STRATEGIC RESPONSES ADOPTED BY TELEVISION BROADCASTING STATIONS IN KENYA TO COUNTER COMPETITION

JANET WANJIRU OKARA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT OF THE MASTER OF BUSINESS ADMINISTRATION (MBA) DEGREE, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

AUGUST 2011

DECLARATION

I declare that this is my original work and has not been submitted to any other college, institution or university other than University of Nairobi for an academic award.

Signature..
Date.............7th Nov 2011

Janet Wanjiru Okara

Reg No: D61/75247/2009

This research project has been submitted for examination with my approval as the University Supervisor.

Signature..
Date.....7/11/11

Dr. Justus Munyoki

Lecturer, School of Business

University of Nairobi

ACKNOWLEDGEMENT

I wish to thank the Almighty God for providing me with the opportunity to study at the University of Nairobi, and also for His provision and grace which enabled me to study for five consecutive semesters without requiring a break due to financial or other difficulties. I also express my sincere appreciation to my project research supervisor Dr.J.M.Munyoki for his selfless work, availability and guidance throughout the period that I undertook the project.

My sincere gratitude also goes to the respondents of my research questionnaire, for taking time off their busy schedules to provide the answers upon which the data findings and analysis are based.

Last but certainly not the least, I wish to thank my family, my husband and my three children, who were supportive, understanding, and who had to endure my long absence from home when I was attending classes.

DEDICATION

I would like to dedicate this project to my husband Mike, and our children Valentine, Eric and Faith. May you reach this far and beyond in your quest for knowledge and life skills.

ABSTRACT

Due to the rapid growth of all sectors of the economy emanating from the effects of globalization and increased industrialization, competition has continued to grow into unprecedented levels. In order to survive in the highly competitive environment therefore, organizations have found themselves with little options but to formulate strategies to be able to respond to competition, and still remain competitive in their respective industries. Organizations that do not respond quickly to competition suffer the effects of depleting market share, low revenue generation, and their products rendered irrelevant in the face of rapidly changing technology. The Television broadcasting sector is one that has and continue experiencing stiff competition from local rivals as well as other media such as radio, print media, cable TV, the internet and mobile phones.

The purpose of this study was to determine the strategic responses that the TV broadcasting stations have adopted to counter competition. This was a census as it involved a number of TV stations in Kenya, and the researcher used a research questionnaire as the primary data collection instrument. The questionnaire was administered to senior marketing managers/executives from each of the TV stations. The data collected was combined with existing secondary data for a comprehensive analysis.

According to the findings, The TV stations experience many challenges in the competitive environment among them high operational costs and rapid technological changes as they strive to offer high quality products to counter competition. The strategies they have undertaken to counter competition include customer service improvement, market share expansion, product innovation, and target market expansion. The TV stations have also adopted various strategic responses to competition such as diversification into other broadcast media, differentiation in terms of unique programming, market segmentation to cater for different markets, and adoption of new high technology to improve quality of production and increase efficiency.

The study concluded that competition has had a positive effect on the growth of the TV broadcasting sector, as it has triggered the TV stations to be more innovative and creative in producing new and better programs, and each of the station is in a better competitive position in the industry today. The study also noted that the major beneficiaries of competition among the stations have been the customers and the audiences since they now have a variety of programs and TV channels to choose from for quality and reliable information, education and entertainment.

The implication is that new TV stations that are venturing into the industry must ensure a strong financial position from the start, so as to be able to acquire modern technology, and therefore produce quality programs and products that are competitive in the market.

The study recommended benchmarking as a strategy to be fully utilized by the stations, more investment in staff training to curb the high turnover of qualified personnel, and venturing into other areas that are unrelated to broadcasting for revenue generation to strengthen the financial position of the stations.

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INTRODUCTION

1.1 Background of the study

In the recent past, the Kenyan economy has realized substantial growth, with all sectors in the economy growing tremendously. However some industries have grown at a faster pace than others, among these being the media industry. The media industry has experienced momentous growth over the past two decades giving rise to a total of 15 television stations (Steadman and Associates, 2008).This growth has been attributed to the liberalization of the industry giving rise to competition.

The expansion of the industry has seen numerous radio and TV stations being set up in the country, all playing the same role of communication, entertainment and education to the same public, albeit in different styles. As a result, competition has set in, as all the players compete for bigger market share and higher viewership. Competition has brought the need to monitor the media industry by an independent firm, so that the broadcasting stations can keep track of the viewership trends, and therefore strive to achieve competitive positions in the industry. The monitoring services in Kenya are offered by Synovate Kenya chapter, a global market research firm that generates insights to help clients drive competitive brand, product and customer experience strategies (www.synovate.com). Synovate strives to stay one step ahead in the fast-moving world of media. We watch emerging trends and how changes in consumer behavior alter media relationships (Synovate Kenya, 2011).

The broadcasting stations continue to experience stiff competition from each other and from the new entries into the industry, which has posed a big challenge. It is therefore crucial for the broadcasting stations' survival in the current environment to re formulate strategies that will enable them to cope with the increasing competition.

The reason why this study has chosen to focus on the media industry particularly the main media houses is due to the significant role media plays in the economy of the country. The media industry in Kenya is quite vibrant and has, and continues to play an important role in the development of this country (UNDP, 2010).The media watches and reports on the economic, political and social sectors so that they realize the much needed growth.

1.1.1 The Concept of Strategic Response

According to Minztberg (1994), Strategy is a plan, (an intended course of action), a ploy (a move intended to outwit an opponent), position (determination of particular products in particular markets), perspective (an organization's way of doing things) and pattern(consistency in behavior over time. Strategic responses are influenced by the environment in which a firm is experiencing, i.e. they are tools that equip a firm to deal with the circumstances it is facing. In this particular case, strategic responses equip a firm to counter competition so as to ensure its future growth and profitability in the industry. The strategy that an organization decides to adopt depends on various factors, namely product-market characteristics, growth stage of the market, the competitive environment, and the competitive advantages of the organization (Cravens, 1991). Marketing strategy is also dependent on the firm's size and position in the industry (Kotler, 2001).

The media industry is in the mature growth stage, where the buyers' needs and preferences are clearly defined. Kenyans have demonstrated their preference for locally produced entertainment broadcasting stations' survival in the current environment to re formulate strategies that will enable them to cope with the increasing competition.

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The media industry is in the mature growth stage, where the buyers' needs and preferences are clearly defined. Kenyans have demonstrated their preference for locally produced entertainment and educative programs, and so the broadcast media is in competition for local productions, both in number and content. This is in line with a government directive in the recent past, that media houses should ensure that forty percent of the programs are locally produced. However it is unclear if the directive has been operational.

The strategy must also enable an organization to gain competitive advantage over the competitors. According to Little (1974), firms in an industry adopt different competitive strategies and enjoy different competitive positions. These positions are; dominant, strong, favorable, tenable, weak and nonviable. The dominant firm has a variety of strategic options to choose from, while the strong firm is able to maintain its long term position without getting affected by the competitors' actions. The favorable firm adopts only particular strategies, while the tenable firm performs satisfactorily with little opportunity to improve. The weak and non-viable firms have below average performance, and very little chance of competing in the market. Therefore firms in the media industry must determine the competitive positions they occupy in the market, and implement the right strategies of responding to the growing competition effectively. The intensity of the competitive environment also determines strategies that will distinguish an organization's products from others. Thus the response could be in form of product differentiation, positioning and market segmentation strategies. Porter (1980) distinguished four generic strategies that organizations can adopt, namely Cost Leadership, high product differentiation, and market focusing.

In the media industry where competition is very intense and the products are generally undifferentiated, the above strategies if adopted could enable the competitors gain a competitive advantage in each of their own market niches, instead of all competing to serve the same mass market.

1.1.2 The concept of competition

Competition grows more intense every year in today's business environment and individual companies strives to achieve competitive advantage in their respective sectors. Competitive advantage is a company's ability to perform in one or more ways that competitors cannot or will not match, (Kotler and Keller, 2006) Competition can have both positive as well as negative effects on a company's market Opportunities. For example, competition can cause an entire market to grow through market developments, which results in increased awareness and purchase of the product, thereby increasing the total sales for the entire industry. Competition on the other hand limits market opportunities for individual companies. Firms try to enhance their competitive position by using appropriate marketing strategies, and as long as a company has a stronger position than the others, it will expand its market share while that of the weaker firms is reduced. It is therefore important for companies to be aware of their competitors' activities, and create strategies that will enable them to compete effectively in the market.

In the media industry, particularly electronic media, competition has been increasing since the liberalization of airwaves that paved way for private investment in the sector. The increase in the economic growth in the country has also contributed to the current situation, what with a large number of people in the rural areas being able to afford a radio and a TV. In the past, most of the TV sets could only be found in the urban areas, but with the expansion of the market to include rural viewers and listeners, the media industry has become very attractive for investors.

Porter(1985), identified five forces that determine the attractiveness of a market: They are; threats of intense segment rivalry, threat of new entrants, threat of substitute products, threat of buyers' growing bargaining power, and threat of suppliers' growing bargaining power. The ever growing number of competitors in the media industry makes the rivalry among the key players very intense, as they offer similar products with little or no differentiation at all. Due to the attractiveness of the industry, there is a real threat of new entrants, each claiming a fair share of the market by trying to attract listeners and viewers across the country. Substitute products in form of new and cheaper broadcasting equipments have really threatened the old equipments as they are faster and better. Therefore some of the old equipment, especially acquired by the old broadcasting stations, has been rendered obsolete. The bargaining power of buyers is very strong in the media, as advertisers, listeners and viewers are spoilt for choice among the many radio and TV stations. They therefore decide which station is catering for their needs and go for it. To compete effectively, a company must keep four basic dimensions in mind, i.e. the four C's of market positioning: Customers, Channels, Competition, and its own characteristics as a Company (Kotler 2001)

The media industry therefore must consist of players who continually analyse their competitors to determine their strengths, weaknesses and strategies, to enable them create their own strategies to counter the competition. They must also analyse their customers in order to determine their needs, tastes and preferences which change from time to time. That way, they will always be in a position to create products that match the customers' needs, and this will help them remain relevant in the market.

1.1.3 Overview of the Television Sector in the Media Industry in Kenya

Due to the rapid growth of the sector in last one decade, there are more than 90 FM radio stations and 15 TV stations in Kenya today, with various numbers of print newspaper and magazines in circulation. Besides, there are numerous applications for Radio and TV licenses pending before the Communication Commission of Kenya (CCK). This is the independent regulatory authority for the communication industry in Kenya, established by the Kenya Communications Act (1998), to license and regulate radio/TV communication, as well as telecommunication and postal/courier services in Kenya,(www.cck.go.ke).

The Media Council of Kenya is an independent national institution established by the Media Act, 2007 as the leading institution in the regulation of media and in the conduct and discipline of journalists (www.mediacouncil.or.ke). It aims at safeguarding media freedom, enhance professionalism and arbitrate media disputes. The membership consists of various bodies like the Media Owners Association (MOA), Kenya Union of Journalists (KUJ), Kenya News Agency, among other stakeholders. This study will focus specifically on the TV broadcasting sector, and the strategies that have been formulated in the face of a rapid growth, and the competition that has resulted from such growth.

Among the TV stations is Kenya Broadcasting Corporation (KBC), which is a state corporation established by an act of parliament CAP 221 of the laws of Kenya to undertake public services (KBC 2011). Formed in 1961 and nationalized in 1964 under an Act of Parliament to become the Voice of Kenya (VOK), its name was changed back to KBC after another Act of Parliament in 1989 (KBC, 2011). Up until 1990, the KBC held a monopoly on the television airwaves (Kenya-Advisor.com 2007-2011). Cravens, (1991) define "Monopoly" as an industry that consists of only one firm, buyer have no brand choices, and the firm has extensive market power unless regulated by the government.

Kenya Television Network (KTN) was the first private TV station in Kenya, and it was founded in 1990. It was also the first non-pay privately owned TV station in Africa (en.wikipedia.org/wiki/KTN). Later KTN was acquired by the Standard Group, which also runs the Standard newspaper. NTV was launched in 1999 by the Nation Media Group: In 2003, the organization was allocated frequencies that enabled both Radio and TV to start reaching the major urban centers in the country (www.nationmedia.com). NTV immediately began competing with KTN, while KBC started losing much of its market share to the two private stations. Citizen TV is owned by Royal Media Services. Although started in 1999, Citizen TV was relaunched in June 2006. It is the fastest growing TV station in Kenya, with a strong focus on local programming (www.citizentv.co.ke). Family TV (Media) was founded in 1999 as a Christian TV station and is a leader in Christian entertainment programming and one of the largest independent Christian media company in the world. (http://www.familymedia.tv/)

The current share of viewing per station is as shown in table 1.1

Television Station	Share of Viewing in total Survey Area
Citizen TV	49%
Nation Television (NTV)	15%
Kenya Television Network (KTN)	12%
Kenya Broadcasting Corporation(KBC)	11%
KISS TV	3%
K - 24	1%
OTHERS	9%

Table 1.1 Share of Viewing in Total Survey Area

Source: Synovate Kenya KARF Establishment Quarter 1 (2011)

As shown in the table above, Citizen TV has the largest share of viewing at 49 %, which is almost half of the total viewing. Its success at attracting audiences could be attributed to the strong focus the station has had towards local programming.NTV, KTN & KBC are at 15 %, 12 % and 11 % respectively, while Family TV is rated among the "others" in the findings, due to low viewership and reach.

With the liberalization of the broadcasting sector, the number of new entrants into the sector who have acquired frequencies to operate radio and TV stations in the country continues to grow. This has intensified competition for the listeners and viewers, as each broadcaster tries to offer the best to the public in terms of educative programs and entertainment. Advertisers, who are the sole source of revenue for the media outlets as they promote and market their products, have become spoilt for choice, as they go for the station with the highest ratings to advertise their products and gain maximum value for money. As a result, each of these broadcasting stations has had to formulate strategies in response to the stiff competition, in order to remain relevant in the market. This study is therefore a determination of the strategic responses formulated and adopted by the TV broadcasting stations, and the way they have been implemented for the future growth of the industry.

1.2 The Research Problem

The media industry has experienced massive growth over time, both in terms of the number of players and competition. The Communications Commission of Kenya continues to issue licenses to radio and TV operators, thereby intensifying competition. The pioneer players in the industry have to keep on relaunching their stations with better innovations and new product developments, in order to survive in the market. Migunde (2003) observed that pioneers in any business should adapt a proactive rather than a reactive business approach, drive the industry by taking lead in innovation, while keeping abreast with developments in the external environment.

There are several studies that have been done on strategies adopted by other industries like manufacturing and banking to counter competition. For instance Gitonga (2008) did a study on response strategies of Equity bank to competition in the banking industry; Nyawira (2010) conducted a study on responses by cement companies to the strategic challenges posed by competition in the cement industry, while Njeru (2010) did a study on strategic responses to competition adopted by Access Kenya Group, an internet service provider. None of these studies have focused on strategic response by the media industry itself to competition.

Mwamba (2008) conducted a study on a survey of media consumer market segmentation practices used by TV stations in Kenya. However, the study fails to look into other strategies besides market segmentation. The media industry is dynamic and various strategies should be adopted at different stages of growth for each of the TV stations to achieve competitive advantage over competitors.

This study therefore sought to determine the strategies adopted by the TV broadcasting stations to counter competition, now that the field is getting more crowded by the day. The study was guided by the following questions:

i. What are the competitive challenges being faced by the broadcasting stations?

ii. What are the strategic responses adopted by the broadcasting stations in response to competition?

1.2 Objectives of the study

The objectives of the study were:

i. To identify the challenges that TV broadcasting stations face in the competitive environment.

ii. To determine the strategies the TV broadcasting stations have adopted to respond to the growing competition.

1.3 Value of the study

This study focuses on the strategies broadcasting stations have adopted to remain competitive in the industry, even as competition gets stiffer with more entries.

The study will guide the senior management on the challenges facing the media industry, as well as the strategic responses that need to be implemented to ensure retention of market share and the audience in terms of listenership and viewership, as well as looking into the most cost effective ways to broadcast and maximize on profitability.

The study will also be of importance to future researchers on the field of strategic responses to competition in the media industry, as they will use it as a source of reference in their studies.

The policymakers will also find the study important, as it will help them provide a framework upon which more efficient response strategies can be built.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter looks at information from other scholars who have researched into the same field of Study. It provides the reader with an account of the theoretical grounds of the research problem being Studied. It covers such areas as; concept of strategy, strategic marketing, the competitive Environment and strategic responses.

2.2 The Concept of Strategy

Due to the rapid change and dynamism in the business environment catalyzed by modern technology, the world has become a global village interms of business transactions and communication trends. Therefore all businesses have to align themselves to the changing environment by constantly creating and changing their strategy in order to survive in their respective industries. According to Sababu (2007), strategy is defined as the organization's mission, fundamental purposes, overall corporate objectives and basic policies. It describes the way an organization will pursue its goals, given the threats and opportunities in the environment and the organization's resources and capabilities.

Developing strategies in an environment of constant change is a key to corporate success requirement (Cravens, 1991). Many factors are attributed to the creation or change in strategy in organizations; changes in the tastes and preferences of the consumer is the most important factor because customer satisfaction is the core objective of all business entities. This requires businesses to continually develop products that match the customer's needs and tastes. These changes in consumer preferences are brought

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Developing strategies in an environment of constant change is a key to corporate success requirement (Cravens, 1991). Many factors are attributed to the creation or change in strategy in organizations; changes in the tastes and preferences of the consumer is the most important factor because customer satisfaction is the core objective of all business entities. This requires businesses to continually develop products that match the customer's needs and tastes. These changes in consumer preferences are brought about by age, social & economic class and lifestyle shifts. Change in the industry structure also influence strategy changes due to the entry of new businesses and threat of substitute products ,so businesses have to formulate strategies to cope with the new competition and develop high quality products to compete in the market. Other environmental influences like government interference and technological advancement necessitates new strategies, in order to cope with the situation. For instance in the broadcast media, liberalization of the airwaves changed the whole scene as private investors entered in large numbers, thereby intensifying competition to unprecedented levels.

There are three levels of strategy namely; at the corporate level, at business unit level, and at the operational level (Johnson and Scholes, 2002). Corporate strategies mainly focus on the entire organization , business strategies focus on each strategic business unit (SBU), while operational strategies focus on functional business areas such as marketing, production, finance, procurement and human resources. Strategies undergo various steps in their execution: the process starts with formulating strategy at the corporate level, where the top management develops the mission, vision, as well as objectives and policies that provide guidance in governing the organization. The strategy is then implemented by creating action plans, budgets, resource allocation and leadership by the top management. After this stage, it is then evaluated and controlled by monitoring the activities and the performance, and then comparing the actual results with past and/or desired results. If performance is better than the expected, the strategy is said to be effective and if the reverse is true, corrective measures are taken by either taking another strategy or modifying the existing one.

2.3 Strategic Marketing

Strategic marketing follows a market driven process of strategy development, taking into account a constantly changing business environment and a continuing requirement to deliver customer satisfaction (Cravens, 1991). While at the top management level the strategy is of a corporate nature, at the strategic business units level, marketing strategies have to be formulated in order to make them profitable and thereby improve the financial performance of the organization in the long run.

Several factors can call for a major overhaul of marketing strategy: Product life cycle stage, an organization's competitive position in the market, and the economic climate (Kotler, 1984).In product life cycle, different strategies are adopted for each of the stages of introduction, growth, maturity and decline. For instance in introduction stage, strategies include rapid penetration (low price with high product promotion) or rapid skimming strategy (high price with high product promotion).Growth stage is characterized by market expanding strategies to improve competitiveness such as new product features, new market segments and distribution channels. During the mature stage, strategies involve control of some of the marketing mix elements such as price cuts, sales promotions, advertising and personal selling. In the decline stage, strategies to modify or drop the product totally are formulated. An organization's competitive position in the market determines whether it is a leader, challenger or follower. Leaders always try to protect and expand their market share, challengers attack the leader for more market share while followers prefer not to attack the leader. Organizations also make different strategies during economic downturns like inflation and recessions.

Strategic marketing helps organizations to gain competitive advantage by adopting market driven strategies aimed at providing maximum customer satisfaction, so as to have an edge over the competitors. Due to the dynamism of the business field, strategic marketing plays an important role in the survival of businesses in that organizations make strategic decisions on the kind of customers to target, which products to develop, and which competitors to look out for. Organizations strive to be customer focused by ensuring that the products they create meets the tastes and preferences of the customer. This becomes a continuing process as customers' needs and preferences keep changing. Strategic marketing also helps increase return on investment since the successful strategies translates to a healthy financial performance of an organization.

The process of strategic marketing planning involves the situation analysis (market structure, demand and supply), market segmentation, customer analysis and competitor analysis (Cravens, 1991). Competitor analysis is particularly crucial as an organization gets to evaluate the strengths, weaknesses and strategies of the competitor, in order to align its own strategies to counter competition, and evaluate its own competitiveness. Customer analysis is also important in enabling organizations create products that meet customers' needs depending on factors like age, income and lifestyles.

2.4 The Competitive Environment

An organization's competitive environment is the atmosphere in the industry within which it operates. The environment can be divided into internal and external environments (Pearce and Robinson, 2000). Internal environment consists of factors that are within the firm's control such as competitive capabilities, financial position and human resources that influence the firm's ability to meet its objectives. An internal environment analysis enables firms to identify their own strengths and weaknesses, and deal with them so as to gain competitive advantage .External environment consists of factors that are outside the firms' control but nevertheless influence its operations. It is further divided into remote and industry environment; remote environment factors are political, economic, social-cultural, technological and ecological factors. The industry factors include competitors, customers, suppliers, and distributors. . According to Sababu (2007), firms must scan the external environment to appraise the opportunities that exist for business growth, as well as threats that the firm may face in the industry.

Competition sets in when an industry consists of several firms which compete for the same customers of their goods and service, and the same suppliers for their raw materials. A healthy competitive environment is where competition leads to high quality products and affordable prices, hence the profitable growth of the industry as a whole. Firms therefore respond to competition by formulating new strategies so as to remain competitive.

2.5 Competitive Strategies

Firms can be classified by the market share they hold in the industry; leader, challenger, follower and nicher. Kotler and Keller (2006) notes that a market leader has the largest market share in the relevant product market, and leads in price changes, new product introductions, distribution coverage and promotional intensity. The challenger is a firm that is second or third in the industry interms of market share, and can attack the leader aggressively for more market share. The follower on the other hand is a firm that decides to follow rather than challenge the market leader.

The competitive strategy of a market leader involves expansion of its total market, protection of its current market share and increase of its market share. In expanding the market, the leader looks for new users, new uses, and more usage of its products (Kotler, 2001). New users are found from among buyers who are not aware of the products, and the leader can achieve this by carrying out an aggressive advertising campaign. Creating and promoting new uses for the original product can enable the leader to expand the market .Each new use starts the product on a new life cycle (Levitt, 1965). The strategy to increase the usage of the product is achieved by communicating the appropriateness and advantages of using the brand more frequently (Kotler and Keller, 2006). In protecting its market share, the most constructive response is continuous innovation (Kotler, 2001). According to Kotler and Singh (1981), there are various military like defenses a market leader can use. They are position defense (defending its dominant position), flanking defense (being alert to any potential threat), preemptive defense (launching an offense against a competitor before the competitor can attack the leader), Counteroffensive defense (invading the attacker's territory), and contraction defense (strategic withdrawal from weaker territories to stronger ones).

The strategic objective of most market challengers is to increase their market shares, thinking that this will lead to greater profitability (Kotler, 2001). Critical to choosing opponents and objectives, is the need for systematic competitive analysis (Porter, 1985). The challengers' competitive strategies are several and specific (Kotler and Keller, 2006). The first one is price discount strategy, where the challenger manages to convince the consumers that the product is of no less quality than the leader's, and the buyers are price sensitive. Cheaper goods strategy is where the challenger offers a lower quality product at a much lower price in order to penetrate the market. This strategy too only works where the buyers are price sensitive. Production of prestige goods is another strategy which the challenger can use to attack, where by it charges a higher price than the leader. Another effective strategy is product proliferation, which a firm can use to launch a larger product variety, thus giving buyers more choice (Kotler, 2001). Other competitive strategies challengers use are product innovation , improved services that are better than the leader's, distribution innovation , and intensive advertising campaigns for their products.

Market followers, although have lower market shares than the leader, may be as profitable or even more profitable. According to Hamermesh, Anderson and Harris (1978), the key to their success is market segmentation and concentration, effective research and development, profit emphasis rather than market share emphasis, and strong top management. Three major strategies followers use are; following closely by emulating the leader as much as possible , following at a distance by adopting some degree of differentiation but still following the leader interms of product innovations and price levels, and following selectively by adopting only those strategies of the leader that are advantageous.

2.6 Strategic Responses

Strategic responses are a set of decisions and actions that result into formulation and implementation of plans designed to achieve a firm's objectives (Pearce and Robinson, 1999).As competition intensifies, organizations tend to respond with new or modified strategies for gaining competitive advantage over the competitors. Strategic response is about restructuring by adopting new strategies that match the challenges from the environment (Muli, 2010).

Porter (1985) notes that for firms to retain competitive advantage, they need to examine their environment, both internal and external, and respond accordingly. Therefore, environmental scanning is the first step in responding to environmental challenges like competition. External environmental scanning helps the organization to explore and become aware of existing opportunities for growth, as well as the threats that the organization may face in future. Internal environmental scanning is equally important as it helps organizations assess their own capabilities to compete, taking into account the strengths and weaknesses like the financial position, resources and the corporate culture of the organization.Kotler, (2001), notes that environmental scanning is an increasingly important function of the firm.The firm has to identify those components of its environment that can cause the most threat, or generate the greatest opportunities. An environmental threat is a challenge posed by an unfavorable trend in the environment that would lead to erosion of the company's position; while an opportunity is an attractive arena for company marketing action in which the company would enjoy a competitive advantage (Kotler, 2001). When a firm fails to respond to a threat, the losses that result continue to accumulate (Ansoff, 1987).

Strategy formulation is the next step, aligned with the environmental situation. It involves the development of long range plans for effective management of environmental opportunities and threats in light of the organizational strengths and weaknesses (Sababu, 2007).The new strategies should help the organization achieve its objectives, in line with the vision and mission of the organization.

As competition intensifies, organizations tend to respond with new or modified strategies for gaining competitive advantage over the competitors. According to Porter (1996), firms in dynamic industries respond to competitive forces in different ways; some may decide to improve the current product quality and features, others may resort to creating new markets for the products, while others may diversify by adding new products to the existing ones. All these strategies ensure that a firm remains profitable and competitive in the future.Migunde (2003) also noted that different firms respond with different strategies to the same opportunities.

An organization can decide to adopt new product development strategy especially to replace products that have entered the decline stage. New products include original products, product improvements, product modifications and new brands that the firm develops through its own research and development efforts (Kotler, 1984).Improved products provide both better quality and performance, so they are able to compete more effectively in the market, while products that are purely new enables firms to add to existing product lines and attract new markets. Modified products are used when new features are added to the existing product in order to win customer loyalty and generate more sales revenue.

Diversification strategy involves firms venturing into new product and market areas related to the core business or totally unrelated products and markets. For instance an alcoholic brewing company can either decide to create anew alcoholic drink or venture into manufacturing soft drinks, which is an unrelated product and market.

Distribution network integrative strategy is used by some firms as a strategic response to competition. According to Cravens, (1991), a firm may decide to integrate the channel members (suppliers, producers and marketing middlemen) through ownership, to create a vertical marketing system. He argues that the result of these strategies is that the distribution channel forms a unified competitive unit.

Other firms may decide to create advertising programs as strategies, especially when the products are new and therefore have not penetrated the market fully, or when they need to be relaunched to attract new markets.Kotler (1984) notes that advertising is one of the major tools companies use to direct persuasive communications to target buyers and publics. Advertising heavily helps in creating awareness for the products, provides product education to consumers and creates a good corporate image for the organization, thus putting it on the competitive path.

Differentiation is another strategy firms use to respond to competition. To differentiate is to make one unique and distinct (Moore, 1996) Firms assert uniqueness and superiority in their products so that they can easily be distinguished by customers from rival products.

Market segmentation is also an effective way to respond to competition. This is by focusing on particular customer segment based on either age, gender, social –economic class or income, and concentrate on developing products for only that segment. Market segmentation provides the most profit potential. According to Mwamba (2008), TV broadcast stations should embrace market segmentation strategy by procuring and developing programs that appeal to their segmented media audiences.

Corporate culture change is another powerful strategic tool that firms may adopt, in order to realize efficiency and effectiveness in their operations, leading to increased productivity and competitiveness. Brown (1998) defines culture as a pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organization's history and which tend to be manifested in its material arrangements and behavior of its members. A bad corporate culture often results in decline in productivity of the workforce, while a good culture leads to employee motivation, self drive and therefore high productivity levels of the organization. Therefore organizations that attribute their failure to bad culture may desire to change by improving the working conditions and employee welfare in form of offering incentives and good compensation packages, to increase motivation hence improve productivity.

Adopting new technology is another strategy, as it helps improve the quality of the final product, efficiency and effectiveness is realized, and the company is able to compete on the same level with the rivals. Burnes (1996) noted that the key issue in real time response is to minimize the sum total losses and restore profitability to ensure organization's success in a turbulent and surprising environment.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter looks into the research methodology that will be used in this study. The research design looks into the type of research that will be used. In this case, qualitative research was used. A study was conducted of the large television broadcasting stations in Kenya.

3.2 Research Design

The study focused on descriptive survey approach since several broadcast stations were involved. Since it is a study of several units, survey method was utilized to allow the researcher to collect the data. A survey research is the best method available to social scientists who are interested in collecting data for purposes of describing a large population (Glesne and Allan, 1992).

3.3 Population of the Study

The population of the study comprised five TV broadcasting stations in Kenya that have been in existence for over ten years, and was a census. (See Appendix 11) They are; KBC, KTN, NTV, CTV, and Family TV. These are the stations with the most stable growth and have the most experience in Television broadcasting. They are also the stations that are most affected by competition, with the threat of new entrants in the industry.

3.4 Data collection

Data was collected from both primary and secondary sources. Primary data was done by use of a research questionnaire with open and close-ended questions. The respondents consisted of marketing managers of each of the broadcasting stations. The respondents are better placed in providing required data because they play a leading role in strategy formulation, implementation and monitoring. The researcher administered the questionnaire to the respondents. The secondary data from the companies' documented strategies and other relevant documents was also used. The quality of the research questionnaire as a tool for data collection was pretested among a number of colleagues before being administered to the target respondents and had also been thoroughly assessed by the supervisor. .

3.5 Data analysis

The data collected was analyzed using qualitative methods; to analyze the respondents' views about Strategic Responses to Competition adopted by TV Broadcasting Stations. Content analysis was used mainly to summarize the data. The data from the interviews was then combined with the data gathered from secondary sources for a more comprehensive analysis.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter presents data findings from the field, its analysis and discussions. The data was gathered through a research questionnaire and analyzed using content analysis. The data findings were on the Strategic Responses Adopted by Television Broadcasting Stations to Counter Competition.

Primary data was collected from senior marketing managers of each of the five selected TV broadcasting stations. The marketing managers were chosen to be the respondents of the study due to the significant role they play in marketing strategy formulation, implementation and monitoring. Data analysis was done through quantification of the results obtained from all the respondents by comparing and summarizing the data to come up with conclusions. The main tool applied in this data analysis was content analysis.

4.2 Background Information

The study established that the respondents had worked for their respective organizations for more than five years. The study, in an effort to ascertain the interviewees' competence and conversance with matters regarding marketing strategies in response to competition, asked questions on the highest level of education. According to the data findings, 60 % of the respondents had a University Degree while 40 % had a Masters Degree. The respondents were also requested to indicate the position they held in the organization. From the findings, all the respondents were senior managers in the marketing / advertising departments with several years of experience in the broadcast media, as they all had worked for more than five years in the organization, after moving from another broadcast station to the present one. The respondents therefore had the knowledge and experience of strategy formulation and implementation, and the data gathered from them was termed as accurate.

The respondents were asked about the background information of their organizations, and the results are as shown in table 4.1

TV Station	Year Station Started	Duration of Existence	Size of the Organization
KBC	1964	47 yrs	1000 Employees
NTV	1999	12 yrs	600 Employees
KTN	1990	21 yrs	500 Employees
Citizen TV	1999	12 yrs	800 Employees
Family TV	1999	12 yrs	300 Employees

Table 4.1 TV Stations' Size and Duration of Existence

As shown in table 4.1, KBC is the oldest and largest organization having started in 1964 and has 1000 employees. KTN started in 1999, shortly after the liberalization of the airwaves, while NTV, Citizen TV and Family TV all started in 1999. Therefore stiff competition among the stations commenced from the year 2000, and have been growing since as more entrants emerge.

The respondents were also asked to approximate the percentage of the market share which their organizations currently have, and the results are as shown in table 4.2

TV Station	Market Share Bracket
KBC	11 - 20 %
NTV	21 - 30 %
KTN	21 - 30 %
Citizen TV	41 - 50 %
Family TV	0 -10 %

Table 4.2 TV Stations Market Share Bracket

As shown in table 4.2, Citizen TV has the largest market share .Its success at attracting audiences could be attributed to the strong focus the station has had towards local programming, indicating that customer and audience tastes and preferences are mainly programs with local content, either educative and entertaining.NTV and KTN are both in the same market share bracket 21 – 30 %, KBC is at a lower bracket 11 -20 %, while Family TV is at the lowest. According to the results, KBC, KTN and NTV have lost most of their market share to Citizen TV, which shows that they need to improve on their programming so as to gain on viewership. Family TV's low market share could be explained by the fact that the station is predominantly a Christian Channel which does not include news bulletins and local entertainment programs, the two key programs that attract viewership.

4.3 Challenges Faced by TV Broadcasting Stations in the Competitive Environment

The study established that there are many challenges which TV stations experience due to the increasingly competitive nature of the environment, as they try to offer the best programmes so as to ensure audience and customer loyalty. The respondents were asked about the most common challenges across all stations, and the results are as shown in table 4.3:

Challenges Faced by TV Stations	Frequency	Percentage
Competition	15	21%
High Operational Costs	17	24%
Aging/Unreliable Equipments	13	19%
Technology Gap	13	19%
Low Revenue Generation	12	17%
TOTAL	70	100%

Table 4.3 Challenges Faced by TV Stations in the Competitive Environment

As shown in table 4.3, the challenge with the highest percentage at 24 % is High Operational Costs. This is an indication that, as the stations strive to offer the best quality programmes in order to remain competitive, they incur very high production and maintenance costs. This high cost is justified by the observation that good programmes of high quality will guarantee high viewership, which will in turn attract advertisers and ensure customer loyalty. Advertising is the major source of revenue for the broadcasting stations; therefore it is extremely important for them to attract as many advertisers as possible, even if it means incurring heavy costs.

Competition is the second highest challenge with 21 % .However, the degree to which each station felt the impact of competition was different for individual stations, depending on the competitive position and the market share each of them hold in the industry. Besides competition from the local rivals i.e. other TV stations, the respondents also indicated that stiff competition is experienced from the print media, radio, internet where there are online websites, and mobile phones through which people can receive mobile news platforms. More competition has also been felt from Cable TV, comprising DSTV, Smart TV and GOTV which is a new entrant into the industry.

The challenges of aging/unreliable broadcasting equipments and technology gap were averagely rated at 19 %. This is an indication that with modern technology that has seen the move from analog to digital in broadcasting, all the stations are highly digitalized and any unreliable equipment is replaced as soon as it is affordable.

Low revenue generation due to competition was the lowest rated at 17 %, implying that as much as there is competition in the broadcasting industry, each station still achieves its fair share of revenue from advertising albeit at varying levels.

4.4 Effects of Competition on the TV Stations

The effects of competition on the TV stations are at varying levels depending on each station's current competitive position in the industry. However all the respondents reported major common effects of competition as:

There has been serious fragmentation due to the increase in TV stations and viewers are spoilt for choice. This makes it hard to retain audience loyalty for any station. Secondly, the stations have experienced loss of talented staff who keeps on moving from one station to another. This has serious implications on viewer loyalty especially when TV presenters who already have large followings move to other stations. The stations have also experienced reduction in advertising revenues. As mentioned elsewhere in the report, all broadcasting stations are sustained almost solely by revenues from advertising. Therefore this has serious effects on the daily operations, especially when the reduction is by a big margin.

4.5 Competitive Strategies Adopted by the TV Stations

According to the respondents, the level of importance which the TV stations attach to selected competitive strategies is as shown in table 4.4:

Competitive Strategies	Frequency	percentage
Target Market Expansion	14	20%
Market Share Gain	15	21.50%
Product Innovation	15	21.50%
Customer Service	16	23%
Bench Marking	10	14%
TOTAL	70	100%

Table 4.4 Competitive Strategies Adopted by TV Stations

The respondents acknowledged that all the TV stations have undertaken major competitive strategies since they started. However the level and nature of success after the implementation of these strategies is different for each station. For KBC, being the oldest station since 1964, the strategies have succeeded in ensuring it remains relevant and more competitive in the market, even though it has since lost most of its market share. For the relatively young Citizen TV having started in 1999, the strategies have enabled the station to gain the largest market share, currently between 40-50%.

As shown in table 4.4, Customer Service improvement was rated as the most important strategy for all the stations with 23 %, indicating that attaining customer satisfaction is a crucial factor for success in the industry. Product innovation was rated second with 21.5 %, emphasizing the fact that the media industry is one that survives on new products due to its dynamism. Market share expansion strategies were also rated at 21.5 % as this leads to a more competitive position in the industry. Target market expansion was rated at 20 %, indicating that is also considered of much importance for the survival of the stations. This explains why some of the stations have expanded their coverage to the neighboring countries like Uganda and Tanzania. Benchmarking as a strategy was not very popular with the respondents receiving only 10 % ratings, indicating that each TV station's aim is to strive to be unique in its identity as a brand.

4.6 Strategic Responses to Competition by the TV stations

The effects of competition has triggered a lot of strategic responses from the TV stations, as each of them strives to stay ahead of the rivals in terms of good programs that are entertaining, educative and informative, and which the audience and customers can easily associate with. The respondents were asked to state the extent to which their organizations had adopted some selected strategic responses, and the results are as shown in table 4.5 :

Strategic Responses to Competition	frequency	percentage
Diversification	12	19%
Differentiation	12	19%
Market Segmentation	14	22%
New Technology	13	21%
Promotional Programs	12	19%
TOTAL	63	100

Table 4.5 Strategic Responses to Competition by TV Stations

As shown in table 4.5, respondents gave Market Segmentation the highest ratings of 22 % among all strategic responses. This is an indication of the direction the broadcast media is taking into the future, that of producing programs that are targeted at a particular audience and not mass market targeting like it has been in the past. There are now more programs targeting the young children, the youth, the housewives, the professionals, the business minded people etc.

New and modern technology received second highest ratings of 21 %, perhaps due to the fact that to survive in the media industry, the TV stations have to keep pace with the changing technology in order to be able to offer the best quality programs and news content. Some of the local stations have already acquired very high tech broadcast equipment that enables them to do teleconferencing as well as broadcasting from various locations. Thus new technology has enabled the local broadcast industry to reach international standards, to compete with CNN, BBC, DW and other international broadcasting companies.

All the other strategic responses received equal ratings from the respondents. Diversification had 19 % ratings, and it is a strategy that has been adopted by all stations mainly by venturing into other broadcast media like the radio. Royal Media Services to which Citizen TV belongs have opened up various community radio stations broadcasting in vernacular languages.KBC have radio stations broadcasting in Kiswahili, English and 17 vernacular languages. Nation Media Group to which NTV belongs, started Easy FM and Q FM, while the Standard Group to which KTN belongs, recently started Radio Maisha.The purpose of diverting into Radio is strive to retain customer and audience loyalty in the same media house.

Differentiation which was also rated 19 % has been used with some measure of success. The stations have differentiated themselves from competitors by way of new programming and giving unique brand identities to their products. The News Bulletins for instance, have been branded by each station with different names and different presentation styles, with more interaction with the viewers than before. This is a breakaway from the old traditional formal way of news presentation, where the content was the same across all stations.

Promotion programs also received 19 %, equal ratings with differentiation and diversification. This emphasizes the importance the stations have attached to self promotion so as to stand out in the face of stiff competition. Some of the TV stations have carried out programs to entice viewers with cash rewards for watching their programs and participating in a draw. This has helped increase viewership especially in the short run, with the aim of creating permanent audience and customer loyalty.

Another strategic response that the respondents recorded was pricing strategy, where each TV station has come up with competitive advertising rates in order to attract advertisers. While each station has different rates for different products, all the rates are dictated by the market demands and also the trends in the industry. The stations that have utilized the pricing strategy well have managed to lock in some clients with program sponsorships spanning several years, thus locking out other stations from any business relationship with these particular clients.

The TV stations have also responded to competition by trying to acquire exclusive rights to major events sponsorship. Sporting events like the Fifa World cup, Olympic games, Africa Cup

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The TV stations have also responded to competition by trying to acquire exclusive rights to major events sponsorship. Sporting events like the Fifa World cup, Olympic games, Africa Cup of Nations, English Premier League etc, beauty pageants like the Miss World, Miss Tourism etc, and other exclusive programs like parliament proceedings, have enormous benefits to the broadcasting stations. When a particular TV station is airing any of these events to the exclusion of all the others, it is able to lock out competition as long as the event last. The benefits include gaining on viewership ratings, leading to increased advertisements and therefore maximum profit realization. The other benefit that is intangible is improved corporate image and favorable perception of the station by the viewers, customers and other stakeholders.

Another area that the TV stations were reported to responding aggressively to is the competitive recruitment of qualified and experienced personnel. This explains why some TV personalities have moved from one station to another due to this "competitive poaching". While they are offered better remuneration and other benefits in the new stations, it is believed that their expertise, experience and good public ratings will help increase the viewership and product quality, thus giving the station a competitive edge over the rivals.

Whereas the TV stations have been competing in terms of wide coverage, some remote areas of the country have not been covered in the past as they are economically nonviable in terms of advertising revenue generation. But due to competition, the response has been an increase in frequency to reach those remote areas as a potential way of increasing viewership and attract possible advertising especially from Non Governmental Organizations who have initiated several programs for developing those areas. Thus competition has enabled the TV stations to realize and tap into an area that had otherwise been perceived as noneconomic in the past.

4.7 Challenges in Implementing Strategic Responses to Competition

According to the respondents, the biggest challenge in implementing the strategies is the high cost and resources that must be put in place for any success to be realized. This is especially true in this era of rapid technological advancements, whereby the TV stations need to keep abreast with all the relevant technological developments. The magnitude of the challenge depends on the financial position of each station and the flexibility with which it adopts new technology.

Another challenge for the TV sector is the government regulation in regard to local content, whereby it has been pushing for the local broadcasting stations to increase the local content in their programs to at least 40%.This means that the production cost of the local programs becomes too high for the stations to afford. Current research shows that viewers have expressed more preference for local programs, meaning that the stations that have more local content in its programming attract the highest viewership.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the key data findings, conclusion drawn from the findings highlighted, and recommendations made. The conclusions and recommendations were drawn in the quest of addressing the research questions.

5.2 Summary of the Findings

The first major finding was that the TV stations were experiencing a lot of challenges in the increasingly competitive environment, among them high operational costs in the quest to provide high quality programs that cater for the needs of the audience and customers. The other challenge was stiff competition from the local rivals, as well as other media like the radio, cable TV, print media, internet and the mobile phones. Other challenges included technology gap, whereby the stations have to keep abreast with the rapid technological developments in the industry that renders some broadcasting equipments obsolete and require replacement almost as quickly as they are acquired.

The second major finding was that the TV stations have undertaken various competitive strategies so as to gain competitive advantage over their rivals. The most important strategy was customer service improvement, as the stations become more sensitive to the customers' needs and preferences. This was followed by market share expansion, product innovation and target market expansion. The result of the implementation of these strategies has been the creation of

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The second major finding was that the TV stations have undertaken various competitive strategies so as to gain competitive advantage over their rivals. The most important strategy was customer service improvement, as the stations become more sensitive to the customers' needs and preferences. This was followed by market share expansion, product innovation and target market expansion. The result of the implementation of these strategies has been the creation of new programs that are of high quality and that are sensitive to the viewers' needs, as well as expansion of the target market to include the neighboring countries.

The major strategic responses the TV stations adopted to counter competition includes diversification into other media like radio broadcasting, differentiation by producing unique programs to identify individual stations, market segmentation as the stations produce programs targeting different consumer markets, and adoption of modern technology to ensure high quality products that responds to the market demands.

However there are challenges that hinder proper response to competition for the TV stations like increased costs of production and resources as the stations become more innovative with better and high quality products, and also the need to keep abreast with all the relevant technological changes, which can be an uphill task especially when a station is experiencing financial constraints.

The implication therefore is that for new TV stations to enter into the broadcasting scene, the management must ensure that the financial position of the station is strong, so as to be able to acquire high technological equipments, in order to produce high quality products that can compete effectively in the market.

5.3 Conclusion

The media industry and especially the TV broadcasting sector which this study focused on, continues to experience stiff competition as the number of TV stations continues to rise, as well as from the other broadcast and print media. The competition has been gradually growing since the early 1990s with the liberalization of the airwaves which allowed private investors to enter into the scene. The effect of competition is a vibrant media industry which plays a vital role in the growth of the economy in the country. Competition has triggered the TV stations to produce high quality products based on customer and viewer needs and preferences, so as to remain relevant and competitive in the industry. In the end the beneficiaries have been the customers and the audiences since they now have a variety of programs and TV channels to choose from for quality and reliable information, education and entertainment. The TV stations themselves have also benefited enormously, because thanks to competition, none of them has remained static. They have grown as each of them is in a better competitive position in the industry due to the strategies they have had to formulate and adopt in response to competition. They have become more innovative with new and better programming as well as conducting periodic relaunches, all with the objective of rebranding themselves to face competition more effectively. The TV stations have also been taking an active role in Customer Social Responsibility (CSR) activities in the country, in order to become more visible in the market and have better associations with the audience and customers.

Competition therefore has had a positive effect in the growth of the media industry in the country, and as more TV stations enter the scene in the future, we can only anticipate higher growth, higher quality of products which will contribute more to the growth of the economy in the country.

5.4 Limitations of the Study

Given that this was a census on several TV broadcasting stations in Kenya, the study faced time limitation. The duration that the study was to be conducted was limited hence exhaustive and comprehensive research could not be carried out on strategic responses adopted by TV broadcasting stations to counter competition. The availability of the respondents to respond to the research questionnaire was also a challenge due to their busy work schedules, and when they finally did, they might have responded in haste without really going into details that might have helped the study better. Other respondents were skeptical about how much detail of their strategies they should reveal incase they fall into the hands of their competitors who would then use them to their advantage. However the study minimized this by assuring the respondents that the purpose was purely of an academic nature, and the researcher produced the letter of introduction from the University of Nairobi.

5.5 Recommendations

5.5.1 Recommendations with Policy Implications

This study was based on strategic responses that are adopted by TV broadcasting stations to counter competition.Foremost, the study found out that benchmarking as a competitive strategy was not acknowledged very much by the respondents. The study therefore recommends benchmarking to be adopted by the stations, whereby they monitor the competitors and copy their best practices albeit with modifications. This should be based on the key success factors in the industry, namely programming, technology, and customer service.

Secondly, the TV stations should invest in staff training and competitive remunerations so as to develop a dedicated and motivated team of staff who will remain loyal without moving from one station to another. This will curb the negative effect of loss of identity of the stations, especially when well known TV personalities are poached by competitors.

Thirdly, the study recommends that the TV broadcasting stations look beyond competitive forces in the environment, by scanning the entire external environment in search of other opportunities for revenue generation. Such opportunities could be inform of diversifying into other areas that are unrelated to broadcasting like property development and other investments, in order to strengthen their financial base. This is because too much focusing on the threat of competition makes the TV stations miss the opportunities that rise from the changing environment.

Fourthly, it is recommended that the Media Council of Kenya which is mandated to regulate the Media Industry, comes up with policies that will give guidelines as to the best practices in the broadcast sector, so as to curb any incident of unfair competition that could drive some stations out of business.Finally, it is recommended that all TV stations make a policy to attain a minimum of 40 % local content in their programming. This is in response to the needs as well as change in tastes and preferences in the market.

5.5.2 Recommendations for Further Research

The study recommends that a further qualitative research should be done about the consumer research that TV broadcasting stations conduct, in order to come up with programs and other products that meet the needs of the customers and the viewers at large. This type of research will reveal the benefits of the programs and their relevance to the social and emotional growth of the viewers, and how they fit in with the viewers' cultural values. This is important due to the fact that, it is only after a thorough research into the consumer needs and preferences that the TV stations are able to produce programs that are acceptable to the viewers, which will attract high viewership, which will in turn attract a lot of advertising, leading to high revenue growth.

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APPENDIX 1: LETTER OF INTRODUCTION

University of Nairobi

School of Business

MBA PROGRAMME

Date7/9/2011

TO WHOM IT MAY CONCERN

The Bearer of this letter **Janet Wanjiru Okara**, Registration No.**D61/75247/2009,**

is a bona fide continuing student in the Masters of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate if you assist him/her by allowing him/her to collect data in your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

Dr.W.N.Iraki

Co-coordinator, MBA program

APPENDIX 11: LIST OF TELEVISION STATIONS IN KENYA

1. Kenya Broadcasting Corporation (KBC)
2. Kenya Television Network (KTN)
3. Nation Television (NTV)
4. Citizen TV
5. Family TV
6. K 24
7. Sayare TV
8. Kiss TV
9. Good News Broadcasting System (GBS)
10. Stella vision (STV)
11. East African Television (EATV)
12. Digital Satellite Television (DSTV)
13. Smart TV
14. E – Africa Channel
15. U – TV

Source: http//en.wikipedia.org/wiki/list of TV stations in Africa

APPENDIX 111: RESEARCH QUESTIONNAIRE

A: Background Information

1. What department are you in?..

2. What is your designation?..

3. How long have you been in the organization? (Less than 5 years), (5-10 yrs), (10 -15 yrs), (Over 15 yrs)

4. What is your level of education?

a) Diploma ( )	c) Masters ( )
b) Degree ( )	d) PhD ( )

5. When was the organization started?......................................

6. What is the size of the organization?

a) Less than 200 people ( )	d) 601 -800 employees ( )
b) 201 – 400 people ( )	e) 801 – 1000 employees ( )
c) 401 –600 employees ( )	f) Over 1000 employees ( )

7. Approximately what percentage of the market share does the organization currently

have? (Please tick one)

a) Less than 10% ( )

b) 10 – 20 % ( )

c) 21 – 30 % ( )

d) 31 – 40 % ( )

e) 41 – 50 % ( )

f) Over 50 % ( )

B: Challenges faced by Broadcasting Stations in the Competitive Environment

6. What are the challenges facing the organization in the midst of increasing competition?

....

....

....

7. What have been the effects of competition on the organization?

....

....

....

8. Below is some of the possible challenges organizations face in business environment. Please indicate the extent to which your organization has felt the impact of each of the challenges, using the scale below:

1. Not at all 2. Least extent 3.Moderate Extent 4. .Large extent 5. Very large extent

Challenges	1	2	3	4	5
Competition from local rivals					
High Operational Costs					
Aging/unreliable equipments					
Technology Gap					
Low revenue generation					

9. To what extent has the government involvement in media regulation affected your organization? (Please tick one)

a) Very strongly ( )

b) Strongly ( )

c) Not strongly ( )

d) Weakly ( )

e) Very weakly ( )

10. Who do you consider your organization's main competitors?

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11. Apart from the main competitors, what else is considered to be competing with broadcast media?

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C. Competitive Strategies adopted by Broadcasting Stations

12. To what extent has your organization taken major competitive strategies since it was started?

a) Very large extent ( )

b) Large extent ( )

c) Moderate Extent ( )

d) Least Extent ( )

e) Not at All ( )

13. Indicate by ticking appropriately, the importance of the following competitive strategies to the organization? (Use the scale below to tick the most appropriate response)

1. Least important 2.Indifferent 3.Important 4. Very Important

	Strategies	1	2	3	4
1	Target Market Expansion				
2	Expanding Market Share				
3	Product Innovation				
4	Improved Services to Customers				
5	Benchmarking				

14. To what extent have the strategies implemented been successful?

f) Very large extent ( )

g) Large extent ( )

h) Moderate Extent ( )

i) Least extent ( )

j) Not at all ( )

D. Strategic Responses to Competition by Broadcasting Stations

15. What strategic response has your company formulated to counter competition?

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16. What has been the customer response towards these strategies?

a) Very enthusiastic ( )

b) Abit enthusiastic ( )

c) Indifference ( )

d) Not enthusiastic at all ( )

17. How successful have these strategies been in countering competition?

a) Very successful ( )

b) Successful ( )

c) Little success ( )

d) No success at all ( )

18. Below are some of the strategic responses that organizations adopt to counter competition. Please indicate the extent to which your organization has adopted them by using the scale below:

1.Not at all 2.Less Extent 3. Moderate Extent 4. Large extent 5.Very Large Extent

Strategic Responses	1	2	3	4	5
Diversification					
Differentiation					
Market Segmentation					
New Technology adoption					
Promotion programs					

19. What are the major challenges in the implementing these strategic responses to competition?

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20. What in your view is the future of your organization in the face of cut-throat competition?

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