STRATEGIC RESPONSES ADOPTED BY TEXTBOOK

PUBLISHERS IN KENYA TO ENVIRONMENTAL CHALLENGES

BY

KABURU NANCY WAMBUI

A RESEARCH PROJECT SUBMITTED IN PARTIAL

FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF

THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION,

SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI.

OCTOBER 2013

DECLARATION

This research project is my original work and has not been submitted for examination in any other university or institution.

Signed_____   Date_____

Kaburu Nancy Wambui,

D61/74662/2009.

The report has been submitted for examination with my approval as the university supervisor.

Signed_____   Date_____

Prof. Evans Aosa, PhD.,

Associate Professor,

Department of Business Administration,

School of Business,

University of Nairobi.

ACKNOWLEDGEMENTS

This project is the work of many hands. First and foremost is my project supervisor, Prof. Evans Aosa, without whose guidance I would not have come to this joyous conclusion. I thank and respect you for the efficiency and precision with which you directed me through the project.

I thank the various other lecturers who made the entire MBA course possible, and the fellow students with whom I held several discussions. You sharpened my mind.

I thank my colleagues at work for being there so endlessly for me given the many times I had to take time off.

DEDICATION

This project is dedicated to my family and friends for the invaluable support that they accorded me during the entire period of study. To my loving husband for his unyielding support and goodwill. To my sons for giving me the inspiration to carry on, I wish you success in your studies and lives.

To my parents for believing in me, and to my friends for urging me on when I needed it.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS AND ACRONYMS

KICD -   Kenya Institute of Curriculum Development

KPA -   Kenya Publishers Association

ICT -   Information and Communication Technology

ABSTRACT

Organisations are environment serving and dependent. They operate in an environment that constantly experiences changes and have to monitor the external environment closely enough to know when to respond. They have to know the business well enough to know the kind of changes to initiate. As the effectiveness of a firm is measured by the degree to which the products or services respond to the needs of their consumers and relevant stakeholders, firms must apply appropriate responses as changes occur in the external environment in order to survive. In order to continuously meet the needs of their market, organisations need to identify the challenges that would lead to failure to meet their objectives and respond appropriately by adopting timely strategic responses. The purpose of this study was to establish the strategic responses adopted by textbook publishers in Kenya to the environmental challenges facing them. The objectives were two. First was to establish the environmental challenges experienced by textbook publishers in Kenya. Second was to establish the strategic responses they adopt in response to the environmental challenges. The research design was a cross-sectional survey. The population was all the textbook publishers who are members of KPA. Primary data was collected by use of questionnaires which were administered to the senior administrators of the firms through the drop-and-pick method. In addition to the primary data, the researcher relied on secondary data mainly collected from the firms' websites and publications. Results of the study indicate that all the firms monitored the external environment for factors necessitating their response. The results also indicate that all the firms responded to the challenges posed by the external environment. Challenges in the external environment included stiff competition, government policies, inconsistent release of funds for free schooling by the government, high cost of printing, a poor reading culture, book piracy, corruption, changes in the curriculum, high cost of credit facilities, lack of competent authors, technological advancements, and high standards by the KICD in approving books into the orange book. Responses that the textbook publishers adopted included aggressive marketing, diversification of publications, entry into regional markets, promotion of a reading culture amongst Kenyans, acquisition of competent authors, competitive tendering to cut costs, outsourcing of non-core services, lobbying the government for favourable legislation, and adoption of technology by digitizing books. Based on the findings of this study, the researcher recommends that the government improves the system of disbursing funds to schools in order to make it more timely and predictable. Given the crucial role that the textbook plays in education, the government should also closely consider the effects of its policies, such as on taxation of school books. It also has a role to play in ensuring that quality of publications is maintained, by enforcing approval of all textbooks by KICD. The publishers currently face very stiff competition amongst themselves as the market is served by many players. This may be addressed by mergers and acquisitions, as well as co-publishing.The researcher faced various limitations in conducting this study The researcher faced various limitations in conducting this study. First, only publishers who are members of KPA were covered, which limits the generalization of the results to the established publishers only. The second limitation arose from the data collection method that was used, as only questionnaires were used due to the limited time.

CHAPTER ONE :   INTRODUCTION

1.1   Background of the Study

All firms operate in an environment that experiences changes that emanate from influences that are beyond the firm's control, although the level of turbulence may differ for different industries (Thompson, Strickland, and Gamble 2007). Today's managers have to think strategically about their company's position and about the impact of changing conditions in order to survive the competition. They have to monitor the external situation closely enough to know when to institute strategic responses and have to know the business well enough to know the kind of strategic changes to initiate. Firms must apply appropriate strategies in order to survive. Doing a good job of managing inherently requires a good job of strategic management (Thomson and Strickland, 1992).

In accordance with the institutional theory, Scott (1995) notes that the external environment strongly influences the development of organisations and they should institutionalise (align) themselves with the environment. According to Zucker (1987), organisations that institutionalise with the environment increase their chances for survival as they receive more support and cooperation from the environment.

According to Oliver (1991), in interacting with their environments, organisations may enact various strategic responses that differ in levels of activity. The strategic responses, that vary in activity from passivity to active resistance are acquiescence, compromise, avoidance, defiance and manipulation. Acquiescence refers to acceding to the pressures;

compromise refers to an endeavor to achieve a balance between conflicting demands; avoidance is the organisational attempt to preclude the necessity of the change or response; defiance is a more active form of response and may involve dismissal, challenge or attack; manipulation is the most active response to pressure and it is intended to actively change or exert power over the content of the expectations or the sources that seek to enforce the expectations.

According to Juma (2011), the publishing industry in Kenya faces various challenges including stiff competition, high costs of raw materials, inadequate capital inflow and frequent curriculum changes. The survival of Kenya's publishing industry is further threatened by poor authorship and inadequate distribution infrastructure (Makotsi and Nyariki, 1997). The use of computers and e-books in schools must also be addressed.

1.1.1 Environmental Dependence

As all organisations produce goods and services to be consumed by the environments within which they operate, they are environment serving. They are environment dependent, as failure by consumers to consume what they offer leads to loss of income and eventually loss of survival (Ansoff and Sullivan, 1979).

Clegg, Carter, Kornberger, and Schweitzer (2011) note that regardless of the nature of business a firm undertakes, all firms are embedded in a complex network of relations with various other organisations and individuals. According to Johnson, Scholes, and Whittington (2008), this external environment is what gives organisations their means of

survival, such as a firm's happy customers ensuring sustained market share and its continued success. The external environment is the source of opportunities and threats.

According to Johnson et al. (2008), firms should conduct an analysis of their external environment and identify the specific strategic opportunities and threats as such identification is extremely important when designing strategic choices for the future. In responding strategically to the environment, the goal is to reduce the impact of identified threats or eliminate them all together and take advantage of the best opportunities. Strategic gaps, which are opportunities in the competitive environment that are not being fully exploited by competitors should be identified and exploited. Failure to respond to the environment leads to loss of market to the competitors and eventually death of the firm.

According to Pearce and Robinson (2007), all firms exist for a mission and have stakeholders to satisfy. It therefore is a critical job of the management to monitor the environmental situation and respond accordingly in order to ensure the survival and success of the firm. Strategic managers must look beyond the operations of the business, by considering what relevant others (competitors, customers, suppliers, creditors, government, and labour) are doing and are likely to do in order to successfully position the firm in competitive situations.

1.1.2 Strategic Responses

According to Thompson et al. (2007), strategy, as originally planned, is unlikely to prove entirely suitable overtime as the environment undergoes constant changes, yet the strategy was developed based on what managers already knew based on past information, or projected into the future, rather than what they knew about the future. Pearce and Robinson (2007) note that all business firms exist in an open system and they affect and are affected by external conditions that are largely beyond their control.

According to Johnson et al. (2008), uncertainty is inherent in strategy because nobody can be sure about the future. Thompson et al. (2007) note that every company must be willing and ready to respond to changes in the environment, such as changing market conditions, advances in technology, fresh moves of competitors, shifting buyer needs and preferences, emerging market opportunities, new ideas for improving the strategy and mounting evidence that the strategy is not working well. Managers must always be willing to modify the proactive strategy with reactions to unanticipated developments in order to remain competitive and as such, a company's strategy is a work in progress.

Strategic responses arise from strategic decisions, and issues that require strategic responses are strategic in nature. As opposed to operational decisions, strategic decisions are about the long-term direction of the organisation, the scope of the organisation's activities, achieving some advantage for the organisation over the competition, the values and expectations of powerful actors in and around the organisation, and achieving strategic fit for the organisation with its environment (Johnson et al., 2008).

According to Johnson et al. (2008), a firm needs resources and competencies in order to survive and prosper in its environment. These resources and competencies emanate from the firm's internal environment which defines the strengths and weaknesses of a firm. It is not the external environment that distinguishes between the success of competitors, but their internal strategic capability since this determines how a firm responds to demands from the external environment.

1.1.3 The Publishing Industry in Kenya

According to Makotsi and Nyariki (1997), the history of publishing in Kenya dates 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 and was devoid of any academic angle as it was designed to perpetuate the goals of the missionaries and colonisers.

By the late 1940s, there was increasing push by Africans for independence from the colonial governments. Pressure was also mounting on the colonial governments to give Africans literary education to prepare them for positions in government. In the late 1940s, the missionaries in Kenya joined forces to form what could be regarded as the first ever locally based educational publishing firm, the Ndia Kuu Press that published literature mainly meant to cater for the increasing demand for quality education by Kenyans. The Press produced Christian literature, adult literacy material, school texts and fiction. The East African Literature Bureau, which transformed into today's state publishing firm

Kenya Literature Bureau, was formed in 1947. Several multinational companies, including Longman Green, Oxford University Press and Heinemann also made an entry into the publishing scene at around the same time (Makotsi and Nyariki, 1997).

The 1950s and 1960s ushered in independence for most African nations and with it the education explosion as independent African governments prioritized education. More schools were set up and hence the need for more educational material. In 1965, the Kenyan government set up The Jomo Kenyatta Foundation to publish primary school books to cater for the growing reading needs of its citizens. At around this time, several other indigenous publishers emerged as competitors, among them Equatorial Publishers, Comb Books, Foundation Books and Bookwise Publishers (Makotsi and Nyariki, 1997). According to Chakava (1996), there was a quick emergence of publishing firms in Kenya within the first five years of Kenya's independence.

The government, through the Kenya Institute of Curriculum Development (KICD), plays the role of curriculum development while the publishers competitively undertake the task of publishing books in line with the stipulated curriculum. All publishers compete equally, with six of the top books per subject as vetted by KICD being listed in the institute's list of approved books, commonly referred to as the orange book, from which schools and parents choose freely.

Juma (2011) notes that many foreign publishers such as Macmillan, Heinemann, Longman and Thomas Nelson had sold off to locals and exited the market mainly due to

changes in the national curriculum and stiff competition from a growing number of local firms that had squeezed net profit margins, as the market has over 100 registered publishers, though it is dominated by about 15 publishers. The change of the national curriculum from the 7-4-2-3 which fitted well with the colonialist's system of education to 8-4-4 in 1985 had put to an end the strategy of books published abroad and shipped to Africa. The string of buyouts had left Oxford University Press as the only firm fully owned by foreigners, as other firms have chosen to move to larger emerging markets. Net profit margins in the publishing industry oscillate between seven and fifteen percent, with a total turnover of over three billion Kenya shillings per year, mainly from the sale of textbooks.

According to Makotsi and Nyariki (1997), Kenyan publishers face various challenges, including fragmented languages, poor authorship, poor marketing strategies, poor distribution channels, and a low export market, that threaten their survival. Further, indigenous publishers have difficulties accessing capital. Juma (2011) notes that publishers generally suffer from high cost of raw materials and have lacked major new capital inflows from private equity and venture capitalists. Publishers also have to adapt to technological changes, such as the adoption of computers and e-books in schools.

1.1.4 Textbook Publishing in Kenya

The publishing industry in Kenya manifests its output in various forms, including religious books such as the bible and the Koran, children's books, journals, general readers and textbooks (Chakava, 1996). A textbook, also called a coursebook is a manual

of instruction in any branch of study and are produced according to the demands of educational institutions. It is used as a standard work for the study of a particular subject.

According to Chakava (1996), textbooks are, without a doubt the bread and butter of the Kenyan publishing industry as 90% of Kenya's book business is derived from the textbooks. This situation results from poor readership as most citizens read only for the formal education and examinations. Poverty is another contributing factor as books and other reading materials are considered a luxury in the low income country where books must compete with the purchase of food and other necessities. Juma (2011) notes that Kenya's publishing industry consists mainly of textbooks.

The textbook market got a major boost in 2003 when the government of Kenya introduced free primary education. Mathooko (2009) notes that there had been a big increase of pupils enrolled in public primary schools, with many schools coping with up to a 100% or more increase in numbers. The market got a further boost when the government introduced free day secondary education in 2008.

1.2   Research Problem

The environment within which a firm operates is dynamic, and constantly presents both opportunities and threats. While opportunities should be exploited to the full benefit of the firm, threats should be mitigated and their possible effects reduced or eliminated all together. As failure to respond appropriately to environmental factors eventually leads to loss of market and death of the firm, all firms must actively study and analyse their

environments and respond appropriately (Pearce and Robinson, 2007). As organisations are environment serving and dependent, their effectiveness is measured by the degree to which their products or services respond to the needs of their consumers (Ansoff and Sullivan, 1979). In order to continuously meet the needs of their market, organisations need to identify the challenges that would lead to failure to meet their objectives and respond appropriately by adopting timely strategic responses.

Education occupies a central place in the development of society and is seen as the heartbeat of every nation (Makotsi and Nyariki, 1997). The government of Kenya considers education a key driver of the country's development as seen in The Constitution of Kenya 2010 which makes education a basic human right, and in The Vision 2030, Kenya's development blueprint covering the period 2008 to 2030 which places great importance on human resources development, training and education. As such, the success of the textbook publishers in Kenya is of immense importance. In striving to achieve the important task of publishing textbooks and availing them to students, textbook publishers in Kenya are faced with various environmental challenges, which they need to identify and respond to in order to succeed.

Chakava (1996) notes that the textbook market in Kenya is a struggle for the fittest, while according to Juma (2011), Kenyan publishing firms face several challenges, including stiff competition, high cost of raw materials and insufficient capital inflows. Publishers also have to adapt to technological changes, such as the adoption of computers and e-books in schools.

Several studies have been undertaken about organisational responses to environmental challenges. Chepkwony (2012) conducted a study to establish the strategic responses of Simlaw Seeds Company to environmental challenges. Kinyanjui (2012) conducted a study to establish the strategic responses to environmental challenges by Asili Sacco Limited. Kiptoo (2011) carried out a study to establish the strategic responses adopted by Kenya Commercial Bank to cope with the challenges of non-performing loans. Mokaya (2010) conducted a study to establish the strategic responses by the Ministry of Roads to the challenges in the roads sub-sector in Kenya.

All the studies established that the organisations adopted responses to the environmental challenges facing them. The organizations responded in different ways relevant to their environments and the challenges facing them. Different scholars have argued that all organizations are environment serving and dependent and must adapt to the environments in which they operate in order to survive. What are the strategic responses adopted by textbook publishers in Kenya to the environmental challenges facing them?

1.3   Research Objectives

This study aimed to achieve the following objectives:

  i)   Establish the environmental challenges experienced by textbook publishers in Kenya.

  ii) Establish the strategic responses adopted by textbook publishers in Kenya in response to the environmental challenges.

1.4   Value of the Study

The study established findings that will be of value to various stakeholders, including the government and other policy makers, practitioners in the publishing industry, and researchers. The government will gain knowledge about challenges plaguing the textbook market, and the various responses being adopted by publishers. Given the importance of the textbook in the education system, the Government may find the information useful when developing policies that affect the publishing industry.

Kenyan textbook publishers and all players in the Kenyan publishing industry as a whole will gain knowledge and insights into the challenges plaguing fellow competitors and the strategic responses they adopt. Use of such information will help them to define, or redefine their strategies. Potential investors with an interest in the publishing industry may use the findings to plan their entry strategies. Researchers may use the findings of this study to form the basis for further research.

CHAPTER TWO :   LITERATURE REVIEW

2.1   Introduction

This chapter discusses organisations and their dependence on the environment within which they operate. As the external environment is dynamic, organisations need to continuously adapt to the environment since it is in serving the needs of the environment that they achieve success in their objectives. The chapter also discusses the concept of strategy and strategic fit, and looks at the definition of strategy by various scholars as well as its application by organisations in achieving competitive advantage over rivals. The strategic responses section of this chapter reviews theory about the need for organisations to remain aligned to changes in their environment.

2.2   Theoretical Foundation

This study was anchored on the institutional theory. According to Scott (1995), institutional theory proposes that the institutional environment strongly influences the development of organisations. Organisations should institutionalise (align) with the environment in order to survive. Zucker (1987) notes that organisations are influenced by pressures from both the internal and external environments. As the organisations respond in order to survive the pressures, they put in place structures that result in isomorphism (institutionalisation) with the environment.

According to the institutional theory, the net effect of institutional pressure is to increase the homogeneity of the organisation with the environment, which in turn increases

chances of survival. Zucker (1987) notes that the rate of institutional isomorphism is increased when firms are highly dependent on the institutional environment or when there exists a high level of uncertainty. According to Scott (1995), organisations must conform to the rules and belief systems prevailing in the environment because institutional isomorphism will earn the organisation legitimacy, and the organisation will in turn receive more institutional support.

According to Oliver (1991), the institutional theory emphasizes the survival value of conformity with the institutional environment and upholds adhering to external rules and norms. In so doing, organisations that adhere to this theory may limit their degree of choice in handling challenges and changes facing them as such organisations may be less aware of their capability to influence external conditions, resulting in lack of self-interest for handling external constraints.

2.3   Organisations and the Environment

Ansoff and Sullivan (1979) note that the principal occupation of organisations, whether for profit or not-for-profit, is to supply goods and services to society, and as such are environment serving. By existing to serve the needs of society, they are dependent on the environment, as failure by the environment to consume their goods and services threatens their survival. The profit making ones are dependent on the commercial market through sale of their output to customers, while the non-profit making ones are dependent on continued supply of a good or service to their consumers as this continuity assures them continued subsidies from external agents who grant them resources.

As organisations must exchange goods and services with their environments in order to survive, the effectiveness of an organisation is measured by the degree to which its products and services respond to the needs of its customers. As such, organisations must continuously adapt to the changing needs of the environment that they serve, not only with regard to the direct customer but at a wider level to any factor or stakeholder who would influence their market (Ansoff and Sullivan, 1979).

According to Clegg et al. (2011), regardless of the nature of business a firm undertakes, all firms are embedded in a complex network of relations with various other organizations and individuals. A company operates within both the internal and external environments. While a company has control over its internal environment, it largely has no control over the external environment. According to Johnson et al. (2008), the external environment is what gives organisations their means of survival as it presents both opportunities and threats. Opportunities pose advantages to firms and should be exploited to gain maximum benefit while threats should be mitigated in order to reduce possible negative effects. A firm that ignores changes in its external environment faces imminent death (Scott, 1995).

According to Pearce and Robinson (2007), the external environment consists of three interactive segments: the remote, industry and operating environments. The firm's remote environment comprises the economic, social, political, technological, and ecological factors and originate beyond the firm, and usually irrespective of any single firms operating situation. Industry environment is the general conditions for competition

that influence all businesses that provide similar products and services. Porter (1980)'s five forces framework helps identify the attractiveness of an industry or sector in terms of the competitive forces that include the threat of entry, threat of substitutes, power of buyers, power of suppliers, and the competitive rivalry.

According to Pearce and Robinson (2007), the operating environment, also called the competitive or task environment comprises factors in the competitive situation that affect a firm's success in acquiring needed resources or in profitably marketing its goods and services. Among the most important of these factors are the firm's competitive position, the composition of its customers, its reputation among suppliers and creditors, and its ability to attract capable employees. The operating environment is typically much more subject to the firm's influence or control than the remote environment and thus firms can be much more proactive, as opposed to reactive, in dealing with the operating environment than in dealing with the remote environment.

According to Johnson et al. (2008), firms should conduct an analysis of their external environments and identify the specific strategic opportunities and threats as such identification is extremely important when designing strategic choices for the future. Strategic gaps, which are opportunities in the competitive environment that are not being fully exploited by competitors should be identified and exploited. In order to handle the threats and opportunities in its environment, a firm needs to be strategically capable.

Johnson et al. (2008), in line with the resource-based view, define strategic capability as the resources and competences of an organisation needed for it to survive and prosper in its environment. The capability of a firm emanates from its internal environment and it is about the quantity and quality of its resources. Such resources include the tangible, such as plant, people and finance, and the intangible, such as information, reputation and knowledge (Clegg et al., 2011). It is not the external environment that distinguishes between the success of competitors, but their internal strategic capability, as they must use existing capabilities in responding to opportunities and threats in the external environment (Johnson et al., 2008).

According to Clegg et al. (2011), a firm should aim to maximize on strengths in its internal environment while minimizing the weaknesses. In building strategic capability, firms should identify the factors that are critical to their success, including human resources, technology adoption, marketing and finances (Johnson et al., 2008). As possession of a resource does not guarantee strategic success as acquisition may be replicated by competitors, resources should be exploited in a way that helps the business to acquire competitive advantage over the competitors.

Altbach (2008) notes that publishing faces significant opportunities and challenges in the 21st century. Opportunities include the growth of global economies that have widened the market for general books, the growth of the internet that has enabled sale of books online, and generally increasing literacy levels. Challenges include increasing

competition due to the global markets, and technological changes such as the digitization of books that calls for changes in the traditional publishing processes.

Technological breakthroughs can have a sudden and dramatic effect on a firm, which could be an opportunity or threat (Pearce and Robinson, 2007). According to Altbach (2008), new technologies have transformed many of the processes of book publishing and distribution. The Internet, for example, is being used in many different ways for publishing.

PWC (2010) notes that while both the printed book and the eBook will continue to coexist for a long time, consumption of eBooks is on the rise as the book market is undergoing a phase of transition with many new readers making the hop from printed books to eBooks. According to Wheelen and Hunger (2008), innovation and the management of technology are becoming crucial to corporate success, due to the increased competition and accelerated product development cycles.

2.4   The Concept of Strategy and Strategic Fit

Various scholars have defined strategy. Pearce and Robinson (2007) define strategy as the large-scale, future-oriented plans for interacting with the competitive environment in order to achieve company objectives. Johnson et al. (2008) define strategy as the direction and scope of an organisation over the long-term, which achieves advantage in a changing environment through its configuration of resources and competencies with the aim of fulfilling stakeholder expectations.

According to Thompson et al. (2007), a company's strategy is management's action plan for running the business and conducting operations. At the center of strategy are the actions and the moves in the marketplace that managers take to improve the company's financial performance, strengthen its long-term competitive position, and gain a competitive advantage over rivals.

According to Pearce and Robinson (2007), strategic management is the set of decisions and actions that result in the formulation and implementation of the plans designed to achieve a company's objectives. They further note that all firms exist to achieve a particular mission, which is the unique purpose that sets a company apart from others of its type and identifies the scope of its operations. At the core of every mission is the goals of survival, growth and profitability as a firm that is unable to survive will be incapable of fulfilling its mission (Ansoff and Sullivan, 1979).

The essence of strategy formulation is coping with competition. Pearce and Robinson (2007) note that competing in the marketplace with a competitive advantage tends to be more profitable than competing without one, hence a creative, distinctive strategy that sets a company apart from rivals and yields a competitive advantage is a company's most reliable ticket for achieving company objectives and winning the competition. According to Johnson et al. (2008), strategy and strategic decisions, unlike operational decisions, are about the long-term direction of the organisation, the scope of the organisation's activities, achieving some advantage for the organisation over the competition, and the values and expectations of powerful actors in and around the organisation. They are also

about matching the organisation's resources and activities to the environment in which it operates (search for a strategic fit).

Strategic fit is the development of strategy by identifying opportunities in the business environment and adapting resources and competencies so as to take advantage of the opportunities. Strategic fit with the business environment is achieved when organisations are correctly positioned in their environment, for example in terms of the extent to which products or services meet clearly identified market needs, such as by a small business trying to find a particular market niche in a market. Strategic fit enables an organisation to leverage on its resources and competencies to provide competitive advantage over rivals (Johnson et al., 2008).

2.5   Strategic Responses

Ansoff and Sullivan (1979) note that organisations are environment serving and dependent, and as such, the effectiveness of organisations can be measured by the degree to which their products and services meet the needs of their customers, and any other stakeholders who would influence the consumption. This calls for continuous monitoring of their market as well as the environment at large in which they operate, and subsequent responses as demanded by changes in the environment (Clegg et al., 2011).

As the external environment is dynamic and factors leading to the change are largely beyond their control, firms must continuously monitor the changes in the environment and apply the right responses in order to acquire competitive advantage over rivals

(Johnson et al., 2008). Pearson and Robinson (2007) note that change is continuous and as such, strategies must be monitored constantly for shifts in any of the components as a precaution against implementing obsolete strategy. The environment must be closely monitored and strategic responses applied in order for a firm's activities to remain aligned with the environment.

Firms that are receptive to changes in the environment and that apply strategic responses in a timely manner are likely to be more successful (Zucker, 1987). In a study seeking to understand how more successful South African companies operating in environments of differing complexity and turbulence differed in their use of strategy from companies that were less successful, Mason (2007) found out that the more successful companies had a culture of acceptance and encouragement of change and considered adaptability and flexibility to be crucial to the survival and good performance of the firm. The less successful companies were found to change slowly, even appearing to resist change.

Lee and Grewal (2004) conducted a study to establish whether the adoption and assimilation of new technology would help to build and sustain competitive advantage. Specifically, they studied the strategic responses of store-based retailers to the advent of the internet. The study concluded that as technologies continue to proliferate, firms in diverse industries increasingly must respond, as responding was likely to have a positive effect on their performance, while failure to respond would have a negative effect.

According to Oliver (1991), in interacting with their environments, organisations may enact various strategic behaviors, that vary in activity from passivity to active resistance. Acquiescence refers to acceding to the pressures; compromise refers to an endeavor to achieve a balance between conflicting demands; avoidance is the organisational attempt to preclude the necessity of the change or response; defiance is a more active form of response and may involve dismissal, challenge or attack; and manipulation is the most active response to pressure and it is intended to actively change or exert power over the sources that seek to enforce the expectations. The response that an organisation assumes depends on the cause of the pressure (why the pressures are being exerted), who is exerting them (constituents), what the pressures are (content), how or by what means the pressures are exerted (control), and where the pressures occur (context).

According to Pearce and Robinson (2007), and in line with the scheme developed by Porter (1980), many planners believe that any long term strategy should derive from a firm's attempt to seek a competitive advantage based on one of three generic strategies: low cost leadership, differentiation, and focus. Low cost leaders depend on some fairly unique capabilities to achieve and sustain their low-cost position and usually excel at cost reductions and efficiencies. A low-cost leader is able to use its cost advantage to charge lower prices or to earn higher profits.

Strategies dependent on differentiation are designed to appeal to customers with a special sensitivity for a particular attribute. By stressing the attribute over other product qualities, the firm attempts to build customer loyalty and such loyalty translates into the firm's

ability to charge a premium price for the product. A focus strategy may be anchored in a low-cost base or differentiation base, and attempts to attend to the needs of a particular market segment. A firm pursuing a focus strategy is willing to serve otherwise ignored or under-appreciated customer segments (Pearce and Robinson, 2007).

As the successful implementation of strategic responses will depend on the strategic capability of the firm , firms should strive to possess resources and competencies that are crucial to their success (Johnson et al., 2008). The resources may vary from organisation to organisation and include human resources, technology adoption, marketing and finances (Wheelen and Hunger, 2008).

CHAPTER THREE : RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology to be used in conducting the research. It includes the research design, population of the study, data collection and the data analysis techniques to be used to illustrate the strategic responses adopted by textbook publishers in Kenya to the environmental challenges faced.

3.2 Research Design

Saunders, Lewis, and Thornhill (2007) refer to a research design as the general plan of how the researcher will go about answering the research questions. It is the conceptual structure within which the research is conducted, and it constitutes the blueprint for the collection, measurement and analysis of data.

In order to establish the strategic responses adopted by textbook publishers in Kenya to the environmental challenges, a cross-sectional survey was conducted. Saunders et al. (2007) describe a cross-sectional survey as the study of a particular phenomenon (or phenomena) at a particular time.

3.3 Population of the Study

Population is the complete group of entities sharing some common set of characteristics (Zikmund, 2003). The population of this study was all the textbook publishers who are

members of the Kenya Publishers Association, the umbrella body for publishers in Kenya.

As at August 2013, there were 14 textbook publishers listed on the Association's website (www.kenyapublishers.org/members.html). The study was a census survey of all the organisations due to the small size of the population.

3.4 Data Collection

In order to answer the research question, primary data was collected from the respondents. The researcher also relied on secondary data, such as from websites and publications, in order to broaden knowledge in the area of study.

The researcher used the questionnaire to collect data for this study and included both closed and open ended questions. According to Leedy and Ormrod (2005), questionnaires can be sent to a large number of people, hence saving on the researcher's time and costs. The respondents can fill the questionnaire in the absence of the researcher, which reduces pressure and enables confidentiality, resulting in more truthful responses. Questionnaires however pose the drawbacks of low return rates and misinterpretation of questions by the participants.

The questionnaires were distributed using a 'drop and pick' method. In order to increase the reliability of the data collected, the key respondents were the senior administrators of

the textbook publishing firms who included the chief executive officers, sales and marketing managers, and publishing managers.

3.5 Data Analysis

Mugenda and Mugenda (2003) note that data obtained from the field in raw form is difficult to interpret, and such data must be cleaned, coded, keyed into a computer and analysed. According to Hoyle, Harris, and Judd (2002), data analysis is the arrangement and portrayal of the data in ways that help detect patterns and explore associations.

After the researcher administered the questionnaires, the data collected was edited, coded and entered into the computer for analysis. Descriptive statistics were used to analyse the data after which presentation and interpretation were done. Findings were presented in both graphical and non graphical forms, mainly by use of tables and graphs.

CHAPTER FOUR : DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the results and findings from the cross-sectional survey of textbook publishers in Kenya who are members of KPA. It includes the general information about the textbook publishers, the challenges facing the publishers, the responses they adopt in handling the challenges, and discussion of the findings.

The researcher targeted the firms' chief executives as well as those heading the publishing and marketing functions as they were considered to hold reliable information. The response rate for the study was 71% as only 10 of the 14 questionnaires that the researcher distributed were filled. Mugenda and Mugenda (2003) define a response rate of 70% and above as very good for analysis and reporting hence the response rate is considered reliable.

4.2 General Information

This section highlights general demographic information about the textbook publishers. As illustrated in figure 4.1, 70% of the firms were private Kenyan owned, 10% were private foreign owned, while the remaining 20% were government owned.

Figure 4.1: Nature of ownership of the textbook publishers in Kenya
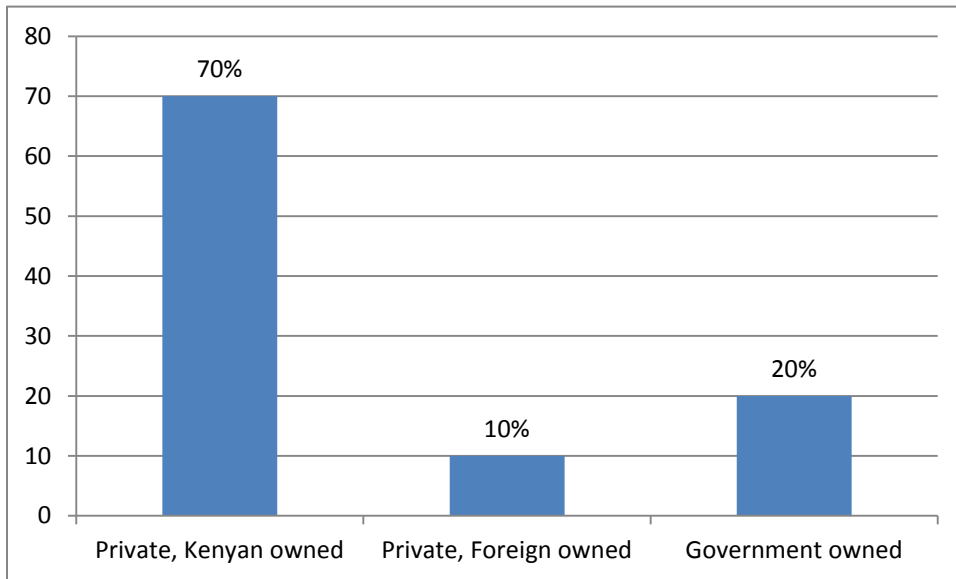
Source: Research data, 2013

Different firms produced different publications as shown in figure 4.2. 100% of the firms published primary school textbooks, 60% published textbooks for the secondary school level of education, 60% published textbooks for the post-secondary level of education, 100% published revision books, 100% published general readers and story books, 100% produced books for the early childhood level, and 50% of all the firms produced charts. Dictionaries, kamusis, bibles and atlases were produced by a minority of the firms at 30%, 30%, 10% and 30% respectively.

Figure 4.2: Nature of publications
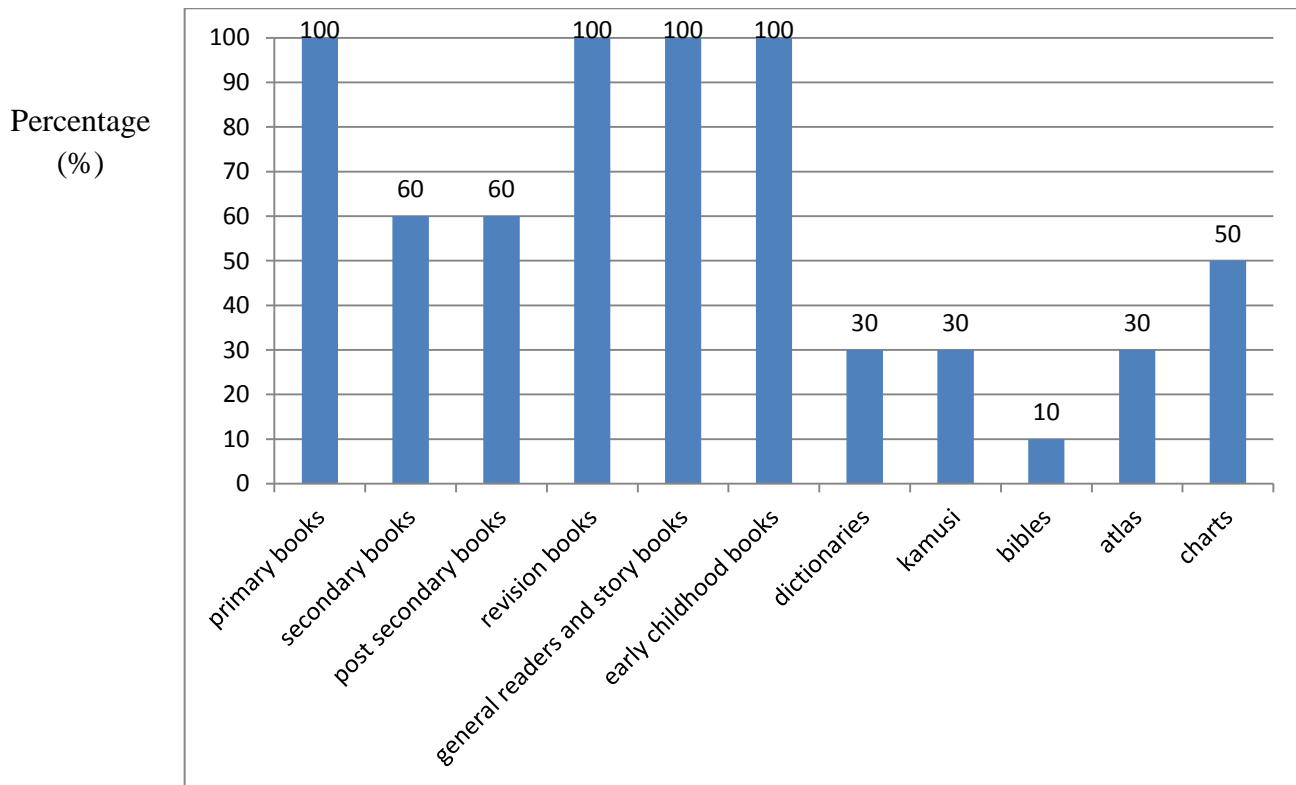
Source: Research data, 2013

4.3 Environmental Challenges Experienced by Textbook Publishers in Kenya

The study aimed to investigate the challenges posed to the firms by the external environment and whether the firms monitored the external environment for factors that would influence their business. 100% of the firms reported that they actively monitored the external environment for changes.

As shown in table 4.1, respondents indicated that inconsistent release of funds for free education by the government affected the publishers to a very huge extent. Other factors that affected the publishers to a very huge extent were government policies such as taxation on books and price controls, stiff competition from fellow publishers, and the poor reading culture amongst Kenyans.

High cost of printing, corruption, book piracy, high cost of credit facilities, and technological advancements such as the emergence of e-books in schools affected the publishers to a large extent. High standards set by the KICD in approving books into the orange book, poor ICT infrastructure in the country affecting the speed of digitization of books, changes in the curriculum, lack of competent authors, and book distribution challenges affected the publishers to a moderate extent.

The lack of access to credit facilities and the stringent provisions of the Public Procurement and Disposal Act affected publishers of school books to a small extent. While the overall score for the stringent provisions of the Public Procurement and Disposal Act on average affected all the firms to a small extent, the average score for the two government owned publishing firms was to a very huge extent.

Table 4.1 :   Environmental challenges affecting publishers of textbooks in Kenya

Environmental Challenge	Mean Score	Standard Deviation
Stiff competition from fellow publishers	4.60	0.80
High cost of printing	4.40	0.80
Curriculum changes	3.20	0.75
Lack of competent authors	3.00	0.89
Lack of access to capital and credit facilities	2.40	0.72
High cost of capital and credit facilities	3.60	0.80
Government policies, such as taxation on books and price controls	4.80	0.40
Stringent provisions of the Public Procurement and Disposal Act	3.60	0.80
High standards by the Kenya Institute of Curriculum Development (KICD) in approving books into the Orange Book	3.40	0.80
Low approval rates by the KICD	3.00	0.63
Corruption	4.20	0.75
A poor reading culture	4.60	0.49
Book distribution challenges	3.00	0.63
Poor road network, affecting the distribution of books	2.80	0.47
Book piracy, such as by photocopying	4.20	0.75

Environmental Challenge	Mean Score	Standard Deviation
Technological advancements, such as the e-books	3.60	1.02
Poor ICT infrastructure in the country affecting the speed of digitization of books	3.40	1.02
Unreliable electricity in the country affecting the scope of digitization of books	2.60	0.36
Inconsistent release of funds by the government	5.00	0.00

Source: Research data, 2013

Note: Measurement was taken on the 5-point Likert scale where "no extent" was represented by 1, "a small extent" by 2, "moderate extent" by 3, "large extent" by 4 and "to a very large extent" was represented by 5.

4.4 Strategic Responses to the Environmental Challenges

The researcher sought to establish ways in which the firms responded to the environmental challenges facing them and whether the responses had been useful to their business. 100% of the firms reported that the responses had been useful.

As shown in table 4.2, the firms had adopted competitive tendering to get good quality at fair prices, acquisition of competent authors in order to ensure high approval rates by KICD, and aggressive marketing to beat the competition to a very large extent. Diversification of publications, outsourcing of non-core services, and entry into regional markets had been adopted by the firms to a large extent. Responses that had been adopted

to a moderate extent included lobbying the government for favourable legislation, undertaking initiatives to promote a reading culture, co-publishing, and digitization of books. Publishing under license and mergers had been adopted to a small extent while acquisition of other publishers had been adopted to no extent.

Table 4.2: Strategic responses to the environmental challenges

Strategic Response	Mean Score	Standard deviation
Aggressive marketing to beat the competition	4.60	0.80
Acquisition of competent authors to ensure approval by the Kenya Institute of Curriculum Development (KICD)	4.80	0.40
Diversification of publications	4.40	0.80
Lobbying the government for favourable legislation, such as procurement and book piracy	3.40	1.50
Adoption of technology, such as by producing e-books and use of automated systems	3.00	0.89
Outsourcing of services	3.80	0.98
Co-publishing	3.20	0.98
Publishing under license	2.40	0.80
Mergers	1.60	0.80
Acquisition of other publishing firms	1.00	0.00

Strategic Response	Mean Score	Standard deviation
Undertaking initiatives to promote a reading culture among Kenyans	3.40	0.80
Entry into regional markets	3.80	1.47
Competitive tendering to get best prices for top quality	5.00	0.00

Source: Research data, 2013

Note: Measurement was taken on the 5-point Likert scale where "no extent" was represented by 1, "a small extent" by 2, "moderate extent" by 3, "large extent" by 4 and "to a very large extent" was represented by 5.

4.5   Discussion

4.5.1 Comparison with Theory

The research findings established that all the firms experienced challenges from the external environment. All the firms also reported that they monitored the external environment for opportunities and threats and that they enacted responses in an effort to gain or sustain competitive advantage over rivals.

The findings are in line with the theory by Ansoff and Sullivan (1979) that all organisations are environment serving and dependent and as such, their effectiveness is measured by the degree to which their products or services respond to the needs of the consumers. Clegg et al. (2011) note that the external environment consists of several

unanticipated events and firms must be willing to respond to unfolding events as they occur since no one can be certain about the future. In order to continuously meet the needs of their consumers, Johnson et al. (2008) note that organisations should conduct an analysis of their external environment and identify the specific strategic opportunities and threats, and adopt appropriate responses with the aim of taking advantage of the opportunities while reducing the impact of the threats.

The findings are also in line with the institutional theory that forms the theoretical framework for this study. The institutional theory proposes that organisations should institutionalise (adapt) with the environment in order to survive. It proposes that the monitoring of the external environment and the subsequent adoption of responses to the changes and challenges leads to increased homogeneity with the environment, which in turn increases the chances of survival for the firm.

4.5.2 Comparison with Other Studies

The research established that textbook publishers in Kenya experienced several challenges from the external environment. Key challenges included the inconsistent release of funds for free education by the government, government policies such as taxation on books and price controls, stiff competition from fellow publishers, and a poor reading culture amongst Kenyans.

The research findings also established that the textbook publishers adopted various responses to the challenges. Key amongst the responses were competitive tendering to get

good quality at fair prices, acquisition of competent authors in order to ensure high approval rates by KICD, and aggressive marketing to beat the competition. Other responses included the diversification of publications, outsourcing of non-core services, entry into regional markets, lobbying the government for favourable legislation, undertaking initiatives to promote a reading culture, co-publishing, digitization of books, and publishing under license and mergers.

The findings of this study are in line with the findings of several other studies, including Chepkwony (2012), Kinyanjui (2012), Kiptoo (2011) and Mokaya (2010). Chepkwony (2012) established that Simlaw Seeds Kenya Limited experienced several challenges from the external environment in conducting its business. The company adopted various strategic responses relevant to its environmental challenges in order to achieve its mission of selling seeds, including educating farmers on proper farm preparation. In a study to establish the strategic responses adopted by Asili Sacco Limited to challenges in its external environment, Kinyanjui (2012) reported that the firm experienced several challenges, including non-repayment of loans, and adopted various relevant responses.

CHAPTER FIVE :   SUMMARY, CONCLUSION AND

RECOMMENDATIONS

5.1   Introduction

This chapter gives a summary of the findings of the study, based on the objectives of the research. It also gives the implications of the study, limitations of the study and suggestions for further research.

5.2   Summary

5.2.1 Environmental Challenges Facing Textbook Publishers in Kenya

All the respondents reported that they experienced various challenges from the external environment. All the respondents also monitored the external environment for factors that would influence their business. The challenges of inconsistent release of funds for free public education by the government, government policies such as taxation on books and price controls, stiff competition from fellow publishers, and the poor reading culture amongst Kenyans affected the publishers to a very huge extent.

High cost of printing, corruption, book piracy, high cost of credit facilities, and technological advancements such as the emergence of e-books in schools affected the publishers to a large extent. High standards set by the KICD in approving books into the orange book, poor ICT infrastructure in the country affecting the speed of digitization of books, changes in the curriculum, lack of competent authors, and book distribution

challenges affected the publishers to a moderate extent. The lack of access to credit facilities and the stringent provisions of the Public Procurement and Disposal Act affected publishers of school books to a small extent.

5.2.2 Strategic Responses Adopted by the Textbook Publishers in Kenya

All the respondents adopted responses relevant to the challenges facing them. To respond to the challenge of stiff competition from fellow publishers, they adopted aggressive marketing, such as by hiring a bigger sales force during the peak season, as well as continuously motivating the sales force. Further efforts to expand the market share included diversification of publications, entry into regional markets (mainly Rwanda, Uganda and South Sudan), and promotion of a reading culture amongst Kenyans (through events like the Library of the Year Award that awards the best performing library).

To ensure they acquired high approval rates and listing into the orange book which would in turn assure them market share, the respondents acquired competent authors. The challenge of high printing prices was addressed through competitive tendering to ensure they achieved top quality at the fairest prices. Cost control was also achieved through outsourcing of non-core services.

School book publishers lobbied the government for favourable legislation through KPA. Such favourable legislation would include the exemption of books from taxation, as well as formulation of stiffer penalties in order to curb book piracy. To a small extent,

publishers were adopting technology (such as the production of e-books), co-publishing, and publishing under license especially with foreign publishers from America and Europe.

5.3   Conclusion

The study concludes that textbook publishers in Kenya face various challenges from the external environment. All the organisations monitored the external environment for changes and challenges and adopted relevant responses. Challenges included stiff competition from fellow publishers, government policies, inconsistent release of funds for free public schooling by the government, high cost of printing, a poor reading culture, book piracy, corruption, changes in the curriculum, high cost of credit facilities, lack of competent authors, technological advancements, high standards by the KICD in approving books into the orange book, book distribution, the stringent requirements of the Public procurement and Disposal Act, and poor ICT infrastructure.

Responses included aggressive marketing, diversification of publications, entry into regional markets, promotion of a reading culture amongst Kenyans, acquisition of competent authors, competitive tendering to cut costs, outsourcing of non-core services, lobbying the government for favourable legislation, adoption of technology by digitizing books, co-publishing and publishing under license, and mergers.

5.4   Recommendations

Based on the findings of this study, the researcher recommends that the government improves the system of disbursing funds to schools in order to make it more timely. In addition, the government may adopt the Rwandan system whereby schools select books from the catalogues of the various publishers and the government pays the publishers directly. Adoption of this system would reduce misuse of funds by schools. Given the crucial role that the textbook plays in education, the government should also closely consider the effects of its policies, such as on taxation of books.

The government needs to put in place a mechanism to prevent corruption. It also has a role to play in ensuring that quality of publications is maintained, by enforcing approval of all school books by KICD. The publishers currently face very stiff competition amongst themselves, as the market is served by many players. This may be addressed by mergers and acquisitions, as well as co-publishing. Co-publishing would ease capital requirements for developing publications such as atlasses, dictionaries, kamusis and bibles, which are currently supplied by only a few publishers.

5.5   Limitations of the Study

This study was faced by various limitations. First, the study covered only the publishers who are members of KPA and as such, many small publishers were left out. This limits the generalization of the results of this study to the established publishers only.

The second limitation is the data collection method used. Only the questionnaire was administered, mainly due to the limitation of time available to the researcher. Other methods such as face to face interviews were not used. This limitation was however addressed by making the questionnaire as comprehensive and concise as possible.

5.6   Suggestions for Further Research

The researcher recommends that further research be conducted to investigate the differences in the challenges faced by government and private owned firms, as well as the differences in the challenges faced by local and foreign firms. The ways in which responses to challenges vary for the different firms should also be established.

Further research is recommended to establish the challenges faced by the smaller publishing firms who are not members of the KPA, as well as those who do not seek vetting by KICD. By exploring the challenges faced by this group, the government would be able to improve the quality of their publications by putting in place incentives to encourage them to join the umbrella body as well as to submit their publications for vetting.

REFERENCES

Altbach, G. P. (2008). *Book Publishing.* Retrieved from

www.unesco.org/webworld/wirerpt/wirenglish/chap23.pdf.

Ansoft, H. I., Sullivan, P. A. (1979). *Managerial theory of strategic behaviour of environment servicing organisations.* London: The Macmillan Press.

Chakava, H. (1996). *Publishing in Africa: One man's perspective.* Oxford: Bellagio Publishing Network.

Chepkwony, G. K. (2012). *Strategic responses of Simlaw Seeds Company Limited to environmental challenges.* Nairobi: Unpublished MBA project, School of Business, University of Nairobi.

Clegg, S., Carter, C., Kornberger, M., & Schweitzer, J. (2011). *Strategy: Theory & practice*. California: Sage Publications.

Hoyle, R. H., Harris, M. J., & Judd, C. M. (2002).*Research methods in social relations* (7th ed.). Ohio: Thomson.

Johnson, G., Scholes, K., & Whittington, R. (2008). *Exploring corporate strategy* (8th ed.). England: Pearson Education Limited.

Juma, V. (2011, January 12). Kenya investors turn over a new chapter in publishing industry. *Business Daily Africa.* Retrieved from http://www.businessdailyafrica.com/Kenyan-investors-turn-over-a-new-chapter-in-publishing-industry/-/539546/1087818/-/item/0/-/139psmt/-/index.html.

Kinyanjui, F. (2012). *Strategic responses to environmental challenges facing Asili Sacco Limited*. Nairobi: Unpublished MBA project, School of Business, University of Nairobi.

Kiptoo, P. K. (2011). *Strategic responses adopted by Kenya Commercial Bank to cope with the challenge of non-performing loans.* Nairobi: Unpublished MBA project, School of Business, University of Nairobi.

Lee, R. P., & Grewal, R. (2004). Strategic responses to new technologies and their impact on firm performance. *Journal of Marketing,* 68(4), 157-171. doi: 10.1509/jmkg.68.4.157.42730

Leedy, P. D.,& Ormrod, J. E. (2005).*Practical research* (8[th]ed.). New Jersey: Pearson.

Makotsi, R., & Nyariki, L. (1997). *Publishing and book trade in Kenya*. Nairobi: East African Educational Publishers.

Mason, R. B. (2007). The external environment's effect on management and strategy *Emerald Group Publishing Limited: Management Decision,* 45(1), 10-28. doi: 10.1108/00251740710718935.

Mathooko, M. (2009). Actualizing free primary education in Kenya for sustainable development. *The Journal of Pan African Studies*, vol.2 (8), March 2009.

Mokaya, E. (2012). *Strategic response by the Ministry of Roads to the challenges in the roads sub-sector in Kenya.* Nairobi: Unpublished MBA project, School of Business, University of Nairobi.

Mugenda, O. M., & Mugenda, A. G. (2003). *Research methods: Quantitative and qualitative approaches.*Nairobi: Acts Press.

Oliver, C. (1991). Strategic responses to institutional processes. *The Academy of Management Review,* Vol. 16 (1), Jan 1991.

Pearce, J. A., & Robinson R. B. (2007). *Strategic management: Formulation, implementation and control* (10[th]ed.). Irwin: McGraw-Hill.

Porter, M. E. (1980). *Competitive Strategy: Techniques for analyzing industries and competitors.* New York: Free Press.

PWC (2010). *Turning the page: The future of ebooks*. Retrieved July 10, 2013 from http://www.javnost-thepublic.org/media/datoteke/stockmann-4-2004-4.pdf.

Saunders, M., Lewis P., & Thornhill A. (2007).*Research methods for business students* (4[th]ed.). England: Prentice Hall.

Scott, W. R. (1995). Institutions and organizations. *Administrative Science Quaterly,* Vol. 42 (4), Dec 1992.

Thompson, A. A., Strickland, A. J. (1992). *Strategic management: Concepts and cases* (6th ed.). Irwin: Richard D.

Thompson, A. A., Strickland, A. J., & Gamble. J. E. (2007). *Crafting & executing strategy* (15th ed.). Irwin: McGraw Hill.

Wheelen, T. L., Hunger, J. D. (2008). *Strategic management and business policy* (11th ed.). Upper   Saddle River: Pearson Education.

Zikmund, W. G. (2003). *Business research methods*(7[th]ed.). Ohio: Thomson.

Zucker, L. G. (1987). Institutional theories of organizations. *Annual Review of Sociology,* Vol. 13, Aug 1987.

APPENDICES

Appendix I: **Textbook Publishers who are Members of Kenya Publishers Association (KPA)**

1. East African Educational Publishers

2. Focus Publishers

3. Jomo Kenyatta Foundation

4. Kenya Literature Bureau

5. Longhorn Kenya Ltd

6. Moran Publishers

7. Mountain Top Publishers

8. Mvule Africa Publishers

9. Oxford University Press

10. Phoenix Publishers Ltd

11. Single Publishers

12. Uzima Publishing House

13. Vide-Muwa Publishers

14. WordAlive Publishers

Source August 2013: http://www.kenyapublishers.org/members.html

Appendix II: Questionnaire

This questionnaire seeks to collect data about the school book publishing market in Kenya. All responses will be handled with utmost confidentiality and will be used for academic purposes only.

SECTION A: GENERAL INFORMATION

1. What is the name of your organisation? …………………………………...……

2. Which year was the organisation established? …………………………………....

3. What is the nature of ownership of your organisation?

    [ ] Private, Kenyan owned   [ ] Private, foreign owned   [ ] government owned

4. How many years have you worked for the organisation? …………………….....

5. Which publications does your organisation produce?

    [ ] Primary school textbooks   [ ] Secondary school textbooks

    [ ] Textbooks for higher levels of education (post secondary school)

    [ ] Revision books   [ ] General readers (story books)

    [ ] Early childhood education books   [ ] Motivational books

    [ ] Dictionaries   [ ] Kamusi

    [ ] Bibles   [ ] Atlas

    [ ] Charts

    [ ] Others. Please specify ....

SECTION B: CHALLENGES FACING YOUR ORGANISATION

1. Does your organisation monitor the external environment for opportunities and
   threats?

   [ ] Yes   [ ] No

2. Which challenges does your organisation face with respect to publishing and
   marketing of school books?

   ....

   ....

   ....

3. Please indicate on a scale of 1 to 5 the extent to which the following challenges
   relating to publishing affect you.

   1= no extent   2= a small extent   3 = moderate extent   4 = large extent   5 = to a very large extent

Challenge	1	2	3	4	5
Stiff competition from fellow publishers					
High cost of printing					
Curriculum changes					
Lack of competent authors					
Lack of access to capital and credit facilities					
High cost of capital and credit facilities					
Government policies, such as taxation on books and price controls					

Challenge	1	2	3	4	5
Stringent provisions of the Public Procurement and Disposal Act					
High standards by the Kenya Institute of Curriculum Development (KICD) in approving books into the *Orange Book*					
Low approval rates by the KICD					
Corruption					
A poor reading culture					
Book distribution challenges					
Poor road network, affecting the distribution of books					
Book piracy, such as by photocopying					
Technological advancements, such as the e-books					
Poor ICT infrastructure in the country affecting the speed of digitization of books					
Unreliable electricity in the country affecting the scope of digitization of books					

4. Of the challenges that you have identified in 2 and 3 above, which ones have a major

   impact on your business?

   ……………………………………………...

   ....

SECTION C : STRATEGIC RESPONSES TO THE CHALLENGES FACING

YOUR ORGANISATION

1. How has your organisation responded to the challenges identified in Section B above?

    ……………………………………...

    ....

    ....

    ....

    ....

2. Please indicate on a scale of 1 to 5 the extent to which your organisation has applied

    the following in response to the challenges.

    1= no extent   2= a small extent   3 = moderate extent   4 = large extent   5 = to a very large extent

Strategic response	1	2	3	4	5
Aggressive marketing to beat the competition					
Acquisition of competent authors to ensure approval by the Kenya Institute of Curriculum Development (KICD)					
Diversification of publications					
Lobbying the government for favourable legislation, such as procurement and book piracy					
Adoption of technology, such as by producing e-books and use of automated systems					
Outsourcing of services					
Co-publishing					

Strategic response	1	2	3	4	5
Publishing under license					
Mergers					
Acquisition of other publishing firms					
Undertaking initiatives to promote a reading culture among Kenyans					

3. Have the responses been helpful to your business?

   [ ] Yes   [ ] No

4. Of all the responses that you identified in 1 and 2 above, which ones have had major

   impact on your business?

   ....

   ....

   ....

5. What do you think should be done to address the challenges faced by publishers of

   school   books?

   ……………………………………………...

   ....

   ....

Thank you for taking your time to fill the questionnaire.