COMPETITIVE STRATEGIES ADOPTED BY MOTOR VEHICLE IMPORTING FIRMS IN MOMBASA, KENYA

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ABSTRACT

Competitive strategies provide a company with the actions to create offensive or defensive positions in an industry and thereby yield a superior return on investment. Over the years, firms have discovered many different approaches to this end. Although motor vehicle dealers in Kenya have been using various strategies to deal with industry competition, it is not known exactly what strategies the managers of Mombasa based motor vehicle importers have been using. The objectives of this study were, therefore, to establish the nature of industry competition among Mombasa based motor vehicle importing firms and to determine the competitive strategies adopted by the firms. The study was modelled on a descriptive design and the population of interest consisted of 103 firms located in Mombasa. A sample size of 31 firms was used in the study, with primary data being collected using a semi-structured questionnaire. Out of the 31 firms, 28 returned the questionnaires, giving a response rate of 90%. The results showed that all the industry players view possession of competitive strategies as extremely important to the survival of their firms. Based on the findings, it was concluded that differentiation and quality were the main strategies used by the firms while the internet, cost-leadership or market segmentation came out as the least popular strategies. It was, therefore, recommended that the managers of these firms should look into the use of the internet and market segmentation as a tool for competitive advantage. The managers should also allocate more funds to the dimensions of strategies that have proven to be very effective in the competitive battle. Given that the study was limited to only the perspective of the managers of established motor vehicle importing firms, it was recommended that a more elaborate study should be conducted to include all motor vehicle dealers in Mombasa.