

ABSTRACT

This study was conducted to determine the response strategies of Roots Hair Limited to competition in Kenya. This business firm is a representative case study, of first of all, the hair industry in Kenya and secondly the small and medium enterprises in Kenya. The research sought to understand how this enterprise has managed to stay in business long after its first birthday and how it has managed to grow its customer base and profits from zero and its employee pool from none to ten. A thorough literature review was done on aspects of competition in business as well as competitive advantage and after it was established that these terms are used interchangeably. This literature formed the backbone of the interview guide which was created to gather information on various aspects related to competition and competitive advantage such as strategic capability, the PESTEL analysis of the firm, industry analysis, the firm's competitive position, its strengths and weaknesses, the presence/absence of the generic methods of competitive advantage by Michael Porter as well as other strategies by other authors. A face to face interview with the proprietor of the business himself was conducted at the business enterprise and the data was collected and typed in by the researcher. Additional relevant information was also typed in and evaluated and subsequently added to enrich the report as conclusions and recommendations. Content analysis was the method of data analysis used. The results of the study showed that competition was indeed not a challenge in the hair industry as long as innovation, efficiency, quality goods and services and excellent customer care was continuously practiced in the business. The interview also established that diversification of products and services were advantageous to shielding the business from direct competition and the threats of imitation and substitution. Of Michael Porter's generic methods of competitive advantage, differentiation and focus were found to be evident response strategies. Like many other studies, this study had one limitation. That is the inability to compare the firm with other firms since an industry review of the hair industry was not available. The results of this research have great implications for the case firm in that, they affirm its policy and practice to be business-sound and educates the industry as a whole in matters strategy and competition. The research encourages the hair industry to embrace academic business propositions of problem identification and solution.