

ABSTRACT

Beer market growth is flat due to economic hardships that have continued to affect beer industry, coupled with high taxes, stiff competition from other beverage sub sectors and low consumer spending. How a firm chooses to position itself relative to its competitors in the market place, will greatly influence the success of this firm. The study aimed to determine the strategies employed by beer manufacturing companies in Kenya. A survey approach was adopted and the primary data was collected by use of questionnaires. A total of 10 out of 14 questionnaires administered were returned. The results were then presented in the form of tables and were analyzed in order to get a view of the strategies employed by the different firms. The beer manufacturing companies in Kenya viewed resources and strategies as being important and key to achieving competitive advantage. These companies indicated that the resources and capabilities they controlled were fully utilized and they invested in resources and capabilities that ensured sustainable competitive advantage. The beer manufacturing companies in Kenya use cost leadership strategies, since they attempt to attract the market dominated by cheap home brews and illicit spirits and low consumer spending brought about by economic hardship. On the other hand, they also differentiate to attract the lucrative beer market with premium brands. This segment has seen a lot of activity in recent years with international brands ploughing millions of dollars to compete for the market share. Positive forecast in the coming years has seen investment in resources and capabilities as companies position themselves to take advantage of the opportunities.