

Competitive Strategies Adopted By Kenatco Taxis Limited To Achieve Competitive Advantage

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DATE 2013-10

ABSTRACT

A company's game plan is the game plan management uses to stake out a market position, attract and appease customers and complete successfully. The main thrust of a company is to build and strengthen the company's long term competitive position and gain a competitive position over its rivals in order to achieve above average profitability. In Kenatco Taxis Limited *Rehabilitation Plan* (2011) it is observed that the company is in a very competitive industry where there are many players and there is no structured regulation where various cartel fight for the control of the industry. The company is also facing a challenge of identity because it has been in receivership for a long time. It is important therefore for the company to continue adopting strategic management approach in order to maintain and grow its market share. The purpose of the study was to establish the competitive strategies adopted by Kenatco taxis Limited to achieve competitive advantage. This was a case study. The primary data was collected from five Heads of the departments using an interview guide. This ensured that the research covered the strategies that each department is adopting to create competitive advantage. Content analysis was used to analyze text including interview transcript to determine the frequency of specific words or ideas that have been employed. This allowed the researcher to identify concepts and their associated patterns and trends of ideas that occurred within the group of respondents. From the findings the study found that the main competitors of Kenatco Taxis Limited include corporate taxi companies such as Jimcab, Alitex, Virgin Tours, Signature, and Universal. The study concludes that Kenatco Taxis Limited faces competition mainly in form of pricing, product differentiation, technology and human resources from corporate cabs companies, airport shuttles, private vehicles, matatus and car hire companies. The study also concludes that the responses to the competitive environment that have led to fruitful results were improved service delivery, improvement of the quality of employees through training and engaging in niche marketing strategy. The study recommends that although Kenatco Taxis Limited has been successful in neutralizing the challenges brought about by competition in the transport industry, the company should engage more in cost leadership strategy as a response to some competitors' strategies whose products and services are much cheaper. Besides cost leadership, Kenatco Taxis Limited should continuously deliver benefits that exceed those of competing products (differentiation advantage) to gain a competitive advantage over other firms. The study also recommends that besides cost leadership, Kenatco Taxis Limited should deliver benefits that exceed those of competing products to gain a competitive advantage over other firms. The study further recommends that the company should take advantage of the opening up of the regional market as a result of the East African Community. Additionally the company should recruit workers with the requisite competences in the business to minimize the cost of training and also remunerate the workers fairly and provide a good working atmosphere to ward off poaching by competitors. Finally since the study established that Kenatco Taxis Limited is faced with stiff competition, it was recommended that the company should apply proactive strategies by coming up with new innovations in order to keep pace with the rivalry.