternatives in halal desserts and dishes.

The study observed that the decision to offer halal options influenced the competitiveness and overall performance of the restaurants significantly. By embracing halal certification, restaurants were able to access a broader customer base, including the Muslim community and those who prioritize halal dietary choices. This inclusivity fostered customer loyalty and enhanced the restaurant's reputation. Moreover, it allowed the restaurant to comply with regulatory requirements in areas with specific halal regulations. Ultimately, adapting to meet halal standards can give a restaurant a competitive edge in areas with limited halal dining options.

In response to the challenges faced during product modification and the remedial measures for the same, the respondents agreed that they faced challenges and had come up with measures to deal with them. One respondent indicated that maintaining consistency in taste and presentation once the products had been modified was a challenge. To address this, the restaurants had established standardized recipes and frequently conducted taste tests. Another challenge pointed out the potential resistance from loyal customers who may be attached to the original version of a dish as a challenge. To deal with this, effective communication was key, and restaurants clearly explained the reasons for the modification, highlighted any improvements, and offered opportunities for customers to provide feedback.

4.7.3 Product Differentiation and Competitiveness of fast-food Restaurants

The respondents were asked whether they were familiar with the company's strategies related to product differentiation. Most of the respondents indicated that they offered signature Sauces and Flavours. One respondent explained that had unique sauces and flavor profiles, which set them apart from competitors. One restaurant that stood out for offering unique products was The Carnivore famous for its unique dining experience, featuring a variety of meats like crocodile, ostrich, and game meat. They use distinctive marinades and sauces, such as the "Carnivore Sauce," to flavor their meats. Another was Mama Oliech, a locally renowned restaurant offering flavourful and spicy fish. They offered a variety of sauces and chutneys, including tangy mango salsa, to complement their dishes. Additionally, Nyama Mama known for its modern take on Kenyan cuisine offered a selection of unique sauces and condiments like chili-infused olive oil and tamarind sauce to enhance their dishes. Lastly, Habesha serving Ethiopian and Eritrean cuisine, featuring dishes like injera bread and various stews provided a range of traditional sauces and spices, such as berbere spice mix, to add distinctive flavours to their food.

The respondents explained this uniqueness significantly influenced their competitiveness. It also created a strong brand identity and customer loyalty as the differentiation was distinctive and memorable, making customers associate those unique flavours with the respective brands. This set them apart from competitors, attracting customers who seek that specific taste. Another explained that this also created a barrier to entry for new competitors, as replicating these signature flavors was challenging. Moreover, the consistent taste and appeal of these flavours kept customers coming back, ensuring a steady stream of business and long-term success in the highly competitive fast-food industry.

Additionally, the respondents indicated that they were rapidly embracing digital ordering and delivery systems to meet the evolving needs of their customers. One notable approach stemming from the data collected was the use of mobile apps to allow customers to conveniently browse menus, place orders, and make payments directly from their smartphones. Most respondents specified that they used third-party delivery apps like UberEats, Jumia Food, and Glovo to connect with a broader customer base and streamline delivery logistics. Some restaurants were also offering user-friendly interfaces for customers to view menus, select items, and complete orders. One respondent explained that some of these changes had been brought about to combat the challenges posed by the COVID-19 pandemic. They explained that they provided QR code menus to minimize physical contact. Lastly, most restaurants have harnessed social media platforms like WhatsApp and Facebook for ordering and delivery communication. They also used mobile payment apps such as M-Pesa and Airtel Money making digital transactions a breeze. One respondent explained that offering digital ordering and delivery of products to their customers promoted their competitiveness and performance It also attracted customers seeking hassle-free dining experiences and expanded their market reach.

The respondents agreed that implementing product differentiation in restaurants presents various challenges. One respondent indicated that sourcing unique or seasonal ingredients was challenging, and the restaurants established reliable supplier relationships and sourced ingredients locally. They also established stringent quality control measures and conducted taste tests to ensure standardized recipes, and continually monitored and adjusted processes based on customer feedback. One respondent noted that incorporating product differentiation in restaurants requires a well-structured approach that balances innovation, profitability, and consistent customer satisfaction.

4.8 Discussions of the Findings

The respondent agreed that they offered high-quality and unique products compared to their competitors. They added that unique products have created value for consumers, given them a competitive advantage, and created brand loyalty among their customers. The study revealed that restaurant restaurants employ various strategies for product differentiation, including introducing new menu items, modifying existing products, and drawing inspiration from global cuisines. These strategies help them adapt to changing customer preferences and stand out in a competitive market. These findings concur with Maina and Kagiri (2016) who proposed that organizations can create and maintain a competitive edge by differentiating their products. The findings also agree with Per Llonch-Casanovas (2012) who noted that there are multiple tactics for distinguishing brands, and discovering important product-driven distinguishing characteristics is very advantageous in establishing and keeping a competitive edge.

The study found that product innovation in restaurants was a vital strategy to maintain competitiveness and adapt to evolving customer preferences. It involved introducing new menu items, healthier options, and globally inspired dishes. Restaurants also tried being innovative by adjusting ingredient, portion sizes and offering limited-time discounts. The study found that successful product innovation enhanced a restaurant's competitiveness by offering unique and appealing culinary experiences. This kept the menus fresh and exciting which attracted new and loyal customers while helping restaurants stand out in a dynamic and diverse culinary landscape. This finding concurs with Wong (2012) who found that innovation helps to enhance output, cut costs, boost profits, and create jobs. Importantly, innovative businesses have greater market shares globally, better growth rates, bigger profits, and greater market valuation which set them apart from their competitors. Additionally, it supports with Abdullah et al. (2014) who described innovation as the effective adoption of a superior product or procedure that helps a business to win over consumers' loyalty and expand its customer in the end creating a competitive edge over its competitors.

Lastly, the study found that product modification was a pivotal factor influencing a restaurant's competitive advantage. By adjusting ingredients and recipes to improve taste, texture, and in some case to cater to some health factor and also modifying portion sizes to cater to different customer preferences the restaurants are able to provide customers with flexibility in their dining experience, enhancing customer satisfaction and accommodating different preferences. This diversity has helped restaurant gain a competitive edge by appealing to a broader customer base, improving overall performance, and ultimately increasing revenue. This study is in line with Maingi and Gitonga (2017) study which found a positive statistically significant relationship between product modification and the competitiveness of firms. The study suggested that businesses strategically employ product differentiation to bolster their competitiveness by capitalizing on synergies across various divisions. This involves pooling human and physical resources to achieve economies of scale, while also optimizing the distribution of promotional and technological resources to reap the benefits of economies of scale.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This chapter outlines the study's summary, recommendations, conclusions, and limitations while outlining potential future research possibilities.

5.2. Summary

By offering high-quality and unique products compared to competitors, income has been increased. Unique products also added value for consumers contributed to the business's competitive advantage, fostered brand loyalty, and raised concerns when other businesses attempted to imitate them. Data from respondents also showed that unique products had led to increased revenue growth. The respondents also agreed that their businesses offer a diverse range of unique products to customers, which piques customer interest and fosters brand loyalty. Respondents also acknowledged that these diverse products provide a competitive advantage.

The study also found that strategies like introducing new menu items, offering healthier options, and adopting the global inspired cuisines, had positively impacted the restaurants competitive edge. Furthermore, the study revealed that restaurants that innovated by providing health-conscious meal options to both customers with specific dietary requirements and those without had not only expanded their customer base but also cultivated customer loyalty. According to the study's findings, product modification encompasses ingredient adjustments, portion size variations, and customization. This was found to substantially impact the competitiveness of restaurants by accommodating a wide range of customer preferences, ultimately resulting in increased revenue. Lastly, most respondents described product differentiation including offering unique sauces and flavors as a practice that set them apart from competitors, creating a strong brand identity and customer loyalty. Overall, the study found that product innovation, modification, and differentiation are essential drivers of competitiveness in the fast-food industry.

5.3. Conclusion

In conclusion, this study has illuminated the intricate interplay of product differentiation, innovation, and modification in shaping and sustaining competitive advantage within the modern business landscape. The study shows that these three strategic elements are not mere isolated concepts but are interconnected pillars of a robust market presence. For instance product differentiation allows companies to distinguish themselves by tailoring products to meet unique customer needs, fostering brand loyalty and market recognition while product innovation infuses vitality into organizations, propelling them toward uncharted horizons and ensuring they remain relevant in the face of dynamic market dynamics. Moreover, ongoing product modification reflects adaptability, enabling firms to pivot swiftly and address evolving consumer preferences. The synergy between these factors creates a dynamic framework that strengthens market positioning and secures a loyal customer base.

The study is tandem with conclusions by Gitonga (2017) who found that product differentiation and modification are interrelated in that businesses often modify their products to achieve differentiation and by tailoring products to customer demands, businesses have been able to create a unique selling proposition, which enhances their competitiveness. Additionally, Zhou et al., (2009) conclusions that innovation is a means to achieve product differentiation for businesses seeking to stand out in the market, attract customers, and gain a competitive advantage concur with this study's conclusion. In summary, as we navigate an increasingly competitive and ever-changing landscape, it becomes evident that integrating the three strategies is essential for maintaining a sustainable competitive edge and achieving long-term success in the global marketplace.

5.4 Recommendations of the study

In today's dynamic business landscape, it's crucial for firms across various industries to heed a set of recommendations derived from the study. Firstly, firms must commit to constant market monitoring. An acute awareness of evolving consumer preferences, industry trends, and competitors' strategies enables timely adaptation and strategic decision-making. The study recommends that companies should nature of culture of innovation by investing in research and development to create unique, consumer-centric products. The ability to differentiate themselves in the market is essential for long-term competitiveness. Additionally, customization is key. Firms should consider offering flexible product options to cater to individual customer needs, thereby enhancing the customer experience and fostering loyalty.

The study also recommends that firms ought to firms should actively seek and incorporate customer input into product modifications and innovations, as understanding consumer desires and concerns is paramount. Additionally, embracing sustainability and ethical practices not only aligns firms with societal values but also enhances competitiveness. Social and environmental responsibility is an increasingly influential factor in consumer choices. The study also recommends that businesses should training employees which is fundamental to product development. A motivated workforce is a wellspring of creativity and proactive problem-solving.

Lastly, so as to gain a long-term competitive edge, businesses ought to continually assess competitors' strategies in product differentiation and innovation to respond effectively and maintain a competitive edge. Additionally, they should thoroughly evaluate potential risks associated with product modifications or innovations, developing strategies to mitigate them. While immediate results matter, firms should also maintain a forward-thinking perspective. Sustainability and long-term competitiveness depend on a strategic, forward-looking approach to product differentiation and innovation.

5.5 Implications for Policy

The implications of this study, which uncovered a significant relationship between product differentiation, innovation, and modification, and their impact on restaurant competitiveness, are multifaceted. Firstly, these findings underscore the fundamental importance of these strategies in promoting the competitiveness of businesses. It also highlights the necessity for restaurants to adapt to changing customer preferences and market dynamics. In a culinary landscape that is constantly evolving, these strategies allow restaurants to stay relevant, providing fresh and appealing offerings.

Moreover, embracing these strategies can foster brand loyalty. Customers are more likely to frequent restaurants that consistently introduce unique dishes, fostering a loyal customer base. Additionally, by streamlining operations and effectively managing resources, restaurants can operate more cost-effectively, contributing to their long-term competitiveness. Lastly, the findings suggest that innovation can be a means for market expansion. Therefore, restaurants that introduce new and distinctive products may find it easier to enter new markets and increase their market share. In conclusion, this study's results emphasize the interconnectedness of product differentiation, innovation, and modification in shaping restaurant competitiveness. Implementing these strategies thoughtfully can help restaurants and any other businesses to thrive in a dynamic and ever-changing industry.

5.6 Limitations of the Study

The limitations identified in this study have had a significant impact on the study. The resource and time constraints resulted in a narrower scope and limited data collection opportunities. Additionally, the challenges with returning questionnaires and reluctance to divulge sensitive information posed potential biases and data gaps. To address these limitations, efforts to streamline data collection methods, were used. This involved setting clear objectives for the processes, standardizing questions and conducting pilot testing to enhance data quality and participant engagement. Additionally, building trust and assuring confidentiality through transparent communication with participants was essential for the study. This was accomplished through presenting the introductory from the university and research permit from NACOSTI.

5.7 Suggestions for Further Research

Future research endeavors should consider examining the sustainability practices of fast-food chains in Nairobi, Kenya, and their impact on competitiveness as this is an emerging concern in the current business world and hasn’t been researched on deeply. Investigating the environmental and social responsibility initiatives undertaken by these chains can provide a holistic view of their strategic management. The study found the fast-food industry in Nairobi to be highly competitive, with numerous chains vying for market share. One crucial aspect that the study identified as having a positive impact on the competitive advantage of other organizations but was found to be less widely adopted by fast food chains is a commitment to sustainability, environmental responsibility, and social responsibility.

Additionally, exploring the influence of technological advancements, such as digital ordering platforms and delivery services, on competitiveness would be valuable. Lastly, comparative studies with other regions or international fast-food chains could offer broader insights into global best practices in strategic management for the fast-food industry. In light of the study's findings on the competitive landscape of fast-food chains in Nairobi, Kenya, it is evident that technological advancements, particularly digital ordering platforms and delivery services, play a pivotal role in shaping competitiveness. Furthermore, conducting comparative studies with other regions and international fast-food chains can provide invaluable insights into global best practices for strategic management in this industry.

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APPENDIX 1: QUESTIONNAIRE

Part A: General Information

1. Gender
    a) Male
    b) Female
2. Indicate your age.
3. Indicate highest level of education
    a) PhD
    b) Master's degree
    c) Bachelor's degree
4. Indicate the department you worked in
    a) Operations
    b) Finance
    c) Sales
5. Indicate period for which you have held the position: -
    a) Less than 7 years ()
    b) 7-15 Years ()
    c) Over 15 Years ()

Part B: Strategic management practices

1. Kindly respond to the following statements by indicating your level of agreement or disagreement on a 5 point Likert scale where 1=Strongly Disagree, 2=Disagree. 3=Neutral, 4=Agree and 5=Strongly Agree.

	1	2	3	4	5
We offer high quality and unique products compared to our competitors					
Providing unique products has increased our income					

The unique products have created value for consumers					
The unique products have given us a competitive advantage					
We have created brand loyalty among our customers through our exclusive products					
It concerns us when other businesses try to imitate us					
We have increased revenue growth through our unique products					

2. Kindly respond to the following statements by indicating your level of agreement or disagreement on a 5 point Likert scale where 1=Strongly Disagree, 2=Disagree. 3=Neutral, 4=Agree and 5=Strongly Agree.

	1	2	3	4	5
We offer a wide array of unique products to our customers					
New products increase customer attention towards our products					
We create brand loyalty through introduction of new products					
The diverse products offered by the business have given us a competitive advantage					
We have created brand loyalty among our customers through our exclusive products					
New products enables easy penetration into new markets					
Introduction of new products influence market share in the industry					

3. Kindly respond to the following statements by indicating your level of agreement or disagreement on a 5 point Likert scale where 1=Strongly Disagree, 2=Disagree. 3=Neutral, 4=Agree and 5=Strongly Agree.

	1	2	3	4	5
Product innovation has increased product Development					
Our innovations have brought about improved Product Quality					
The new innovation increase Customer Satisfaction					
Product innovation has increased Sales Volume					
Product innovation has increased Market Share					
Product innovation has increased Customer Loyalty					
Product innovation has increased Profitability					

Part C: Competitive advantage

1. Kindly respond to the following statements by indicating your level of agreement or disagreement on a 5 point Likert scale where 1=Strongly Disagree, 2=Disagree. 3=Neutral, 4=Agree and 5=Strongly Agree.

	1	2	3	4	5
Cost reductions has influenced the profitability of the business increasing the competitiveness of the firm					
focus on providing outstanding customer service influences the competitiveness of the firm					
Controlling quality of products/services influences the competitiveness of the firm					

Our brand name influences the market share we command which gives us a competitive advantage.					
We have a bigger market share than competitors in the industry					

APPENDIX 2: INTERVIEW GUIDE

a. Introduction

1. Briefly introduce yourself and your role within the company.
2. Are you familiar with the company's strategies related to product innovation, modification, and differentiation?
3. Please provide a brief overview of your fast-food company, including its history and market presence.

b. Competitiveness in the Fast-Food Industry

1. How does your company approach product innovation?
2. Could you share examples of recent product innovations introduced by your company?
3. What prompts your company to make modifications to existing products?
4. Can you provide examples of recent product modifications?
5. How does your company differentiate its products from competitors?
6. What key performance indicators (KPIs) or metrics does your company use to assess the success of product innovation, modification, and differentiation?
7. What challenges or obstacles have you encountered when implementing product innovation, modification, or differentiation?
8. How does your company address or overcome these challenges?

Thank you for your time and valuable insights.

APPENDIX 3: LIST OF FAST-FOOD RESTAURANTS

1. Mama Rocks Gourmet Burgers - The Alchemist
2. RocoMamas Nairobi - Village Market
3. Burger King
4. Galito's
5. McFrys
6. KFC
7. Joes Atlanta Wings
8. Marita's Bhajias
9. Subway
10. Diamond Plaza food court
11. Steers
12. Pomodoro
13. Domino's Pizza
14. Subway
15. Cafe Kareema
16. Greenview Restaurant
17. Debonairs Pizza
18. The Laughing Buddha at Kenrail
19. Maru Bhajia
20. The Shack
21. Big Square Lavington
22. Kukito
23. Slush Coffee World
24. StedMak Gardens
25. Mangrove Cafe
26. Mugg & Bean
27. Ethos Organic Vegan Restaurant & Café
28. Balkan Grill House
29. Peppercorn Restaurant
30. Flame Flavours
31. Tinas kithen
32. About Thyme
33. Mama Rocks Gourmet Burgers - Kilimani Branch
34. Urban Eatery
35. Nyama Mama
36. Tin Roof
37. Burger Hut Restaurant
38. Dominos Pizza-Koinange
39. The Karen Blixen Coffee Garden

40. The Alchemist
41. Abyssinia Restaurant
42. Muguga Green
43. J's Fresh Bar & Kitchen
44. MAMBO ITALIA WESTLANDS
45. My Maru's Bhajia Cafe
46. La Tasca Spanish Corner
47. Pallet Cafe
48. Harvest Restaurant
49. Level 24 Eatery
50. The Chicken Inn
51. Sushi Soo
52. Mugg and
53. 360 Degrees Pizza - ABC Place
54. POMODORO
55. Joes Atlanta wings
56. Take Eat Easy Maishani
57. The Kenyan Good Food Company Ltd
58. Jumia Food
59. Pizza Inn 680
60. Chandarana Foodplus
61. Pizza Inn
62. Nairobi tacos
63. Nairobi Street Kitchen
64. Kfc - The Junction Shopping Mall
65. Steers
66. Hardee's
67. Jakoni
68. The Shack - Nairobi West
69. Milan
70. Big Square Lavington
71. Greenview Restaurant
72. Wimpy Restaurant
73. Altona fish and chips
74. Sonford frish and chips
75. John and Jo's Fast Food
76. Metro Choice fast food
77. Latinos Fast Foods
78. Kenchic fast foods
79. Kukito Kimathi

80. Red Robin Fast Foods
81. Food Plaza
82. The Link Fast Foods
83. Burgerland Fast Foods
84. Metro Fast Foods
85. Olympia Fast Foods
86. Remos Evergreen Fast food
87. Dovey fry's
88. Najmi Fast Food
89. The Funcky Chicken
90. Galitos-Moi Avenue, Nairobi.
91. Shawarma Street
92. Samba saloon
93. Brioche coffee house
94. Sizzling grilz
95. Porkies restaurant
96. Asmara restraint
97. Chow party
98. Charlies bistro
99. Osteria