

DECLARATION

**A SURVEY OF STRATEGIC CHOICES MADE BY  
PUBLISHING FIRMS IN KENYA**

**BY**

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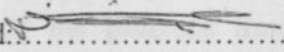
**A RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS OF THE  
DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION, UNIVERSITY OF NAIROBI**

**OCTOBER 2006**

# DECLARATION

## ACKNOWLEDGEMENT

This project is my own original work and has not been submitted for a degree in any other university

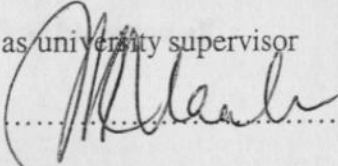
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## ACKNOWLEDGEMENT

I would like to express my gratitude to Mr Jackson Maalu for taking his precious time to support and guide me through my project. I would also like to thank the lecturers in the MBA program for imparting me with knowledge in Strategic Management.

I also express my sincere gratitude to my family, colleagues and fellow students for their support and encouragement during the course of my studies.

Lastly but not the least, I thank all the respondents to my questionnaire for their significant contribution to this project.

May God bless you all.

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## LIST OF ABBREVIATIONS AND ACRONYMS

APR	African Publishers Review Journal
APNET	African Publishers Network
ADEA	Association for Development of Education in
Af	
CEO	Chief Executive Officer
CD_ROM	Compact Disk Read Only Memory
DPI	Decision Processes International
ICT	Information Communication technology
IQ	Intelligence Quotient
Ke	Kenya
KIE	Kenya Institute of Education
KPA	Kenya Publishers Association
NARC	National Rainbow Coalition Political Party
NGO	Non Governmental Organization
SWOT	Strengths, weakness. Opportunities and
Threats	
PEST	Political, economical, social and technological

Publishing firms just like other business organizations must build defenses against competitive forces and position themselves strategically in the environment. The publishing industry like any other industry faces competitive forces such as threat of new entrants to the market, rivalry among competitors, presence of substitutes, bargaining power of suppliers, and technology sophistication. Organizations must therefore make strategic decisions that will not only cushion them against unforeseen circumstances but which will also create sustainable competitive advantages for the organization to thrive.

The research project was carried out through a census survey and targeted about 120 publishing firms in Kenya as recorded by Kenya Business Directory and appearing as registered members of the Kenya Publishers Association. It sought to establish strategic choices made by publishing firms in Kenya in a changing environment and determine the factors, which influence those strategic choices. Primary data was collected via questionnaires with both closed and open-ended questions. 78 firms responded out of 120 giving a response rate of 65%.

The study revealed that most companies were locally owned at 64 %, foreign owned at 36%, and both local and foreign owned at 18%. It further revealed that textbook publishing is the most preferred area of publishing with a proportion of 23.8%, it was closely followed by professional book publishing with a proportion of 20.3%, newspaper publishing 14.1%, novels and fiction 11.9%, religious books 10.7%, journals and magazines 10.7% in that order. The least preferred area of

## ABSTRACT

Publishing firms just like other business organizations must build defenses against competitive forces and position themselves strategically in the environment. The publishing industry like any other industry faces competitive forces such as threat of new entrants to the market, rivalry among competitors, presence of substitutes, bargaining power of suppliers, and technology sophistication. Organizations must therefore make strategic decisions that will not only cushion them against unforeseen circumstances but which will also create sustainable competitive advantage for the organization to thrive.

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The study revealed that most companies were locally owned at 64 %, foreign owned at 18%, and both locally and foreign owned at 18%. It further revealed that textbook publishing is the most preferred area of publishing with a proportion of 23.8%, it was closely followed by professional book publishing with a proportion of 20.3%, newspaper publishing 14.3%, novels and fiction 11.9%, religious books 10.7%, journals and magazines 10.7% in that order. The least preferred area of

publishing is the publishing of technical books with a proportion of 8.3%. It is evident that textbook publishing is the most profitable area of publishing.

It is evident from the findings of the study that market penetration strategy was established as the most preferred strategic choice amongst the publishers indicating a mean score of 4.3878, which implies a preference of a very large extent. Differentiation strategy ranked second with a mean score of 4.3306, implying a very large extent of preference. Other strategic choices in this category include market development strategy and focus strategy. The following factors highly influenced selection of strategy choices, essence of competitive advantage, current strategy, market tastes and preferences, technological advancement, competitive forces and government policies and decisions. These factors demonstrated a very large extent of influence on selection of strategic choices by the publishing firms.

# CHAPTER 1: INTRODUCTION

## 1.1 Background

Organizations of every type have found it necessary in recent years to engage in strategic management in order to achieve their corporate goals. The environments in which they operate have become not only increasingly uncertain but also more tightly interconnected. They are therefore required to think strategically as never before, need to translate their insight into effective strategies to cope with their changed circumstances and lastly, to develop rationales necessary to lay the groundwork for adopting and implementing strategies in this ever-changing environment (Bryson, 1995).

The strategic management process includes understanding the strategic position of an organization, strategic choices for the future and turning strategy into action. The strategic position is concerned with the impact of strategy on the external environment, internal resources, and competences, and the expectations and influence of stakeholders. Strategic choices involve understanding the underlying bases for future strategy at both the corporate and business unit levels and the options for developing strategy in terms of both the directions and methods of development (Johnson and Scholes, 2002)

It thus follows that the concept of strategy and the choices made thereof by organizations become central in the strategic management process. A basic model of strategic management includes strategic analysis, strategic choice and strategic implementation. Strategic analysis involves environmental

analysis, documenting expectation and purpose of the organization inquiring into organization's resources and capacities available from which to build strategic choice. Strategic choice deals with the determination of which among the many possible choices will be used in the implementation of its goals and objectives. It thus involves strategy evaluation and selection and a means of being able to apply decision criteria in a multitude of strategic settings including deliberate and emergent strategies. Strategic choices are based on strategic attractiveness, financial attractiveness, implementation difficulty, uncertainty, role and acceptability to stakeholders. Strategy implementation entails managing change, resource application, control, organizational structure and design among other variables (Ndiao, 2000; Johnson and Scholes, 1999; Grundy, 2004)

Firms, publishing companies included, have at their disposal a number of strategies from which they can choose the ones appropriate for them to implement as they pursue their long term strategic goals. Various strategic management scholars (Porter, 1980; Ansoff, 1987; Pearce and Robinson, 1997) have put forth these strategies, which have been put into practice and proven successful. Porter (1980) presents three generic strategies of overall cost leadership, differentiation, and focus; Ansoff (1987) discusses portfolio strategy through four alternative components of market penetration, market development, product development, and diversification; while Pearce and Robinson (1997) present these and additional other strategies- the grand strategies of innovation, horizontal integration, vertical integration, concentric

diversification, conglomerate diversification, turnaround strategy, divestiture, liquidation, joint ventures, and strategic alliances among others.

In trying to cope with competition and charting their way forward on their strategic paths, publishing firms can pursue a combination of these strategies. For instance, a firm can pursue one or more generic strategies combined one or more components of the portfolio strategy while at the same time pursuing one or more grand strategies. Each of these strategic choices, depending on the firm's unique characteristics, would make the firm achieve and sustain competitive advantage, become more effective and efficient, and maximize its long-term profitability.

### 1.1.1 Overview of the Kenyan Publishing Industry

Publishing firms just like all other organizations operate as open systems in the environment, they draw problems from the environment, process solutions and offer those solutions to the society. The firms will find it inevitable to engage in strategic management and more so choose their strategies in the most systematic and prudent way in order to position and relate themselves to their environments in a way which will assure their continued success and make them secure from surprises (Ansoff, 1990).

Chakava, (1996) points out that publishing is at the heart of every nation due to its impact on every socio-economic development activities of each country. The business of publishing is a process of communicating ideas, knowledge and visual images which greatly influences the way we think, perceive the



environment and even carry out solutions to the problems which confront us or the society. Publishing plays a great role in the provision of information, which makes people knowledgeable about issues, ideas, rights and obligations. The Oxford Dictionary defines publishing as “the business of issuing or exposing books, newspapers, music and engravings to public observation or public view as agents of authors or owners and their distribution to booksellers and other dealers or public”.

Rede et al (1974) sums up the importance of publishing books as “indispensable cornerstone in education and that a nation’s book industry in terms of national development planning. He remarked that indigenous publishing was now a definite factor in Africa and further growth was needed though many obstacles stand on the way for the growth such as the poor distribution network, absence of the general reading habits which tend to limit the area of profitable activity for publishers to educational publishing, the high price of materials leading to consequent high prices in books and the lack of support from governments and lack of interest on the part of entrepreneurs in investing in publishing.

The African Publishing Review Journal (2004) highlights that an ideal publishing sector is one in which people of all roles and cultural persuasion have the space to participate in various aspects of book sector, a sector where the knowledge pool is enriched by the diversity of the librarian that is available and where the population indulges in reading beyond reading for instruction purposes in institutions of learning.

African Publishing Network (Apnet) observe that 95% of publishing in Africa is education publishing on the book market and remark that the health of a publishing sector and the country's reading level is determined better by the general publishing. In the Apnet's submission to the World Bank in February 2003, the bank was encouraged to direct its effort at general books and stated that education publishing, state tenders business, and the World Bank programs can indeed harm trade publishing industry by killing off stock of general books in bookshops. Apnet concluded that trade-publishing sector provides the creative space that publishers and authors need because it is not constrained by prescriptions of curriculum. In conclusion, the research alone by Apnet and ADEA in 2000 indicates that education publishing sector in Europe averaged 35%, trade publishing 65%, while in Africa education publishing accounts for 95% while trade publishing accounts for 5%.

Chakava (1996) traces the history of publishing in Kenya to pre-independence times when there were only three publishing firms joined by multinational publishers such as Longman and Oxford University Press from United Kingdom. Small indigenous publishers were set up after the Second World War (in the 1950s) by nationalists such as Henry Muoria, Gakaara Wa Wanjau who produced pamphlets to sensitize the African People on the freedom movement. The 1960's saw the influx of foreign and local publishers such as Heinemann, Cassell, Macmillan, Nelson, Evans, Longman, Oxford University Press and Cambridge University press and this created rivalry and intense competition in the publishing industry in Kenya (Nyariki 1996). The

government created Jomo Kenyatta foundation to publish materials produced by Kenya Institute of Education, which was set up in 1964 to develop curriculum for schools reflecting changed priorities of the newly independent state. At independence the publishing firms were charged with responsibility of drawing up new syllabi reflecting the changed priorities of a newly independent state.

The publishing industry faced serious challenge in 1970s. It was a very turbulent period for publishers in Kenya due to a government policy to enact Kenya School Equipment Scheme a body that was to buy books centrally mostly from government parastatals and distribute them to Kenya primary schools. This led to the collapse of many publishing firms such as Longman, Collins, Pitmans, Cambridge and Welsons and other publishers who survived retrenched their workers due to this change. The 1980s saw the establishment of the 8.4.4. system of education which brought new demand for books and due to the logistical problems of distribution of books. This period saw the collapse of Kenya School Equipment Scheme and the mushrooming of many publishers and booksellers.

According to the Kenya investors' guide, the government policy is geared towards the provision of free primary universal education. This is in line with the United Nations millennium goal of countries achieving free primary universal education by 2015. Priority is given to access to basic primary education including special education. This creates a strategic market for most educational publishers since already over 90% of Kenya's publishing market

is text book orientated towards meeting demand of textbooks in primary secondary and tertiary markets.

It also evident that like any industry, publishing is greatly influenced by the

The world bank report number 25-651, Kenya planned to spend Kshs. 11 billion in 2003/2004, Kshs. 14 billion in 2004/2005 and 14 billion in 2005/06 for purchase of textbooks and other instructional materials. The World Bank report lists about 17,750 public primary schools in Kenya with enrolment of over 7.2 million to benefit through the free primary education program. There are also over 3,700 public secondary schools in Kenya and over 13 universities public and private universities. Nyariki (1996) lists the factors affecting the book industry in Kenya as: inhibiting government policies; the burden of the 8.4.4. system of education; the monopoly of state publishing; however diminishing, lack of national book policy; illiteracy, poverty and; lack of finances to booksellers and publishers as well as some infrastructural problems.

The current phase in publishing was brought about by change in the Kenyan political arena 2002 when the new NARC administration declared a free primary education programme in Kenyan public primary schools hence creating a huge demand for books for the over 7.2 million primary school pupils and the government pledged to spend over Kshs. 14 billion in 2004/05 (world bank report No. 25651, ke). During these different phases in the book industry publishers were faced with different opportunities to take up strategic choices which would ensure their survival at each different phase.

It is thus evident that publishing firms in Kenya have undergone different phases of turbulent environments right from the pre-independent days to date. It also evident that like any industry, publishing is greatly influenced by the prevailing environmental circumstances and the way publishers respond to the environment is of strategic importance to the survival of their organizations. Ndiao (2001) suggests that in the complex task of successfully managing organizations, investing in strategic thinking is likely to pay off handsomely. Pearce and Robinson (1997) point out that strategic options/choices result from a simultaneous assessment of the external environment and the company's profile to identify a range of possible attractive interactive opportunities. These opportunities avail possible avenues for investment and must be screened through the criterion of the company mission and objectives to generate a set of possible and desired opportunities.

Publishing firms must align their resources and capability to the choice of strategy selected. They must develop a strategic fit situation within the company's resources and the strategy selected. The target markets in publishing in Kenya include the general public for books, journals and newspapers, primary schools, secondary schools, universities, nursery and pre-unit schools, churches and religious organizations, government offices and the professional bodies/organizations and Institutions. The company's choice to enter into any of the above markets depends on its choice among alternatives generated by strength, weaknesses, threat and opportunity analysis. This identifies strategic options/choices that align, fit or match a company's

resources and capabilities to the demands of the environment in which it operates.

The publishing firm has to evaluate alternatives against each other with respect to their ability to achieve major goals. The choices (alternatives) made encompass business level, functional and corporate as well as global strategies. The process of strategic choice (alternative avenues) requires the organization to identify the set of business level, functional level, corporate level and global strategies that would best enable it to survive and prosper in the fast changing competitive environment. A survey into the strategic choices in the face of the environmental challenges will shed light on the industry practices and options generally adopted by the publishing firms in Kenya forms the subject of this study.

The African Publishing Review (2004) points out that despite advances in some areas, the publishing environment in Africa, hence in Kenya, is perhaps even more unfavorable than it was twenty five years ago. The World Bank inspired structural adjustment policies of the 1980's not only deepened the poverty of the poor and vulnerable communities across the continent through the market liberalization and elimination of social programs, they dramatically reduced access to books by cut-backs to library expenditures and added to the fact that libraries are the banks where books as capital are most productively invested for private and public use and for profit, this affected the trade in publishing firms.

### 1.1.2 The Role of Government in Publishing

The legal deposit Act is an Act of parliament to make provision for the registration and the deposit of books and newspapers. Authors, publishers and printers and anybody who undertakes literary work are legally required to submit to the director, Kenya National Library Services, two copies of their publications in the prescribed form containing the presented particulars within 14 days of production. All copies of the book delivered shall be copies of the whole books, with all maps, prints and illustrations, finished and coloured in the same manner as in the best copies of

The government established the Kenya Institute of Education and mandated it to undertake appropriate research activities leading to preparation of relevant curriculum materials, provision of appropriate teaching aids, apparatus and equipment for use in schools, teachers colleges and other educational Institutions (Kisembe 2000).

K.I.E is mandated to provide advisory service to the ministry of education science and technology on matters relating to school syllabus and textbook publishing. It also does the vetting and recommending textbooks as recommend course books by the Ministry of Education, Science and technology as course books for either primary schools or secondary schools.

## 1.2 Statement of the Problem

Chege (1978) indicated that the publishing sector is the fifteenth in rank in the manufacturing sector in Kenya. Publishing has been undergoing a series of changes worldwide. In modern day, publishing falls into various categories: newspaper, magazines, general books, and textbooks. Chakava (2000) states that the Kenyan publishing industry is the most developed in the East African region. Potter (1990) states that Newspaper publishing is more commercial and characterized by profit maximization. The Journals and Magazines publishing sector is still developing, while textbook publishing is regulated by reforms in the education sector.

The publishing industry has faced serious challenges over the years. According to Nyariki et al (1996) the government policy to enact Kenya School Equipment Scheme a body that was to buy books centrally mostly from the state publishing firms and distribute them to Kenya primary schools among other factors led to the collapse of many publishing firms such as Longman, Collins, Pitman's, Cambridge and Nelsons. The publishing firms which survived retrenched their workers. The establishment of the 8.4.4 system of education brought new demand for books and due to the logistical problems of distribution of books, the Kenya School Equipment Scheme collapsed and many publishers and booksellers mushroomed over time. Such forces as government policies have prompted turbulence in the Kenyan environment, liberalization of the economy and the education sector, creation of state publishing monopolies and technological developments among other forces. These forces led the collapse of other publishing firms such as Kenya



Book publishing and Marketing K ltd among others. These have opened up the market to increased competition, meaning that the players in the industry have to make their strategic choices prudently in order to ensure their survival and competitiveness in the industry.

According to Kenya Publishers Association (2003), state publishers, local ventures, and international companies dominate the local publishing industry. The publishing industry has over 120 registered firms according to the Kenya Business on Directory who are active players in the Kenyan market. This therefore implies that competition is intense and severe amongst the 120 members who are fighting for the Kenyan market. Strategic choices, therefore, become paramount for the firms due to a number of varied reasons. Among them would be to choose strategies which will steer them towards creating value for stakeholders, satisfying the needs of the various customers effectively and efficiently, satisfying the expectations of corporate parents (for foreign owned subsidiaries), and making decisions on which products and markets to be developed or otherwise. The choices made will, to a greater extent determine the firms' long-term profitability and sustainability.

The selection of suitable strategic choices enables a firm to position itself in the environment to achieve a strategic fit situation and secure it for the future. Lynch R (2000) states that the main purpose for developing strategic choices is to add value and create sustainable competitive advantage for an organization. A selection of unsuitable strategic choices may lead to poor

performance of the organization and or an eventual demise of the organization if remedial decisions are not made in time to correct the situation.

Local studies done in the publishing sector (Oriwo, 2004; Olotch, 2002) have had a marketing orientation and focusing on the marketing strategies adopted by the publishers. Oriwo studied the adoption of advertising strategy by textbook publishers while Olotch looked at direct marketing strategy adopted at the bookshop level. Other studies done on strategic choices have focussed on other sectors of the economy outside the publishing industry. Maru (2004) studied Strategic choices on a changing environment ,the case study of the Kenya Micro finance institutions while Nindamutsa(2004) studied the strategic choices made by faith based NGOS in Nairobi. None of these studies looked at strategic choices available to the publishers and the decisions they make based on the choices available. This study takes a significant shift to the overall area of strategy to look at the strategic choices made by the various publishers from manuscript solicitation, development, production, up to and including sales, marketing and distribution. It will thus seek to answer the questions:

1. What are the strategic choices made by the various publishers in a bid to survive and remain competitive?
2. What are the factors that influence the choice of strategies made by the various publishers in Kenya?

### 1.3 Objectives of the Study

The study sought to achieve two objectives:

- (a) Establish the strategic choices made by publishing companies in the face of Changing environment.
- (b) Determine the factors that influence the strategic choices made by the publishing companies in Kenya.

### 1.4 Significance of the Study

The Kenyan book industry is beset by an acute shortage of information related to the industry practices and norms. These problems require a well-structured strategic responses in order to know how the firms choose their strategic options in face of stiff competition, changing government policies, new technologies and market forces.

The study is of significance to the management of publishing firms in establishing the strategic options, which are highly preferred by most industry players and whether most managers believe that these options have ensured the success of the companies they manage. The study adds value to the body of knowledge of strategic management as to how it is applied in the publishing industry in Kenya. In brief therefore:

- (i) Future scholars can use this research as a basis of further research in the area.
- (ii) Findings of the study may help resolve some of the questions about how publishers tackle the problem of strategic choice.

- (iii) Corporate managers in publishing firms will appreciate the role of strategic choice in positioning the organizations in the environment.

Strategy is a multi-dimensional concept and various authors have defined strategy in different ways. Chandler (1962), for strategy and structure, calls strategy "1. the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and allocation of resources necessary for carrying out these goals". According to Ansoff (1965), the concept of strategy is "the firm's business and the compass (head) which is steered it through the use of product-market scope. Andrews (1971), defines strategy in terms of corporate strategy as the pattern of major objectives, business, or goals and essential policies and plans for achieving those goals.

Strategy is the match between an organization's resources and skills and the environmental opportunities and risks it faces and the purpose it wishes to accomplish (Hifer 1978). It is meant to provide guidance and direction for activities of the organization, since strategic decisions influence the way organizations respond to their environment, the purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Schneef and Hifer 1978). Webb (1989), defines strategy as: the process of deciding a future course for a business and so organizing and executing that course as to attempt to bring about the future course.

## CHAPTER 2: LITERATURE REVIEW

### 2.1 The Concept of Strategy

Strategy is a multi-dimensional concept and various authors have defined strategy in different ways. Chandler (1962), in *strategy and structure*, calls strategy "... the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and allocation of resources necessary for carrying out these goals". According to Ansoff (1965), the concept of strategy is the firm's business and the common thread, which is arrived at through the use of product-market scope. Andrews (1971), defines strategy in terms of corporate strategy as the pattern of major objectives, purposes, or goals and essential policies and plans for achieving those goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be.

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By the concept of strategy, we mean its content and substance. Hax and Majluf (1996) have presented strategy as a multidimensional concept that embraces all the critical activities of the firm, providing it with a sense of unity, direction, and purposes, as well as facilitating the necessary changes induced by its environment. They provide a unified definition of the concept of strategy as: a means of establishing the organizational purpose in terms of its long-term objectives, action programs, and resource allocation; a definition of the competitive domain of the firm; a response to external opportunities and threats, and internal strengths and weaknesses, in order to achieve a sustainable competitive advantage; a way to define managerial tasks with corporate, business, and functional perspectives; a coherent, unifying, and integrative pattern of decisions; a definition of the economic and non-economic contribution the firm intends to make to its stakeholders; an expression of strategic intent: stretching the organization; a means to develop the core competencies of the organization; and as a means of investing in tangible and intangible resources to develop the capabilities that assure a sustainable advantage.

Mintzberg (1994) defines strategy as a pattern in a stream of decisions and actions. He defines strategy as a plan, ploy, pattern, position, and perspective. It is the direction and scope of an organization over the long-term, which achieves advantage for the organization through its configuration of resources within a changing environment and to fulfil stakeholders' expectations Johnson and Scholes (2002). Nindamutsa (2004) in her study on strategic

choices made by faith based NGOS in Nairobi concluded that the best strategic choice is that which helps the organisation to be sustainable and grow.

Maru (2004) notes that most micro finance institutions in Kenya were more comfortable choosing or adopting strategies that build on institutional memory rather than those which require investment in innovative procedures and concludes that the strategic choices chosen tend to achieve results in the short term and lack momentum in the long run. Ndiao (2001) in his study on factors influencing strategic choices in the NGO Relief and Development organizations in Kenya concluded that strategy selection is influenced more by managerial characteristics where young managers undertake more risky long term and complex programs. He also established that the strategy types selected were found more sensitive to managerial characteristics in starting new programmes, in strategies of growth and in acquiring more capacity and gaining competitive advantage.

## 2.2 STRATEGIC CHOICES.

Strategic management involves three broad considerations: strategic analysis, strategic choice, and strategy implementation. After strategic analysis through such techniques as SWOT, PEST (EL), Value Chain (VC) analysis as well as Porter's Five forces Model the organization then chooses its strategic position. Strategic choice includes identifying bases of strategic options to determine the strategic direction. The bases arise from an understanding of stakeholder expectations and influence (Johnson and Scholes, 2002).

Strategy choices are concerned with decisions about an organization's future and the way in which it needs to respond to many pressures and influences from the environment. In turn, the consideration of future strategies must be mindful of the realities of translating strategy into action, which can be significant constraints on strategic choice. Executives make decisions about how they will develop these strategies in terms of products and markets they might develop, does it make sense to launch new products, enter new markets and should this be done through organic development, alliances, or mergers and acquisitions.

Porter (1955) came up with the model of Generic Strategies with postulations that most fundamental choices facing any business are the scope of the markets it attempts to serve and how it attempts to compete in the chosen markets. He argues that the scope can be broad, tackling the whole market or narrow tackling only a particular of the market.

Porter (1995) also points out that companies can achieve competitive advantage by either having the lowest product cost leadership or by having differentiated products. He notes that if the scope is narrow, the distinction between cost and differentiation strategies may become unimportant and/or irrelevant. A third option according to Michael Porter is the focus strategy which is a combination of low cost leadership and differentiation but implies a difference in target market. He however cautions that the worst strategic choice is to be stuck in the middle i.e. being muddled in either low cost leadership and or differentiation strategy.



However, Lynch (2000) points out certain limitations of the porter's generic strategies. He argues that low cost leadership assumes that technology is relatively predictable if changing and there are chances that radical change can alter the cost positions of actual and potential competitors that the concept may have only limited relevance in fast changing high technology markets. He also argues that cost reduction only lead to competitive advantage when customers are able to make comparisons. He points out that any differentiation may not lend itself high prices. Lynch instead introduces the resource based view of the firm and argues that options based on uniqueness of the company rather than the characteristics of the industry are more likely to prove useful in developing competitive strategy. He, however, concludes that generic strategies still represent a useful starting point in developing strategic options.

Hofer and Schendel (1979) state that for an organization to be both effective and efficient, there will be four components to any of its strategy. They name scope i.e. the extent of the organization's present and planned interactions with its environment; resource deployment; competitive advantage; and synergy i.e. the joint effects between an organization's operations as an aspect strategy that is considered before any strategic decision is completed (Ndiao 2001).

Johnson and Scholes (2002) postulate that strategic choices are preceded by a thorough knowledge of the impact of the external environment, internal resources and competencies and the expectations and influence of

stakeholders. He points out that the organization exists in the context of a complex commercial, political, economic social, technological, environmental and legal world and there is great need to form a view of the key influences on the present and future well being of the organization.

Competencies and resources create strength or weaknesses for the organization, which influence the formation of the view of a competitive advantage or disadvantage of an organization. Johnson and Scholes (2002) also point out the issue of corporate governance as critical to strategic positioning and choice. They ask, "who should the organization primarily serve and how should managers be held responsible for this? They argue that the expectations of different stakeholders affect purpose and what will be seen as acceptable in terms of strategies advocated by management and which view prevails will depend on which group has the greatest power. The understanding of this helps in recognizing why organizations follow the strategy they do.

Pearce and Robinson (1997) postulate that strategic choice centers around identifying strategies that are most effective at building sustainable competitive advantage based on value chain activities and capabilities. This correlates with Johnson and Scholes (2002) view that corporate level strategic choices made at corporate parents "can create value and point to the fact that they should be able to exercise better control and be more efficient at resource allocation than financial markets would if the businesses operated independently." Johnson and Scholes (2002).

Andrews (1971) first identified the importance of connecting the organizations mission and objectives with its strategic options and subsequent activities. He argues that rationally, there is interdependence of purposes, policies, and organized action is crucial to the particularity of an individual strategy and its opportunity to identify competitive advantage. A SWOT analysis enhances the quality of developing strategic options in the sense that: It relates strength and weaknesses to critical success factors; Strengths and weaknesses are stated in competitive terms and relates to doing business better than competitors; and It points out where the company wishes to be and where it is now.

Porter (1980) notes that every business needs to choose strategies in order to compete in the market place to gain sustainable competitive advantage. He further argues that there are only two sources of competitive advantage which are the differentiation of products from competitors and low costs and the competitive scope of target customers. To allow low cost leadership an organization will place the emphasis on cost reduction at every point in its processes.

For differentiation to take place, the firm must incur extra costs. The producer of differentiated products derives an advantage from its pricing. Focus strategy applies when a firm targets a specific niche in the market place and develops its competitive advantage by offering products for that niche.

### 2.3 Strategy Choices at Different Levels

Cultural influences both external and internal influence the strategy an organization follows. Johnson and Scholes (2002) came up with three categories of strategy choices: corporate level, business level, and functional level strategies and the direction and method of strategy development and pointed out that strategy choices involves understanding the underlying bases for future strategy at both the corporate and business level and the options for developing strategy in terms of both the directions in which strategy might move and the methods of development.

### 2.4 Corporate Level Strategy Choices

The corporate is concerned with the scope of an organization's strategies and the relationship between the separate parts of the business and how the corporate centre adds value to these various parts. The corporate centre could add value by looking for synergies between business units and by channelling resources to these units. The corporate centres have claimed to add value through improving efficiency, through scale advantages from resource sharing, providing investment, fostering innovation, through the management of knowledge creation processes and mitigating risks which smaller units inevitably run and easing the problems created by the variety and variability of demands from customers.

Thompson and Strickland (2003) argue that strategic choices at corporate level includes concentration on single business, vertical and horizontal diversification, abandonment, divesture and liquidation strategies, turn around,

retrenchment and portfolio restructuring strategies as key concerns of corporate strategies. They however note that even shrewd corporate diversification strategy can result in the acquisition of business that down the road just does not work out. They argue that corporate turnaround; retrenchment; and portfolio-restructuring strategies come into play when senior management undertakes to restore an ailing corporate business portfolio to good health.

The turn around strategies depends on the roots of poor profitability and the urgency of the crisis and can be addressed through a set of six action approaches: Concentration on restoring profitability; Implementation of harvest strategies in poorly performing units; Institute across – the board economies of scale in all business units; Revamp the composition of business portfolio; Replace key management personnel; and Launch sales and profit improvement programmes. The whole of corporate strategy analysis points towards determining whether the aggregate performance of the businesses in the portfolio can be expected to achieve corporate performance objectives and if not what kinds of corporate strategy choices can be devised to close the performance gap.

Thompson and Strickland (2003) highlight five basic types of actions top management can take to reduce or close the gap between establishing objectives and projected performance: Alter the strategic plans for some of the businesses in the portfolio. They argue that squeezing out better short-term performance if pursued too zealously can impair long term performance; Add

new business units to the corporate portfolio; Delete weak performing or money losing business from the corporate portfolio; Join forces with other groups to try to alter conditions responsible for sub par performance potentials concerted actions with rival firms, trade associations, suppliers, unions, customers may help ameliorate adverse performance aspects; and Reduce corporate performance objectives when adverse economic circumstances occur or when declining fortunate in one or more businesses render corporate objectives unreachable. Therefore, corporate executives have to take decisions about which businesses it makes sense to have in their portfolio and how they can add more values to those businesses in comparison to other corporation who might seek to own them.

## 2.5 Business Level Strategy Choices

The business level strategy choices are critical in the management of any enterprise because they contribute to bases for competitive advantage. In both the public and commercial enterprises the competitive advantage is created by the way the organization chooses to sustain quality of its services or products hence providing the customer with "the best value". Johnson and Scholes (2002) highlight bases of strategic choice at business level as: the environmental forces; organizational capabilities; expectation; price based strategies; differentiation strategies; and sustenance of low priced advantage and advantage through differentiation. They note that strategic choices in this category concern specific options such as direction e.g. new products, new markets and new method e.g. internal development, merger/acquisition, joint development and strategic alliances

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Portoff (1987) has provided directions for strategic development and options. The competitive advantage is created when a firm offers products to its customers better than competitors and in ways, which their competitors find difficult to imitate. The long-term concern for the business level strategic choices is their ability to be sustainable. Johnson and Scholes conclude by remarking that core competencies on which successful strategies are based are more likely to be durable in the sense of being difficult for others to imitate if they are rare, complex, casually ambiguous or culturally embedded. The directions and methods of development strategic choices address three key issues: What directions and methods of development are available to organizations; Why some directions and methods might be more preferred than others; and Why some directions and methods might succeed better than others.

Johnson and Scholes (2002) argue that the survival and success of the organizations are influenced by their ability to respond to the competing pressures from the business environment, the strategic capability of an organization both resources, competencies, cultural and political context forms the expectations and purposes. These pressures shape strategic choices through: Environmental based motives i.e. fitting new strategies to a changing business environment; Resource based motives i.e. stretching and exploiting the competencies of an organization; and Expectations base motives i.e. meeting the expectations created by the regulations and governance framework, powerful stakeholders, ethical considerations and culture.



Ansoff (1987) has provided directions for strategic development and options available to firms such as market coverage, products, competence base and expectations as highlighted below:

**Table 2.1** Current Products New Products

Existing Markets	<b>Market penetration</b>	<b>Product development</b>
New Markets	<b>Market Development</b>	<b>Diversification</b>

*Adopted from Ansoff (1987), Corporate Strategy pg. 109*

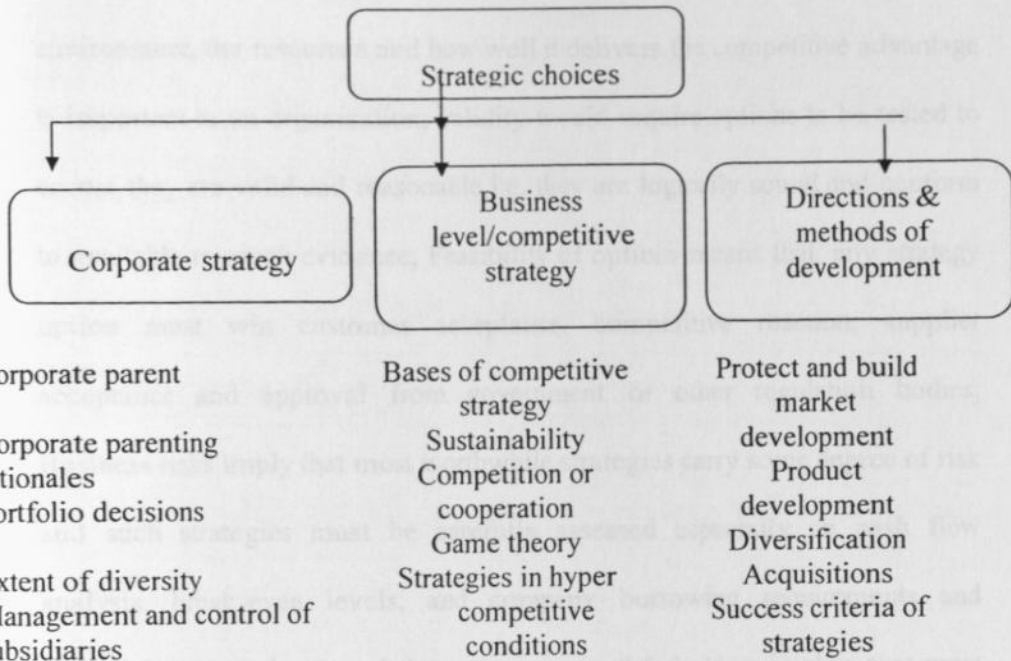
Business level executives must take decisions about how to satisfy the expectations of their corporate parents whilst also satisfying the needs of customers or users and how they can do this better than competition. In both levels of strategic choice, the methods of strategic development fall into three categories, which include internal development, acquisition (disposal) and joint development (strategic alliances).

Internal development involves developing strategies by building up an organization's own resource base and competencies. In fast moving environments an organization needs to have competence in the processes of knowledge creation, and integration and in their absence the competencies can be obtained by acquisition or strategic alliances with other organizations. A compelling reason to develop by acquisition is the speed with which it allows the company to enter new products or market areas.

Most firms see opportunities of obtaining materials, skills, innovation, finances or access to markets through strategic alliances. This method facilitates a critical strategic choice of most publishers in the country most of whom have entered into strategic alliances with others to achieve the above stated goals. Most publishers are multinational companies which largely draw their innovations and success through the joint synergies of the core competencies of the strategic partners most of whom located in different parts of the world and drawing a global wealth of experience and ideas in different markets and cultures. The common themes in the choices that have to be made to do with satisfying expectations of stakeholders by creating value in the context of actual or potential competition have been proposed by Johnson and Scholes (2002) in the Model of Strategy Choices presented overleaf.

Lynch argues that logic and evidence are paramount in choosing between the options. The content of selected strategic option needs to be evaluated for their contribution to the organization. The main purpose of developing a strategic option is to add value and develop a sustainable competitive advantage for the organization. There are six main criteria for developing strategic options. They are: Consistency with mission objectives; Suitability; Validity; Feasibility of options; Business risks; and Attractiveness to stakeholders.

Consistency with mission objectives means that a prime test of any option has to be its consistency with such a reason for its existence (i.e. the organization's mission and objectives). Suitability implies that certain options may be more



**Figure 2.1** Model of Strategy Choices, Source: Johnson and Scholes (2002), *Exploring Corporate Strategy*, pg 264.

### Criteria of Developing Strategic Options

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Consistency with mission objectives means that a prime test of any option has to be its consistency with such a reason for its existence i.e. the organization's mission and objectives; Suitability implies that certain options may be more

suitable for the organization than others. How well an option matches the environment, the resources and how well it delivers the competitive advantage is important to an organization; validity would require options to be tested to ensure they are valid and reasonable i.e. they are logically sound and conform to available research evidence; Feasibility of options means that any strategy option must win customer acceptance, competitive reaction, supplier acceptance and approval from government or other regulation bodies; Business risks imply that most worthwhile strategies carry some degree of risk and such strategies must be carefully assessed especially on cash flow analysis, break-even levels, and company borrowing requirements and financial ratio analysis; and Attractiveness to stakeholders implies that most stakeholders are generally concerned/interested in strategic options that an organization has under consideration because they will affect them in one way or the other and need to prioritize stakeholders' interests in order to gauge the attractiveness of the developed strategic options.

Grundy (2003) highlights choice or option as a means of being able to apply decision criteria in a multitude of strategic settings including deliberate and emergent strategies. The criteria for strategic decision-making are dispersed throughout many strategy books with tests of "sustainability", feasibility or fit being used. Options can be based on strategic attractiveness, financial attractiveness, implementation difficulty, uncertainty, and risk and acceptability to stakeholders according to strategic option grid. (Grundy, 2003).

**Table 2.2** *Strategic Option Grid, Grundy 2003.*

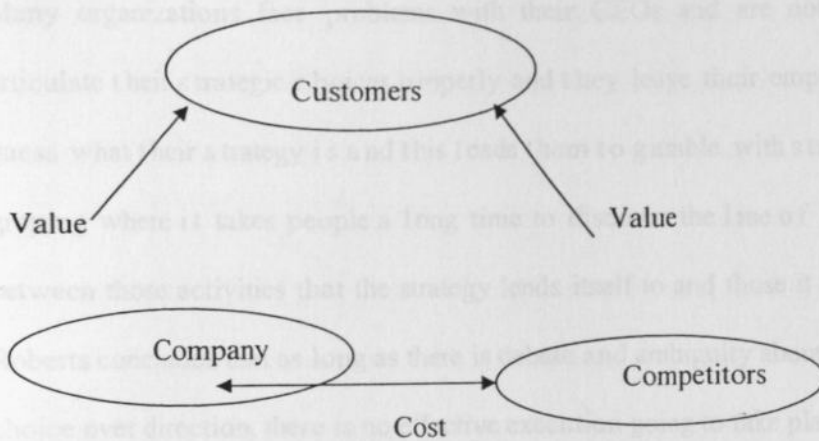
Criteria/option	Option 1	Option 2	Option 3	Option 4
Strategic attractiveness				
Financial attractiveness				
Implementation difficulty				
Uncertainty and risk				
Acceptability to stakeholders				

This strategic option grid has been used by Diageo, Ford, HSBC, Microsoft, Nokia Standard Life, Tesco.

These options are based on highly attractive, moderately attractive and less attractive and then points can be awarded. The scores should be checked against the following techniques: Strategic attractiveness (PEST Factors, Porter's Five Forces, Growth Drivers); Financial attractiveness (Grundy/Ohmaes/Porter's competitive advantage); Implementation Difficulty (Force Field Analysis); Uncertainty and Risk (Key Assumptions (Mitroff)); Stakeholders' Acceptability (Stakeholder Positioning (Piercy)).

Ohmae (1982) starts from a straightforward view of a strategic triangle of company's customers and competitors. The company and its competitors are competing on both cost and value in offering a product or service to customers. The pool of customers is fragmented so that the total market is divided between separate competitors. He outlines three basic strategies for attaining competitive advantage: Intensifying functional differentiation; Building on relative superiority; and Pursuing aggressive initiatives.

### The strategic triangle



**Figure 2.2 The Strategic Triangle. Source: Ohmae, *The Mind of the Strategist*, McGraw – Hill (1982).**

### 2.7 Factors Influencing Strategy Choices

Ndiao (2001) lists leadership, organizational structure, ethics, and availability of resources, management, culture, organization mission and external environmental factors as key contributors to strategic choice. Along side these key factors, other important factors such as the influence of current strategy, the degree of the firms dependence on external environment, the managers' attitude towards risk, changing the rules of the game which ensures sustainability and competitive advantage of the organization, the essence of competitive advantage, power, reaction of competitors to new strategy, and information technology are critical in the determination of strategic choices by firms.

Roberts (1998), after interviewing over 3,000 CEOs all over the world, found out that most companies are operationally competent but strategically

deficient. In other words, most companies lack the skills to come up with strategic choices which ensure the competitive advantage of the corporation. Many organizations face problems with their CEOs and are not able to articulate their strategic choices properly and they leave their employees to guess what their strategy is and this leads them to gamble with strategy by groping where it takes people a long time to discover the line of boundary between those activities that the strategy lends itself to and those it does not. Roberts concludes that as long as there is debate and ambiguity about strategic choice over direction, there is no effective execution going to take place.

Current Strategy would influence the new strategy because strategies are often the architects of past strategies and they are logically comfortable with a choice that closely parallels or involve only incremental alterations to the current strategy. Research by Mintzberg suggests that past strategy strongly influences current strategic choice. Most firms replace top executives where performance is inadequate because relying on these executives lessens the influence of unsuccessful past strategy on future strategic choice.

If a firm is highly dependent on one or more environmental elements, its strategic alternatives and its ultimate strategic choice must accommodate that dependence. The greater a firm's external dependence, the lower is its range and flexibility in strategic choice. Most firms like Kenya Airways and KLM continually partner to share information improve and integrate products and process designs and development in order to position themselves against the challenges posed by external dependence.

Managers' attitudes towards risk greatly influence on strategy choices. Where attitudes favor risk, the range of strategic choices expands and high-risk strategies are desirable but where management is risk avoiding the range of strategic choices is limited.

On changing the rules of the game, Roberts (1998) came up with a model to guide on strategic choice of any company, which he named the strategic IQ in his book "The power of strategic thinking"- Decision Processes International (DPI) strategic thinking process. He gives the example of the Toyota the founder of Toyota car manufacturer whose story is best told by the Massachusetts Institute of Technology in "The machine that changed the world". Toyota after studying the Ford and General Motors system of designing to produce cars on a vertically integrated basis, and on one assembly line, the same model of car over and over again decided that a mass production was not suitable. He then set out to reinvent the production system and came up with a manufacturing process that came to be known as "Toyota production process" and that has been emulated by Japanese Companies. The Toyota process assembles several different models on the same production line without having to make time-consuming expensive changeovers. This Mr. Toyota found a way to change the rules of the game and this system has been the root success of the Toyota's 40 years winning battle plan.

Craig McLaw's changed the rules of the play in the telecommunications industry by choosing to utilize a new technology called Cellular which



initially had been developed by AT&T instead of using the copper wires. While AT&T went about defending the copper wire network, Mclaw built a nationwide wireless network that almost brought AT&T to its knees. And although AT&T bought Mclaw, Mclaw went ahead to develop a network of low-orbiting satellites connected to wireless handsets offered by Nextel.

Roberts concludes that a turnabout demonstrates that a competitor can be so successful in changing the rules that an entire industry may feel threatened enough to convert to the new way of playing the game. If the company that is in the midst of radically changing the rules of play in an industry that has much change in a long time is Amazon.com. The revolution it is bringing to book retailing industry is giving fits to Borders and Barnes and Noble. By selling books over the Internet, Amazon.com has found a way to fit playing field to its advantage while putting its two major competitors in a very awkward position. While Barnes and Noble offers 200,000 titles in some of its stores, Amazon offers 3 million. Amazon can sell to anyone anywhere in the world anytime while Barnes and Noble have 27,000 employees in all its stores, Amazon has only 1,600. This has forced Barnes and Noble to rethink its strategy and build its internet selling methods.

The reason behind changing the rules of the play is that significant shifts in market share do not occur by limiting a competitor's strategy, rather significant shifts in market share occur only by going at the very essence of a competitor's strategy and changing the rules of play. When you change the rule of play, you force your competitors to make every agonizing change in

the manner in which they conduct their business and often they cannot bring themselves to make those changes. In other words, your competitors are paralyzed because you have neutralized their strategy.

Roberts (1998) notes that the essence of competitive advantage in an organization is created by the kind of thinking that goes on in the heads of CEOs and the key people around them as they attempt to transform their vision into a profile or picture of what the company will look like at some point in future and would put this as a target for all their plans and decisions. Ideas that fit inside the “frame” of the profile can be pursued and those not fitting abandoned. That profile or picture becomes the filter for all the organizations’ plans and decisions.

The profiles of a company that is the result of its strategy resides in four areas: The products that the company decides to offer; The customers to whom it offers these products; The industry segment that it decides to pursue; and The geographic markets that it seeks. The profile must give clear directions by embracing: Not only the nature of the products that will be offered but the nature of products that will not be offered; Not only the types of customers to concentrate on but more importantly the types of customers not to concentrate on; Not only the industry segment to pursue but the industry segment not to pursue; and Not only the geographic markets to be sought but also the geographic markets not to be sought.

This profile by Decision Processes International is true with relation to publishing in Kenya because some publishers have concentrated on publishing textbooks for both primary and secondary schools. This is in line with the African Review Journal where educational publishing accounts for over 95% of the books published African wide. Textbooks require experienced authors, editors, text designers' illustrators and personnel for production. The textbooks as products require massive promotion and advertising campaign, a lot of money and a large sales force to sustain distribution.

The textbook market in Kenya is a struggle for the fittest since most publishers in Kenya find themselves disadvantaged and unable to cope. The type of industry segment is true for religious publishers in Kenya in which case they produce bibles, hymnbooks, magazines and other religious pamphlets aimed at the religious market. The Christian publishers rarely target primary, secondary or tertiary markets for their book products. Most publishers for textbooks only serve the Kenya market as their geographical market target. The other East African countries follow different types of educational system hence requiring different products of textbooks. Some publishers in Kenya concern themselves with publishing fiction literature such as novels, poetry, drama and oral literature. Children books remain largely unexploited market in Kenya and only Kenya Institute of Education has been able to document and publish early childhood books.

Books on adult literacy most published in Kiswahili were created by the government and were geared towards elimination of illiteracy among the adult

population in Kenya. Very few publishers have chosen this market segment. In academic and technical books, very few local publishers have tapped this market despite the high growing population in Kenyan tertiary colleges, universities and polytechnics and most book products originate from Europe and India.

Journals are extremely important forum of exchanging peer views on latest developments in the world of knowledge. Except for 1970s, which saw the mushrooming of journals such as East African Economic Review, East African Journal, Zuka and Azania, these journals stopped with the collapse of East Africa Publishing house in 1987. My study will try to investigate these trends and confirm their existence or any deviations currently existing.

In weighing strategic choices, top management incorporates perceptions of likely competitor reactions to those choices chosen. If it chooses an aggressive strategy directly challenging a key competitor that competitor can be expected to mount an aggressive counter strategy.

Critical but often overlooked in the process of strategic analysis and choices are behavioural consideration that may well determine a company's choice of strategy more so than rational analysis. Commitment to the current strategy, external dependence, managerial self interest, political considerations and competitive considerations combine to exercise a major influence on how managers eventually evaluate and choose strategies. Roberts argues that once a client is convinced of the suitability of attacking a competitor's weakness,

the natural tendency is to say "let's instead, identify the competitor's driving force, business concept and areas of excellence and then try to out perform our competitor in these areas".

Johnson and Scholes (2002) argue that managers are usually in powerful positions within organizations to influence the expectations of other stakeholders. They have access to information and channels of influence, which are not available to many other stakeholders. Given that strategy development can be an intensely political process, managers can often find real difficulties establishing and maintaining this position of integrity since there is a potential conflict for managers between what strategies are best for their careers and what strategies are in the long term interest of their organizations.

Pearce and Robinson (1997) concluded that the CEO is the catalyst in strategic management and he is the most accountable for strategy's success and most CEOs spend over 80% of their time developing and guiding strategy. They argue that a successful turnaround strategy will require almost without exception either a change in top management or a substantial change in the behaviour of existing management team.

Information technology is a powerful resource in publishing in that most books and newspapers are now marketed through online services via the Internet. We have the online ordering system where customers place orders are placed through online services and the banks are advised to release payment

through online wire transfers. Book companies like Amazon books market their books through the internet where prices are contained in their websites and the authors of the books shown, text and cases of the books highlighted and payment methods indicated and even the distribution channels for the books are depicted with the advanced technology in the book industry most companies have websites and news from all over the world are fast seen on the website even before they can be televised or announced through the news media.

Mwangi (2004) sees corporate strategy as influencing the information technology through business strategies dictating the need for new information systems or other ICT capabilities. Information technology is fundamentally changing the nature of the work place (Stebbius et al 1995). Businesses are relying on information technology to create competitive advantage thereby taking new urgency in business.

Information technology is being employed in the value adding activities, creating new source and means to sustainable competitive advantage. Currently information technology has the potential to redefine how an organization does business and alter its competitive advantage (Savanna 2004). The evolution of information technology from the computers to desktop publishing, lap top devices and currently the palm top, has seen information technology, evolve in its use and is now at the heart of the entire business. It is now involved in all processes of the business, customer relationship, text editing, news capturing, news slots, management,

production, financial, inventory, automation and control systems are just but a few areas information technology is critical in business.

Information technology and strategic choice are critical in that the strategic choices adopted by publishers must be of necessity use information technology to enhance their competitive advantage in this era of advanced information technology. Munuve (2000) singles out desktop publishing method as one commonly used method of publishing whereby a computer is used to design, edit and produce copies, in structural cutting and pasting, formatting, page numbering, size of letters, spell-checking and viewing on the screen. This is followed by electronic publishing whereby hard copies are transferred to CD-ROMs and other microfilms and microfiche designed for public libraries also the printing of paper products which are generally designed for primary, secondary school markets and tertiary markets.

## CHAPTER 3: RESEARCH METHODOLOGY

### 3.1 Research Design

The study was carried out by way of a survey design. It sought to study the strategic choices made by publishing firms registered with the Kenya Publishers Association and also registered as publishing firms in the Kenya Business Directory 2005 edition. Survey research is probably the best method available to social scientists interested in collecting original data for describing a population too large to observe directly (Babbie, 1989). This design has been used in the past by Karemu (1993), Kasinga, (2001), Muthuri, (2001) and Wahome (2003).

### 3.2 The Population of Study

The population of study consists of 120 publishing firms (Appendix II) as given out by the Kenya Publishers Association and the Kenya Business Directory 2005 edition. The publishers that operate in Kenya fall into three categories: national, regional, and international. The study was a census survey.

### 3.3 Data Collection Method

The study used primary data collected using a structured questionnaire consisting of closed-ended and open-ended questions. The questionnaire was administered through mail (both postal with an enclosed self-addressed return envelope and 'drop and pick' administration) to help increase the response rate. The questionnaire was divided into three parts covering organizational



profile; strategy choices selected by the firms; and the factors influencing strategy choices by the firms.

Introduction

**3.4 Data Analysis**

The data obtained from the questionnaire underwent preliminary data preparation stages and was analyzed using descriptive statistics. The census survey facilitated the collection of data from a large sample. The data obtained is presented through tables, percentages, means, standard deviations, and frequencies to display a visual representation of the data. The results reflect a general trend of the strategic choices selected by the publishing firms in Kenya. The conclusions of the study are drawn from the analysis of the research project.

## CHAPTER 4: FINDINGS AND DISCUSSIONS

### 4:1 Introduction

This chapter deals with findings, data analysis and interpretation of the results obtained in relation to the objectives of the study, which were to establish the strategic choices made by publishing companies in the face of a changing environment and to determine the factors that influence the selection of those strategic choices.

The SPSS software package was used to capture data, build a database and analyse the data through descriptive statistics. Mean scores, frequencies, percentages and standard deviation were used to analyze the data.

A total of 78 questionnaires were distributed to the respondents out of which 51 responded by filling and returning the questionnaire, but 28 did not return their questionnaires while one was incomplete and was disregarded in the analysis. This gave a response rate of 65.4%.

#### 4.1.1 Ownership of the Companies based on whether they were locally owned, foreign owned or both locally and foreign owned.

Section 1 of the questionnaire requested the respondents to indicate the ownership of the organizations based on whether the firms were foreign owned, locally owned or both. This was captured through a self-administered questionnaire to respondents at the firms' offices. The table below shows the ownership structure of the companies.

**Table 4.1: Ownership structure of publishing firms based on whether they were locally owned, foreign owned or both.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Local	32	64.0	64.0	64.0
Foreign	9	18.0	18.0	82.0
Both local and foreign	9	18.0	18.0	100.0
Total	50	100.0	100.0	100.0

**Source: Research Data**

Table 4.1 showed that 64% of the companies were locally owned, 18% foreign owned while another 18% were both locally and foreign owned. The results indicate that locally owned publishing firms were the majority in the country. Most publishing firms established in Kenya originated from Britain during the colonial period and included firms such as Heinemann, Longman, Thomas Nelson, Cambridge, Pitman, and Oxford University Press, Evans Brothers, amongst others Chakava (1996). Some of these companies still maintain their presence in the local publishing industry Nyariki (1996). The results show that companies owned by local investors formed the majority of the publishing companies operating in the country.

#### **4.2 Areas of publishing**

The researcher sought to establish the main areas of publishing and requested respondents to indicate their preferred area of publishing. The following areas were identified, textbook publishing, religious publishing, professional books publishing, newspapers, journals and magazines, novels and technical books. The findings are shown in the table below.

**Table 4.2: Distribution of areas of publishing**

Area of publishing	Number of firms	percent
Religion (books and magazines)	9	10.7
Textbooks primary and secondary	20	23.8
Professional books	17	20.3
Newspaper	12	14.3
Journals and magazines	9	10.7
Novels	10	11.9
Technical books	7	8.3
<b>Total</b>	<b>84</b>	<b>100</b>

*Source:* Research data

It is important to note that of the 50 firms studied, some were found to publish in more than one area. The proportion of the area of publishing does not represent the number of firms in a given area of publishing. The firms were found to publish in several areas of publishing as indicated in the table above.

Derived from the information presented on table 4.2 textbook publishing has the highest proportion of publishing at 23.8%, it is followed closely by professional books publishing at 20.3%, newspaper publishing at 14.3 %, novels and fiction Publishing at 11.9% while publishing for religious publications accounts for 10.7 % just as journals and magazines. The least preferred area of publishing is the publishing of technical books which accounts for 8.3 %. Textbook publishing appears to be the most preferred area of publishing given its high proportion at 23.8% .The World Bank Report ke 2561 indicates that the Government is spending well over 14 billion in funding procurement of textbooks for distribution to about seventeen thousand primary schools in the country. This confirms Rede at al (19974) that textbook publishing is the most profitable area of publishing in developing countries.

Religious books publishing firms were also interviewed and it was established that their publications targeted the church followers as their market segment. The study reveals that apart from textbook publishing, some publishers were involved in book distribution, publication of literary works, and publishing of directories, reference books, encyclopaedias, and children books. Textbook publishing appears to be the most preferred area of publishing.

### 4.3 Markets covered by publishers

The research project also sought to establish the markets served by the publishing firms; respondents were requested to indicate whether they supplied their products to national, regional or international markets. Table 4.3 shows the frequency and percentages of the companies supplying products in the national, regional and international markets.

**Table 4.3: Markets covered by publishing firms in Kenya.**

	Frequency	Percent	Valid Percent	Cumulative Percent
National	17	34.0	34.0	34.0
Regional	17	34.0	34.0	68.0
International	16	32.0	32.0	100.00
Total	50	100.0	100.0	

**Source: Research Data**

Table 4.3 indicates 34% of the firms interviewed were supplying their products to the national markets, while another 34% were supplying their products to the regional markets. 32% of firms interviewed indicated they were supplying their products to international Markets. This suggests that although based in Kenya some companies are supporting businesses in the national, regional and international markets.

#### 4.4 Size of Publishing Firms

The size of the publishing publishers was necessary in determining the general picture of the size of publishing firms operating in the country. The figure below shows the number of employees in different categories of publishing firms.

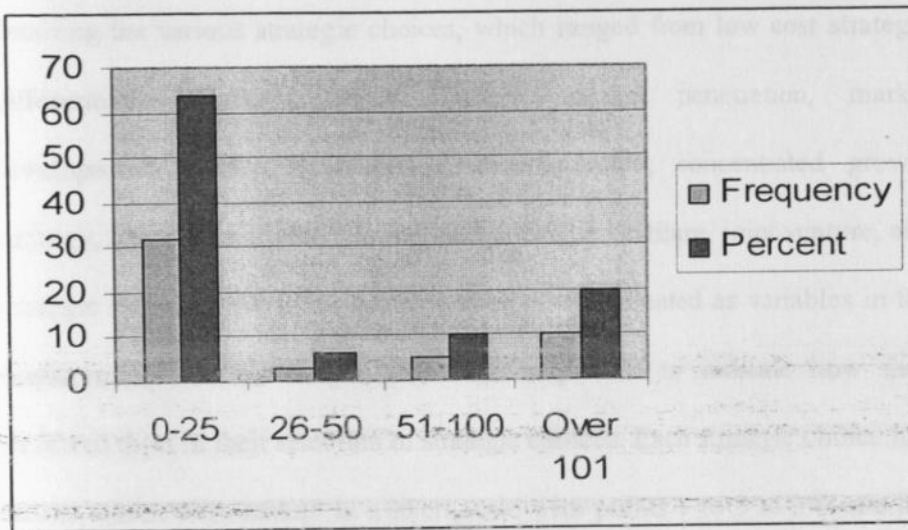


Figure 4.1: Size of the firms based on the number of employees.

Source: Research Data

The respondents were requested to indicate the size of their firms based on whether the employee numbers were between 0-25, 26-50, 51-100, and over 101. The Figure shows that 64% of companies had employees between 0-25 while about 20% of the companies had over 101 employees and above. About 10% of the companies interviewed indicated they had between 51-100 employees, while 6% of the companies had between 26-50 employees. It is therefore evident that most of the publishing firms are fairly small enterprises with very few employees. The size of organizations affects the implementation of selected strategies in terms of employee participation in the implementation

process. Employees are inducted through workshops and seminars on the implementation of selected strategies.

#### 4.5 Strategy choices made by publishers

The objective of this study was to establish the strategic choices made by publishing firms in Kenya. The respondents were given questionnaires detailing the various strategic choices, which ranged from low cost strategy, differentiation strategy, focus strategy, market penetration, market development, product development, diversification, concentrated growth strategy, innovation, diversification, turnaround, divestiture, joint venture, and strategic alliances. All these strategic choices were treated as variables in the questionnaire and the respondents were requested to indicate how they preferred them in their selection of strategic choices. Each strategic choice had factors which were ranked in a likert scale with points 1 to 5 to indicate the extent to which they preferred a strategic choice from “very large extent” 5 to “not at all “(1). Most of the questions were closed ended with options for additional information. Content analysis was used to analyze additional information provided by the respondents.

Data was analyzed using mean scores; frequencies and standard deviation .A mean score of 4.1 to 5 would imply that the strategy was preferred to a very large extent. A mean score that is 3.1 to 4 would imply that the strategy was preferred to a large extent. A mean score that is 2.1 to 3 would imply that the strategy is preferred to a fairly large extent while a mean score that less than 2 but greater than 1.5 would imply the factor is preferred to a less extent. A

mean score that is less than 1.5 would imply that the strategy is not preferred at all. Standard deviation was used to indicate the level of variation among the respondents interviewed. A standard deviation that is less than 1 would imply that there is less variation across the respondents interviewed. A standard deviation that is greater than 1 would imply that there is notable variation across the respondents.

**4.5.1 Low Cost Leadership strategy**

Organisations practising low cost leadership strategy usually excel at cost reductions, maximize economies of scale, implement cost cutting technologies, and make reductions in overhead and in administrative expenses and use volume sales techniques to propel themselves up the earning curve Pearce & Robinson (1997). Low cost leadership strategy uses cost advantage to charge lower prices to enhance competitive advantage. This study sought to establish the preference of low cost leadership in publishing industry and the results are as presented below.

**Table 4.4 Preference of the low cost leadership strategy in publishing firms**

Low cost strategy	Mean	Std. Deviation
Construction of efficient-scale facilities	3.5918	1.5264
Vigorous pursuit of cost reduction from experience	3.4400	1.3874
Tight cost and overhead control	3.6200	1.3686
Avoidance of marginal customer accounts	2.1600	1.4758
Cost minimization in areas like sales force, R&D, advertising etc.	2.4000	1.5908
<b>Mean overall</b>	<b>3.0424</b>	<b>1.4697</b>

Source: Research Data



The objective of the questionnaire was to determine the extent to which the respondents used low cost leadership strategy as a strategic choice. The strategy was broken down further to factors such as the construction of efficient scale facilities, vigorous pursuit of cost reduction from experience, tight cost control and overhead control, avoidance of marginal customer accounts and cost minimization in areas such as sales force, R & D and advertising.

According to Table 4.4 the low cost leadership strategy had an average mean score of 3.0424 and a standard deviation of 1.4697. The mean indicates a large extent of preference. The standard deviation of 1.4697 indicates there were notable variations across respondents. Factors such as avoidance of marginal customer accounts and cost reduction in research and development ranked very low at 2.1600 and 2.4000 mean scores respectively indicating the strategies were preferred by publishing firms to a fairly large extent. Construction of efficient scales had a mean score of 3.5918 while vigorous pursuit of cost reduction from experience had a mean of 3.4400 followed by tight cost and overhead control with a mean score of 3.6200. This indicates that the publishers used these strategies to a large extent to execute their business operations. It is evident therefore that most companies are adopting factors such as construction of efficient scale facilities, pursuit of cost reduction and tight cost overhead control and avoid cost reduction in research and development and customers with marginal accounts as is demonstrated by the high mean scores. The factors had a standard deviation, which is higher than 1

Top priority	4.4326	3660
Overall	3.3306	2706
Research Data		

indicating that there were notable variations across the respondents in all the factors.

#### 4.5.2 Differentiation Strategy

Johnson & Scholes (1999) states that differentiation is meant for the provision of a product or service regarded by the user as different from competition and of a higher value. Pearce & Robinson (1997) point out that strategies dependent on differentiation are designed to appeal to customers with a special sensitivity for particular product attribute. By stressing the attribute above other product qualities, the firm attempts to build customer loyalty leading to a firm charging a premium price for its products. Product attribute can even be the marketing channels of distribution, its image, product features it includes and the service network that supports it.

Differentiation strategy requires strong marketing skills, product engineering, strong capability in research and development, corporate reputation for quality and or technological leadership, long tradition in industry and strong cooperation from distribution channels. Respondents were asked to indicate how preferred the strategy as their strategic choice. The results are shown in table 4.5

**Table 4.5: Preference of differentiation strategy by publishers**

Differentiation Strategy	Mean	Std. Deviation
Book/product design or brand image/package	4.3061	.9175
Technology	4.1020	.8955
Book/Product features	4.3673	.8826
Customer service	4.4490	.7922
Bookshop network	4.4286	.8660
<b>Mean over all</b>	<b>4.3306</b>	<b>.8706</b>

Source: Research Data

The questionnaire sought to obtain information as to what extent publishers chose this strategy in relation to the other choices. Factors such as book/product design and brand image use of technology, product features, and customer service and distribution network were used to determine the extent to which publishers preferred this choice.

The factors used to measure the preference of differentiation strategy showed mean scores of 4.3061, 4.1020, 4.3673, 4.4490 and 4.286 for Product design/brand image, use of technology, product features, customer service and bookshop network respectively. This indicates that differentiation strategy was preferred to a very large extent by publishing firms. The average standard deviation of 0.8706 indicates that there were few notable variation across the respondents; this suggests that most publishers chose this strategy to achieve competitive advantage. The products produced by publishing firms are distributed to the end users through a well-structured network of booksellers operating in the country Nyariki et al (1996). Newspaper companies distribute their products through vendors who are evenly spread through out the country. Both textbook and newspaper sectors are supported by elaborate and efficient distribution channels. Newspaper products have very short shelf life hence the more reason for an efficient distribution network. High discounts are offered to entice vendors and booksellers to support the distribution channels Nyariki et al (1996). It can therefore be concluded that differentiation strategy is widely applied in this industry.

### 4.5.3 Focus Strategy

Focus strategy is a combination of low cost leadership strategy and differentiation strategy directed at strategic targets. Focus strategy attempts to attend to the needs of a particular market segment. A firm pursuing focus strategy is willing to service isolated geographic areas to satisfy the needs of the customer with special needs. The results of this table indicate that different publishing firms focus their attention to serving different market segments in the publishing industry.

**Table 4.6: Preference of the focus strategy**

Focusing attention on particular buyer group	3.9400	1.1678
Focusing attention on a particular segment of the product line	3.7400	1.2090
Focusing attention on a particular geographic market	3.8571	1.3229
<b>Mean overall</b>	<b>3.8457</b>	<b>1.2332</b>

The researcher was interested in finding out the extent to which respondents preferred focused strategy as a strategic choice. Factors used to indicate the level of preference for focus strategy showed that focus strategy had an average preference mean score of 3.8457 implying a rate of preference, which is to a large extent. It had a standard deviation of 1.2332 meaning that there was notable variation across the respondents.

Textbook publishers focus their attention on meeting the needs of the primary and secondary school markets while journals and magazines have their own clientele. Newspaper publishers focus their attention on the newspaper customers in the country and beyond. Religious publishers target churches and

mosques and the religious readership of their publications while professional publishers target clients such as lawyers, architects, physically challenged, psychologists, social scientists, engineers, surveyors, university students amongst others .On paying attention to geographic markets publishers produce certain products aimed at meeting the needs of these market segments. The Nation media group publishes the East African, which is distributed and read in the eastern Africa region. The results indicate a wide spread use of focus strategy across all the sub sectors of the publishing industry.

#### 4.5.4 Market Penetration

Firms applying market penetration strategy seek to increase sales for their products in the present markets through more aggressive promotion and distribution. The table below shows the preference of the market penetration strategy by publishing firms.

**Table 4.7 Preference of market penetration strategy**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	1	2.0	2.0	2.0
To a less extent	2	4.0	4.1	6.1
To a fairly large extent	2	4.0	4.1	10.2
To a large extent	16	32.0	32.7	42.9
To a very large extent	28	56.0	57.1	100.0
Total	50	100.0	100.0	

Mean Score 4.3878

Std. Deviation .9087

Source: Research Data

The table indicates that 28 respondents considered this strategy to a very large extent, while 16 respondents preferred this strategy to a large extent. This makes a total of 44 respondents with a preference rate of 88%.The study

demonstrates that publishers pursued market penetration aggressively as a way increasing their sales in the market.

The factor indicates a mean score of 4.3878 and a standard deviation of .9087. This mean score implies that there was a very large extent of preference of the strategy amongst the publishers. The standard deviation of .9087 implies there were very little notable variations across the respondents. It is therefore evident that market penetration strategy showed high preference among the publishing firms. The Publishers' sales representatives are a common phenomena in nearly in parts of the country. The sales representatives aggressively market their products mainly through personal selling to different categories of customers.

#### 4.5.5 Market Development

Market development strategy involves marketing present products to customers in related market areas by adding channels of distribution or by changing the content of advertising or promotion. It also involves opening additional geographic markets and developing product versions to appeal to other segments of the market. Market development allows firms to practice a form of concentrated growth strategy by identifying new uses for existing products and new demographically, psychographically, or geographically defined markets Pearce & Robinson (1997)

**Table 4.8: Seeking new markets for current titles**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	4	8.0	8.0	8.0
To a less extent	1	2.0	2.0	10.0
To a large extent	16	32.0	32.0	42.0
To a very large extent	29	58.0	58.0	100.0
Total	50	100.0	100.0	

Mean score 4.300 Std. Deviation 1.1473

**Source: Research Data**

This table indicates a very large extent of preference by publishers at 88% which is a combined percent of 58% for a very large extent and 32% for a large extent of preference.

The table indicates a mean score of 4.300 and a standard deviation of 1.1473 implying a very large extent of preference. The standard deviation of 1.1473 showed that there were some notable variations across the respondents. This showed a strong preference by the publishers interviewed. The results imply that publishers are greatly involved in seeking markets for their products.

**4.5.6 Product Development**

Firms involved in product development create modification on existing products or create new but related products that can be marketed to current customers through established channels. The strategy is adopted to prolong the life cycle of current products or take advantage of a favorite reputation or brand name. Product development is based on penetration of existing markets by incorporating product modifications.

**Table 4.9 Coming up with new titles to replace the current ones and selling them in the current markets.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	11	22.0	22.0	22.0
To a less extent	1	2.0	2.0	24.0
To a fairly large extent	6	12.0	12.0	36.0
To a large extent	10	20.0	20.0	56.0
To a very large extent	22	44.0	44.0	100.0
Total	50	100.0	100.0	

Mean score 3.6200

Standard Deviation 1.5894

**Source: Research Data**

The table showed that publishers preferred this strategy as can be confirmed by the mean score of 3.6200 implying a preference of a large extent.64% of the respondents preferred this strategy.About 22% of the respondents indicated that they did not prefer this strategy at all.

**4.5.7 Innovation Strategy**

Innovation strategy seeks to create new product life cycle and make similar existing products obsolete. Many firms find innovation profitable because they seek to reap the initial profits associated with customer acceptance of a new product or a greatly improved product. The study sought to establish if publishers came up with new innovative products or prolonged the life cycle of existing products to make current products obsolete. The respondents were requested to indicate whether they practised this strategic choice.



**Table 4.10 Creating new titles/product life cycle and making similar existing titles/products obsolete**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	23	46.0	46.0	46.0
To a less extent	4	8.0	8.0	54.0
To a fairly large extent	10	20.0	20.0	74.0
To a large extent	3	6.0	6.0	80.0
To a very large extent	10	20.0	20.0	100.0
Total	50	100.0	100.0	

Mean 2.4600

Std. Deviation 1.5935

**Source: Research data**

The table indicates a preference mean score of 2.4600 for those using the strategy and a stand deviation of 1.5935. This indicates a preference level of some extent. The standard deviation indicates that there is a very high notable variations cross the respondents. Non preference rate of 46% is quite significant. It demonstrates that this strategy was not highly preferred by most firms

Hunt (1993) asserts that in order to satisfy customers new products must be developed cheaper, better and faster. Every company must re-engineer its processes if it is to survive in the global markets.

#### **4.5.8 Diversification Strategy**

Diversification strategy involves acquisition of separate business or businesses, which represent the most promising investment opportunity available to the acquiring organization. The table below shows how publishers preferred this strategy in their own firms.

**Table 4.11:Coming up with new titles and selling them in new markets**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	15	30.0	30.6	30.6
To a less extent	3	6.0	6.1	36.7
To a fairly large extent	7	14.0	14.3	51.0
To a large extent	9	18.0	18.4	69.4
To a very large extent	15	30.0	30.6	100.0
Total	50	100.0	100.0	

Mean 3.1224 Std. Deviation 1.6537

**Source: Research Data**

The respondents were requested to indicate to what extent they came up with new titles to sell them in new markets. The table indicates that 18% preferred this strategy to a large extent while 30% preferred the strategy to a very large extent This indicated that strategy was preferred to a large extent. The standard deviation of 1.6537 indicates that there were high notable variations among the respondents on this strategy.

**4.5.9 Concentrated Growth strategy**

A firm pursuing this strategy puts more emphasis on increasing market share. The firm directs resources on to the most profitable growth of a single product, in a single market with a single dominant technology. By following this strategy a firm develops and exploits its expertise in a delimited competitive arena.

**Table 4.12 Directing resources to the profitable growth of a single Title in a single market, with a single technology**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	13	26.0	26.0	26.0
To a less extent	5	10.0	10.0	36.0
To a fairly large extent	3	6.0	6.0	42.0
To a large extent	7	14.0	14.0	56.0
To a very large extent	22	44.0	44.0	100.0
Total	50	100.0	100.0	

Mean 3.4000

Std. Deviation 1.7143

**Source: Research Data**

Pearce & Robinson (1997). asserts that a firm can direct its resources to a profitable growth of a single product in a single market using a single technology. Although this strategy is similar to market penetration, the respondents indicated a mean score of 3.4000 implying a preference of to large extent whereas respondents indicate that market penetration had a mean score of 4.3878. The difference may be due to the interpretation of the factors by the respondents or their level of understanding the factors.

#### 4.5.10 Turnaround strategy

Turnaround strategy is applied when an organization faces declining performance of a sufficient magnitude to warrant explicit turnaround actions. The turnaround situation may be the result of years of gradual m slowdown or months of sharp decline. In either case the recovery phase of the turnaround process is likely to be successful when it is preceded by planned retrenchment that results results in achievement of near financial stability.

Table 4.14: Divestiture of a major component of the firm or the firm itself.

Divestiture strategy	Mean	Std. Deviation
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**Table 4.13: The preference of turnaround Strategy**

Turnaround strategy	Mean	Std. Deviation
Decreasing the workforce via employee attrition, natural retirement	1.8400	1.3456
Leasing rather than purchasing equipment	1.6800	1.2688
Extending the life of machinery	2.0400	1.5381
Eliminating elaborate promotional activities	2.3000	1.6933
Laying off employees	1.2400	.6869
Dropping items from a product line	1.5400	1.0343
Discontinue low margin customers	1.7083	1.2370
Sale of land and/or buildings	1.1875	.7043
Elimination of "perks" such as the company executives' cars	1.6122	1.1693
<b>Mean overall</b>	<b>1.6831</b>	<b>1.1864</b>

**Source: Research Data**

The study sought to establish whether the respondents used the turnaround strategy as their preferred choice. The table indicates an average mean score of 1.6831 and a standard deviation of 1.1864. This implies that the strategy was preferred by the publishing firms to a less extent. Except for extending the life of machinery and eliminating elaborate promotional factors which had mean scores of 2.0400 and 2.3000 respectively indicating a preference of a fairly large extent. The rest of the factors indicate an average mean score of less than 1.6 meaning the strategic choices were not preferred.

**4.5.11 Divestiture Strategy**

This involves the sale of a firm or a major component of the firm. When turnaround fails to accomplish the desired change in an organisation, a major component of the firm can be sold to achieve this change.

**Table 4.14: Divestiture of a major component of the firm or the firm itself.**

Divestiture strategy	Mean	Std. Deviation
Sale of a title or major component of a firm	1.1800	.7475
Overall Mean	1.1800	.7475

The respondents were requested to indicate whether they sold any of their title or a major component of the organization to another firm. They responded with a mean score of 1.1800 for this strategy implying a preference not at all. This is an indicator that most publishing firms are doing extremely well financially since the results show they have no need or reason to divest part of their organization or products to sustain their operations or to survive.

#### 4.5.12 Joint Venture

Joint ventures occur when two or more firms come together to create competitive advantage when each lacks a necessary component for success in a particular competitive environment. These firms come together to create advantages for both firms by exploiting the opportunities presented by the joining firms. Joint ventures present new opportunities with risks which can be shared.

**Table 4.15: Joint Venture with suppliers**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	28	56.0	56.0	56.0
To a less extent	2	4.0	4.0	60.0
To a fairly large extent	9	18.0	18.0	78.0
To a large extent	7	14.0	14.0	92.0
To a very large extent	4	8.0	8.0	100.0
Total	50	100.0	100.0	

Source: Research Data

60% of the respondents showed that they had no joint partnerships with suppliers. This revealed that the strategy was not a preferred choice by publishers. The study also sought to establish whether the firms had any venture relationship with the customers. The findings are as shown below

**Table 4.16: Joint partnerships with customers**

	Frequency	Percent	Valid Percent	Cumulative Percent
Not at all	24	48.0	49.0	49.0
To a less extent	3	6.0	6.1	55.1
To a fairly large extent	10	20.0	20.4	75.5
To a large extent	8	16.0	16.3	91.8
To a very large extent	4	8.0	8.2	100.0
Total	50	100.0	100.0	100.0

**Source: Research Data**

This table 4.8 indicates that 54% of the respondents did not preferred this strategy at all. This implies that there were very minimal joint partnerships of publishers with customers.

#### 4.5.13 Strategic Alliances

Strategy alliances involves licensing (agreements) which is the transfer of some industrial property rights to a motivated licensee in a foreign country. Most of the property rights are patents ,trade marks, or technical know-how that are granted to a licensee for a specified time in return for a royalty and for avoiding tariffs or import quotas.

**Table 4.17 Preference of strategic alliances (Licensing Agreements) by the publishers**

Strategic alliances	Mean	Std. Deviation
On copyrights and patents	3.1042	1.5743
On trademarks	2.9583	1.7254
On technical know-how	3.1042	1.5877
On contract manufacturing/publishing	3.6875	1.6132
On outsourcing	3.8750	1.4086
Strategic alliance Average	<b>3.3458</b>	<b>1.5818</b>

**Source: Research Data**

It is evident from the table that there were strategic alliances on copyrights and patents, on trademarks; on technical know how, on contract publishing and on outsourcing among the publishing firms. The table indicates that most companies largely entered into strategic alliances on copyrights and patents (licensing agreements) as can be shown by a mean score of 3.3458 indicating a preference of a large extent. This is an indicator of a choice highly preferred.

Most organizations operate in business environments where alliances are most likely choices to take in order to secure success of their firms, and to dilute risk for their investments. This creates a competitive advantage in entry into new markets, shared technical know how, creating efficiencies in manufacturing and in outsourcing in order to concentrate on core activities.

#### **4.6 Factors influencing strategic choices**

The objective of this section was to determine the factors influencing the strategy choices in the publishing firms in Kenya. The factors considered were the essence of competitive advantage, management's attitude towards risk, current strategy, market tastes and preferences, technological developments, Competitive forces, degree of external dependence, shareholders interest, Government policies and decisions, changing rules of

the game, power of management, suppliers' powers and authors' powers. These factors are considered to have a certain degree of influence when firms are in the process of making strategic decisions. Most organizations search for factors influencing their operations through situational analysis. These are critical factors to consider before making strategic choices because they affect the positioning of the organization in the environment.

Table 4.18: Extent of influence of various factors on selection of strategic choices

Respondents were given a questionnaire detailing the various factors influencing strategy choices and were asked to indicate to which extent each variable was considered as influencing strategy choices. A Likert scale with points ranging from a "very large extent" "5" to not at all "1" was used. Mean scores have been used to indicate the level of influence of each factor on the selection of strategic choices. The higher the mean score the higher the extent a factor was considered to have an influence. While the lower the mean score the lower the influence the factor had on strategic choices.

#### 4.6.1 Essence of competitive advantage

The essence of competitive advantage in an organization is created by the kind of thinking that goes on in the heads of CEOs and the key people around them as they attempt to transform their vision into a profile or picture of what the company will look like at some point in future Roberts (1998).

Roberts further states that the profiles of a company resides in four areas; the products that the company decides to offer; the customers to whom it offers these products; the industry segment that it decides to pursue; and The



geographic markets that it seeks. The profile must give clear directions by embracing: not only the nature of the products that will be offered but the nature of products that will not be offered; respondents interviewed indicated that this factor had a high influence of 4.3200 mean score and a standard deviation of .8908. This means the respondents felt that this factor had a lot of influence on choice of strategies selected by publishing companies

**Table 4.18 Extent of Influence of essence of competitive advantage on strategic choices**

Factors influencing strategic choices	Mean	Std. Deviation
Essence of competitive advantage	4.3200	.8908
Current strategy	4.0400	.9889
Degree of external dependence	2.8200	1.3656
Management's attitude towards risk	3.6800	1.1507
Changing rules of the game	3.1200	1.1542
Competitive forces	4.2400	.8221
Power of the management	3.1400	1.3095
Technological developments	4.2200	.9100
Market tastes and preferences	4.3000	.7354
Shareholder interests	2.8400	1.4337
Government policy and decisions	3.5000	1.3740
Suppliers' powers	2.6800	1.3005
Authors' powers	2.6939	1.2781

Source: Research data

#### 4.6.2 Current strategy

Current Strategy would influence the new strategy because strategists are often the architects of past strategies and most strategists are logically comfortable with choices that closely parallels or involve only incremental alterations to the current strategy. Most firms replace top executives where performance is inadequate because relying on these executives lessens the influence of unsuccessful past strategy on future strategic choice. Current company strategy depicts a lot of influence on selection of strategies as can be on table

4.18. The mean of 4.0400 with a standard deviation of .9889 indicates a very large extent of influence.

#### 4.6.3 Degree of external dependence

If a firm is highly dependent on one or more environmental elements, its strategic alternatives and its ultimate strategic choice must accommodate that dependence. The greater a firm's external dependence, the lower is its range and flexibility in strategic choice. Most firms continually partner to share information, improve and integrate products, process designs and development in order to position themselves against the challenges posed by external dependence. Table 4.18 indicates that the degree of external dependence had a fairly large extent of influence with a mean of 2.800 and a standard deviation of 1.365 indicating a notable variation among the respondents.

#### 4.6.4 Manager's attitude towards risk

Managers' attitudes towards risk greatly influence strategy choices. Where attitudes favor risk, the range of strategic choices expands and high-risk strategies are desirable but where management is risk avoiding the range of strategic choices is limited. The table 4.18 above indicates that managers' attitude towards risk influences selection of strategic choices to a large extent of influence.

#### 4.6.5 Changing the rules of the game

The reason behind changing the rules of the play is that, significant shifts in market share do not occur by limiting a competitor's strategy, rather significant shifts in market share occur only by going at the very essence of a competitor's strategy and changing the rules of play. When you change the rule of play, you force your competitors to make every agonizing changes in

the manner in which they conduct their business and often they cannot bring themselves to make those changes. In other words, your competitors are paralyzed because you have neutralized their strategy. The respondents were requested to indicate the extent to which they felt this strategy influenced the selection of strategic choices. Table 4.18 showed that the factor had a mean of 3.1200 and a standard deviation of 1.1542. The mean indicates the factor had a large extent of influence but with slightly notable variations among respondents as can be confirmed by a standard deviation of 1.1542

#### 4.6.6 Competitive forces

In weighing strategic choices, top management incorporates perceptions of likely competitor reactions to those choices chosen. If it chooses an aggressive strategy directly challenging a key competitor that competitor can be expected to mount an aggressive counter strategy. This factor on table 4.18 indicated a mean score of 4.2400 and a standard deviation of .8221. This means that the factor influenced strategic selection at a very large extent. The standard deviation implying that there were very little notable variations amongst the respondents.

#### 4.6.7 Power of Management

Johnson and Scholes (2002) argue that managers are usually in powerful positions within organizations to influence the expectations of other stakeholders. They have access to information and channels of influence, which are not available to many other stakeholders. Given that strategy development can be an intensely political process, managers can often find real difficulties establishing and maintaining this position of integrity since

there is a potential conflict for managers between what strategies are best for their careers and what strategies are in the long term interest of their organizations.

The findings of the study confirm that management influences strategy selection to a large extent as indicated on table 4.18 by a mean of 3.1400 which implied a large extent of influence.

#### 4.6.8 Information technology

Information technology is a powerful resource in publishing in that most books and newspapers are now marketed through online services via the Internet. We have the online ordering system where customers' orders are placed through online services and the banks are advised to release payment through online wire transfers. Book companies like Amazon market their books through the Internet where prices are contained in their websites and the authors of the books shown. This study sought to find out if information technology had any extent of influence on strategy selection. Table 4.18 showed that the factor had an influence of 4.2200 and a standard deviation of .9100. This implied an influence of a very large extent with very little notable variations across the respondents.

#### 4.6.9 Shareholder interests

Shareholders are owners of companies and invest a lot of their resources in those companies. They therefore exhibit a lot of interest on the success of those companies. They show an interest in how the companies select their strategies. The table below indicates that shareholders have a fairly large extent of influence with a mean of 2.8400. The standard deviation of 1.4337 indicates there were notable variations across the respondents.

#### 4.6.10 Market tastes and preferences

Most businesses focus their attention on the customers' tastes and preferences in order to create products which meet the demands of these customers. Table 4.18 captures the extent of influence of market tastes and preferences amongst publishers. The factor had a mean of 4.300 and a standard deviation of .7354. This indicates that the factor had an influence of a very large extent and very little notable variations across respondents as shown by a standard deviation of .7354.

#### 4.6.11 Government policies and decisions

Government policies and decisions greatly affect the operations of businesses. Companies involved in strategic selection must evaluate the extent to which that particular business is influenced by government policies and decisions. This study sought to find out how strategy selection is influenced by government policies. It is evident that the government influence in strategy selection among publishing firms was of a large extent as indicated by a mean of 3.500 and a standard deviation of 1.3740.

#### 4.6.12 Suppliers powers

In some industries suppliers wield a lot of influence on companies they supply materials to. Table 4.18 indicates a mean of 2.6800 and a standard deviation of 1.3005 implying that suppliers had influence to some extent.

#### 5.6.13 Authors powers

Authors in the publishing industry exhibit a lot of interest since they are they create the product for the publishers to make public the product. They

therefore have a lot of interest in the way publisher select their strategies. The table below showed that authors' powers factor had a mean of 2.6939 implying some extent of influence. This means therefore that the authors' powers were not of much significance in influencing strategic selection amongst the publishing firms.

In summary therefore the essence of competitive advantage with a mean score of 4.3200 indicated a very large extent of influence. It had a standard deviation of .8908 implying that there no notable variations across the respondents. Market taste and preferences indicated a mean score of 4.300 and a standard deviation of .7354 while technological advancements and competitive forces had mean scores of 4.2200 and 4.2400 and standard deviation of .9100 and .8221 respectively. They exhibit very high levels of influence on strategic choices and less variation across the respondents as is evident in the table. These factors have high impact on selection of strategic choices. Firms wishing to make strategic decisions ought to evaluate the impact of these factors on their choice of strategies.

The second category of factors considered to have influence on strategy selection were the management attitude towards risk with a mean score of 3.6800 and standard deviation of 1.1507, Government policies and decisions 3.500, and standard deviation of 1.3740, changing rules of the game 3.1200 and standard deviation of 1.1542, power of management with a mean score of 3.1400 and 1.3095 respectively. These factors in this category implied an influence of a large extent .The standard deviation showed that the level of

notable variation was quite high at an average of 1.236. These factors also have significant influence on the selection of strategic choices on publishing firms. Degree of a firm's external dependence showed a mean score of 2.820, shareholder interests a mean of 2.8400 suppliers' powers a mean of 2.6800 and author powers a mean of 2.6939. These factors demonstrate little influence on the selection of strategic choices since their mean scores indicate an influence of some extent. The standard deviation of these factors at an average of 1.07558 indicates that there were notable variations across the respondents. It can be concluded that this category of factors have no significant influence on strategy selection.

## CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Summary

In this section, we discuss a summary of the main findings, draw conclusions and make recommendations emanating from the study. The aim of the study was to get an insight as to the strategic choices made by publishing firms in the face of a changing environment. It also sought to establish the factors influencing the strategy choices in order to achieve competitive advantage. Organizations the world over have found it necessary to engage in strategic management in order to achieve their corporate goals. The environments in which they operate in continue to pose challenges to them. They therefore require thinking strategically in order to translate their insight into effective strategies to cope with their changed circumstances. They need to adopt strategies that will steer them from surprises and uncertain circumstances. Selection of appropriate strategies helps organizations to position themselves strategically in the environment.

The study reveals that the differentiation strategy was widely preferred by publishers in Kenya. The differentiation strategy factors such as Product features, product design, use of technology, customer service and distribution ranked highly in the strategy choices of the firms interviewed with an average mean scores of 4.3306 indicating a very large extent of preference. Differentiation ranks second in terms of preference to market penetration strategy which had the highest preference among publishers with a mean score of 4.3878.



Market development is the third preferred strategic choice with a mean score of 4.300. The fourth preferred strategic choice in rank is the focus strategy. The Ansoffs product development portfolio strategy is the fifth in rank indicating a mean score of 3.600. Concentrated strategy ranks sixth with a mean of 3.400 indicating a large extent of preference. Strategic alliances rank seventh with 3.3458 mean scores. This is followed by low cost leadership, innovation and joint venture with mean scores which are greater than 2 indicating a fairly large extent of preference. Diversification, turnaround, and divestiture had mean scores greater than 1 but less than 2 indicating that publishers less preferred them.

The study shows that publishers targeted different markets in which 17 firms out of 50 focused on local markets, while another 17 firms focused on regional markets and 16 firms focused on international markets. The study also established that low cost leadership strategy was moderately preferred by publishing firms in order to position themselves in the market. Porter (1995) argues that for companies to achieve competitive advantage they either adopt low cost leadership or follow the differentiation strategy. In order to satisfy customers new products must be developed cheaper, better and faster (Hunt, 1993).

Thompson and Strickland (1998) stated that in pursuing low cost leadership, managers must take care to include features and services that buyers considered essential. The value of a cost advantage depended on its sustainability whether rivals found it easy or inexpensive to imitate. The low

cost method would determine the duration of the advantage. Construction of efficient scale facilities, vigorous pursuit of cost reduction from experience, tight cost and overhead control ranked moderately in the choice of strategies by publishers. Cost minimisation in sales force, R&D and advertising were minimally considered by publishers.

It is evident from this study that publishing firms have adopted the differentiation strategy and this confirms Porter (1980) assertion that "every business needs to choose strategies in order to compete in the market place to gain sustainable competitive advantage. He further argues that there are only two sources of competitive advantage, which are the differentiation of products from competitors and or low cost leadership, which creates competitive advantage of targeted customers. Porter (1980) concludes that the producer of differentiated products derives an advantage from its pricing. Lynch R (2000) stated that the main purpose for developing strategic choices is to add value and create sustainable competitive advantage to the organization.

In this study publishers have chosen the differentiation strategy. This may be due to the fact that books' publishing is a knowledge driven industry whose products fill certain knowledge gaps in the environment. This calls for specialised input from authors, editors and publishers in order to determine if their products are responding to the knowledge gaps identified.

Product penetration strategy, which is the most preferred strategic choice, seeks to enhance the performance of the company products by seeking to increase sales for its present products to the present markets through enhanced distribution channels and aggressive promotional activities. Currently publishers have been noted to carry out advertising through the electronic and in print media.

Market development consists of marketing present products to customers in related market areas by adding different channels of distribution or changing the promotional media. The study reveals that most firms targeted national, regional and international markets. They also indicated their preferred market segment as that of textbook publishing. Certain Publishing firms concentrate on production of textbooks for the primary and secondary school markets. Religious publishers target churches and mosques. Professional publishers target lawyers, surveyors, architects, scientists and psychologists. Publishing of technical books targets technicians, engineers, mechanical engineers as well as Doctors. Journal and magazines target specialised readers while publishing of novels targets reading for leisure and general readership.

On focus strategy, the study established that publishing firms highly used this strategic choice in their decision-making. There was a high preference of firms focusing on particular buyer groups, particular segment of the product line and particular focus on the geographic markets.

Innovation among publishing firms appear to be all the time low with a mean score of 2.4600 indicating that they preferred this strategic to a less extent.

Hamper (1993) states that re-engineering is a fundamental and radical design of businesses processes to achieve dramatic improvements in critical contemporary measures of performance such as cost, gravity service, and speed.

Strategic alliances (Licensing Agreements) with factors such as copyrights and patents agreements, trademarks, and technical know how, contract manufacturing/publishing and outsourcing was widely preferred by publishers. This is an indicator that most publishers are involved in strategic alliance arrangements with other organizations to execute their business goals and objectives. The other strategic choices such as turnaround, divestiture, and joint venture and were less preferred by publishers and ranked very low in terms of preference by publishers.

On market penetration strategy, the increase of market share of current titles ranked quite highly as a strategic choice. The same applies for market development strategy and product development strategy. Whereas these three rank highly as preferred strategic choices, diversification ranks poorly as a strategic choice in the publishing industry.

The studies also established that the turnaround strategy was not applied or not of much significance or choice in the publishing industry. Most firms indicated that factors for turnaround strategy do not apply to them. This

assertion can be confirmed by Rede et al (1974) who stated that the publishing industry in Africa was on the growth stage though many obstacles stood on its way. The results are suggestive that most companies are not in the turnaround mode and may be experiencing growing profits.

The results indicate a high frequency of foreign firms operating in the country. This has a historical connection in that many foreign publishing firms originated from Britain. This is due to the colonial link in that the first publishers were owned by the colonialist. There still exist in Kenya a significant number of multinational companies that are foreign owned.

The study established that there were factors which greatly influenced the decisions adopted by most publishing firms. The most influencing factors included the essence of competitive advantage, current strategy, market tastes and preferences, technological advancements, competitive forces and Government policies and decisions.

The findings in the publishing industry indicate that market tastes and preferences, competitive forces and essence of competitive advantage are factors which publishers believed greatly influenced their decision making.

Chandler (1962) and Porter (1991) observe that firms are environment dependent and changes in the environment shape the opportunities and challenges facing the organization. Changes in the environment compel organizations to continuously change their strategies if they have to remain

relevant and competitive. The selection of strategic choices by publishers must be dictated by not only the changes taking place in the environment but also to meet demands created by the changing environment.

It can now be deduced from the study that publishers are using a combination of differentiation strategy, low cost leadership and ground strategies of product and market development, market penetration, strategic alliances, concentrated growth strategy amongst other strategies to position themselves strategically in the environment. Differentiation strategy appears to be widely preferred to enhance the publishers' basis of competition.

## 5.2 Conclusion

In conclusion it is evident that differentiation, focus, and low cost leadership strategies were widely preferred by publishing firms in Kenya. Most publishing firms would create sustainable advantage by pursuing differentiation strategy or focus strategy. The Ansoffs portfolio matrix strategies of market penetration, market development and product development were also highly preferred. The publishers have embraced strategic alliances, which create a sustainable advantage especially when technical know, contract publishing, copyrights and patents are involved.

The study indicated that local publishers are the majority of companies operating in the country. It is evident that publishing firms were largely influenced by certain factors as they chose their strategic choices.

The essence of competitive advantage, market tastes and preferences, technological advancements, competitive forces and current strategy were factors which highly influenced selection of strategic choices among the publishing firms. The second category of factors influencing strategic choices include management attitude towards risk, government policies and decisions, power of management and changing rules of the game. These factors had a mean score greater than 3 indicating a fairly large extent of influence. The least category of factors influencing strategy include suppliers powers, author powers, degree of external dependence, and shareholder interests. These factors had a mean score greater than 2 indicating an influence of "to a less extent".

### **5.3 Recommendations**

Several recommendations were made based on the study. The publishing industry is a very wide area of study and similar study could be undertaken to establish other aspects of strategic management in the publishing industry. A study targeting each of the sub sectors of the industry would reveal more distinct strategies applied by the firms to enhance competitive advantage. The study focused on the strategies chosen by publishers and factors influencing strategic choices.

### **5.3 Limitations of the study**

The study was successfully undertaken but not without limitations. One of the limitations was that some respondents declined to respond to the questionnaire especially those left to fill and return. The other limitation was that some firms identified in the Kenya Business Directory had already closed down or shifted

offices by the time the questionnaires were being circulated and it became difficult to trace their offices.

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Munuve Mbai, R. (2000), Book Publishing in Kenya: A Case Study of the Jomo Kenyatta Foundation, Unpublished MBA Project, University of Nairobi

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## QUESTIONNAIRE

(indicate the size of your organization, tick where appropriate)

### Part I: Company Profile

1. Name of publishing firm \_\_\_\_\_

2. Year of incorporation \_\_\_\_\_

3. Ownership of the firm, tick where appropriate

i) Locally owned [ ] [ ]

ii) Foreign owned [ ] [ ]

iii) Both locally and foreign owned [ ]

4) Over 100 [ ]

If (iii), indicate the percentage of ownership

Local [ ]

Foreign [ ]

4. Area(s) of publishing, tick where appropriate.

i) Religious books and/or magazines [ ]

ii) Textbooks (primary & secondary) [ ]

iii) Professional books [ ]

iv) Newspaper [ ]

v) Journals and/or magazines [ ]

vi) Novels/readers/fiction [ ]

vii) Technical books [ ]

Other(specify)

i) Avoidance of mergers/acquisitions [ ] [1] [2] [3] [4] [5]

ii) Cost minimization in areas like sales force, R&D, [ ] [1] [2] [3] [4] [5]

iii) Advertising etc. [ ] [1] [2] [3] [4] [5]

(tick please specify and rank)

5. Describe the geographical scope of your organization, tick where appropriate.

- 1. National (within Kenya) [ ]
- 2. Regional (Africa) [ ]
- 3. International (Global) [ ]

6. Number of employees, tick where appropriate

- (a) 0 - 25 [ ]
- (b) 25 - 50 [ ]
- (c) 50 - 100 [ ]
- (d) Over 100 [ ]

Others (specify and rank)

## Part II Firm's Strategy Choices

7. Listed below are the probable strategy choices that your firm has recently made. To what extent has your firm made such strategic move(s). Please rank them using the key guide below:

- [1]\_ Not at all; [2]\_ To a less extent; [3]\_ To a fairly large extent; [4]\_ To a large extent
- [5]\_ To a very large extent

### a) Low cost strategy:

- i) Construction of efficient-scale facilities [1] [2] [3] [4] [5]
- ii) Vigorous pursuit of cost reductions from experience [1] [2] [3] [4] [5]
- iii) Tight cost and overhead control [1] [2] [3] [4] [5]
- iv) Avoidance of marginal customer accounts [1] [2] [3] [4] [5]
- v) Cost minimization in areas like sales force, R&D, advertising etc [1] [2] [3] [4] [5]

Others (please specify and rank)

- i) [1] [2] [3] [4] [5]
- ii) [1] [2] [3] [4] [5]
- iii) [1] [2] [3] [4] [5]

**b) Differentiation strategy:**

- i) Book/product design or brand image [1] [2] [3] [4] [5]
- ii) Technology [1] [2] [3] [4] [5]
- iii) Book/product features [1] [2] [3] [4] [5]
- iv) Customer service [1] [2] [3] [4] [5]
- v) Bookshop network [1] [2] [3] [4] [5]

Others (specify and rank)

- i) [1] [2] [3] [4] [5]
- ii) [1] [2] [3] [4] [5]
- iii) [1] [2] [3] [4] [5]

**c) Focus strategy:**

- i) Focusing attention on a particular buyer group [1] [2] [3] [4] [5]
- ii) Focusing attention on a particular segment of the product line [1] [2] [3] [4] [5]
- iii) Focusing attention on a particular geographic market [1] [2] [3] [4] [5]

Others (specify and rank)

- i) [1] [2] [3] [4] [5]
- ii) [1] [2] [3] [4] [5]
- iii) [1] [2] [3] [4] [5]

**d) Market penetration strategy:**

- i) Increase market share of the current titles [1] [2] [3] [4] [5]

**e) Market development strategy:**

i) Seek new markets for the current titles [1] [2] [3] [4] [5]

**f) Product development strategy:**

i) Come up with new titles to replace the current ones  
and sell them in the current markets [1] [2] [3] [4] [5]

**g) Diversification strategy:**

i) Come up with new titles and sell them in the new markets [1] [2] [3] [4] [5]

**h) Concentrated growth strategy:**

i) Direct resources to the profitable growth of a single  
title in a single market, with a single technology [1] [2] [3] [4] [5]

**i) Innovation strategy:**

i) Create new title/product life cycle and make similar  
existing titles/products obsolete [1] [2] [3] [4] [5]

**j) Horizontal integration strategy:**

i) Acquisition of a firm(s) or getting acquired by another firm  
operating at the same stage of production or marketing chain  
e.g acquiring a printing firm [1] [2] [3] [4] [5]

**k) Vertical integration strategy:**

i) Acquisition of a firm(s) or getting acquired by another firm  
that supplies your firm with inputs or those that are customers  
of your outputs (products) e.g acquiring a paper supplying firm  
or a bookshop [1] [2] [3] [4] [5]

**l) Concentric diversification strategy:**

i) Acquisition of a business(es) that is/are related to  
your firm in terms of technology, market, or products [1] [2] [3] [4] [5]

**m) Conglomerate diversification strategy:**

- i) Acquisition of unrelated business(es) just because it/they represent the most promising investment opportunity available

e.g acquiring a hotel business [1] [2] [3] [4] [5]

**n) Turnaround strategy: Through:**

**a) Cost reduction by:**

- i) Decreasing the workforce via employee attrition

e.g natural retirement [1] [2] [3] [4] [5]

ii) Leasing rather than purchasing equipment [1] [2] [3] [4] [5]

iii) Extending the life of machinery [1] [2] [3] [4] [5]

iv) Eliminating elaborate promotional activities [1] [2] [3] [4] [5]

v) Laying off employees [1] [2] [3] [4] [5]

vi) Dropping items from a production line [1] [2] [3] [4] [5]

vii) Discontinuing low margin customers [1] [2] [3] [4] [5]

Others (specify and rank)

i) [1] [2] [3] [4] [5]

ii) [1] [2] [3] [4] [5]

iii) [1] [2] [3] [4] [5]

**b) Asset reduction by:**

i) Sale of land and/or buildings [1] [2] [3] [4] [5]

ii) Elimination of "perks" such as the company

executives' cars [1] [2] [3] [4] [5]

Others (specify and rank)

i) [1] [2] [3] [4] [5]

ii) [1] [2] [3] [4] [5]



- iii) [1] [2] [3] [4] [5]
- o) Divestiture strategy:**
- i) Sale of a title or a major component of a firm [1] [2] [3] [4] [5]
- p) Joint venture strategy:**
- i) With your supplier(s) [1] [2] [3] [4] [5]
- ii) With your consumer(s) [1] [2] [3] [4] [5]
- q) Strategic alliances (Licensing agreements):**
- i) On copyrights and patents [1] [2] [3] [4] [5]
- ii) On trademarks [1] [2] [3] [4] [5]
- iii) On technical know-how [1] [2] [3] [4] [5]
- iv) On contract manufacturing/publishing [1] [2] [3] [4] [5]
- v) On outsourcing [1] [2] [3] [4] [5]
- Others (specify and rank)
- i) [1] [2] [3] [4] [5]
- ii) [1] [2] [3] [4] [5]
- iii) [1] [2] [3] [4] [5]

### Part III Factors Influencing Strategy Choices

8. Listed below are the factors that could have influenced the strategy choices that your firm made. Please rank them as per the extent to which they influenced your strategy choices following the key similar to the one in Part Two above.

1. Essence of competitive advantage [1] [2] [3] [4] [5]
2. Management's attitude towards risk [1] [2] [3] [4] [5]
3. Current strategy [1] [2] [3] [4] [5]
4. Market tastes and preferences [1] [2] [3] [4] [5]

- |                                    |                     |
|------------------------------------|---------------------|
| 5. Technological developments      | [1] [2] [3] [4] [5] |
| 6. Competitive forces              | [1] [2] [3] [4] [5] |
| 7. Degree of external dependence   | [1] [2] [3] [4] [5] |
| 8. Shareholders' interests         | [1] [2] [3] [4] [5] |
| 9. Government policy and decisions | [1] [2] [3] [4] [5] |
| 10. Changing rules of the game     | [1] [2] [3] [4] [5] |
| 11. Power of the management        | [1] [2] [3] [4] [5] |
| 12. Suppliers powers               | [1] [2] [3] [4] [5] |
| 13. Authors powers                 | [1] [2] [3] [4] [5] |
| Other factors (specify and rank)   |                     |
| 14.                                | [1] [2] [3] [4] [5] |
| 15.                                | [1] [2] [3] [4] [5] |
| 16.                                | [1] [2] [3] [4] [5] |

***Thank you for your time and cooperation***

In order to gather data for this project, I humbly request you to fill the attached questionnaire. All information provided for this project will be treated confidentially and shall not be used for any other purpose except for this academic use. A copy of the research report will be mailed to you on request.

Your assistance will be highly appreciated.

Thank you

Yours sincerely,

Archie Muteru, IRI

Appendix

LIST OF PUBLISHING FIRMS

Letter of Introduction

January 2006

Address/Name	Ad. No.
Tom Mbuga St	212305
Kileleshie, Enterprise Rd	527467
Waiyeh Way	444923
Karumbao Hse, 6 <sup>th</sup> fl, Hatic Science Ave	318021
Karumbao Hse, Nicolas Mutemi Iko	247828
C/o University of Nairobi	228318
P.O.Box 30197 -00100	371281
Nairobi	293173
Factory Street	552368
Dear Sir/Madam	601135
Book Ctr, Muthika Rd Woodvale Ctr	444700
RE: <u>A SURVEY OF STRATEGIC CHOICES MADE BY PUBLISHING FIRMS IN KENYA</u>	313923
I am a postgraduate student at the University of Nairobi, School of Business, under taking research in the above area of study. The research project is a partial fulfilment of the requirements of the award of an MBA degree.	240712
In order to gather data for this project, I humbly request you to fill the attached questionnaire. Any information provided for this project will be treated confidentially and shall not be used for any other purpose except for this academic use. A copy of the research report will be availed to you on request.	341104
Your assistance will be highly appreciated	30676
Thank you	38005
Yours sincerely,	312953
Nicolas Mutemi Iko	31923
	30031
	319477
	331965
	374923
	253423
	303343
	311520
	302261
	305305
	226263
	3132344

## LIST OF PUBLISHING FIRMS

	Name	Building/Road	Tel. No.
1	African Business Directory	Tom Mboya St.	212595
2	Business Directory Network	KCB Bldg, Enterprise Rd.	551467
3	Camerapix Publishers Ltd.	Waiyaki Way	4448923
4	Contact Investments	Kenbanco Hse, 6 <sup>th</sup> flr, Haile Selassie Ave.	318021
5	Contact Publishers Co.	Kenbanco Hse, 6 <sup>th</sup> flr, Haile Selassie Ave.	247838
6	Council for the Promotion of Children's Science Publication in Africa		228598
7	Creative Publishing Company Ltd.	Natu Crt, Ngong Road	571283
8	Danmar Publishers Printers	Trust bldg, 1 <sup>st</sup> flr Moi Avenue	249145
9	Dhillon Publishers	Factory Street	552566
10	Drumbeat Publication		601138
11	East African Education Publishers Ltd.	Brick Crt, Mpaka Rd/Woodvale Grv, Westlands	4444700
12	Evangel Publishing House	Lumumba Drv. Roysambu, Kamiti Rd.	860839
13	Evans Brothers Kenya Ltd.	Barrot Hse, 1 <sup>st</sup> flr Kijabe st.	343992
14	Express Communications Ltd.	Maendeleo Hse, 2 <sup>nd</sup> flr. Monrovia/Loita st.	228055
15	Farmview Media Services	Lords Hse. 3 <sup>rd</sup> flr. Tom Mboya St.	247088
16	Focus Publications Ltd.	Siwaka Estate Hse 125, Opp. Strathmore College	600737
17	Greenline Communications Co.	Sonalux Hse. 7 <sup>th</sup> flr.	211945
18	Highway Publishers	Bima Hse. 8 <sup>th</sup> flr. Harambee Avenue	240668
19	In House Publishing Ltd.	St. George's Hse. 3 <sup>rd</sup> flr. Parliament Rd.	240712
20	Industrial and Trade Directory Co.	Mago Hse. Gaberone Rd.	343194
21	Infopro Management Ltd.	Marcus Garvey Rd.	2730636
22	Institutional Communication Services Ltd.	Ellies Hse. 3 <sup>rd</sup> flr. Baricho Rd.	530664
23	Inter Green Services Ltd.	Social Security Hse. Base 1 flr. Bishops Rd.	2713995
24	Intercontinental Publishers Ltd.	Shell/BP Hse. 4 <sup>th</sup> flr. Harambee Ave.	219823
25	International Publication Services	Thika Rd.	860313
26	Jacaranda Designs Ltd.	Peponi Plaza, Muthithi Rd. off Museum Rd.	3744737
27	Jomo Kenyatta Foundation	Enterprise Rd., Industrial Area	531965
28	Kaizen Investments Ltd.	Mosemique Plaza 4 <sup>th</sup> flr. Muthithi Rd.	3743928
29	Kalamka Ltd.		253423
30	Karinga Publishers		343545
31	Kawal Enterprises Ltd.		211520
32	Kenya Baptist Media	Thika Rd.	802261
33	Kenya Literature Bureau	Belle Vue Area, off Mombasa Road	608305
34	Kenya Postel Directories Ltd.	Teleposta Tws. Wing C, 21 <sup>st</sup> flr. Kenyatta Avenue.	226263
35	Kenya Publishers Association	Occidental Plaza 4 <sup>th</sup> flr. Muthithi Rd.	3752344

36	Kenya Publishing House	Lusaka Road	556407
37	LawAfrica Publishing Ltd.	Ralph Bunche Rd.	2722580
38	Legal Media Ltd.	Tumaini Hse. 3 <sup>rd</sup> flr Moi Avenue	230255
39	Longhorn Kenya Ltd.	Funzi Road Off Enterprise Rd.	532579
40	Longman Kenya Ltd.	Longonot Place, Kijabe St.	219177
41	Macmillan Kenya Publishers Ltd.	Barot Hse. Kijabe St.	220012
42	Malimu Publications	Enterprise Road	3747743
43	The Media Institute		217082
44	Micro Typesetters Ltd.	Hill Plaza Bldg. 10 <sup>th</sup> flr, Ngong Rd.	2722137
45	Mohanns Publishers		797407
46	News Publishers Ltd.	Arwings Kodek Rd	569113
47	News Services Ltd.	Protection Hse. 12 <sup>th</sup> flr Parliament Road	340307
48	Newspack Services Co. Ltd.	Agip Hse. 2 <sup>nd</sup> flr	343159
49	Newsread International	Leaders Hse. 1 <sup>st</sup> flr. Moi Avenue	221815
50	Nzomo Educational Suppliers	Langata Shopping Centre	604872
51	Open and Distance Education Trust	Off Thika Road	812506
52	Oxford University Press	ABC place, Waiyaki Way, Westlands	4440555
53	Phoenix Publishers Ltd.	Kijabe Street	223262
54	Reginah Professional Designers		794935
55	Rollout Publishing Ltd.	Ukulima Co-operative Hse. 9 <sup>th</sup> flr Haile Selassie Avenue	341366
56	Rural Publishers Ltd.	Manan Bldg, 1 <sup>st</sup> flr Tom Mboya St.	211715
57	Sasa Sema Publishers Ltd.	South Gate Centre Mukoma Rd. South B	550398
58	Scientific Media Services Ltd.	Hazina Tws, 19 <sup>th</sup> flr, Uhuru Highway	242233
59	Space Sellers Ltd.	Chepkerio Road	530598
60	Strika Entertainment Kenya Ltd.	City Hse 5 <sup>th</sup> flr Standard/Wabera St.	247220
61	Symbion East African Printers Ltd.	Coffee Plaza, Gr flr	246671
62	Temisik Cultural Books Ltd.	Kimathi St.	214286
63	Travel Trade Communications Ltd.	Norwich Union Tws. 5 <sup>th</sup> flr Mama Ngina St.	213998
64	Update Publishers Ltd.	Continental Hse, 2 <sup>nd</sup> flr. Harambee Ave.	253196
65	Ushindi Publishers (Kenya)		223375
66	Uzima Foundation		2721410
67	Uzima Press	Imani Hse. 2 <sup>nd</sup> flr, Parliament Rd.	220239
68	Veteran General Merchants	Uchumi Hse. 10 <sup>th</sup> flr Aga Khan Walk	311958
69	Wanjega Enterprises Ltd.	Clyde Hse 2 <sup>nd</sup> flr Kimathi Street	243165
70	World Link Press Publishers	Development Hse. 10 <sup>th</sup> flr, Moi Avenue	316925
71	Africapix Media Ltd.	Brookside Drive	4447518
72	Agence France Presse	International Hse. 5 <sup>th</sup> flr Mama Ngina St.	230613
73	Ansa News Agency		581338
74	Associated Press	Chester Hse 1 <sup>st</sup> flr Koinange St.	223143
75	Horn of Africa News Agency	Chester Hse 1 <sup>st</sup> flr Koinange Street	316606
76	Inter Press Services	Chester Hse 1 <sup>st</sup> flr Koinange Street	240951
77	Kyodo News (Japanese News Agency)	Chester Hse 1 <sup>st</sup> flr Koinange Street	243250
78	Los Angeles Times	Chester Hse 1 <sup>st</sup> flr Koinange Street	225266
79	New York Times, Nairobi Bureau		521032

80	Panafrican News Agency (Panapress)	Telposta Tws, 20 <sup>th</sup> flr Wing C, Kenyatta Ave.	211286
81	Reuters Ltd.	Finance Hse, 12 <sup>th</sup> flr Loita St.	310617
82	Sudan News Agency, Nairobi		2729754
83	Tele-News Africa & Atlantic Region		575445
84	Xinhua News Agency	Rose Ave. Off Ngong Road	2723363
85	Collect Philip Ltd.	Pergola Flats Flat 8 flor Milimani Rd.	2729647
86	Financial Post Ltd.		244441
87	Financial Times	Chester Hse. 1 <sup>st</sup> flr Koinange St.	214255
88	German Press Agency	Chester Hse 1 <sup>st</sup> flr Koinange St.	311837
89	Nation Media Group Ltd.	Nation Centre, Kimathi St.	3288000
90	Nation Newspapers Ltd.	Mombasa Road	823622
91	Six Eighty Gift Shop	680 Hotel Bldg Gr. Flr Muindi Mbingu St.	242073
92	Standard Ltd. The	I&M Bldg 6 <sup>th</sup> flr Kenyatta Avenue	3222111
93	The Subscription Centre	Kencom Hse. 1 <sup>st</sup> flr	247030
94	Warwick Kenya Ltd.	Forest Crt. Mezz. Flr Forest Road	3746356
95	Cana Publishing		2710586
96	Kenya National Library		2725550
97	Lake Publishers & Enterprises		(057) 23962
98	Mariwa Publishers		248615
99	Macmillan (K) Publishers		229012
100	Single Publishers		531080
101	Suba Books and Periodicals		444932
102	University of Nairobi Press		222235
103	Njigua Books		862532
104	Moi University		(053) 43720
105	Topic Wise Series Publisher		210435
106	Gulf Publishing Ltd.		230086
107	Friends of the Book Foundation		252567
108	Simpemar Publishers		(061) 72413
109	Afro Press	Dunga Road	533231
110	Celonia press Ltd.		230265
111	D.L. Patel Press	Commercial Street	559733
112	Design Press	Golf Course, Commercial Centre, 4 <sup>th</sup> Mbagathi Road	
113	Epitome Press	Hughes Bldg, Kenyatta Avenue	318731
114	Foundation Press	Foundation Building	244075
115	Regal Press	Bunyala Road	557587
116	Roche Press	Ndaragua House, 2 <sup>nd</sup> flr	248151
117	Signal Press	Lord's House Ground flr, Tom Mboya	
118	Focus Publishers	Bunyala Road	
119	Single Publishers	Off Mombasa Road	
120	Home Health Publishers, SDA		