

**COMPETITIVE STRATEGIES ADOPTED BY MOTOR VEHICLE PARTS
MANUFACTURING FIRMS IN KENYA**

DANIEL MACHARIA MUCHIRI

**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE
OF MASTERS OF BUSINESS ADMINISTRATION,
UNIVERSITY OF NAIROBI**

NOVEMBER, 2014

DECLARATION

This project is my original work and has not been presented for degree in any other university

Signed: Date:

Daniel Macharia Muchiri

D61/76059/2009

This project has been submitted for examination with my approval as a University supervisor

Signed: Date:

Professor. Martin Ogutu

Department of Business Administration

School of Business

University of Nairobi

DEDICATION

This study is dedicated to my loving family, my wife and my beloved children for their support, encouragement, perseverance and patience during the entire period of my study and continued prayers towards successful completion of this course

ACKNOWLEDGEMENTS

First and foremost I would like to acknowledged God the almighty for his external love, protection and blessings

I would also like to acknowledge a number of people without whom my academic endeavors would not have come this far

My entire family without whose love and support I would not have come this far. I would like to single my Dad and Mum for their prayers and encouragement. My sisters Hellen and Lillian,my wife fredah and children

My supervisor Prof Martin Ogutu for his time support and provision of academic direction during my research.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENTS	iv
LIST OF FIGURES	viii
ABSTRACT	x
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the study	1
1.1.1 Competitive Strategies	2
1.1.2 Manufacturing industry in Kenya	4
1.1.3 Motor Vehicle Parts manufacturing in Kenya	5
1.2 Research Problem	5
1.3 Objectives of the study.....	7
1.4 Value of the Study	7
CHAPTER TWO: LITERATURE REVIEW	8
2.1 Introduction.....	8
2.2 Theoretical foundation of the study	8
2.3 Porters five force analysis	9
2.4 Porter’s generic competitive strategies	10
2.4.1 Overall cost leadership strategies.....	11
2.4.2 Differentiation strategies.....	11
2.4.3 Focus strategy	12
2.4.4 Ansoff strategies	13
2.5 Choice of Strategy.....	14
2.6 Concept of strategy	15

2.7 Resource based perspective	16
CHAPTER THREE: RESEARCH METHODOLOGY.....	18
3.1 Introduction.....	18
3.2 Research Design.....	18
3.3 Target Population.....	18
3.4 Sampling	19
3.5 Data Collection	19
3.5 Data analysis	19
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION	21
4.1 Introduction.....	21
4.2 Response rate	21
4.3 General characteristics	21
4.4 Extent to which a firm faces aspects of competition	25
4.5 Competitive strategies adopted by motor vehicle parts manufacturing firms	29
4.5.1 Cost leadership.....	30
4.5.2 Focus	30
4.5.3 Differentiation.....	31
4.6 Discussion.....	32
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ...	35
5.1 Introduction.....	35
5.2 Summary of the findings.....	35
5.3 Conclusion	36
5.4 Recommendations.....	36
5.5 Limitations of the study	37
5.6 Suggestions for further research	37

5.7 Implications of the study.....	38
REFERENCES	39
APPENDIX 1: QUESTIONNAIRE	41
APPENDIX II: LIST OF FIRMS	44

LIST OF FIGURES

Figure: 2.1: Porters Five forces analysis	8
Figure 2.3: Ansoff's Product / Market Matrix.....	13
Figure: 4.1: Ownership of the company	22
Figure: 4.2: Time for which organization has been in operation.....	23
Figure :4.3: Number of parts a firm manufactures	23
Figure: 4.4: Average sales per year	24
Figure :4.5: Intensity of competition	25

LIST OF TABLES

Table 4.1: Threat of new entrants	26
Table 4.2: Rivalry among competitors in the industry.....	27
Table 4.3: Suppliers have a strong power to bargain for better terms	28
Table 4.4: Availability of substitutes	28
Table 4.5: Customers have strong power in bargaining for better.....	29
Table 4.6: Cost leadership.....	30
Table 4.7: Focus.....	31
Table 4.8: Differentiation.....	31

ABSTRACT

Competition is a key influencer of how a business operates and for a firm to operate in a highly competitive environment and generate high returns to its shareholders it must employ effective strategies and implement them efficiently. The study sought to determine the intensity of competition felt by motor vehicle parts manufacturing firms and also to establish the competitive strategies. The research was carried out in Kenya and the population of the study was from a list of motor vehicle parts manufacturing firms obtained from the Kenya association of manufacturers. A sample of 15 firms was selected as a sample representing a total of 40 firms. The theoretical underpinnings of the study were Porter's five force analysis and generic competitive strategies. A descriptive qualitative design was used for the study and primary data was collected through a questionnaire with both open and closed questions, data analysis was done through frequencies, percentages and the findings presented in form of tables, charts and graphs. The study established that firms in this industry are facing stiff competition from rivalry between firms, threat of new entrants, customers and suppliers having strong bargaining power. The study also established that firms in this industry have adapted competitive strategies which include cost leadership, focus strategy and differentiation strategy in order to survive.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The ever dynamic environment requires players in the market place to be more efficient, this stresses the need to adapt a strategy in order to keep ahead of competitors. Generally, strategy is about deciding where you want your business to go and deciding how to get there, (Porter, 1985) .The essence of strategy formulation is coping with competition. A firm gains competitive advantage by performing its activities more cheaply or better than its competitors. According to porter (1998) competitive advantage is the ability to stay ahead of present or potential competition, thus superior performance reached through competitive advantage will ensure market leadership.

Several theories have been put forward for carrying out management studies, they include but not limited to Dynamic Capabilities, Flow theory, Contingency Theory, Competitive theory, Agency theory and Resource-based view of the firm. However Porter's models of Competitive strategies will serve as the theoretical underpinnings of this study. Fundamentally, the Generic strategy model which espouses cost leadership, product differentiation and focus will form the bedrock of the study. Furthermore, the 5 forces model framework which uses concepts developed in micro-economics to derive certain forces that determine the attractiveness of a market will also be considered. The Resource-based view framework combines the internal (core competence) and external (industry structure) perspectives on strategy. Like the frameworks of core competence and capabilities, firms have very different collections of physical and intangible assets and capabilities, which are the resources.

Competitive advantage is ultimately attributed to the ownership of a valuable resource.

The changes in the external environment are uncontrollable and require a well thought strategic response if any organization is to achieve strategic fit. The changing environments and the new form of competition have created new opportunities and threats for business firms. It is often argued that in the face of increasing organizational dynamics and competitiveness the rational approach is limiting as it remains more focused. For businesses carrying out manufacture of parts for motor vehicles the challenges are enormous .The sector though growing has been facing various challenges which include, cheap imports from countries like china, Japan and India which flood the market and make it impossible for fair competition in the market., other problems affecting the industry is high cost of production due to high cost of local factors such costly supply of energy which has led to low productivity, high costs of production and distribution costs, low profit margins on products, old machinery for production and lack of market and heavy costs of production

1.1.1 Competitive Strategies

A company competitive strategy deals exclusively with the specifics of managements game plan for competing successfully –its specific efforts to place customers ,its offensive and defensive moves to counter the maneuvers of rivals ,its responses to whatever market conditions prevail at the moment its Initiates to strengthen its market position and its approach to securing a competitive advantage visa vis rivals .Thompson(2007).competitive strategy is about being different, it means deliberately choosing to perform activities differently or to perform different

activities than rivals to deliver a unique mix of value porter(1996).competitive strategies is all about achieving a competitive advantage by a business unit in its respective market .Johnson scholes &Whittington(2006).Another scholar Sidorowicz(2007) views competitive strategies as more skill based and involving strategic thinking ,innovation ,execution ,critical thinking ,positioning and the art of warfare.

There are five forces that porter suggests consist the industry structure .the five forces are rivalry ,threat of substitutes ,buyer power, supplier power and the threat of new entry. Porter(1998)also unveiled the four generic competitive strategies and this are; cost leadership strategy where accompany offers to provide low cost products than its rivals by reducing overheads and fixed costs. The goal of cost leadership is to offer a product or service at the lowest cost Differentiation strategy on the other hand is more appropriate where unique features of a product or service are highlighted more than competitors therefore giving them more perceived value to customers. The goal of differentiation strategy is to provide a variety of products, services or features to consumers that other competitors are unable to deliver.

Differentiation focus strategy goal is to ensure an organizations goods and services are differentiated within one or a number of target segments Porter (1980) stresses that only if a company makes a wavering commitment to one of the generic competitive strategies does it stand much chance of achieving sustainable competitive advantage. Cost focus strategy on the other hand focus on lower cost of a company products and services to a section of the market segment with basic services being offered to.

1.1.2 Manufacturing industry in Kenya

Manufacturing is the art of transformation of raw materials into either intermediate goods or final products through mechanized process. Kenya's manufacturing sector is among the key productive sectors identified for economic growth and development because of its immense potential for wealth, employment creation and poverty eradication .by the year 2030 Kenya aspires to be a middle income country and this means the country has to maintain a growth rate of 10% and without restarting the export sector it shall be imperative to achieve these targets.

In particular, manufacturing exports will be critical because of their impact on growth, employment and economy-wide linkages. Given this context, this background note will provide an assessment of the parts manufacturing sector's performance in export markets and the main barriers constraining further growth and competitiveness in the sector. Manufacturing has the potential to play a particularly important role in putting Kenya on a sustainable growth path, through its direct contribution to creating quality employment, through its strong linkages with other parts of the economy, by raising capital accumulation, by smoothing volatility in the economy, and by facilitating global integration and knowledge spillovers which are critical to the process of structural transformation.

According to Kenya national bureau of statistic (2011) data Kenya's manufacturing sector is strongly linked to its agricultural economy, with 40 percent of total output in the sector coming from food, beverages, and tobacco. The second major sector is chemicals and petroleum, which accounts for just below 20 percent of output. After this, most sectors are relatively small, with textiles, clothing & footwear and non-

metallic minerals sectors accounting for more than 5 percent of total output. Finally, it is notable that micro, small, and medium enterprises account for 11 percent of output in the manufacturing sector, while contributing a large share of total employment in the sector, while contributing a large share of total employment in the sector.

1.1.3 Motor Vehicle Parts manufacturing in Kenya

Since liberalization of the Kenyan economy the automotive /motor vehicle spare parts industry has faced fierce competition from imported spare parts and in order to survive they must adopt competitive strategies. According to the Kenya association of manufacturer's 2014 directory, the motor vehicle parts and accessories had 40 members representing 5% of the KAM membership. Most of these firms have a turnover of 20 million and employ between 20 to fifty employees, most of this firms are located in industrial area of Nairobi Kenya, and products manufactured under this sector are leaf springs, bolts and nuts, batteries fillers, brake pads among many other products. Motor vehicle and parts manufacturers in Kenya have a major influence on other industries in the economy. for instance motor vehicles manufacturers and assemblers requires vast quantities of materials from, and creates many jobs in, industries that manufacture steel, rubber, plastics, glass, and other basic materials. It also spurs employment for automobile and other motor vehicle dealers; automotive repair and maintenance shops and automotive parts, accessories, and tire stores.

1.2 Research Problem

The main factor that affects most businesses is the degree of competition or how fiercely other businesses compete with the products that the other businesses make. In parts manufacturing industry competition has been high owing to the fact that other

non manufacturing motor vehicle dealers also source the same parts abroad and since competition is uncontrollable aspect of external business environment and since everyone has the right to create a business of their own there is no way to control competition but adapt and devise on strategies in order to survive. Kenya manufacturing sector produces goods that serve both local markets and also exports in east Africa region and abroad. This goods include but not limited to agriculture products, oil refinery, motor vehicle assembly and parts, aluminium, steel ,tyres and consumer goods such as clothing soap, cigarettes etc Thomas and Megha(2013).In recent years the parts manufacturing industry has been facing stiff competition from influx of imported sub-standard counterfeit parts from abroad thus threatening the industry sustainability.

The subject of competitive strategies on parts manufacturing has not been exclusively covered by both international and local scholars. Some of the close studies on competitive strategies by international scholars include Micher(1997) Strategic Management: competitiveness and globalization, he reviewed competition of firms and recommended that for firms to remain competitive they must global. Fabella (1995) dealt with competition and competitiveness of organizations and nations. Casson (1990) also dealt with Enterprise and competitiveness: a system view of international business whereby he analyzed international business competitiveness. local scholars who did close studies include Almadi(2008) who studied on auto ancillary in Kenya –the study of the manufacture of leaf springs ,exhaust systems ,fillers radiators, brake pads and batteries. Irene (2007) studied on response strategies to increased competition by spare parts dealers franchised by Japanese motor vehicle companies in Kenya. Wacuka (2008) studied on strategies adopted by second hand

motor vehicle dealers in Nairobi Kenya. On the other hand Njoroge (2008) studied on a survey of the vertical integration strategies used in the automotive industry in Kenya. From the above studies there is none that exclusively studied on competitive strategies for parts manufacturing firms in Kenya hence need for the study.

1.3 Objectives of the study

The study sought to achieve the following research objectives

- (i) To determine the intensity of competition felt by motor vehicle parts manufacturing firms in Kenya
- (ii) To establish the competitive strategies adopted by motor vehicle parts manufacturing firms.

1.4 Value of the Study

The findings of this study are expected to be useful to various stakeholders. First the study will be important to the motor vehicle part manufacturing firm's owners as this study will illuminate on the ways on which it can cope with competition and increase its profitability.

Secondly the study will be useful to policy makers and government as it will help in formulation of policies. The study will also be important to scholars in the subject of competitive strategies as the study will lay the foundation for future studies in the subject.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains a review of literature that is related to the competitive strategies adopted by motor vehicle manufacturing firms and a specific focus on theoretical and conceptual framework

2.2 Theoretical foundation of the study

The study will be grounded on the porters models of competitive strategies and the generic strategy model. The porters model of competitive strategy is concerned with the understanding that organizations operate on an open system and in so doing they are in constant interaction with the environment in which they operate therefore Firms pursue competitive strategies when they seek to improve or maintain their performance throughout independent actions in a specific market or industry. The degree of intensity of competition in an industry is jointly determined by competitive forces which are shown in the diagram below

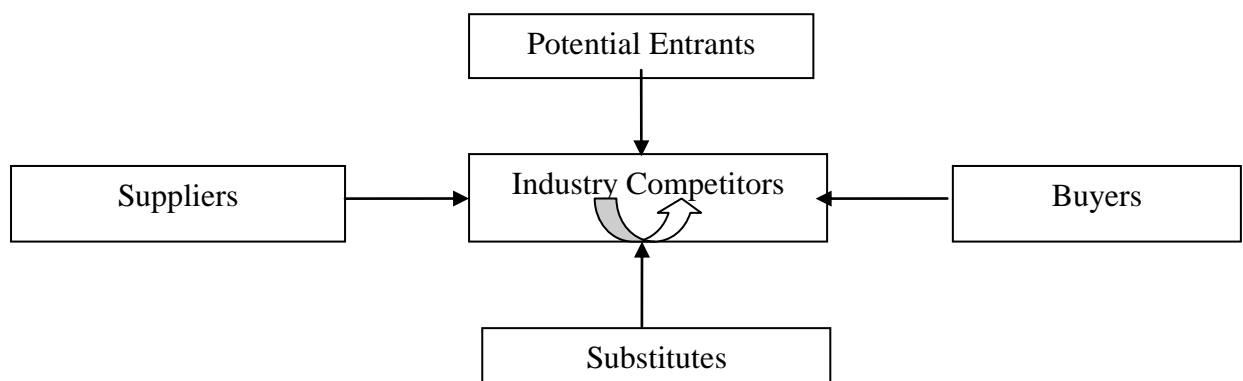


Figure: 2.1: Porters Five forces analysis

Source: <http://www.brs-inc.com/porter.asp>

2.3 Porters five force analysis

Michael E. Porter of Harvard Business School in 1979 developed the five forces industry analysis for business competitive strategy in positioning itself. These are Rivalry, threat of substitutes, buyer power, supplier power and the threat of new entry.

Rivalry among competitors: Rivalry among competitors is a key element in shaping competition in the business environment. The strength of rivalry reflects the intensity of competition but also is a basis of competition. The profitability of a firm may be reduced significantly as a result of rivalry as this will gravitate to price and since price competition transfers profit from industry to customers (Kotler, 2000). Rivalry among existing competitors can take many forms, including price discounting, new product development advertising campaigns and service improvements.

The threat of entry of new competitors: With the entry of new industry players the desire to gain market share and capacity increases, this will result in decrease in profitability. In parts manufacturing firms there is high perception of the industry being profitable and this makes its threat from new entrants very high and for this reason existing firms have to formulate competitive strategies so that they can ensure their survival, growth and profitability.

The threat of substitute products: According to Murphy (2005) a substitute is something that can be used in the absence of another. The existence of close substitute products increases the propensity of customers to switch to alternatives in response to price increases.

The bargaining power of customers: It is the ability of customers to put the firm under pressure in terms of product prices. According to Minzberg (2003) buyers tend to be more sensitive if they are purchasing products that are undifferentiated, expensive, relative to their income. Powerful customers can capture more value by forcing down values, demanding better quality products or service and

generally playing industry participants against one another, all at the expense of industry profitability, therefore firms in parts manufacturing firms should be able to find strategies that will enable them overcome challenges of customer power otherwise they may be forced to sell at low prices and make low margins. Bargaining power of suppliers: A source of power over the firm can be created by suppliers of raw materials, components or services. According to Porter (1980) the power of suppliers determines the extent to which value created for buyers will be appropriated by suppliers in the industry. Powerful suppliers capture more of the value for themselves by charging higher prices limiting quality or services or shifting costs to an industry participant. This is an important factor when formulating competitive strategies in the motor industry.

2.4 Porter's generic competitive strategies

Porter (1980) unveiled the four generic competitive strategies that can be viable in the long term business and these are cost leadership strategy, differentiation strategy, cost focus strategy and differentiation focus strategy. They are represented in the diagram below:-

		Competitive Advantage	
		Broad target	Narrow target
Competitive Scope	Broad target	1. Cost Leadership	2. Differentiation
	Narrow target	3. Cost Focus	4. Differentiation Focus

Figure 2.2 :Porters Generic Strategies

Source: Porter M.E (1998) Generic Strategies. The free press pp4

2.4.1 Overall cost leadership strategies

For a firm to gain competitive advantage over the competition in the market it must produce at a lower cost as its strategy because a firm that produces at lower costs enjoys the best profits. A firm can achieve low cost advantage by either two options one is manage the activities in its value chain better than competitor to achieve an overall lower costs and two to revamp the firms activities altogether (Thompson and Strickland 1998).cost leadership requires aggressive construction of efficient schedule facilitation, vigorous pursuit of cost reduction from experience, tight cost curve control and cost minimizations in various functions.

2.4.2 Differentiation strategies

A differentiation strategy aims at offering a product or service with unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competition. New business strategies new organizational approaches, new business and new enabling technology are being used by many forward thinking companies to continually improve their through development process.

According to (Porter,1980) a product can be differentiated in terms of :design ,brand image, technology, features or dealers network .in addition he says that this strategy may preclude the firm from gaining high market share but its gets compensated by creation of loyal customers who are not price sensitive .a company attempting to succeed through differentiation strategy must study buyers needs and behavior carefully to learn what buyers consider important, what they think has value and what they are willing to pay for.

Thompson et al (2007) explains that winning business strategies are guided on sustainable competitive advantage, and this is companies' most dependable contributor to achieve above average profitability.

Parts manufacturing firms can focus on producing or manufacturing parts at low cost and can also narrow their perspective by choosing to manufacture parts of vehicles that are not common in the market in order to win customer with special needs, they can also decide to focus in a segment with high net worth customers as part of differentiation.

2.4.3 Focus strategy

The focus strategy aim at the premise of selecting a segment or a group of segments in the industry and attempts to achieve either a cost advantage or differentiation. There are two variants for the focus strategy. A focused strategy based on low cost aims at securing a competitive advantage by serving buyers in the target market niche at a lower price than rival competitors.

Differentiation focus strategy on the other hand aims at differentiating within one or a number of target market segments and this demands that customers different needs and wants be recognized, According to Porter (1980) The target market segments must either have buyers within unused needs or else the production and delivery systems that serve the market segment must differ from those of other industry segments. It's of great importance to note that the profit potential on an industry heavily depends on the collective strength of the five forces that determine industry competitiveness. A firm using a focus strategy often enjoys a high degree of customer

loyalty and this entrenched loyalty discourages other firms from competing directly (Porter 1980).

2.4.4 Ansoff strategies

The product market matrix strategy by Ansoff (1987) allows for possible product mix scenarios. Ansoff (1998) felt that in developing strategy, it was essential to systematically anticipate future environmental challenges to an organization, and draw up appropriate strategic plans for responding to these challenges. Businesses develop through new/existing product and in existing or new markets. The Ansoff Matrix remains a popular tool for organizations that wish to understand the risk component of various growth strategies, including product versus market development, and diversification. Ansoff's product/market matrix is shown in figure 1

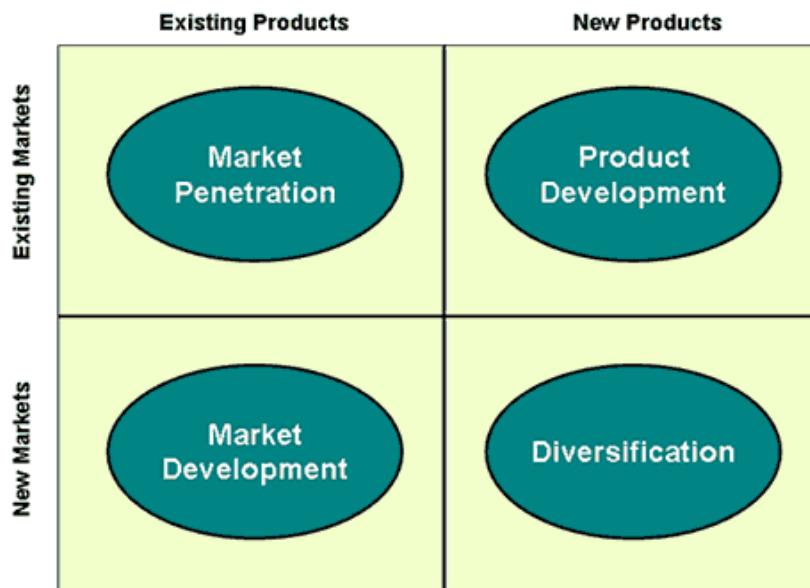


Figure 2.3 :Ansoff's Product / Market Matrix

Source: Ansoff, I. H, (1988), *The New Corporate Strategy, Revised Edition*, Wiley, NY, USA

The Ansoff product/market matrix is a series of suggested growth strategies that set the direction for the business strategy. Market penetration is the name given to a growth strategy where the business focuses on selling existing products into existing markets in order to maintain or increase the market share of current products, secure dominance of growth markets, restructure a mature market by driving out competitors and increase usage by existing customers. Market development on the other hand is the name given to a growth strategy where the business seeks to sell its existing products into new markets. There are many possible ways of approaching this strategy, including new geographical markets, new product dimensions or packaging, new distribution channels and different pricing policies to attract different customers or create new market segments. Product development is the growth strategy where a business aims to introduce new products into existing markets. This strategy may require the development of new competencies and requires the business to develop modified products which can appeal to existing markets.

2.5 Choice of Strategy

The Criteria that should be used to evaluate and ultimately choose a strategy include: clarity, internal consistency, compatibility with Environment, resources involved, degree of risk, time horizon etc (Mintzberg et al, 2002), though Managers ideally prefer to formulate decisions through a systematic approach, therefore this would suggest manager might be forced to make important decisions by giving considerations to only a limited number of issues. For a company to succeed in its strategy, it must choose a strategy that it can manage to implement. Thompson et al (2007) observed that companies or middle ground strategies rarely produce

sustainable competitive advantage. A good strategy implemented badly can be as damaging to an organization as a bad strategy implemented well.

2.6 Concept of strategy

The concept of strategy is the core of strategic management .a strategy is a long term plan of action designed to achieve a particular goal, most often “winning”(Thompson et al,2006).according to Johnson and Scholes(1999)strategy is the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment to meet the needs of markets and fulfill stakeholders expectations.Mintzberg(1987) defines strategy as a plan, ploy, pattern, position and perspective. Its asserts that it is a plan that can be defined and followed. As a ploy it can be seen as a move in a competitive advantage game .it is a pattern of consistent behavior logically throughout, and as perspective: it is a unique way of perceiving the world. As position, it is a means of locating an organization in its environment.

According to Grant (2000), strategy is about winning the external environment influences a firms decision and performance .strategy determines how a firm deploys its resources within its environment so as to meet its long term objectives for a strategy to be successful it must be consistent with the firms goals , values, resources and the capabilities to the external environment. Hofer and Schendel (1979), refer to strategy as the basic characteristic of the math an organization achieves with its environment. Aosa (1992) argues that strategy is creating a fit between the external characteristics and internal conditions of an organization to a strategic problem, which is a mismatch between the internal characteristics of an organization and its external

environment. Pearce and Robinson(1991) explained that strategies exist at several levels in any organization ranging from the overall business (or group of businesses) through to individuals working in it .Corporate Strategy is concerned with the overall purpose and scope of the business to meet stakeholder expectations and is often stated explicitly in a mission statement. In its broadest sense, strategic management is about taking "strategic decisions", that is, decisions that answer the questions about where the business is trying to get to in the long-term, which markets to compete in, how the business can perform better than the competition, what resources are required to compete, what environmental factors affect the businesses' ability to compete and what the values and expectations of those who have power in and around the business.

2.7 Resource based perspective

The resource based approach sees firms with superior systems and structures being profitable not because they engage in strategic investments that may deter entry and raiser prices above long run costs but because they have markedly lower costs, or have markedly higher quality or product performance. Each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns. In the 21st-century's hyper-competitive landscape, a firm is a collection of evolving capabilities that is managed dynamically in pursuit of above-average returns thus; differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics. Resources are inputs into a firm's production process, such as capital, equipment, the skills of individual employees, patents, finance, and talented managers. Resources are either tangible or intangible in nature. With increasing effectiveness, the set of resources available to the firm tends to

become larger. Individual resources may not yield to a competitive advantage. One can find the resources approach suggested by the earlier preanalytic strategy literature. A leading text of the 1960s (learned et al., 1969) noted that the capability of an organization is its demonstrated and potential ability to accomplish against the opposition of circumstance or competition. Barney (199) expands the common notion of a firm's resources to encompass all assets capabilities, organizational processes, firm attributes, information, knowledge, etc. and indicates how much resources enable the firm to conceive of and implement structures that ultimately improve its efficiency and effectiveness. Barney seemed to overlook the fact that poor rationalization and consolidation of these resources can also impact the operational efficiency of an enterprise.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter presents the research methodology used in the study; it covers the research design, data collection, and research instruments and data analysis techniques. The basis of any meaningful research depends on the methods and procedures employed in data collection and a clear definition of the target group of respondents.

3.2 Research Design

This chapter represents the research design that was used to achieve the objectives of the competitive strategies adopted by motor vehicle parts manufacturing firms in Kenya. A descriptive qualitative design was used. The descriptive design is used when the purpose of the study is to describe the characteristic of a phenomenon to estimate proportion of elements which behave in a certain way and make specific predictions.

3.3 Target Population

The population of the study consisted of motor vehicle parts manufacturing firms in Kenya who are members of Kenya association of manufacturers. According to KAM directory 2014 there were 766 members from which 40 are manufacturers of motor vehicle parts and accessories. Kenya association of manufacturers is an association that draws members from all Kenyan manufactures for which majority of motor vehicle parts manufactures are members.

3.4 Sampling

A purposive sample of 15 firms was considered for the study and a stratified systemic sampling was used ,where the population embraced a number of distinct categories, the frame was organized into a ‘strata’ and the sample selected from each ‘stratum’ separately producing a stratified sample. The main reason for using a stratified sampling design was to ensure that particular groups within a population are adequately represented in the sample.

3.5 Data Collection

Primary data was collected and used for this study. The research instrument that was used is a questionnaire with both open & close ended questions. The questionnaire was be administered through personal interviews and drop-pick method in order to enable the respondent to fill the questionnaires at convenient time ,however follow up by phone was used to enhance the response rate. Closed ended questioners were easier to analyze while open ended ones permit a greater depth of response. (Mugenda and Mugenda, 2003).Senior employees in marketing and finance departments were the respondents of the study.

3.5 Data analysis

Descriptive statistics was used in data analysis. According to Nachmias and Nachmias(1996)descriptive statistics are statistic procedure used for describing and analyzing data that enables the researcher to summarize and organize data in an effective and meaningful manner, the procedures provide tools for developing ,collecting of statistical observations and reducing information to an understandable form. Data analysis entailed the use of frequency distribution tables and percentages

to summarize data on the closed ended items in the questionnaire. Data obtained in the open-ended items in the questionnaire was categorized according to the theme relevant to the study and was presented in narrative form.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The chapter deals with data analysis .After data was collected it was analyzed using through frequencies, percentages and the findings presented in form of tables charts and graphs for which meaningful results were derived. Data analysis followed the research objectives which were used to establish the intensity of competition and also to establish the competitive strategies being adopted by players in the motor vehicles parts manufacturing firms.

4.2 Response rate

Of the 60 questionnaires distributed to the senior managers in finance and marketing departments 46 were successfully filled and returned indicating a 76% response rate, however 6 were rejected due to incompleteness. This response rate was quite representative since it confirms to Mugenda & Mugenda(1999)view, which stipulates that's response rate of 50% is adequate for analysis and reporting :a 60% response is rated as good while a response rate of 70% is rated as excellent.

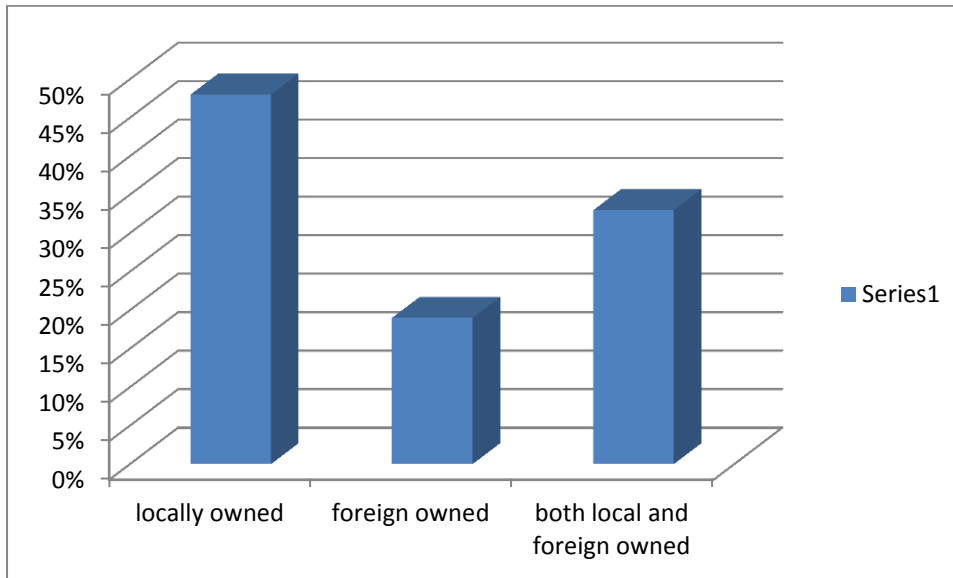
4.3 General characteristics

The researcher sought to find out the background of the firms by establishing their ownership, time the firm has been in operation and number of parts it manufactures

4.3.1 Ownership of the company

The researcher requested the respondents to indicate the duration of time their company had been in operation. The results are shown in figure 4.1

Figure: 4.1 Ownership of the company



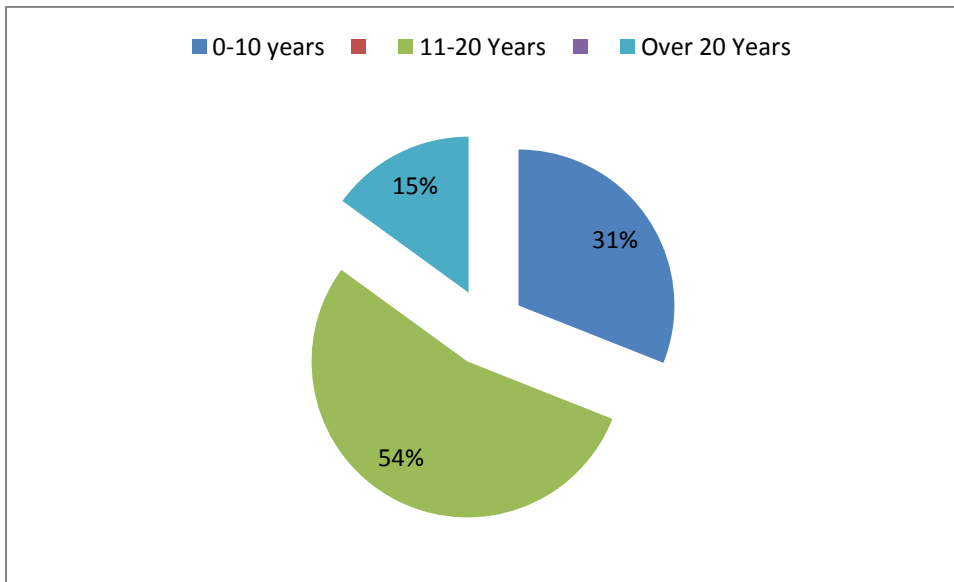
Source: Research Data (2014)

According to findings, 48% of the respondents said they are locally owned, 19% of the respondents are foreign owned, while 33% are both locally and foreign owned.

4.3.2 Time for which organization has been in operation

The respondents were also requested to state how long has their organization been in operation, 54% of the respondents had been in operation for 11-20 years, 15% had been in operation for over 20 years, while 31% had been in operation for 0-10 years.

Figure: 4.2 Time for which organization has been in operation

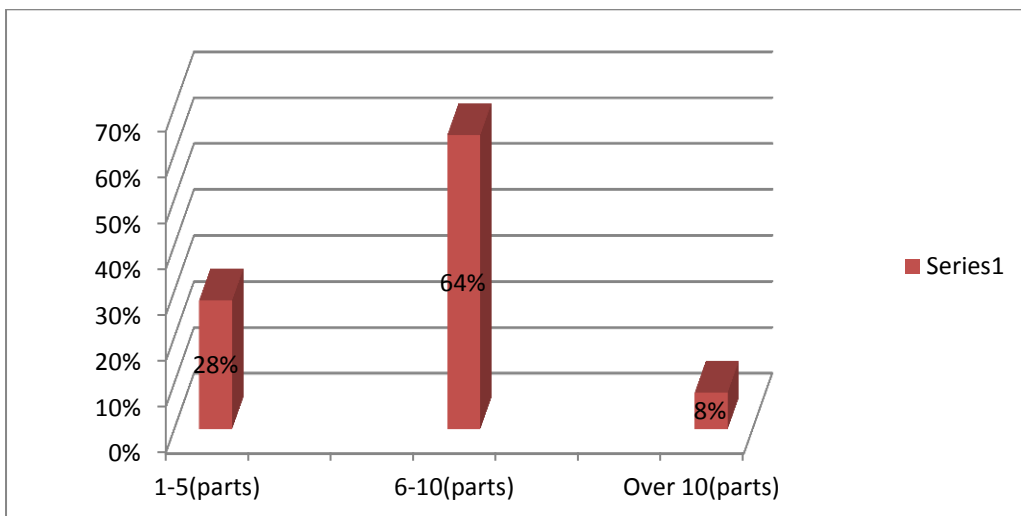


Source: Research Data (2014)

The researcher also requested the respondents to state how many types of parts does their organization manufacture

4.3.3 Number of parts a firm manufactures

Figure :4.3 Number of parts a firm manufactures



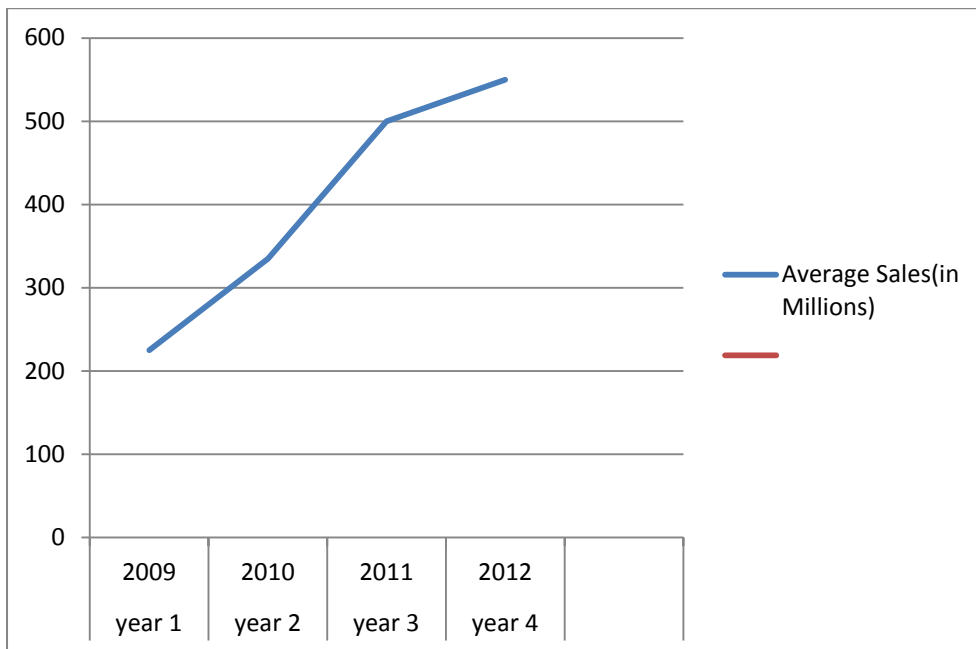
Source: Research Data (2014)

Majority of 64% had their firms manufacture between 6-10 items while 28% manufacture 1-5 items of parts while the remainder of 8% manufacture over ten items.

4.3.4 Average sales volume

The researcher also sought from the respondents the average sales volume per annum

Figure: 4.4 Average sales per year



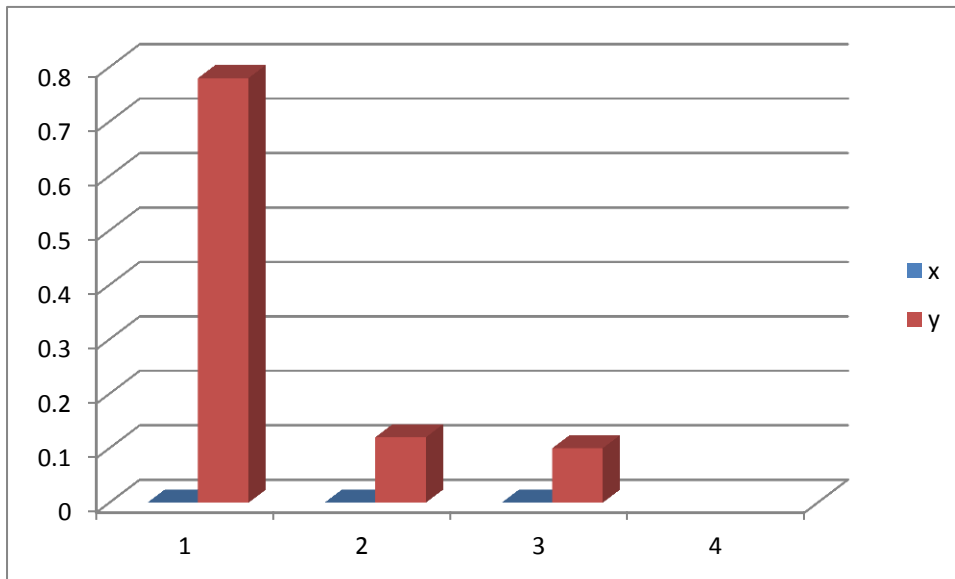
Source: Research Data (2014)

From the findings above the average sales volume per annum rose steadily due to growth and increased competition.

4.3.5 Intensity of competition

The researcher also set to investigate the intensity of competition between firms and the respondents gave the following results in Figure 4.5

Figure :4.5 Intensity of competition



Source: Research Data (2014)

According to findings 78% of the respondents stated completion was stiff. 10% not stiff and finally 12% were moderate.

4.4 Extent to which a firm faces aspects of competition

The respondents were requested to rate on a five point scale where (1)=Not at all,(2)=Little Extent,(3)=Moderate(4)=Great extent,(5)=very great extent the extent to which their firm faced the aspects of competition as outlined.

4.4.1 Threat of new entrants

The study investigated the threat of new entrants' factors and the data from the questionnaire was analyzed using mean scores and standard deviations, findings were as presented in table 4.1

Table 4.1: Threat of new entrants

Threat of new entrants	Mean Score	S.D
Government policy for new entrants is relaxed	4.64	1.25
Switching costs for new entrants is Minimal	3.80	1.48
There is untapped market for new entrants	4.56	0.95
Access to inputs is easy for new entrants	4.76	1.21
The capital requirements for new entrants are small	3.40	1.28
New entrants have good access to distribution channels	4.72	2.24
Grand Mean	4.31	1.40

Source: Research Data (2014)

N=15

Findings presented in table 4.1 indicate the biggest threat for existing firms in terms of entry for new ones is access to inputs which scored a mean score of (m=4.76) followed by good access to distribution channels (M=4.72) government policy for new entrants is relaxed (m=4.64) untapped market for new entrants (m=4.56) switching costs for new entrants is minimal (M=3.80)(S.D=1.48) The capital requirements for new entrants are small (M=3.40)(S.D=1.28). Grand Mean was 4.31 and standard deviation of 1.40.

4.4.2 Rivalry among competitors in the industry

The study also sought to find out the Rivalry among competitors in the industry the results yielded the following results as shown in Table 4.2

Table 4.2: Rivalry among competitors in the industry

	Mean	
Rivalry among competitors in the industry	Score	S.D
Brand identity for competitors is strong	4.64	2.24
Competitor offers better prices	4.21	1.56
Competitor products are superior	4.57	2.00
Competitor has a high market share	4.14	1.58
Competitor has new machinery and technology	4.36	2.24
Grand Mean	4.38	1.92

Source: Research Data (2014)

N=15

Results presented from table 4.2 above indicate Brand identity for competitors is strong scored a mean score of (M=4.64) (S.D=2.24) Competitor products are superior scored a mean score of (M=4.57)(S.D=2.00)competitor have new machinery and technology scored a mean score (M=4.36)(S.D=2.24)competitor offers better prices scored a mean score of (M=4.21)(S.D=1.56)finally competitor has a high market share scored a mean score of (M=4.14)(S.D=1.58) a grand mean of 4.38 and standard deviation of 1.92 was obtained meaning rivalry among competitors in the industry strong.

4.4.3 Suppliers have a strong power to bargain for better terms

The study also sought to find out about suppliers barging power for better terms as an aspect of competition. The following are the results in Table 4.3

Table 4.3: Suppliers have a strong power to bargain for better terms

Suppliers have a strong power to bargain for better terms	Mean Score	S.D
Suppliers for raw materials are many	3.71	2.48
Suppliers for inputs are readily available	4.01	1.56
Suppliers terms and conditions are favorable	4.30	2.0
Grand Mean	4.00	2.01

Source: Research Data (2014)

N=15

Findings presented in table 4.3 Indicate suppliers terms and conditions are favorable scored a mean score of (m=4.30) availability of suppliers of inputs scored a mean score of (m=4.01) while analysis indicated suppliers for raw materials are many to have a mean score of(m=3.71) generally the findings gave a grand mean of (m=4.00)

4.4.4 Availability of substitutes

Table 4.4: Availability of substitutes

Availability of substitutes	Mean Score	S.D
Preference for substitute is strong	2.14	1.17
We have close substitutes for our products	3.40	2.00
Grand Mean	2.77	1.59

Source: Research Data (2014)

N=15

Table 4.4 indicates majority of respondents agreed they have close substitutes for their products with a mean score of 3.40 while preference for substitutes scored a mean score of 2.14 meaning availability of substitutes for motor vehicle parts manufacturing companies is moderate.

4.4.5 Customers have strong power in bargaining for better

Table 4.5: Customers have strong power in bargaining for better

Customers have strong power in bargaining for better terms	Mean Score	S.D
We have few customers who buy our products	4.80	1.18
Customers have specific demand for better prices	4.20	2.35
Customers switching to competitors is easy	4.43	1.08
Grand Mean	4.48	1.54

Source: Research Data (2014)

N-15

Table 4.5 indicates the respondents had strong believe that their company customers have specific demand for better prices scoring a mean score of (m=4.80)followed by Customers switching to competitors is easy (M=4.43) and lastly we concentrate on a few customers who buy our product this factor scored a mean score of (M=4.20)

4.5 Competitive strategies adopted by motor vehicle parts

manufacturing firms

The study sought to find out how firms in motor vehicle parts manufacturing were responding to increased competition using porter's competitive strategies. The respondents were requested to rate on a five point scale where (1)=Not at all,(2)=Little Extent,(3)=Moderate(4)=Great extent,(5)=very great extent.

4.5.1 Cost leadership

Table 4.6: Cost leadership

Cost leadership	Mean Score	S.D
We have embarked on reducing fixed costs	4.64	0.77
We produce by mass production to cut costs	4.50	1.65
We source for cheap raw materials	4.14	1.58
We employ casuals for permanent ones	4.71	2.78
Grand Mean	4.50	1.70

Source: Research Data (2014)

N=15

Table 4.6 Cost leadership indicates that most firms are adopting cost leadership by reducing fixed costs, producing by mass production to cut costs. Employ casuals for permanent ones and also source cheap materials for production, this factor scored a grand mean of (M=4.5).

4.5.2 Focus

The study also investigated the important focus factors and data from questionnaire was analyzed using mean scores and standard deviation. The results are shown in the following Table 4.7

Table 4.7: Focus

Focus	Mean Score	S.D
We produce certain parts only	4.43	1.08
We deal with big customers to a large extent	3.86	1.78
Manufacture different types of motor vehicle parts	4.36	0.75
Grand Mean	4.22	1.20

Source: Research Data (2014)

N=15

Table 4.7 presents an analysis of focus factors .The factors scored the following mean scores, focus on certain parts only(M=4.43) (S.D=4.43)Manufacture different types of motor vehicle parts mean score(M=4.36)(S.D=4.36) and dealing with big customers scored a mean score of(M=3.86)(S.D=0.75)

4.5.3 Differentiation

The study also investigated on factors of differentiation. Results from the study gave out the following results in Table 4.8.

Table 4.8: Differentiation

Differentiation	Mean Score	S.D
Value adding services-after sales service	4.80	0.90
We have well equipped factory	4.72	1.39
Grand mean	4.76	1.15

Source: Research Data (2014)

N=15

Findings presented in table 4.8. Indicate majority of firms were using value adding services scoring a mean score of (M=4.80)(S.D=0.9)and those with well equipped factory scored a mean score of (M=4.76)(S.D=1.39)

4.6 Discussion

The objective of the study was to determine the intensity of competition felt by motor vehicle parts manufacturing firms in Kenya and also to establish the competitive strategies adopted by these firms. From majority of the respondents, the intensity of competition of firms in this industry is very stiff due to the different aspects of competition.

The study established,48% of the firms are locally owned followed by those that are both locally and foreign owned by 33% and foreign owned by 19% this is because government policy according to the respondents is fairly good therefore encouraging many local firms to enter the industry , from the general characteristics of firms it was established that 54% of firms have been in operation for a long period of between 11-20 years while due to increased competition others are being established .firms in existence between 0-10 years were 31% and those with existence of over 20 years were 15% ,this can be explained by the fact that back then there were few vehicles than today and also technology has really improved leading to shorter and more efficient processes. It was also established threat of new firms entering the industry was real this is due to the fact that government policy for new entrants is relaxed scoring a mean score of 4.64 and a standard deviation of 1.25. Existstence of untapped market scored a mean score of 4.56 and standard deviation of 0.95. access to inputs scored a mean score of 4.76 and standard deviation of 1.21.capital

requirements for new entrants scored a mean score of 3.40 and a standard deviation of 1.28 this shows inputs materials are readily available while the capital requirements for new entrants is moderate , finally new entrants have good access to distribution channels scored a mean score of 4.72 and a standard deviation of 2.24 this clearly shows there is good distribution network already established for firms wishing to enter the industry and therefore a threat to existing firms. The study also established there is rivalry among competitors in the industry which scored a mean score of 4.38 and standard deviation of 1.92, this is due to the fact that firms compete with one another by offering better prices to customers and also ensuring their products are superior. Investment in latest machinery and technology is another way evident due to intense competition.

The study established that suppliers have a strong power to bargain for better terms which scored a mean score of 4.00 and standard deviation of 2.01 this is because there is adequate supply of raw materials and a great percentage of respondents agreed inputs are readily available and suppliers give terms and conditions which are favorable. The study had also sought to establish customers bargaining power for better terms, with a grand mean of 4.48 and standard deviation of 1.54, it was established that firms in motor vehicle parts manufacturing firms had strong customers bargaining for better terms as most relied on few customers to buy their products and also majority of customers had specific demand for better prices.

The study established, majority of firms had adopted various competitive strategies in order to cope with competition. this include cost leadership which scored a grand mean of 4.50 and a standard deviation of 1.70 where firms were embarking on

reducing fixed costs ,sourcing for cheap raw materials, producing by mass production to cut costs and employing casual employees instead of permanent ones. The study also found majority of firms were employing focus strategies which scored a grand mean of 4.22 and a standard deviation of 1.20 such as producing certain parts only and concentrating on big customers. The study also found out differentiation strategy was also used in terms of value addition services such as after sales service and having a well equipped factory it had scored a grand mean of 4.76 and standard deviation of 1.15.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussions of key data findings, conclusions and recommendations. Findings have been summarized alongside the objective of the study; Conclusions have been drawn from the study and the recommendations for actions given.

5.2 Summary of the findings

From the findings most of the respondents agreed that many firms are faced with stiff competition due to the various factors which the researcher had sought to find out. Among these factors is Rivalry between firms for which it was established that it exists for a great extent .Threat for new entrants and Customers have strong power in bargaining for better were also felt to a great extent .availability of substitute did not have a high mean this is because many products are mainly unique with no close substitutes .for many respondents customers were found to have a strong power in bargaining for better terms this is because many customers for this firms are motor vehicle parts assemblers who buy goods in large quantities.

Based on applying strategies the majority of the respondents agreed that most of the strategies are applied and used .that is, cost leadership, focus strategy, differentiation of products is used to a great extent

5.3 Conclusion

On the strategic competitiveness that firms are facing the study concludes that the motor vehicle parts manufacturing firms are facing intense competition from the various aspects and to respond to this challenge many firms have undertaken various strategic responses which include cost cutting measures .focusing on different aspects and differentiation. Competitive advantage is the ultimate desire of any business venture worth its salt. The thoughts, ideas, insights, experiences, goals, expertise, memories, perceptions, and expectations of business managers should be in pursuit of this end (Chandler, 1962). Strategy is at once the course we chart, the journey we imagine and, at the same time, it is the course we steer, the trip we actually make

The study also concludes that motor vehicle parts manufacturing firms are not dependant on generic strategies but have also employed other strategies that have given them a competitive edge.

5.4 Recommendations

The study makes the following recommendations based on the findings and conclusions.

Firms in this industry should innovate on its products and services as well as provide a wider assortment of products and services by monitoring and meeting varying needs of the customers in the market.

Firms also should exploit new markets and also invest on research and development in order to remain competitive and relevant in the ever changing dynamic environment. Firms in this industry should work closely with policy making bodies in order to forge better terms and ensure their survival.

5.5 Limitations of the study

Information disclosure by the respondents posed a great limitation as there may have been likelihood of answering questions in a certain way so as to avoid giving away crucial and confidential information. For fear of victimization by management and also some respondents misunderstood the questions. However the researcher assured them that the information was confidential and would be used only for research purposes.

Time constraints was another limitation as some respondents were too busy and could not easily spare time for answering questions however this challenge was solved by booking appointments during specified times and also convincing them to spare some of their time during break times so as to ensure this was done at their convenience.

5.6 Suggestions for further research

Further studies should be done within a longer time span to ensure that the researcher has enough time to collect data, review larger information obtained accurately and determine what to code and analyze.

The study mainly focused on competition and strategies devised to deal with competition in motor vehicle parts manufacturing firm's further studies should be done on other areas such as strategy formulation and implementation as this will greatly improve the understanding of strategy for these firms

5.7 Implications of the study

Firms should strive to cope with competition in order to survive by devising strategies that are best suited to them. There is clear evidence from the study that firms in motor vehicle parts manufacturing firms may require to revise their policies in order to incorporate better practices that will enhance proper coping with competition.

The study clearly indicates there is intense competition and this implies that firms in this industry need to work closely with the government in formulating and implementation of policies especially considering the threat of new entrants by foreign owned firms.

REFERENCES

- Ansoff,H.I(1987).*Corporate Strategy*.London:Penguin.
- Almadi,O.(1987).*Auto Ancillary in Kenya-The study of the manufacture of leaf springs,exhaust systems,fillers,radiations,Brake pads batteries*.Nairobi: Unpublished MBA Project,School Of Business,University of Nairobi,Kenya
- Barney B.J(1991)*firms Resources and sustained Competitive Advantage*,Journal of Management.
- Casson M.(1990) *Enterprise and competiness: a system view of international Business*.Oxford England:Clarendon Press.
- Casson M.(1990) *Enterprise and competiness: a system view of international Business*.Oxford England:Clarendon Press.
- Hofer, C.W and Schendel, D. (1978). *Strategy Formulation: Analytical Concepts*. West Publishing Company
- Irene,M.(2007).*Response strategies to increased competition by spare parts dealers franchised by Japanese motor vehicle companies in Kenya*. Nairobi:Unpublished MBA Project,School Of Business,University of Nairobi,Kenya
- Johnson and Scholes,(1999)*Exploring corporate strategy*.Prentice Hall,Europe,5th Edition.
- Kotler P.(2000)*Marketing Management:Analysis .Planning and Control*.Prentice hall,Eagle woods Cliffs.
- Learned,E.,C.Christensen,k.Andrews and w.Guth(1969)*Business Policy: text and Cases*.Irwin,Homewood,IL
- Mungenda,M.O.& Mugenda,G.,A(2003)*Research Methods :Quantitative and Qualitative Approaches*.Laba graphic services

- Mintzberg,H and Quinn J.B(1999).*The strategy process,concepts and cases*,2nd Edition,Prentice Hall Inc.
- Michael A.(1997)*Strategic Management:competitiveness and globalization* Minneapolis/st.paul:west pub.co
- Njoroge,N.(2008)*A Survey of the vertical integration strategies used in the automotive industry in Kenya*. Nairobi:Unpublished MBA Project,School of Business,University of Nairobi,Kenya
- Perce and Robinson,(1991).*Strategic Management:Formulation,Implementation and Control*,9th Edition.irwn,Boston.
- Porter,m.(1985).*Competitive advantage:Creating and sustaining Superior performace*.Newyork:Free press.
- Porter,Michael E.1998.*Competitive Strategy:techniques for Analyzing industries and companies-with a new introduction*.Free Press
- Pearce and Robinson(1997)"*Strategic management-formulation ,implementation and control*"Sixth Edition,Mc Graw Hill,London.
- Suave,L.(2002).Enivromental *Education:possibilities and Constraints,UNESCO International science Technology and Enviromental Education* ,Newsletter,Vol.xxvii No. 1-2, Canada.
- Thomas and Megha (2013).*Manufacturing export competitiveness in kenya*.The World Bank 1818H street NW,Washingtown
- Wernerfelt,B.(1984).'*A resource –based view of the firm*',*Strategic management Journal*,5(2)pp. 171-180

APPENDIX 1: QUESTIONNAIRE

COMPANY NAME.....

TITLE OF THE RESPONDENT.....

LOCATION OF THE COMPANY.....

SECTION A : GENERAL CHARACTERISTICS

1. What is the ownership of your company

Locally Owned ()

Foreign Owned ()

Both Local & foreign Owned ()

2. How long has your organization been in operation in Kenya ?

10. ears () 11-20years () Over 20 Years ()

3. How many types of parts does your organization manufacture?

1-5 () 6-10 () Over 10 ()

4. Please indicate your annul parts sales volume for the last 5years

(a)2009.....(b)2010.....(c)2011.....(d)2012.....

SECTION B

1. How would you rate the state of competition in the motor vehicle parts manufacturing companies

Stiff () Not Stiff () Moderate ()

2. To what extent does your firm face the following aspects of competition? Rate on a five point scale where:-

(1) =Not at all

(2) =Little Extent

(3) =Moderate

(4)=Great Extent

(5) =Very great Extent

	1	2	3	4	5
Threat of new firms entering the industry					
(i) Access to inputs is easy for new entrants	()	()	()	()	()
(ii) Government policy for new entrants is relaxed	()	()	()	()	()
(iii) Switching costs for new entrants are minimal	()	()	()	()	()
(iv) There is untapped market for new entrants	()	()	()	()	()
(v) The capital requirements for new entrants are small	()	()	()	()	()
(vi) New entrants have good access to distribution channels	()	()	()	()	()
Rivalry among competitors in the industry					
(i) Brand identity for competitors is strong	()	()	()	()	()
(ii) Competitor offers better prices	()	()	()	()	()
(iii) Competitor products are superior	()	()	()	()	()
(iv) Competitor has a high market share	()	()	()	()	()
(v) Competitor has new machinery and technology	()	()	()	()	()
Suppliers have a strong power to bargain for better terms					
(i) Suppliers for raw materials are many	()	()	()	()	()
(ii) Suppliers for inputs are readily available	()	()	()	()	()
(iii) Supplier terms and conditions are favourable	()	()	()	()	()
Availability of substitutes					
(i) Preference for substitute is strong	()	()	()	()	()
(ii) We have close substitutes for our products	()	()	()	()	()
Customers have strong power in bargaining for better terms					
(i) We have few customers who buy our products	()	()	()	()	()
(ii) Customers have specific preference for products	()	()	()	()	()
(ii) Customers switching to competitors is easy	()	()	()	()	()

SECTION C: COMPETITIVE STRATEGIES ADOPTED

To what extent has each of the following strategic options been used in your firm as competitive strategies due to competition? (Use the scale used in question 2 above)

1 2 3 4 5

Cost Leadership

- | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (i)We have embarked on reducing fixed costs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii)We produce by Mass Production to cut costs | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (iii)We source for Cheap Raw Materials | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (iv)We employ Casuals for permanent ones | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Focus

- | | | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (i)We produce certain parts only | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii)We Deal with big customers only | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (iii)Manufacture different types of motor vehicle parts | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Differentiation

- | | | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (i)Value adding services-After sales service | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (ii)We have a well equipped factory | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2. Please indicate in what other ways has your organization responded to competition

Thank you for taking your time to complete this questionnaire

APPENDIX II: LIST OF FIRMS

1. AUTO SPRINGS MANUFACTURERS LTD
2. AUTO ANCILLARIES LTD
3. AUTOMOTIVE & INDUSTRIAL BATTERY MANUFACTURES (K) LTD
4. ASSOCIATED VEHICLE ASSEMBLERS LTD
5. GENERAL MOTORS LTD
6. NEGH CUSHION INDUSTRIES LTD
7. ASSOCIATED BATTERY MANUFACTURERS
8. KENYA VEHICLE MANUFACTURERS
9. UNILTERS KENYA LTD
10. SHAMCO INDUSTRIES LTD
11. MANN MANUFACTURING CO .LTD
12. MUTSIMOTO LTD
13. EVEREADY BATTERY EAST AFRICA LTD
14. HACO TIGER BRANDS
15. VARSANI BRAKELININGS LTD