COMPETITIVE STRATEGIES ADOPTED BY THE JOMO KENYATTA FOUNDATION IN KENYA

BY

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OCTOBER, 2013

DECLARATION

I declare that this project is my original work and has not been presented for evaluation in any other university.

Signature …………………………. Date …………………………………….

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

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DEDICATION

This project is dedicated to my parents Mr and Mrs Stephen MboyaOwino for the value that they had put in education. Dad, your famous saying that “education is the key through which all doors are unlocked” will forever remain in my mind.

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ABSTRACT

The main aim of this study was to establish the competitive strategies adopted by the Jomo Kenyatta Foundation in Kenya. This study was driven by the fact that no much research has been done on the publishing industry in Kenya, thus the finding of this study will be replicated to other publishing firms in the country. The study had two objectives to achieve: To determine the kind of competitive strategies that have been adopted by The Jomo Kenyatta Foundation in Kenya and to establish the challenges arising from such strategies. This was a case study that targeted the management staff of The Jomo Kenyatta Foundation. Data was collected using an interview guide which was filled by the seven managers of the organization. This study concluded that Jomo Kenyatta Foundation applies a number of strategies to enable it survive in a competitive market environment. The competitive strategies adopted by the organization include customer relations, diversified products, competitive pricing and product promotion. In as much as the organization applies a number of competitive strategies, the study concluded that the challenges facing the organization in implementing its strategies include: unfair competition; lengthy procurement process, cost constraints; Government and Ministry of Education regulations and poor reading culture. The key recommendation in this study is that further investigation be carried out on competitive strategies employed by publishing firms employing forms of research other than the one used in this study.

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ABBREVIATIONS

DEB	District Education Board
EFA	Education For All
JKF	Jomo Kenyatta Foundation
KICD	Kenya Institute of Curriculum Development
KIE	Kenya Institute of Education
KSES	Kenya School Equipment Scheme
NARC	National Rainbow Coalition
UPE	Universal Primary Education

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Players in the publishing industry in Kenya have drastically increased in number over the years from the 1960s to date. What was once a domain of a few firms has seen many different players both local and international coming in to each get a share of the market which mainly consists of primary schools, secondary schools and tertiary.

Increasing competition in addition to the changes in policies on education and the various public sector reform measures such as cost sharing in education and liberalization of the book industry in the 1990s as well as technology dynamics have posed serious challenges and brought with them new opportunities in the industry.The number of publishing firms further increased following the introduction of the Free Primary Education by the NARC government in January 2003. Consequently; the level of competition increased with each publisher applying different strategies for market penetration and retention.

The World Declaration on Education for All held in Jomtien, Thailand inthe year 1990, to which Kenya is a signatory re-affirmed the Governments' commitment to the realization of Universal Primary Education (UPE). The World Summit for Children that took place in1990 committed nations to the achievement of Education for All (EFA) by year 2015. After Jomtein, the Government set up mechanisms and a framework for realizing EFA goals. The government further set the year 2005 as the target date for the attainment of Universal Primary Education.

In as much as the market potential increased due to introduction of Free Primary Education, the competition posed by the number of publishers and technological advances threatening to render physical production of books obsolete has made publishers rethink the strategies that they have to use to remain competitive.

1.1.1 Concept of Strategy

According to Chandler (1962), Strategy is the determination of long run goals and objectives of an enterprise, adoption of courses of action and allocation of resources necessary for carrying out these goals.Strategy is seen as a field of enquiry developed from a practical need to understand reasons for success and failure among organizations. Chandler (1962)also clarifies that strategy is made at the top and executed at the bottom, thus the field's focus is on the top management.

Strategy is a firm's game plan for surviving in the changing environment. Strategies are therefore not static but keep changing as the environment changes. For organizations to be effective and hence successful, they should respond appropriately to changes that occur in their respective environment. This is termed as strategic responses, which are the actions that an organization takes to align itself with the environment. Any firm that does not align itself with the environment cannot survive and is soon forced out of the market.

Strategic management is an ongoing process that evaluates and controls the business and the industries in which the company is involved.It assesses the business'competitors, sets goals and strategies to meet all existing and potential competitors then reassesses each strategy periodically to determine its implementation success or a need for its replacement to meet changed circumstances which may be political, economic, social or technological in nature.

The biggest challenge to managers today as Burnes (2000) notes is the issue of how organizations can cope with the dynamic environment in which they operate given the constraints, challenges and threats they face. At any point in time, some organizations experience extreme turbulence whilst others appear to operate in a relatively stable environment.

Mintzberg, (1994) portrays strategy as a plan, a direction, a guide or course of action into the future and as a pattern, that is, consistency in behavior over time. Most organizations begin their strategic planning cycle by updating their business objectives in relation to performance reviews in key areas (such as people, standards and business development), achieved results and development priorities (Teare et al., 1992).

1.1.2 Concept of Competitive Strategy

Competitive Strategy is the high level strategy used by the firm to realize its business goals, in particular, profitability, in the face of competition. Competitive strategy conventionally refers to how the firm competes at the industry level (Porter, 1980).

According to Burgelman (2002), in rapidly evolving industry and market landscape of high technology, competitive strategy depends on; industry-company level where a firm determines its strategic position, core competencies and strategic action; company level which involves induced strategy and autonomous strategy and intra-company level where internal level autonomous strategy is created.

Cole (2008) reiterates that a competitive advantage is an advantage gained over competitors through offering to customers, greater value either in low pricing or in provision of additional benefits and services that justify similar or possibly higher prices. Dess et al. (2005) argues that a competitive advantage exists when a firm has a product or service that is perceived by its target market customers as better than that of its competitors.

1.1.3 Publishing Industry in Kenya

The development of publishing in Kenya has been influenced by historical, cultural, educational, economic and social factors. The history of publishing in Kenya, according to Makotsi and Nyariki (1997), goes back to 1887 when Christian missionaries set up printing presses to supplement evangelistic reading materials. The education offered to Africans during the colonial period and shortly after independence tended to be of industrial and technical nature, devoid of any 'academism' and designed to perpetuate and to sustain the goals of the missionaries and the colonizers. This type of education was followed by religious instructions.

In the late 1940s, the missionaries joined forces to form what could be regarded as the first ever locally based educational publishing firm, the NdiaKuu Press which later became East African Literature Bureau in 1947 with its offices in Dar es Salaam, Nairobi and Kampala (Makotsi and Nyariki, 1997).

Multinational companies made their entry into the publishing scene at around the same time. These firms included Longman Green in 1950, Oxford University Press in 1952, followed by Thomas Nelson, Evans Brothers and Heinemann in 1965. In 1963, when Kenya attained independence, Longman and Oxford University Press, the pioneering multinationals, set up local branches and began full operations. Soon after, Heinemann, MacMillan, Evans Brothers, Thomas Nelson, Pitman and Cambridge University Press also opened local offices.

After independence in 1963, many schools were started countrywide and the government established two book-publishing parastatals, the Jomo Kenyatta Foundation and the Kenya Literature Bureau. The book market became viable and the existing multinational agents registered their firms to become private publishers. Bitter disagreements arose between the parastatals and the private publishers, leading to the Ministry of Education coming in, not as a referee but as a player thus worsening an already volatile situation (Muita, 1998). The Ministry of Education went a step further and started the centralized supply of books to school via the Kenya School Equipment Scheme (KSES) which in collaboration with Kenya

Institute of Education (KIE), whose mandate was curriculum development generated order lists which it distributed in schools via the District Education Boards (DEBs).

According to Otike (2013), publishing industry in Kenya is still in its infancy. It is dominated by foreign multinational organizations.Indigenous publishing firms are few. Their contribution to knowledge cannot be compared to the foreign multi-nationals. The publishing industry is biased towards school text books where the returns on investment are higher. Post-secondary and general books, due to inadequate demand do not attract much return and as a result have to be imported. Otike goes on to note that despite the mushrooming of universities in Kenya both public and private, the demand for tertiary literature has been minimal.

According to the latest statistics, the publishing industry in Kenya is estimated to be worth 12 billion Kenya shillings a year with 95% coming from the sale of text books. The sale of trade books has not been growing that quickly.

Kenyan government's introduction of free primary education and subsidized secondary education has led to unprecedented growth in educational publishing in Kenya. Additionally, the signing of the East African Community protocol has also opened doors for publishers within the region to participate in the development of educational materials not only for their nationals but also for other countries as well.

The publishing industry structure is changing very fast. With the government's desire to introduce laptops in schools and the ever increasing competition from brief case publishers, the industry clearly more than ever require a viable competitive strategy.

1.1.4 The Jomo Kenyatta Foundation

The Jomo Kenyatta Foundation (JKF) is a strategic parastatal that was started in 1966 to advance education and knowledge for poverty alleviation through quality publishing and sponsorship of students in public secondary schools through income generated from the sale of its publications. Up to the early 80s, the Foundation was publishing and printing materials prepared by the Ministry of Education. The books were then delivered to the Ministry of Education for distribution to schools under the Kenya School Equipment Scheme (KSES). Through this arrangement the Foundation had an assured market for its publication and printing services.

With the introduction of cost sharing and the liberalization of the book industry in the 1990s, the preferential treatment enjoyed by the Foundation came to an end and the organization started operating in a competitive environment. The primary school market is the core market by virtue of its size. The segment is characterized by stiff competition and strict regulation by the Ministry of Education through the book vetting and approval process by the Kenya Institute of Education (KIE). Every publisher's desire is to have as many books as possible in the Ministry of Education's list of approved instructional materials popularly known as the "orange book". The secondary school market is smaller with fewer titles and volumes compared to primary school market.

The Foundation, being among the top five publishers operating in Kenya has its strength in the primary school segment from where it derives about 90% of its revenue. Due to this fact, the company stands a high exposure to financial risks in case of adverse changes in the sector.

The Foundation's vision is to be the premier publishing house in Eastern Africa and a leading scholarship provider to the needy in Kenya. It has wide list of published books and other educational materials for early childhood, primary, secondary and tertiary level of schooling as well as wide category of general readers.

JKF has an estimated market share of 18% compared to the highest of 25%. In the book market, the primary school segment in Kenya contributes 77% of its sales, regional export sales in Rwanda, Uganda, and South Sudan make up less than 3% of total sales. Profits from the sale of publishing business are used to pay secondary school fees under the JKF scholarship programme.

The Foundation's scholarship programme has so far assisted 9,206 Kenyan students pursue secondary school education in the last 44 years. Currently the Foundation is supporting 1,634 students out of the 1.8m students countrywide and in 430 public secondary schools in Kenya out of the nearly 4,000 public secondary schools in the country.

1.1 Research Problem

As competition for customers get stiff, effective organizations seek to gain a sustainable competitive advantage. Kinicki and Williams (2006) defined competitive advantage as "the ability of an organization to produce goods or services more effectively than competitors, therefore outperforming them". It requires companies to stretch and use their resources more effectively and more efficiently. Porter (1985) notes that a business can develop a sustainable competitive advantage by following two strategies: Cost leadership strategy or differentiation strategy. Under cost leadership, Kleiman (2000) argues that firms must provide the same services or products as its competitors, but at a lower cost. Product differentiation on the other hand occurs when a firm produces a product or service that is preferred by the buyer. This happens when quality of the product is improved or better services is offered that outmatches the rivals or providing innovative products or services that are not offered by its competitors.

During the late 1970s and early 1980s, the strategy literature emphasized the external environment of the firm. The focus was on analysis of industry attractiveness and competition. At this juncture the work of Harvard economist Michael Porter was very influential. In the late 1980s and early 1990s, the focus increasingly shifted towards the internal aspects of the firm (resource-based view). According to the resource based view of the firm, competitive advantage is seen as being dependent less upon a firm's chosen position within an industry and more upon the exploitation of unique internal resources and capabilities.

JKF was established by the Government of Kenya in 1966 against a background of determination to take control of the country's publishing industry and thus reduce the amount of foreign exchange used to import publications especially school books. At inception, The JKF mandate targeted the entire East African Community. However with the collapse of the East African Community in 1977, the company's operations were restricted to Kenya.

JKF enjoyed near monopoly status in the publishing of primary school market until the market was liberalized in 1993 leading to the entry of local and foreign publishers and the erosion of the company's market share to 18% from an estimated high of over 70%. Many publishers are currently concentrating on the production of revision materials with the sole aim of making learners pass examinations as opposed to real class room learning. This they do by producing reading materials that are of poor quality which they sell at a big discount to booksellers and school heads hence their materials are more preferred.

A number of studies have been conducted on competitive strategies applied by firms in a bid to be competitive.Jowi (2006) focused on competitive strategies employed by sugar manufacturing firms in Kenya. He concluded that sugar manufacturing companies in Kenya face stiff competition from cheap imports from neighboring countries and that they need to respond to this competition to retain market share. Mutai (2012), focused on competitive strategies adopted by Micro Finance institutions in Kenya. He concluded that in order to cope with unhealthy competition and price wars, mergers and acquisition together with product innovation are recommended. Onyoro (2011) looked at the competitive strategies adopted by commercial banks concluding that commercial banks in Kenya employ low cost and price differentiation strategies.

From the above studies, competitive strategy has been used by many organizations in a bid to remain competitive. However, no empirical studies have been done on competitive strategies and challenges faced by publishing firms in Kenya. This forms the knowledge gap that the study intends to fill up by investigating Competitive strategies adopted by the Jomo Kenyatta Foundation (JKF). The study was thus guided by the question: what competitive strategies has JKF adopted in its operations?

1.3Research Objectives

The study was guided by the following objectives:

i. To determine the kind of competitive strategies that have been adopted by JKF.
ii. To establish the challenges arising from such strategies.

1.4 Value of the study

The findings of this study will enable publishing firms in Kenya to understand the various competitive strategies that they can apply to enable them gain competitive advantage.

Publishing firms in Kenya will also be able to understand the challenges that they are likely to meet in their effort to use competitive strategies as a competitive tool in their operations.

The academicians who may be interested in competitive strategies among publishing firms in Kenya will also find the finding of this study important in terms of reference and also assist in further researches.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter looks at what other researchers have studied and what conclusions they have made and a brief view of their findings. It also provides a summary of entire literature review on competitive strategiesand incorporates areas that have not been addressed fully in relevance to what the study seeks to address.

2.2 Strategic Approaches

In order to survive and be profitable in a competitive business environment, firms are employing different strategic approaches available in literature. Porter (1980), defined business strategy as proceeding by aggressive and defensive actions in order to gain tenable position in the sector, to successfully cope with the five competitive forces and to procure a major return on investment. For this purpose, firms have invented many different approaches.

Ansoff (1965) developed a matrix that helps businesses identify growth opportunities in the market. The product/market growth matrix describes a combination of a firm's activities in current and new markets with existing and new products. It outlines four types of growth strategies, namely market penetration, product development, market development and diversification. In market penetration, a firm tries to grow with existing products in its current market. Firms that follow market development strategy try to sell existing products in new market segments. Under product development strategy, a firm develops a new product for existing markets. Finally in diversification, a firm tries to enter a new market with new products.

Buzzell, Gale and Sultan (1975), classify business strategies into three broad groups: building, holding and harvesting. Building strategies are based on active efforts to increase market share by new product introductions, new marketing programs and so on. Holding strategies are focused on maintaining the existing level of market share. Harvesting strategies are designed to gain short-term earnings by allowing market share to decline.

Utterback and Abernathy (1975), theoretically describe three competitive strategies associated with the innovative patterns of firms: performance maximizing, sales maximizing and cost minimizing. A performance maximizing strategy, in which firms emphasize unique products and performances, is seen in the early stages of the product life cycle. Sales maximizing firms tend to define needs based on their visibility to the customer. As the product life cycle evolves, the product becomes standardized and price competition begins and thus firms follow a cost minimizing strategy during the late stages of product life cycle.

Miles, Snow, Meyer and Coleman (1978), propose that firms develop relatively stable patterns of strategic behavior that is compatible with perceived environmental conditions. Their typology consists of four strategic types: defenders, prospectors, analyzers and reactors. Defenders focus on improving the efficiency of their existing operations. Prospectors always search for new market opportunities. Analyzers show some characteristics of both prospectors and defenders. They try to achieve efficient production for current lines and, at the same time, they emphasize the creative development of new product lines. Reactors have no systematic proactive strategy; they react to events as they occur.

Miles and Cameron (1982), examine the range of strategic options used by six large tobacco firms. They introduced organizational adaptation as a concept, along with its goals and patterns. These patterns are domain defense, domain offense and domain creation. The domain defense strategy's concept is the protection of existing businesses whereas the main concept of domain offense is the expansion of existing businesses. Domain creation is tasked with entering into new businesses.

Miller (1988)suggests four broad categories of dimensions that reflect competitive strategies. These dimensions are differentiation, cost leadership, focus and asset parsimony. The differentiation dimension tries to determine the degree of producing unique product. The cost leadership dimension measures the degree of a firm's attention on a specific customer, product or geographic locale. Asset parsimony on the other hand refers to the fewness of assets per unit output.

Porter (1980) suggests that differentiation, cost leadership and focus are the strategies that provide firms with the ability to attain competitive advantage and outperform rivals in an industry. A cost leadership strategy aims for a firm to be a low-cost producer in the industry. Companies following this strategy place emphasis on cost reductions in every activity of the value chain. Differentiation consists of offering unique products and services in various forms such as design, brand image, customer service and technology. A focus strategy is aimed at a segment of a market within which a firm develops uniquely low-cost or well specified products for the market. Porter (1980) claims that organizations that follow one of these three generic strategies can show above average performances in the long-term, while firms that are stuck in the middle perform less well.

He defines stuck in the middle as a firm's unwillingness to make strategic choices and its attempts to compete by every means.

Schuler and Jackson (1987), based on Porter's typology, identified three competitive strategies that firms can use to gain competitive advantage: innovation, quality enhancement and cost reduction. The innovation strategy is used to produce goods different from competitors. Increasing the quality level of the product is the focus enhancement strategy while under cost reduction strategy; a firm tries to be lowest cost producer in the industry.

Mintzberg (1988) proposes a typology of generic strategies based on differentiation by price, Image, support, design and quality. Differentiation by image refers to creating a distinctive image for a product using marketing. In contrast, differentiation by design requires offering product with unique features and design configurations. The strategy of differentiation by quality is offering a superior quality based on reliability, durability and performance. Support differentiation implies providing a distinctive service during the sale or after the sale of the product. For Minzberg, Porter's cost leadership is another form of differentiation so he includes price differentiation as a fifth business strategy. The last category in Mintzberg's typology is un-differentiation in which a firm emphasizes none of the five differentiation dimensions.

2.3 Competitive Strategies

Competitive strategy according to Porter (1980) is related to economics' concept where long term competition and imitation are dominant forces. In this framework, even if firms adopt highly innovative strategies leading to enhanced performance, the axiomatic underlying assumption of competitive strategy is that these will be temporary advantages that sooner or later will be imitated and improved upon by other firms. This focus on competition means that ability of firms to generate a competitive advantage is the central objective permeating most areas of strategic management as denoted by De Wit and Meyer (2005).

Competitive strategy scholars have sought to answer three important questions. First, questions arise about what constitutes an effective strategy and how to craft an effective strategy. Key competitive strategy issues in this realm involve both process and content concerns (Richter & Schmidt, 2005). Process issues are focused on the nature of strategy whereas content issues emphasize the defining characteristics of competitive strategies and include traditional efforts anchored in industrial organization economics that focus on strategic commonalities across businesses (Porter, 1981,1985), as well as more recent efforts that accentuate each strategy's uniqueness, such as the resource-based view (Barney, 1991). A second question is how strategies are implemented in organizations. Prevalent issues in this realm are concerned with contingency, fit and factors that contribute to a strategy's ultimate effectiveness. The third question concerns the evaluation of the effectiveness of a strategy. Issues of interest are related to strategic control, including measuring performance and sustaining it over the long term. The three questions can be synthesized into three broad phases: Strategy formulation, strategy execution or implementation and strategy evaluation or control.

According to Kleiman (2000), competitive advantage is a status achieved by a company when gaining a superior market place position relative to its competition. Competitive advantage is thus achieved when an organization is able to satisfy customers' needs better than competitors. Competitive strategies are therefore designed to exploit an organization's competitive advantage. According to Kinicki and Williams (2006), competitive advantage is not about being different but achieved if organization add real value to its customers. This requires companies to stretch their resources and use them more effectively and efficiently. They must be innovative and at the same time control their costs.

Michael Porter is one of the major proponents of competitive advantage; and in his concept of the value chain, he argues that every firm is a collection of activities that are performed to design, produce, market, deliver and support its product (Porter, 1998). He demonstrates that a firm may develop a competitive advantage in any of the primary activities such as inbound logistics, operations, outbound logistics, marketing and sales, service and support activities (Ankli, 1992).

Competitive strategy emphasizes the importance of firms avoiding intense competition, according to Penrose (1959). Amit and Schoemaker (1993), state that avoiding competition has much to do with a resource based view of the firm where unique resources limit imitation and create a sustainable competitive advantage and enhance profits. Over time it becomes increasingly possible for other firms to replicate what was once a unique resource. Since market opportunities continuously change, unless a firm continues developing new unique resources and new sustainable competitive advantages, a greater number of firms should simultaneously increase competition while reducing profits. In regard to these observations, Black and Boal (1994), highlight the importance for firmsdeveloping the dynamic capabilities necessary to continually create unique resources, facilitating new sustainable advantages over competitors thus aligning firms to future profit opportunities.

How to succeed in today's rapidly changing competitive environment is the challenge facing most managers today. Everything seems to be changing- markets, customer demands, technologies, global boundaries, products and processes. In the midst of this overwhelming change, managers are forced to make critical competitive decisions that will affect not only the present position of the firm, but also its future success. Managers' wake up to a realization that old rules no longer apply in a rapidly changing competitive environment and are therefore forced to make new strategic moves they previously never thought of as possible.

Organizations face tasks of creating their competitive advantage and sustaining competitive advantage over a long period of time. Due to the importance of sustaining competitive advantage, management of organizations is always trying to come up with strategies that will ensure they continue being viable forces. According to Kleiman (2000), a competitive advantage is status achieved by a company when gaining a superior market place position relative to its competition. Thomson (2001) also reiterates that competitive advantage implies that the organization is able to satisfy customers' needs better than other competitors, thus it will be achieved when real value is added to customers.

2.4 Competitive Strategy from Resource Based View

Most writers view a firm's resources as a possible source of its competitive advantage. According to Barney (1991), a firm's resources include all assets, capabilities, organizational processes, firm attributes, information and knowledge controlled by a firm and enabling it to conceive of and implement strategies that improve its efficiency and effectiveness. A firm's resources thus include, according to Barney, both tangible and intangible resources and he makes clear distinction about what a firm does and what it has. Wernerfelt (1994) describes a firm's resources as those tangible and intangible assets that are tied semi-permanently to the firm.Wernerfelt gives examples of brand names, in-house knowledge of technology, employment of skilled personnel, trade contracts, machinery, efficient procedures and capital as a firm's resources.

According to Dierickx and Cool (1989), strategic assets are those that underpin the competitive advantage of the firm. Strategic assets are valuable, rare among the firm's current and potential competitors, are imperfectly imitable and have no strategically equivalent substitutes. According to Aaker (1989) and Hall (1994), assets or resources are notions used to refer to what a firm owns, and skills, competences or capabilities refer to what a firm does. Assets can be both tangible and intangible and include intellectual property rights such as patents, trademarks, copyright and registered design or brand reputation (Bogaert et al., 1994).

Amit and Schoemaker (1993), make a similar distinction when they define resources as stocks of available factors that are owned or controlled by the firm. Resources are converted into final products or services by using a wide range of other firm assets and bonding mechanisms such as technology, management information systems, incentive systems, trust between labors etc. Capability according to Amit and Schoemaker refers to the capacity of a firm to deploy resources using organizational processes to effect a desired end. Capabilities are organization based tangible or intangible processes that are firm specific and are developed over time through complex interactions among the firm's resources. Thus competitive advantage can evolve from distinctive competencies, which are the capabilities the organization possesses that set it apart from its competitors. According to Bogaert et al., (1994), a firm should identify its key business processes, manage them centrally and invest in them.

A concept closely related to the resource based view is that of core competencies that was introduced by Hamel and Prahalad. Rumelt (1994), states that core competencies are enhanced through use and they span across several businesses and products within a corporation. Hamel and Prahalad (1990), suggests that management should develop a corporate wide strategic architecture which is a road map of the future that identifies which core competencies to build and their constituent technologies.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the methodology that was used to obtain answers to the research questions outlined in Chapter one. The researcher has outlined the following aspects of research methodology: research design, research instruments, validity and reliability, data collection procedure and data analysis.

3.2 Research Design

The researcher settled on a case study which provided an in depth information on the competitive strategies used by JKF to remain competitive. Thedesign enablesgeneralization of findings to other publishing firms in Kenya.

3.3 Data Collection

The researcher used primary data for this study. Interview guidewas used to obtain information from respondents. The interview guide was administered to the management staff of JKF consisting of: The Sales and Marketing Manager, Finance Manager, Publishing Manager, Procurement Manager, Monitoring and Evaluation Manager, Human Resources Manager and ICT Manager.

3.4 Data Analysis

The researcher usedcontent analysis in summarizing the collected data. This was necessary for systematic thinking as it generated ideas for further probing and research. Thedata wasthen edited for accuracy, uniformity and completeness.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter considers the results and findings from the interviews. Part 4.2 presents information on how the interviews were conducted and background of the respondents whereas part 4.3 presents findings on competitive strategies adopted by the Jomo Kenyatta Foundation in Kenya and 4.4 presents findings on the strategy implementation challenges.

4.2 How interview was conducted

Data was successfully collected from 7 respondents who included the Human Resources Manager, ICT Manager, Finance Manager, Procurement Manager, Sales and Marketing Manager and Monitoring and Evaluation Manager. The response rate was 100% which was considered excellent for this study.

4.2.1 Demographic Information of the Respondents

The interviewees responded to a number of questions regarding their work at the organization which gave some useful background information for the study. Data on work experience in years and number of years in current position are analyzed in the tables below.

Table 4.1: Work Experience at JKF in years

Years	Frequency	Percentage
>2	0	0%
3-5	2	28.6%
6-8	2	28.6%
>9	3	42.8%
Total Response	7	100%

The researcher sought to know the number of years the managers have worked for the organization. The findings as illustrated in table 4.1 above confirms that 42.8% of the respondents have worked for JKF for more than 9 years. All the managers have at least worked for the organization for 3 years.

Table 4.2:No of years in current position

Years	Frequency	Percentage
0-5	5	71.4%
6-10	1	14.3%
>10	1	14.3%
Total Response	7	100%

The study sought to investigate the number of years the respondents have served in their current positions. The results indicated that 71.4% of the respondents have been in the same position between 0 and 5 years whereas 14.3% between 6 and 10 and greater than 10 years respectively.

4.3 Competitive Strategies

The seven respondents highlighted various strategies which are adopted by The Jomo Kenyatta Foundation in its bid to remain competitive in the turbulent industry characterized by ever changing environment situations.

4.3.1 Customer Relations Strategies

The respondents indicated that JKF maintains good relations with its customers for continuity of their business and loyalty to JKF brands. The company hascustomer relation executives in every region of the country withone based in Rwanda who give frequent feedback on orders and market conditions. Customer satisfaction survey is also carried out periodically to determine the existing relationship with the organization. Views obtained from customers are addressed by the parties concerned and variations worked on immediately for continuity ofgood relationship with customers. Majority of the respondents indicated that they provide support to JKF customers in many areas such as delivery of consignment to clients using company trucks during peak selling season. During other seasons, consignment is sent to the clients through reliable courier services at the expense of the organization or at reasonable fee. Whenever the organization publishes new titles, samples are sent to clients on sale or return basis to cushion themfrom eventual loss that mayarise in event that they do not make a sale.

The respondents indicated that one of their major strategies is to give discounts which are slightly higher than what other publishers give to their customers. Cash customers get higher discounts as they help the organization reduce its debt burden which arise from credit sales. This strategy has attracted more cash customers and reduced time and cost of debt collection. The discount the organization gives to its clients range from 35% to 25%, the highest discount being given to cash purchases above kshs 500,000 and to the appointed distributors.

According to the respondents, the organization’s strategic distributors are compensated for stocking by being offered longer credit period of 45 days, free transportation in addition to higher discounts. The distributors are in charge of selling books to upcoming booksellers in their area.

4.3.2 Diversified Products

The respondents further noted that JKF offers a number of diversified products to meet their customer needs. In addition to course books that cover all the classes from 1 to 8, there arework books whose purpose is to assist pupils in tackling various problems. The company has also published a series ofrevision books with answers to help students handle examination questions. All series of books are published to offer students variety and give them different approach to the subject matter. JKF has also ventured into publishing“kamusiya Kiswahili” and is currently working on atlases to expand its product range.Since it ventured into Rwanda market, JKF has published books to suit the market’s needs. The books so far published for this market include geography, mathematics, various readers and Kinyarwanda language in line with the country’s curriculum. These books were published in partnership with the various scholars and authors of Rwanda.

4.3.3 Competitive Pricing of Products

In as much as there is control of book prices by the Ministry of Education, JKF strive to ensure that the prices of their books remain competitive relative to that of competition. This ensures that based on price, their products are likely to attractmore customers in comparison to competitors' offers. Prices of books that have been on the shelves for long are also reviewed continuously for demand creation.

4.3.4 Promotional Strategies

JKF uses a number of forums to market their books all over the country and beyond. Sales representatives attend various forums of educational nature to display and sell their books to current and potential customers. This leads to demand creation and placement of orders. Occasionally the company also undertakes initiatives of donating books to various schools, institutions and colleges. This further helps with demandcreation through increase in product awareness.

4.4 Strategy Implementation Challenges

Jomo Kenyatta Foundation like many other organizations faces numerous challenges in trying to implement its strategies. The challenges range from those within the organization itself and those outside the organization.

4.4.1 Unfair Competition

According to majority of the respondents, Jomo Kenyatta Foundation faces the challenges of unfair competition from some players who end up applying un-orthodox means to acquire market share. This they do by producing inferior quality books which are sold at a higher discount to booksellers and schools. School heads are also induced to purchase books by being promised goodies by these players. These un-ethical practices contribute toJKF's diminishing market share as customers end up purchasing from these players not because they provide quality but because of the gains they derive from them.

4.4.2 Lengthy Procurement Process

Most respondents noted that the Jomo Kenyatta Foundation, being a parastatal that is subject to government control has to adhere to procurement regulations that are set up by the government. The tendering process takes a long time and therefore inhibits the company's decision making process. This tendering process delays action time as the management has to adhere to procedures, thus a decision that requires urgent attention is not acted upon on time giving competitors who are not subject to procurement controls advantage.

4.4.3Cost Constraints

Many respondents cited cost of capital as one of the challenges of strategy implementation. Most strategies are not seen to completion due to financial bottlenecks which the organization faces. Loans offered by commercial banks become unattractive option due to large amount of interest they attract.This delays implementation of a number of strategies while putting others on hold.

A number of respondents cited high distribution costs as impediment to strategy implementation. The high maintenance costs of motor vehicles coupled with ever increasing fuel prices hamper the strategy of distributing goods to customer as it reduces company's profits.

4.4.4 Government and Ministry of Education regulations

Since JKF is a parastatal, it faces a number of challenges that private publishers do not face. These challenges include control on use of resources such as motor vehicles by the government which limits decision making on the part of the Foundation, release of funds for free primary education and free secondary educations to schools is also controlled by the government and this affects the organization as majority of schools in Kenya, which are the consumers of its products are funded by the government. Delay in releasing funds to public schools therefore implies that the Foundation has to rethink its strategy by looking for other marketsto remain in business.Control of staff salaries and allowances further demotivates parastatal staff in comparison to their private counterparts.

The Ministry of Education'sregulation through approval of books used in schools by the Kenya Institute of Curriculum Development (KICD) implies that a book which fails approval is likely to register low sales. Sometimes only a few titles are approved thusmarket for other titles goes to competition. A change of the syllabus by Ministry of Education also affects JKF as the decision leaves the organization with stock it cannot sale. Arbitrary appointment of board of directors by the Ministry of Education further affects operations of the organization which relies on the board to approve its proposals and strategies.

4.4.5 Poor Reading Culture

Most respondents cited poor reading culture as one of the major impediments to strategy implementation. Reading in Kenya has mostly been for academic purposes therefore implying that materials that are not academic in nature are not easy to market. General readers and motivational readers are therefore hard to sell in this kind of a market irrespective of the awareness strategies that are put forward by the organization. According to Otike (2013), the publishing industry is biased towards school text books where returns on investment are higher. Post-secondary and general books, due to inadequate demand do not attract much return.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the outcome of the study. It provides a summary of the findings and then lays down the conclusions drawn from the findings. The researcher then provides recommendations on the gaps identified in the study and then gives recommendation for further research studies in this area.

5.2Summary of Findings

This section provides a summary of competitive strategies applied by JKF in 5.2.1and challenges of strategy implementation in the organization in 5.2.2.

5.2.1 Competitive Strategies Applied by JKF

According to the respondents, Jomo Kenyatta Foundation is engaged in a number of strategies in its bid to remain competitive. Some of the strategies include endeavoring to produce quality books which end up being more attractive to customers in comparison to what most competitors produce. This strategy ensures that JKFs products are preferred in relation to other products even if the competitor's prices were lower. JKF has also diversified its products by publishing awide range of reading materials.

Since getting book approval by the Kenya Institute of Curriculum Development (KICD) influences sales, JKF has strived to ensure that it produces quality books that pass the criteria set by KICD. This ensures that a number of books are approved and therefore listed in the Orange Book which is used by booksellers and schools in placing orders.

JKF also ensures that it attracts the best authors available in the market to ensure that the books published get approval of KICD.

As competition become stiffer in the country, JKF like many other companies in Kenya has ventured into neighboring markets like Rwanda, South Sudan, Uganda, Tanzania and Zambia. Whereas penetrating Rwanda market was a big success a lot of effort is being put in place to penetrate other markets in neighboring countries. This strategy will ensure that the company increases its revenue base and market share.

From the pursuant of the above listed strategies, JKF has managed to gain customer loyalty in the books that it publishes. Its Primary Mathematics is a household name that has not been rivaled by any other mathematics book. The strategies have also ensured that the company remains afloat despite changes in the market environment which have made a number of publishers wind up operations.

5.2.2 Challenges of Strategy Implementation at JKF

Despite the successes mentioned above arising from adopting competitive strategies, JKF has also had its share of challenges that hasmade its managementreview its strategies periodically. The lengthy procurement process is one of the challenges that have made the organization not take immediate advantage of the opportunities as they arise in the market. Other publishers who are not subject to government regulations in regard to procurement are able to take advantage of opportunities ahead of JKF.

Poor reading culture that is plaguing the country in general has meant that a number of general readers published by the organization do not find their way into the market for lack of orders. This therefore means that only books that are academic in nature have market.

The book industry is also plagued by a number of unethical practices from some players who are seasonal in nature. Some of unethical practices include piracy, a situation in which the organization's materials are duplicated in the black market and sold at a profit without its knowledge. Other competitors also get involved in unfair practices by inducing booksellers and school heads to have their titles in the book list.

5.3 Conclusions

This study met the objectives set and answered the research questions. The study established that JKF applies a number of competitive strategies in order to cope with the changing market environment. The study further outlined the various strategies that are adopted by the JKF and numerated the resulting competitive advantage arising from those strategies. A number of challenges arising from implementation of JKF's strategies were also identified and discussed.

5.4 Limitations of the Study

While a number of respondents gave their feedback within a reasonable time period, some respondents had to be reminded a number of times to fill the interview guide. This led to the research taking a longer period than initially planned.

Since a case study provides an in depth information about a single entity, generalization to other organizations is however not possible due to differences within organizations. However the advantage of the case study outweighs its limitations.

Because of subjectivity arising from qualitative research approach due to assumption of a degree of conditions and constraints, interviews were arranged to minimize bias of subjectivity and make data collected more objective by getting information from different departmental heads. Consequently repeatability and consistency may become a challengeto future researchers who may wish to repeat the study.

5.5 Recommendations for further Research

Future researchers can investigate further the competitive strategies employed by publishing firms and by other sectors such as manufacturing and service industry. Such studies would employ forms of research other than the ones that have been used in this study.

Competitive strategies used in other organizations will be different as every organization in every industry is different. Different organizations experience different environmental changes with different complexities and speed.

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APPENDICES

Appendix I: Interview Guide

This interview guide seeks to collect information on competitive strategies used by JKF. All responses will be treated with utmost confidence and used only for academic purposes. Please provide information with accuracy and honesty.

Section A: Background Information

1. How long have you worked for Jomo Kenyatta Foundation?

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2. What current position do you hold in the organization?

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3. For how long have you been holding the current position?

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4. Would you change your current position if given a chance and why?

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Section B: Competitive Strategies

5. In your opinion, what does your organization do to fight off competition?

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6. What competitive strategies does competing firms employ that your organization is not employing?

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7. What sort of competitive advantage arises from the pursuant of your competitive strategies?

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8. In your opinion, what does your organization need to do to increase its profitability?

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Section C: Strategy Implementation Challenges

9. What are some of the challenges that JKF face in the process of delivering services to its clients?

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10. Of the above challenges, which one(s) do you think arise within the company i.e. internal challenges?

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11. Which of the challenges outlined in question 9 above can be described as external to JKF's operation?

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12. How does the Ministry of Education's regulation affect JKFs operations?

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13. How has government regulations affected JKF in implementing its strategies?

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14. How is the economic condition of the country affecting book sells at JKF?

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15. In your opinion, how does JKF deal with imitation of strategies by competitors?

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THANK YOU FOR YOUR PARTICIPATION