

**STRATEGIC RESPONSES BY WEIGHING SCALE DEALERS IN KENYA
TO CHANGES IN EXTERNAL ENVIRONMENT**

NEMWEL MOTURI MOTANYA

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DECLARATION

This research project is my original work and has not been submitted for a degree in any University.

Signature: _____ Date: _____

NEMWEL MOTURI MOTANYA

D61/P/8391/04

The research project has been submitted for examination with my approval as the University Supervisor.

Signature: _____ Date: _____

Ms Florence Muindi

School of Business

University of Nairobi

DEDICATION

This project is dedicated to my beautiful and loving wife Navy, who gave me a lot of hope, encouragement and assistance throughout the study and to my dear children Glenna, Gloria and Gabriel who wondered why Daddy was going to school at old age. Lastly to my Parent Samwel Motanya and Mary Motanya for they gave me the education to reach this level.

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My special and sincere thanks go to my Supervisor, Ms Florence Muindi of Business Administration Department, without whose guidance and constant advice this work would not have been completed. I want to thank her very much for this tireless effort, invaluable guidance and constant advice from the Project conception right through to writing up of the final report.

My appreciation is also extended to all lecturers of the faculty of commerce and MBA especially Dr. Ogutu, Prof. E. Aosa Dr. J. Maalu. Dr. Nyandemo and Mr. Nzube. I wish specifically to register my appreciation to all participating companies who took their valuable time to fill my questionnaires. My most sincere gratitude to my wife Navy and children Glenna, Gloria and Gabriel for their constant encouragement during my study. Last but not least my thanks goes to all those who assisted me in one way or another during the programme.

ABSTRACT

The environment in which organizations operate is constantly changing with different factors influencing them. Since the turn of the millennium, the general business environment has become more volatile, unpredictable and very competitive. Coping with the increasingly competitive environment has called on firms to rethink their marketing strategies. Industries are responding to customer's demand by becoming more innovative in their new ways of approaching the changed environment. The objectives of the study were; to establish the changes that have taken place in the external environment for Weighing Scale firms in Kenya and how the weighing scale firms in Kenya have responded to changes taking place in their external environment. The population for the study covered all top ten firms based in Nairobi as at December 2012 as registered by the Weights and Measures Department of Kenya. The primary data was collected by use of questionnaire. The basic data collection method "of Drop and pick later techniques" was used. Descriptive analysis was used. Data analysis was done using descriptive statistics. The study found that Weighing Scale firms in Kenya use decisive strategic responses in the changing external environment to a great extent such as pricing, product diversification and embracing technological changes. Strategic responses by Weighing Scale firms in Kenya aim to improve organizational efficiency and it is aimed at improving productivity. The study found that Weighing Scale firms in Kenya use strategies in responding to changing external environment such as staff reduction, keeping overheads lower than others, use knowledge from past experience, keeping overheads same as industry and keeping charges same as competitors. The financial requirements and staff skills and motivation influenced the strategies in the organization were industry regulations, changing customer needs, demands from suppliers and actions of competitors. The study also found that Weighing Scale firms in Kenya use reactive strategies in responding to the changing external environment such as after sale service, product promotion and reliability of the marketing. Weighing Scale firms in Kenya have also introduced new products and services in the market and have technological and/or marketing strategies in line with existing products. The study recommends that in order to overcome the challenges of change in external environment the companies should devise specific strategies to counter specific threats from external environment.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Pearce and Robinson (1991) define strategic response as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a firm's objectives. It is thus a reaction to what is happening in the environment of organizations. Porter (1980) points out that knowledge of the underlying sources of competitive pressure provides the groundwork for strategic agenda in action. When firms are faced by unfamiliar changes, they should revise their strategies to match the turbulence level (Ansoff and Me Donnel, 1990).

The environment in which organizations operate is constantly changing with different factors influencing them. Since the turn of the millennium, the general business environment has become more volatile, unpredictable and very competitive. Coping with the increasingly competitive environment has called on firms to rethink their marketing strategies (Pearce and Robinson, 2005). The days when firms could simply wait for clients to beat a path to their door are long gone. Organizations must realize that their services and products, regardless of how good they are, simply do not sell themselves (Kotler, 2000).

Industries are responding to customer's demand by becoming more innovative in their new ways of approaching the changed environment (Aosa, 1982). They adopt strategies such as improved customer services, credit facility, post-paid cards and provision of convenience goods and services. Rapid technological change has created a new business environment where innovation has become a top competitive strategy.

Ansoff and McDonnell (1990), echoes this by observing that increased competition has created fundamental shift in economic environment whereas no organization can hope to stay afloat if it fails to come up with proper strategic responses. Terminologies such as retrenchment, mergers, rightsizing and cost reduction have become a routine for survival means.

Environmental analysis is concerned with examining those forces not under the direct control of the organization or its industry but which can profoundly influence the industry and organizations within the industry. Analysis of the environment is a critical component of strategic management because it produces much of the information required to assess the outlook for the future. The environment being of significant source of change Byars, Rue & Zahra (1996) points out that some organizations become victims of change, while others use change to their advantage. Organizations are more likely to be able to turn change to their advantage if they are forewarned and this forms the major purpose of the environmental analysis process.

1.1.1 Concept of Strategic Responses

Strategic responses are concerned with decisions and actions meant to achieve business objectives and purpose. The three areas of a company strategy that are important in identifying the responses of a firm to its environmental challenges include objective setting, the vision and mission of the company, competitive strategy where after considerations of the firm's competitive strengths and weaknesses vis-à-vis competition and customer needs, the company establishes a position of competitive advantage (Lowes et al, 1994). Ansoff and McDonnell (1990) noted that

strategic responses involve changes in the firm's strategic behaviour to assure success in transforming future environment.

Strategic responses are defined by Pearce and Robinson (1997) as the set of decisions and actions that result in the formalization and implementation of plans designed to achieve a firm's objectives. Porter (1998) views of operational responses are as part of a planning process that coordinates operational goals with those of the larger organization. Hence, operational issues are mostly concerned with certain broad policies and policies for utilizing the resources of a firm to the best support of its long term competitive strategy. Burnes (1998) asserted that the concern in real time responses is to minimize the sum to total losses and restore profitability to ensure organization's success in a turbulent and surprising environment. According to Hill and Jones (2001) state that by planning, an organization is able to identify the problems and plan how to solve them by using appropriate strategies.

1.1.2 Organizational External Environment

An organization's external environment as defined by Pearce and Robinson (2005) as all those factors beyond the control of the firm that influence its choice of direction, action, organizational structure and internal processes. The environment is what gives organizations their means of survival (Johnson, Scholes and Whittington, 2008). However, the environment is also the source of threats and environmental change can be fatal. It is therefore vital that managers analyze their environments carefully in order to anticipate and if possible, influence environmental change.

Environment has been characterized as complex, dynamic, multi-facet and having far reaching impact (Kazmi, 2002). As a result of these characteristics, the environment is

composed of various factors, events, conditions and influence which interact with each other to create an entirely new set of influences leading to constant environmental change in its shape and character. A fundamental change is occurring in the world economy whereby the world economies are witnessing the forces of globalization and liberalization of trade. The phenomenon of globalization, according to Hammond and Grosse (2003) refers to “the fact that people around the world are becoming more and more knowledgeable about each other”.

To survive in a dynamic and highly competitive business environment, different organizations have had to engage various strategies. Pearce and Robinson (2005) note that there is need to adopt new strategies that match the challenges from the environment. Ansoff and McDonnell (1990) asserts that the management system used by a firm is a determining component of the firm’s responsiveness to environmental changes because it determines the way that management perceives the environment, diagnosis their impact on the firm, decides what to do and implements the decisions.

It is important to note that no two organizations face exactly the same external environment. Hence the analysis of the external environment must be tailored specifically for the organization for which strategy is to be formulated. The relationships, events, and conditions that make the unique environment of any organization are not static. Some of these environmental changes are so fundamental that they may affect long-term survival of an organization, while others are only temporary and may be ignored. The dynamic nature of the environment means that environmental assessment must be continuous avers (Byars, Rue & Zahra, 1996). Organizations are not helpless in the face of environmental forces, but certainly some

aspects of environmental changes are more amenable than others to control or influence.

1.1.3 The Weighing Scale Industry in Kenya

The weights and measures department was started in 1923 under the colonial police. In 1966 it was moved to the Ministry of Trade and Commerce. The weights and measures were using imperial system up to 1971 when it was converted into metric system. The weighing machines were mechanical.

Avery (K) Ltd and Papyrus (K) Ltd were the only firms dealing in weighing scales. In earlier 1980's electronic scales were introduced into the Kenyan market. In 1990's the number of player's in the market started increasing with cheap products from China and India. The department weights and measures is charged with the following function: formulation, review and implementation of policies and registration on weights and measures and other consumer protection services; promotion of uniformity of all measurements in trade through procurement and maintenance of physical standards of weights and measure, which are nationally and internationally recognized; control of the accuracy and manner of weighing and measuring equipment in use for trade; control of the sale of goods in terms of quantity to prevent sale of weight, measure or number of such goods; protection of the consumer against cheating through false description of goods and services in terms of quantity, quality, price, composition, fitness for purpose, place or date of manufacture or such other practices; and regulation of sale, manufacturing and repair of weighing and measuring equipment for use for trade.

1.2 Research Problem

Weighing Scale dealers in Kenya like any other organization are environment dependent. They rely on the external environment to carry out their activities. They have to constantly understand the changes taking place in the external environment for them to survive. While understanding what is happening in the external environment is important, they have to go an extra mile of carrying necessary adjustments in their way of doing business to match the changes. The nature of changes taking place in the external environment affects their organizations future business.

The industry environment for Weighing Scale dealers has experienced many changes in the external environment. The changes range from political/legal, economic, and social to technology changes. The Kenyan government liberalized the weighing scale industry in 1994. Prior to this period the industry was highly regulated in terms of number of players and the pricing of the product. The number of players has increased in the last 10 years. This has made the industry one of the most competitive ones in Kenya. The industry has also shifted from that of high dominance by foreign multinationals to that of more local players taking active roles.

Studies have been done on the responses to changing external environment to organizations future business in various industries by Abdullah (2002) did a study of the strategic responses by Kenyan insurance companies following liberalization; Adoyo (2005) did a study on responses to changes in the external environment by post bank, Isaboke (2001) did an investigation of the strategic responses by major oil companies in Kenya to the threat of new entrants, Karambu (2005) the strategic

responses to changes in the environment by the co-operative bank of Kenya limited, Kombo (1997) strategic responses by firms facing changed environmental conditions – a study of motor vehicle franchise holders in Kenya, Mwaura (2003) strategic planning within television companies in Kenya and Mwathi (2003) did a study on strategic response by Tobacco industry, to the research knowledge no known local study has focused on directed in the weighing scale industry. The weighing scale industry has been very dynamic in responding to the effects of changes in the external environment. The study is therefore meant to fill the void on how weight scale firms in Kenya have responded to the changes in the environment. In changed environments, firms should cope with the change by adopting various strategies.

Though firms are to respond strategically to environmental changes for their survival, it is not clear which strategic responses the weighing scale firms have used to cope with the changed environment. The research problem is therefore to develop a better understanding of the industry's response to the changes in the environment. The study will address the following questions: - What are the strategic responses adopted by the weighing scale firms in Kenya. What adjustments in strategic variables have taken place?

1.3 Objective of the Study

The objectives of the study were:-

- i. To establish the changes that has taken place in the external environment for Weighing Scale firms in Kenya.
- ii. To ascertain how the weighing scale firms in Kenya have responded to changes taking place in their external environment.

1.4 Value of the Study

The study findings will help gain an understanding on how the weighing scale firms in Kenya have responded to changes in their external environment. The study will contribute knowledge on strategy especially in dealing with external environment for the weighing scale industry in Kenya. The study findings will motivate new entrants on the best approach in the weighing scale industry and shade some light on expectations in the industry. The study is also expected to contribute to the existing literature in the field so that it will be useful to academicians for the purposes of carrying out further research

CHAPTER TWO: LITERATURE REVIEW

2.1 Concept of Strategy

Strategy according to Johnson and Scholes (2002) is the direction and scope of organizations over the long-term which achieves advantage for the organization through its configuration of resources within a changing environment and fulfill stakeholders' expectations. Strategy is certainly applicable when threats emanate from the more general environment, strategy analysts earn their stripes in circumstances in which rivals contest head to head. This is the fertile ground of strategy; the point-counterpoint of market competition. Strategy is about competition and the means by which an organization tries to gain a competitive advantage Porter (1998).

Porter describes a category scheme consisting of three general types of strategies that are commonly used by businesses. The three generic strategies are as follows: strategic scope and strategic strength. Strategic scope is a demand-side dimension and looks at the size and composition of the market to be targeted. Porter simplifies the scheme to the three best strategies: cost leadership, differentiation, and market segmentation. Market segmentation is narrow in scope while both cost leadership and differentiation are relatively broad in market scope. According to Boseman and Phatak (1989) if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government and how they impact on its operations' success is dependent on productivity, customer satisfaction and competitor strength.

2.2 Strategic Responses

According to Porter (1998) strategy is about competition and the means by which an organization tries to gain a competitive advantage. Pearce and Robinson (2005) states knowledge of these underlying sources of competitive pressure provides the ground work for strategic agenda of action. The highlight of the critical strengths and weaknesses of the company, animate the positioning of the company in its industry, clarify the areas of strategic changes and may yield the greatest payoff. Porter (1998) argues that developing competitive strategies involves development of a broad formula on how a firm is going to compete, what are the goals and policies or tactics necessary for achieving the goals.

Competitive strategy includes actions or attempts by a firm to attract customers, retain them, withstand competitive pressures and strengthen its market positions and is aimed at gaining competitive advantage. Porter expressed the key aspects of firm's competitive strategies in what he referred to as the "wheel of competitive strategies". The company's corporate strategy should help in the process of establishing a distinctive competence and competitive advantage at the business level. There is a very important link between corporate-level and business level. According to Johnson and Scholes (2002) corporate level responses is the first level of strategy at the top of the organization, which is concerned with the overall purpose and scope of the organization to meet the expectations of owners or major stakeholders and add value to different parts of the enterprise.

Diversification strategy is the process of entering new business markets with new products. Such efforts may be undertaken either through acquisitions or through

extension of the company's existing capabilities and resources (Smith, 2003). Diversification is meant to be the riskiest of the four strategies to pursue for a firm. According to him, diversification is a form of growth marketing strategy for a company. It seeks to increase profitability through greater sales volume obtained from new products and new markets. Diversification can occur either at the business unit or at the corporate level. At the business unit level, it is most likely to expand into a new segment of an industry in which the business is already in. At the corporate level, it is generally entering a promising business outside of the scope of the existing business unit (Ansoff, 1998). According to Johnson and Scholes (2002) corporate level responses is the first level of strategy at the top of the organization, which is concerned with the overall purpose and scope of the organization to meet the expectations of owners or major stakeholders and add value to different parts of the enterprise.

A focus strategy provides an opportunity for an entrepreneur to find and then exploit the gap in the market by developing an innovate product that a customer cannot do without. The company has enormous opportunity to develop its own niche and compete against low-cost and differentiated enterprises which tend to be larger. Business unit strategy is about how to compete successfully in particular markets". According to Johnson and Scholes (2002) operational strategies are concerned with how parts of an organization deliver effectively the corporate and business level strategies in terms of resources, process and people. Even though strategies may be focused on a given function, as often as not they embrace two or more functions and require close co-operation among functions to attain companywide efficiency, quality innovation, and customer responsiveness goals.

Differentiation strategy is an approach under which a firm aims to develop and market unique products for different customer segments. Differentiation strategy is one of Porter's key business strategies. When using this strategy, a company focuses its efforts on providing a unique product or service. Since the product is unique, this strategy provides high customer loyalty (Porter, 1998). Pearce and Robinson (2005) contend that strategies dependent on differentiation are designed to appeal to customers with a special sensitivity for a particular product attribute. Product differentiation fulfils a customer need and involves tailoring the product or service to the customer. This allows the organization to capture the market share.

Strategic responses to a changing competitive environment therefore entail substantial changes to organization long term behavior. This adaptation may be gradual or revolutionary depending on the nature and circumstances facing the organization. Locally, Sheikh (2000) conducted a study on strategic response by insurance companies following liberalization and concluded that the companies in the industry consider strategic plans to be important. Kandie (2001) studied the strategic response of Telkom Kenya in a competitive environment and found that financial constraints and lack of managerial empowerment has limited the capability to respond to the environmental changes. Isaboke (2001) investigated the responses of the oil companies in Kenya to the threats of the new entrants. Response included a combination of generic strategies and lobbying for a level playing ground. Kombo (1997) found that as a result of the ongoing economic reforms, firms in the motor industry adjusted their variables substantially so as to survive in a competitive environment.

2.3 Organization Environmental Changes

Ansoff and McDonnell (1990) argue that business firms are in a constant two way interaction with the environment. They receive an assortment of resources from the environment and after a transformation, deliver them back to the environment in the form of goods and services. In today's global environment, change rather than stability is the order of the day. Increased trade liberalization reduces country-based trade barriers, thus increasing the opportunity for cross-border entry (Ellis and Williams, 1995). If new entrants have adopted new technologies and/or developed more efficient business operations systems, the competitive intensity will increase pressure of existing industry to internationalize by weakening their competitive position. To be successful overtime, an organization must be in tune with its external environment. The speed or response time to the environmental challenges has been identified as a major source of competitive advantage for numerous firms in today's intensely competitive global economy (Pearce and Robinson, 2005). The environment is important and an organization has to respond to its dynamism, heterogeneity, instability and uncertainty (Thompson, 2005).

Economic factors concern the nature and direction of the economy in which a firm operates (Pearce and Robinson, 2005). Since consumption patterns are affected by the relative affluence of various market segments, each firm must consider economic trends in the segments that affect its industry. Some of the economic factors on both national and international level that managers must consider include general availability of credit, the level of disposable income, the propensity of people to spend, interest rates, inflation rates, and trends in the growth of the gross national product. The economic conditions affect how easy or hard it is for a firm to be

successful and profitable at any time. A firm must therefore include these factors in its strategy formulation.

The social factors that affect a firm involve the beliefs, values attitudes, opinions and lifestyles of persons in the firms' external environment, as developed from cultural, ecological, demographic, religious, educational, and ethnic conditioning (Pearce and Robinson, 2005). As social attitudes change so too does the demand of various types of products. Like other forces in the external environment, social factors are dynamic with constant change resulting from efforts of individuals to satisfy their desires and needs by controlling and adapting to environmental factors. Dynamic social forces can significantly influence the demand for an organization's products or services and can alter its strategic decisions Byars, Rue and Zahra (1996). For managers, informed judgment of the impact of changes in social; cultural factors are paramount.

Political factors affect the operating environment of organizations. Pearce and Robinson (2005) reckon that the direction and stability of political factors are a major consideration for managers on formulating company strategy. Political factors define the legal and regulatory parameters within which firms must operate. Political constraints are placed on firm's fair trade decisions antitrust laws, tax programmes, minimum wage legislation, pollution and pricing policies and administrative regulations. Byars, et al (1996), avers the activities of the state through its legislature and law enforcement agencies impinge considerably on organizations. Some are meant to protect the firm and they include patents laws, government subsidies etc.

Pearce and Robinson (2005) observed that a technological breakthrough can have a sudden and dramatic effect on a firm's environment. It may spawn new markets and products or significantly shorten the anticipated life of a manufacturing facility. Hence, for a firm to stay successful, it must strive to understand both the existing technological advances that can affect its products and services. The ability to forecast future technological advances helps alert strategic managers to both impending challenges and promising opportunities. Cole (1997) states that organizations which want to maintain a competitive advantage have to be ready to adopt and adapt technological developments to their production and administrative procedures in order to stay ahead.

A study by Stewart and Champion (2007) found out that small enterprises in Ghana adapted to the competitive environment as a result of Structural Adjustment Programmes (SAPs), by altering their product mixes. This enabled these firms to compete with imports. Changes in product mix were prevalent in those sectors whose products were more vulnerable to competition from standardized imports. Systems delay typically occurs in large firms due, in part, to the time consumed in observing, interpreting, collating and transmitting information to responsible managers. In another part, it is due to the time consumed by these managers in communicating with one another and establishing a common understanding as well as the time necessary for processing the decisions among the responsible groups and decision levels (Powell, 1995). They will opt for waiting a little longer to see if the threat will 'blow itself out.'

Ecology as Pearce and Robinson (2005) define is the relationship among human beings and other living things and the air, soil and water that support them. Specific concerns in this area include global warming, loss of habitat, and biodiversity as well as air, water, and pollution. Firms are increasingly being called upon to pay attention to this by protecting the environment. They further observed that despite cleanup efforts, the job of protecting the stakeholders is entrusted on the organizations. Hence any effort to attain success through competitive advantage must be fully aware of all the external environmental factors and their impact on the day to day operations of the business.

2.4 Strategic Response to Organization Environment

According to Johnson and Scholes (2002) dealing with the environment is difficult because of three factors. First is the diversity of the different influences that affect a business. Identifying the environmental influences may be possible but it may not be of much use because no overall picture emerges of the really important influences on the organization. The second difficulty is the speed of change. Managers typically feel that the pace of technological change and the speed of global communications mean more and faster changes than ever before. Third is the problem of complexity. Managers are no different from other individuals in the way they cope with complexities; they try to simplify what is happening by focusing on those few aspects of the environment which have been important historically. It is important to avoid these tendencies whilst achieving an understanding of the environment which is both usable and oriented towards the future.

2.4.1 Competitive Strategies

According to Porter (1998) strategy is about competition and the means by which an organization tries to gain a competitive advantage. Pearce and Robinson (2005) states knowledge of these underlying sources of competitive pressure provides the ground work for strategic agenda of action. The highlight of the critical strengths and weaknesses of the company, animate the positioning of the company in its industry, clarify the areas of strategic changes and may yield the greatest payoff.

Porter (1998) argues that developing competitive strategies involves development of a broad formula for how a firm is going to compete, what are the goals and policies or tactics necessary for achieving the goals. Competitive strategy includes actions or attempts by a firm to attract customers, retain them withstand competitive pressures and strengthen its market positions and is aimed at gaining competitive advantage. Porter expressed the key aspects of firm's competitive strategies in what he referred to as the "wheel of competitive strategies".

2.4.2 Diversification Strategies

Diversification strategy is the process of entering new business markets with new products. Such efforts may be undertaken either through acquisitions or through extension of the company's existing capabilities and resources (Smith, 2003). Diversification is meant to be the riskiest of the four strategies to pursue for a firm. According to him, diversification is a form of growth marketing strategy for a company. It seeks to increase profitability through greater sales volume obtained from new products and new markets.

Diversification can occur either at the business unit or at the corporate level. At the business unit level, it is most likely to expand into a new segment of an industry in which the business is already in. At the corporate level, it is generally entering a promising business outside of the scope of the existing business unit (Ansoff, 1998). According to Johnson and Scholes (2002) corporate level responses is the first level of strategy at the top of the organization, which is concerned with the overall purpose and scope of the organization to meet the expectations of owners or major stakeholders and add value to different parts of the enterprise.

2.4.3 Focus Strategies

A focus strategy provides an opportunity for an entrepreneur to find and then exploit the gap in the market by developing an innovative product that a customer cannot do without. The company has enormous opportunity to develop its own niche and compete against low-cost and differentiated enterprises which tend to be larger. According to Johnson and Scholes (2002) “Business unit strategy is about how to compete successfully in particular markets”. According to Johnson and Scholes (2002) operational strategies are concerned with how parts of an organization deliver effectively the corporate and business level strategies in terms of resources, process and people. Even though strategies may be focused on a given function, as often as not they embrace two or more functions and require close co-operation among functions to attain companywide efficiency, quality innovation, and customer responsiveness goals.

2.4.4 Operational Strategies

According to Johnson and Scholes (2002) operational strategies are concerned with how parts of an organization deliver effectively the corporate and business level strategies in terms of resources, process and people. Even though strategies may be focused on a given function, as often as not they embrace two or more functions and require close co-operation among functions to attain companywide efficiency, quality innovation, and customer responsiveness goals.

The company's corporate strategy should help in the process of establishing a distinctive competence and competitive advantage at the business level. There is a very important link between corporate-level and business level. According to Johnson and Scholes (2002) corporate level responses is the first level of strategy at the top of the organization, which is concerned with the overall purpose and scope of the organization to meet the expectations of owners or major stakeholders and add value to different parts of the enterprise.

2.4.5 Differentiation Strategies

Differentiation strategy is an approach under which a firm aims to develop and market unique products for different customer segments. Differentiation strategy is one of porter's key business strategies. When using this strategy, a company focuses its efforts on providing a unique product or service. Since the product is unique, this strategy provides high customer loyalty (Porter, 1998). Pearce and Robinson (2005) contend that strategies dependent on differentiation are designed to appeal to customers with a special sensitivity for a particular product attribute. Product

differentiation fulfils a customer need and involves tailoring the product or service to the customer. This allows the organization to capture the market share.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The research design that was used is descriptive survey. The design was the most convenient since it ensured that the data obtained gave appropriate answers to research questions. It is meant to establish the strategic responses and adjustment in strategic variables adopted by the weighing scale firms in Kenya following the changes in the business environment after liberalization which led to stiff competition among the players.

3.2 Study Population

The population is the total number of respondents selected for the study. The target population for the study covered all top ten firms based in Nairobi as at December 2012 as registered by the Weights and Measures Department of Kenya.

3.3 Data Collection

The primary data was collected by way of a questionnaire. This kind of method has been used in similar studies such as (Aosa 1992, Karambu 2005, Wambua 1996 and Kiruthi 2001). The method is appropriate because data on the same parameters was collected across several firms, and thus enabling the researcher to make appropriate comparisons.

The study used primary data. The questionnaire was divided into three main Parts which included:- Part A, dealing with general information, Part B dealing with organizations operational environment, Part C strategic responses while Part D dealt with strategic

response to organization external environment. The questionnaire was administered with closed and open ended structured questions. The basic data collection method "of Drop and pick later techniques" was used. This method was used to reduce the non- responses rate as the respondent filled questionnaires at their on time. In each firm any senior manager was contacted, such as Managing Director, Chief Executive General Manager, Technical Manager, Finance Manager or Marketing Manager.

3.4 Data Analysis

Before processing the responses, the raw data was edited for completeness and consistency. The study used descriptive analysis. The data was coded then analyzed according to the sections of the questionnaire using SPSS (software package for social sciences). Data analysis was done using descriptive statistics:- Percentages, frequency means score and standard deviations. The presentation of findings was done by use of tables.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter contains data analysis and the research findings. The data was collected from ten major weighing scale companies which were in operation as at 2012. The data collected was analyzed using descriptive statistics in the form of frequency distributions, proportions, percentages, means and standard deviation. The findings of the study were presented by use of tables for ease of explanation and understanding for the reader.

The questionnaires were administered to all top ten firms based in Nairobi. In total, 10 respondents answered representing 100% response rate which is very high and significant for the study. This was due to the method of data collection and the sample size used. Concerning the position of respondents all were senior managers in this firms.

4.2 General Information

In this section the study sought to capture the firm's general characteristic, these included the years of operation of the companies, nature of business and business turnover. This information was aimed at establishing the experience of the companies in their environment and whether they had important information for the study purpose.

4.2.1 Year of Operation of Companies

The study sought to find out the number of years the firm had been in the business, the results are shown in Table 4.1.

Table 4.1: Year of Operation of Companies

Years	Frequency	Percentage
0 -10	1	10%
11-15	7	70%
16-20	1	10%
Over 20	1	10%
Total	10	100%

Source: Author, 2013

Study results presented in Table 4.1 indicates that most of the firms had been in existence for between 11 and 15 years representing 70%. Those who indicated to be in operation for 10 years or less, 16 to 20 years and over 20 years were 10% in each case. These results gave the impression that the companies had been in existence long enough to have interacted with the external environment and responded in one way or another. This therefore indicated that the firms had valuable information to provide for the study purpose.

4.2.2 Nature of Business

In this section the study sought to find out the nature of business the firm were involved in. This was to establish whether they are retail, distributor or manufacturing firms. The results are shown in Table 4.2.

Table 4.2: Nature of Business

Nature of Business	Frequency	Percentage
Retail	3	30
Distributor	6	60
Manufacturer	1	10
Total	10	100

Source: Author, 2013

Study findings presented in Table 4.2 indicate that there was only one (10%) weighing scale manufacturing firm in Kenya. Most firms (60%) were distributors who sourced their products either locally and internationally to distribute to the large and small retailers of weighing scales in Kenya. Study results also indicated that 30% of the respondents indicated that they were retailers who sold the weighing scales to the final customers. This shows that the selected firms have interacted with external environment as retailers, distributors or manufacturers. The nature of a business influences how the firms relate to factors in the external environment and also influences how the organization responds to the external environment which is relevant to the study.

4.2.3 Firms Turnover

The study sought to find out the average turnover of the surveyed organizations dealing in weighing scales. The turnover of the companies can be a measure on how successful the companies are in responding to changes in the external environment. The results are shown in Table 4.3

Table 4.3: Turn Over

Turn Over (Kshs. Millions)	Frequency	Percentage
240 – 300	2	20%
301 – 360	6	60%
361 – 420	1	10%
421- 480	1	10%
Total	10	100

Source: Author, 2013

From the findings on the company turnover, the study found that 60% of the respondents indicated to have a turnover of between Kshs. 301 to 360 million shillings while 20% of the respondents indicated to have a turnover of Kshs. 240 to

300 million shillings. Further results indicate that 10% of the respondents indicated that their companies had turnover of Kshs. 361 to 420 million shillings with a similar percentage indicating to have a turnover of Kshs. 421 to 480 million shillings. These results show that most firms have an average turnover of 301 to 360 million shillings which shows that the market share is evenly distributed among the firms. From the findings the firms are actively involved in the weighing scales business thus have high chances of interacting with changes in the external environment.

4.3 Organization Environmental Changes

This section sought to find out the changes that have taken place in the external environment in the weighing scales firms in Kenya. The firms respond through strategic actions to the changes in their external environments. The respondents were asked to rate the factors on a scale 1 to 5, where: (1: to a very great extent, 2: to a great extent, 3: to a moderate extent, 4: to a little extent and 5: to a no extent). Means for the factors were established in order to provide a generalized feeling of all the respondents.

Means less than 1.5 implied that factors influenced the strategic response to a very great extent, means greater than 1.5 and less than 2.5 implied that the factors influenced the strategic response to great extent, means greater than 2.5 and less than 3.5 implied that they influenced the strategic response to a moderate extent. Means greater than 3.5 and less than 4.5 implied that the factors influenced the strategic response to little extent and greater than 4.5 implied that the factor influenced the strategic response to a no extent .

The standard deviation on the other hand describes the distribution of the responses to the mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of more than 1 indicates a great variation in the response meaning respondents did not have a consensus on their views, while a standard deviation on less than 1 indicates a less variation in the responses meaning respondents had consensus on their views.

4.3.1 Challenges from External Environment

The study was aimed at establishing the extent of challenges that firms dealing in weighing scales faced that emanated from external environment. The extent that a firm experiences challenges from external environment and how it responds affects its competitiveness. In this section the study sought to find out to what extent the firms experience challenges relating to changing external environment. Results are presented in Table 4.4.

Table 4.4: Extent of Challenges from Changing External Environment

Extent of Challenges	Frequency	Percentage
Very great extent	1	10%
Great extent	7	70%
Moderate Extent	2	20%
Little extent	0	0%
No extent	0	0%
Total	10	100%

Source: Author, 2013

Study results on extent of challenges from external environment presented in Table 4.4 indicate that 70% experienced challenges to a great extent. The results also

indicate that 20% of the companies experienced challenges from the external environment to a moderate extent while 10% experienced challenges to a very great extent. These results indicate that organizations in the weighing scale sector experience challenges of changing external environment to a great extent.

4.3.2 Changes in External Environment

The study sought to establish the extent that the stated aspects of change in operation environment affected their organizations. Change factors were stated where respondents were required to indicate the extent to which their organization was affected. This was aimed at determining what aspects of change in the external environment mostly affected the weighing scale dealers. The rating was on a scale of 1 to 5 where 1 represented to a very great extent and 5 represented no extent. Analysis of the responses was through means and standard deviations and the results are presented in Table 4.5.

Table 4.5: Changes in External Environment

Change factors	Mean	Std. Deviation
Globalization	1.8	0.73
Technology	2.2	1.004
Economic	2.7	1.04
Political and legal	2.8	0.91

Source: Author, 2013

Study results presented in Table 4.5 indicate that the aspects of change in external environment affecting the operations of the organization to a great extent were globalization and technology as shown by mean scores of 1.8 and 2.2 respectively.

Study results also indicated that economic and political and legal factors affected the

operations of weighing scale organization to a moderate extent as shown by mean scores of 2.7 and 2.8 respectively. The respondents were not sure whether economic, Political and legal change factors were affecting the operations of firms. However the respondent had consensus on globalization, political and legal while there was no consensus on technological and economical changes. This result shows that changes in external environment affect the operations of the weighing scale firms.

4.4 Strategic Responses to Changes in External Environment

The study aimed at establishing the strategic responses that organizations dealing in weighing scales adopted to cope with changes emanating from the external environment. The respondents were asked to rate the factors on a scale 1 to 5, where: (1: to a very great extent, 2: to a great extent, 3: to a moderate extent, 4: to a little extent and 5: to a no extent). Means for the factors were established in order to provide a generalized feeling of all the respondents.

Means less than 1.5 implied that factors influenced the strategic response to a very great extent, means greater than 1.5 and less than 2.5 implied that the factors influenced the strategic response to great extent, means greater than 2.5 and less than 3.5 implied that they influenced the strategic response to a moderate extent. Means greater than 3.5 and less than 4.5 implied that the factors influenced the strategic response to little extent and greater than 4.5 implied that the factor influenced the strategic response to a no extent .

The standard deviation on the other hand describes the distribution of the responses to mean. It provides an indication of how far the individual responses to each factor vary

from the mean. A standard deviation of more than 1 indicates a great variation in the response meaning respondents did not have a consensus on their views, while a standard deviation on less than 1 indicates a less variation in the responses.

From the previous section, it was established that globalization and technology were the major change variables that affected the organizations dealing in weighing scales. The study therefore sought to establish how these companies applied any strategic responses to these changes to neutralize or manage them. Respondents were required to indicate the extent to which their companies applied strategic responses in dealing with changes from the external environment. Findings are presented in Table 4.6.

Table 4.6: Extent of Use of Strategic Responses

Extent of use of strategies responses	Frequency	Percentage
Very great extent	3	30%
Great extent	6	60%
Moderate Extent	1	10%
Little extent	0	0%
No extent	0	0%
Total	10	100%

Source: Author, 2013

Study results presented in Table 4.6 reveal that most of the respondents (60%) indicated that the organization use strategic responses in the changing external environment to a great extent, 10% said to a moderate extent whereas 30% indicated that their organizations applied strategic responses at a very great extent. This shows that the weighing scale firms use strategic responses to counter the changes in the external environment.

4.4.1 Factors Influencing Choice of Strategic Responses

The study sought to investigate the factors that influence choice of strategic responses by the weighing scale firms. This was aimed at determining the factors that weighing scale companies consider important in selecting the strategic response to employ. Respondents were required to indicate the extent to which the listed factors influenced the choice of strategic response adopted by the organization in response to changing environment. The rating was on a scale of 1 to 5 where 1 is to a very great extent, 2 is to a great extent, 3 is moderately extent, 4 is to little extent and 5 is to no extent. Responses were analyzed using means and standard deviations and results are presented in Table 4.7.

Table 4.7: Factor Influencing Choice of Strategic Responses

Factor	Mean	Std. Deviation
Survival in market	1.30	1.03
Growth (Gain in market share)	2.40	0.86
Profitability	2.30	1.05
Market diversification/differentiation	1.40	1.17
Product development	1.80	0.92
Market development	2.10	1.04

Source: Author, 2013

Study results as presented in Table 4.7 indicate that the goals of growth and profitability were important indicated by the means of 2.4 and 2.3 respectively. Survival in market and market diversification/differentiation as shown by a mean score of 1.30 and 1.40 were very important goals for application of strategic responses by weighing scale companies. Other factors considered important in selecting strategic responses included market development shown by a mean score of 2.10. However, there was consensus on market growth and product development with a

standard deviation less than 1 while there was no consensus on survival profitability, diversification and market development with a standard deviation of more than 1. This result show that the weighing scale firms respond to the external environment for market and product development goals.

4.4.2 Competitive Strategic Responses

The study sought to establish the competitive strategic responses applied by the weighing scale companies. This was aimed at satisfying the research objective of determining the competitive strategic responses that these companies applied to counter challenges in the external environment. Respondents were required to indicate the extent to which their organization used competitive strategies in responding to the changing external environment. Results are presented in Table 4.8.

Table 4.8: Extent of Use of Competitive Strategies

Extent of use	Frequency	Percentage
Very great extent	3	30%
Great extent	6	60%
Moderate Extent	1	10%
Little extent	0	0%
No extent	0	0%
Total	10	100%

Source: Author, 2013

Study results presented in Table 4.8 indicate that 60% of the respondents indicated that their companies applied competitive strategic responses to a great extent with 10% indicating that competitive strategic responses are applied to a moderate extent. Those who indicated that competitive strategic responses are applied to a very great extent were 30%. This results show that competitive strategies are used in countering

changes in external environment by weighing scale firms.

The study further sought to establish the competitive strategies applied by the weighing scale companies to respond to change in external environment. Respondents were required to indicate the extent their organization applied the listed strategies. They were required to rate the extent on a scale of 1 to 5 where, 1 is to a very great extent, 2 is to a great extent, 3 is moderately extent, 4 is to little extent and 5 is to no extent. Results are presented in Table 4.9.

Table 4. 9: Competitive Strategies Adopted by the Organization

Competitive strategies	Mean	Std. Deviation
Keeping charges lower than competitor	2.00	0.98
Keeping charges same as competitors	1.40	1.04
Keeping overheads lower than others	1.30	1.11
Use knowledge from past experience	2.90	1.11
New service features in response to demand	2.60	1.19
Keeping overheads same as industry	1.30	0.99
Use of latest technology	2.70	1.09
Staff reduction	1.10	0.91

Source: Author, 2013

Study results as presented in Table 4.9 reveal that the strategic options used in response to changes in the external environment to a very great extent were staff reduction shown by a mean score of 1.10, keeping overheads lower than others shown by a mean score of 1.30 and use of knowledge from past experience shown by a mean score of 1.30. Other competitive strategies included keeping overheads same as industry shown by a mean score of 1.30 and keeping charges same as competition shown by a mean score of 1.40 while keeping charges lower than competitors was used to a great extent shown by a mean score of 2.00. However, the respondents were

not sure that the extent to which new service features in response to demand and the use of knowledge from past experience were adopted as competitive strategies with a moderate score of 2.6 and 2.9 respectively. They were also not sure the extent of use of latest technology with a mean score of 2.7. It can be concluded therefore that weighing scale firms use pricing overhead cost and staffing competing strategies while it is not known the extent to which they use technology and new service features and knowledge from past experience as competitive strategies. The results shows consensus on keeping charges lower than competitors, keeping overheads same as industry and staff reduction with a standard deviation of less than 1 but respondent had no consensus on keeping charges as competitors, keeping overheads lower than others, use knowledge from past experience, new service features and use of latest technology.

4.4.3 Diversification Strategic Responses

The study sought to establish the diversification strategic responses that are adopted by weighing scale companies to counter threats from the external environment. This was aimed at determining which diversification strategic responses the companies employed, in trying to counter threats brought about by the changes in the external environment. Respondents were required to indicate the extent to which the organization applied diversification strategies. Results are presented in Table 4.10.

Table 4.10: Extent of use of Diversification Strategies

Extent of use	Frequency	Percentage
Very great extent	3	30%
Great extent	6	60%
Moderate Extent	1	10%

Little extent	0	0%
No extent	0	0%
Total	10	100%

Source: Author, 2013

Study results presented in Table 4.10 indicate that 60% of the companies used diversification strategies to a great extent with 10% applying them to moderate extent. The weighing companies that applied diversification strategies to a great extent were 30%. This indicates that most weighing scale firms use diversification strategies to respond to external environmental changes.

Further, the study sought to establish the diversification strategies employed, factors influencing the adoption of such diversification strategies and capabilities the companies had that supported diversification strategies. Respondents were required to indicate the extent to which they agreed with the listed statements regarding diversification strategy used by organizations in responding to the changing external environment. Rating was on a scale of 1 to 5 where 1 is to a very great extent, 2 is to a great extent, 3 is moderately extent, 4 is to little extent and 5 is to no extent. Results are presented in Table 4.11.

Table 4.11: Diversification Strategies used by Organizations

	Mean	Std. Deviation
The industry is highly attractive to allow for diversification	2.40	1.09
The company has introduced new products and services in the market	2.10	1.16
The organization has technological and/or marketing strategies in line with existing products	2.20	1.07

Source: Author, 2013

Study results presented in Table 4.11 indicate that most of the respondents were in agreement that the company has introduced new products and services in the market as shown by a mean score of 2.10. Results also indicated that, the organizations have technological and/or marketing strategies in line with existing products shown by a mean score of 2.20 and the industry is highly attractive to allow for diversification shown by a mean score of 2.40. However there was no consensus on all the factors as shown by standard deviations of more than 1. The findings show that weighing scale firms diversified to other products due to changes in technology and improve their business turnover.

4.4.4 Focus Strategic Responses

The study sought to establish the focus strategies that the weighing scale companies applied to counter challenges emanating from changes in external environment. Respondents were required to indicate the extent to which their organizations applied focus strategies to counter threats from the external environment. Results are presented in Table 4.12.

Table 4.12: Extent that Organization use Focus Strategies

Extent of use of focus strategies	Frequency	Percentage
Very great extent	1	10%
Great extent	7	70%
Moderate Extent	2	20%
Little extent	0	0%
No extent	0	0%
Total	10	100%

Source: Author, 2013

Findings from the study as presented in Table 4.12 indicate that 70% of the organizations used focus strategies in responding to changing external environment to a great extent, 20% to a moderate extent whereas 10% applied focus strategies to a very great extent. Focus strategy was used to a great extent as a strategy to respond to change in external environment.

Further, the study sought to establish the areas that the organizations concentrated their focus strategies. When using the focus strategies, companies focus their efforts on providing a unique product or service, thus setting their offerings apart from other competitors. In view of this statement, the study further requested the respondents to indicate the extent of application of focus strategies in the company and the dependency of the various factors. Results are presented in Table 4.13.

Table 4.13: Extent of Application of Focus Strategies in Response to Changes in External Environment

	Mean	Std. Deviation
Value	2.00	1.03
Service	2.50	1.02
Quality	2.30	0.99
Purpose	2.10	1.03

Source: Author, 2013

Study results revealed that most of the respondents were of the view that all the focus strategies of value, purpose and quality were considered by the weighing scale companies to a great extent as shown by the mean scores of 2.00, 2.10 and 2.30 respectively. However service focus strategy was considered to have a mean of 2.5 which is to a moderate extent. There was consensus on focus strategy on quality factor with a standard deviation of .099. There was no consensus on value, service,

and purpose as their standard deviation was more than 1. The result shows that firms used focus strategies to respond to external environmental changes.

4.4.5 Operational Strategic Responses

The study sought to establish the operational strategic responses that were applied by the weighing scale companies applied to counter threats from the changes in the external environment. Respondents were required to indicate the extent to which their organizations applied operational strategies. Results are presented in Table 4.14.

Table 4.14: Extent That Organization use Operational Strategies

Extent	Frequency	Percent
Very great extent	2	20.0
Great extent	6	60.0
Moderate extent	2	20.0
Total	10	100.0

Source: Author, 2013

Findings from the study as presented in Table 4.14 indicate that operational strategies were applied to counter threats from the external environment to a great extent. Study results also indicated that 20% of the companies applied operational strategies to a very great extent with a similar percentage indicating that they are applied to a moderate extent. The respondents indicated 60% applied operational strategies to a great extent. This show that firms in the weighing scale industry applied operational strategies.

Further, the study sought to establish the various operational strategies applied by the weighing scale companies. Respondents were required to rate the extent to which their organizations applied the listed operational strategies to counter challenges from

the changing external environment. Rating was a scale of 1 to 5 where 1 is to a very great extent, 2 is to a great extent, 3 is moderately extent, 4 is to little extent and 5 is to no extent. Results are presented in Table 4.15.

Table 4.15: Operational Strategies

	Mean	Std. Deviation
Product promotion	1.40	1.13
After sale service	1.30	1.01
Product packaging	3.00	1.17
Reliability of the marketing methods	2.10	1.11
Delivery speed	2.90	0.82

Source: Author, 2013

Study results presented in Table 4.15 reveal that the operational strategies that were very important were after sale service and product promotion as shown by a mean score of 1.30 and 1.40 respectively. Those that were important were reliability of the marketing methods as shown by a mean score of 2.10 while those that were slightly important were delivery speed shown by a mean score of 2.90 and product packaging shown by a mean score of 3.00. There was consensus on delivery speed strategy with a standard deviation of 0.82. However there was no consensus on product promotion, after sales service, product packaging and reliability with a standard deviation of more than 1.

4.4.6 Differentiation Strategic Responses

The study further sought to whether weighing scale companies applied differentiation strategies to counter threats resulting from changes in the external environment. Respondents were required to indicate the extent to which their organizations applied

differentiation strategies to respond to external environment challenges. Results are presented in Table 4.16.

Table 4.16: Extent that Organizations Use Differentiation Strategy

Extent of use of Differentiation strategies	Frequency	Percentage
Very great extent	1	10%
Great extent	7	70%
Moderate Extent	2	20%
Little extent	0	0%
No extent	0	0%
Total	10	100%

Source: Author, 2013

Study results indicated that 70% of the respondents indicated that the organization use differentiation strategies in responding to changing external environment to a great extent, 20% indicated that differentiation strategies are applied to a moderate extent while 10% indicated that they are applied to a very great extent. This can be interpreted that most of the weighing scale companies use differentiation strategy which calls for the development of a product that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competitors.

CHAPTER FIVE: SUMMARY , CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusions and recommendations. The responses were based on the objectives of the study. The researcher had intended to establish the change that has taken place in the external environment for weighing scale firms in Kenya and to ascertain how the weighing scale firms in Kenya have responded to changes taking place in their external environment.

5.2 Summary

The study found out that most firms had been in operation between 11 and 15 years. These results give an impression that firms had been in existence long enough to have interacted with the external environment and responded in one way or another. It also showed that the selected firms have interacted with external environment as retailers, distributors or manufacturers. The findings show that most firms have an average turnover of about 301 to 360 million shillings.

The study was aimed at establishing challenges that firms dealing in weighing scales faced that emanated from external environment. This was aimed at establishing the challenges that are present in the weighing scale sector in Kenya. Study results on extent of challenges from external environment indicate that organizations in the weighing scale sector experience challenges of changing external environment to a great extent. On how change in operation environment affected their organizations, study results indicate that the aspects of change in external environment affecting the

operations of the organization to a great extent were globalization and technology. Study results also indicated that the respondents were not sure if economic crisis, political and legal factors affected the operations of weighing scale organization. However the respondents had consensus on globalization, political and legal while there was no consensus on technological and economic changes. This result show that changes in external environment affect operations of the weighing scales firms.

The study aimed at establishing strategic responses that organizations dealing in weighing scales adopted to cope with challenges emanating from the external environment, most of the respondents indicated that the organization use strategic responses in the changing external environment to a great extent. This shows that firms use strategic responses to counter the changes in external environment. On the factors that influence choice of strategic responses by the weighing scale organizations. Study results indicate that the goals of growth and profitability were very important. Survival in market and market diversification/differentiation were the least important goals for application of strategic responses by weighing scale companies. Other factors considered important in selecting strategic responses included market development.

The study sought to establish the strategic responses that the weighing companies applied to deal with changes in their external environment. Study results indicate that most of the respondents indicated that their companies applied competitive strategic responses to a great extent. This shows that competitive strategies are used in countering changes in external environment by weighing scale firms. Further, study findings revealed that the strategic options used in response to changes in the market

to a very great extent were staff reduction, keeping overheads lower than others and use of knowledge from past experience. It can be concluded therefore that weighing scale firms use pricing overhead cost and staffing competing strategies while it is not known the extent to which they use technology and new service features and knowledge from past experience as competitive strategies. The results shows consensus on keeping charges lower than competitors, keeping overheads same as industry and staff reduction with a standard deviation of less than 1 but respondent had no consensus on keeping charges as competitors, keeping overheads lower than others, use knowledge from past experience, new service features and use of latest technology.

The study also sought to establish the diversification strategic responses that are adopted by weighing scale companies to counter threats from the external environment. Study results indicate that most weighing scale firms used diversification strategies to respond to external environmental changes. Results also indicated that, the organizations have technological and/or marketing strategies in line with existing products and the industry is highly attractive to allow for diversification. However there was no consensus on all the factors. The findings show that weighing scale firms diversified to other products due to changes in technology and improve their business turnover.

In relation to the focus strategies that the weighing scale companies applied to counter challenges emanating from changes in external environment, findings from the study indicate that most of the organizations used focus strategies in responding to changing external environment to a great extent. Study results also revealed that most of the

respondents were of the view that all the focus areas of value, purpose and quality were considered by the weighing scale companies to a great extent. Respondents were not sure on service focus strategy.

On operational strategic responses, findings from the study indicate that operational strategies were applied to counter threats from the external environment to a great extent. Study results revealed that the operational strategies that were very important were after sale service and product promotion. Those that were important were reliability of the marketing methods. There was consensus on delivery speed strategy. However there was no consensus on product promotion, after sales service, product packaging and reliability of marketing methods.

On differentiation strategic responses, study results indicated that most of the organizations use differentiation strategies in responding to changing external environment. These calls for the development of products that offer unique attributes that are valued by customers better than for competitors.

In general strategic responses have enhanced the performance of the firms. These findings are similar to what Ansoff (1980) found that in order to survive in this very dynamic environment, organizations need strategies to focus on their customers and to deal with the emerging environmental challenges by adopting research and development, focus strategies and diversification strategies.

5.3 Conclusions

Based on the findings, the study concludes that weighing scale firms in Kenya experience challenges from external environment to a great extent. The aspects of change in external environment affecting the operations of the organizations were globalization, economic changes and political-legal factors.

The study also concludes that organizations dealing in weighing scales adopted strategic responses to cope with challenges from the external environment. Another conclusion from the study is that the devised strategic responses were aimed at improving organizational efficiency, improving productivity and improving competitiveness. Factors that influence choice of strategic responses by the weighing scale organizations include growth, profitability, survival in market and market differentiation.

Lastly, the study also concludes that weighing scale firms employed competitive strategic responses, diversification strategic responses, focus strategies operational strategic responses and differentiation strategic responses to a great extent. The companies had introduced new products and services in the market and had improved technological and/or marketing strategies in line with existing products. Operational strategic responses that were very important were after sale service and product promotion.

5.4 Recommendations

From the study findings, the study recommends that in order to overcome the challenges of changes in external environment companies should devise specific strategic responses which would be effective to counter specific threats from the external environment. The companies should strengthen their resource base in technology, production processes and human resource to be able to devise effective strategic responses.

The study also recommends that the companies should be focused in achieving the goals of growth and development that are important for the company such as survival in the market, market diversification/differentiation, product development, market development, profitability and growth (gain in market share). In order to enhance its competitiveness in the market, company's management should be vigilant in order to ensure alignment of strategy with the external environment changes.

5.5 Limitations of the Study

The study relied solely on employees of weighing scale firms to obtain the changes that took place in their external environment and the strategic responses applied. This kind of reliance is prone to some level of subjectivity as employees would want to portray their firms and having been successful in responding to all the changes that have taken place in the external environment. Additionally this can bring a bias in responding to the questions.

5.6 Suggestions for Future Research

The study recommends that further research should be done on the effect of the strategic responses to the changing external environment by Weighing Scale firms on the performance. Desirably, it would be interesting to carry out an empirical study on whether there are firms which don't respond to changes in external environment. This will serve to explain whether there are exemptions to the result obtained by this study.

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APPENDICES

Appendix I: Questionnaire

Part A: General Information

1. When did your company start operations in Kenya _____
2. What business do you practice (Tick as appropriate)
 - a) Weighing scale dealer []
 - b) Retail []
 - c) Manufacturer []
 - d) All of the above []
 - e) Other (specify)
3. Indicate the average annual turnover for the last five years in Million of Ksh

Part B: Organizations External Environment

4. To what extent do your organization experience challenges due to changing external environment?

To a very great extent	[]
To a great extent	[]
To a moderate extent	[]
To a little extent	[]
To no extent	[]
5. To what extent do the following aspects of change in external environment affect your organization? Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent.

Change factors	1	2	3	4	5
Globalization					
Technology Environment					
Economic Environment					
Political Environment					
Legal Environment					

PART C: STRATEGIC RESPONSES

6. To what extent does your organization use strategic responses in the changing external environment?

- To a very great extent []
- To a great extent []
- To a moderate extent []
- To a little extent []
- To no extent []

7. To what extent does the following factor influence the choice of strategic response adopted by the organization in response to changing environment? Use a scale of 1 to 5 where 1 is not at all, 2 is a less extent, 3 is moderately t, 4 is great extent and 5 is very great extent.

	1	2	3	4	5
Survival in market					
Growth (Gain in market share)					
Profitability					
Market diversification/differentiation					
Product development					
Market development					

PART D: STRATEGIC RESPONSES TO ORGANIZATION

EXTERNAL ENVIRONMENT

I. COMPETITIVE STRATEGIES

8. To what extent does your organization use competitive strategies in responding to the changing external environment?

- To a very great extent []
- To a great extent []
- To a moderate extent []

To a little extent []

To no extent []

9. To what extent does your organization use the following competitive strategies in responding to change in external environment?

Competitive strategy	1	2	3	4	5
Keeping charges lower than competitors					
Keeping charges same as competitors					
Keeping overheads lower than others competitors					
Use knowledge from past experience					
New service features in response to demand					
Keeping overheads same as industry					
Use of latest technology					
Staff reduction					

II. DIVERSIFICATION STRATEGIES

10. To what extent does your organization apply various diversification strategies in response to changes in external environment?

To a very great extent []

To a great extent []

To a moderate extent []

To a little extent []

To no extent []

11. To what extent do you agree with the following statements regarding diversification strategy used by organizations in responding to the changing external environment? Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent

Diversification Strategies	1	2	3	4	5
The industry is highly attractive to allow for diversification					
The company has introduced new products and services in the market					

The organization has technological and/or marketing strategies in line with existing products					
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III. FOCUS STRATEGIES

12. To what extent does your organization use focus strategy in responding to changing external environment?

- To a very great extent []
- To a great extent []
- To a moderate extent []
- To a little extent []
- To no extent []

13. To what extent does your organization use the following focus strategies in response to changing external environment? Use a scale of 1 to 5 where 1 is to a very great extent and 5 is to no extent.

	1	2	3	4	5
Value					
Service					
Quality					
Purpose					

IV. OPERATIONAL STRATEGIES

14. To what extent does your organization use operational strategies in responding to the changing external environment?

- To a very great extent []
- To a great extent []
- To a moderate extent []
- To a little extent []
- To no extent []

15. How does this company consider the importance of the following operational strategies in response to changing environment? Please rate using 1 most important and 5 least important.

Operational strategies	1	2	3	4	5

Product promotion					
After sale service					
Product packaging					
Reliability of the marketing methods					
Delivery speed					

V. DIFFERENTIATION STRATEGIES

16. To what extent does your organization use differentiation strategies in responding to the changing external environment?

To a very great extent []

To a great extent []

To a moderate extent []

To a little extent []

To no extent []

THANK YOU FOR YOUR PARTICIPATION

Appendix II: Population

1. Avery (EAST AFRICA) LTD
2. Bytonic Weight Scales
3. Delmer East Africa Ltd.
4. Elisters Co. Ltd
5. Endeavour Africa Limited
6. Gentronic (C) Limited
7. Grand scales Kenya Ltd
8. Industrial & Retail Scales Ltd
9. Sabarave Scales & General Co.
10. Papyrus Africa Ltd.