

**MANAGERS' PERCEIVED EFFECTIVENESS OF COMPETITIVE  
STRATEGIES ADOPTED BY NATION MEDIA GROUP, KENYA IN  
RESPONSE TO ENVIRONMENTAL CHANGES**

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## **DECLARATION**

This research project is my original work and has not been presented to any other university or institution of learning for the award of a degree, diploma or certificate.

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This research project has been submitted for examination with my permission as the university supervisor.

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## **DEDICATION**

This project is dedicated to my fiancé June for her unwavering encouragement and support. I also dedicate it to my loving Dad and Mum for their great support all the way.

## **ACKNOWLEDGEMENTS**

I thank the almighty God for his unfailing grace having enabled me to pursue this degree.

He has been the source of my strength all along in my life.

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## **ABBREVIATIONS**

KANU-Kenya African National Union

CA-Competitive Advantage

TV-Television

NMG-Nation Media Group

NTV-Nation Television

QTV-Kiu Television

QFM-Kiu Frequency Modulation

SCA-Sustainable Competitive Advantage

R&D-Research and Development

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## **ABSTRACT**

This study sought to establish the perceived effectiveness of competitive strategies adopted by Nation Media Group. Measuring the effectiveness of a strategy is not standardized but can be deduced from causation of factors. This means that a trigger from the environmental forces makes an organisation to devise response strategies. How well and fitting these strategies are determines their effectiveness. A case study research design was adopted. Questionnaires were used to collect data and inferential statistics used to analyse and explain the variables and their relationships. The findings revealed that product diversification and research and development are the most effective and most desired response strategies by NMG. Other strategies were seen to be of great importance with a rating of above 3 out of 5. Various strategies fit different situations and according to this research the strategic managers should endeavour to develop and use the most relevant strategies to respond to changes in the environment. The study was limited to the major strategies used by major companies to respond to the most regular environmental changes in the media industry in Kenya. The study establishes a framework for examining effectiveness of strategies case by case and as such other companies can be studied equally using a similar framework and then narrowing down to specific needs by product managers, more effective strategies can be formulated and reviewed from time to time for their effectiveness.

Key words: Competitive strategy, competitive advantage, perception, effectiveness

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

A complex structure like an organisation is driven by external and internal factors in regard to the need for change (Passenheim, 2010). The external forces that create the explicit need for change are: Market situation, technology, government laws and regulations and economics. These factors exist as stimuli and are perceived by the organisation. This triggers the realisation of changes in the environment and as such response strategies when mapped emerge as either effective or ineffective. This determination is surrounded by various parameters that characterize the organisation overtime. It is therefore important to consider such perceptions when implementing strategies especially in the wake of competitive business environment satisfy similar needs. One of the key components of change is people. The critical factors are behaviour, perceptions, expectations and attitudes. Barney (1991) attests that understanding sources of competitive advantage has become a major area of research in strategic management. He discussed four empirical indicators of the potential of firm resources to generate sustained competitive advantage: value, rareness, inimitability and sustainability.

Powel, (2001) observed that strategy research has been slow to develop the notion of competitive disadvantage as something other than the dark side of competitive advantage. He argues that if competitive advantage stems from inimitable, idiosyncratic resources, competitive disadvantage is not merely the non-existence of such resources (which would create economic parity), but rather the failure even to satisfy the minimum success requirements or “strategic industry factors”. We therefore need a behavioural branch of

knowledge that subsists in search for the most optimal competitive strategy. The business environment has seen increased competition to the extent that competing firms use similar strategies at the expense of each other. Powel (2001) further observed that there is a fallacy that affirms that where there is competitive advantage, there is perceived superior performance. He also says that most empirical studies infer the existence of competitive advantages from ex post performance observations, but then draw the conclusion that creating competitive advantage ex ante produces sustained superior performance. This study tries to find out the perceived effectiveness of the competitive strategies used amid the environment of competition.

The media industry has seen its growth and competition upsurge since Kenya's acquisition of the multiparty status in the year 1992. According to Maina (2006); the media sector had experienced very slow growth due to suppression of dissident voices by the then-KANU government. The proliferation of media as a social and a business arena has been dynamic and turbulent at that. The competition in the media industry is on the increase and the consumerism status has become keener on what to take. Various contributors in the field of strategy have provided various approaches deemed for various business situations. Just how effective are the strategies used? Media companies have had to grapple with the quest to meet advertising, business, entertainment and other needs by consumers alike. This has translated to increased competition not only from within but also from international media. That said, Barney (2007) agreed that the length of time that organizations are able to sustain competitive advantage has interested scholars for some time. Traditional economic theory suggests that such advantage should be short lived in highly competitive markets. This theory suggests that any competitive

advantages gained by particular firms will quickly be identified and implemented by other firms thus ensuring competitive parity in the long run. In practice, we see firms being dominant longer than others even though the product offered by competitor is almost if not of the same quality. In real life, how effective the strategies are is more important than which strategy is in use. Porter (1980) explained that firms should analyse the environmental factors so as to make a decision on which is the best strategy to use. That seems to be basic approach to business. We should also consider how such strategies are perceived and also how effective they are.

### **1.1.1 The concept of perception**

According to Robinson et al (2010), perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment. The importance of perception in study of strategic management translates to the way people behave based on their perception of reality, connotations or perceived positive value. They further suggest that perception is influenced by many factors including: Time, attitudes, motives, interests, experience and expectations among others. All these factors determine attribution; how we judge situations. Selective perception refers to the tendency to selectively interpret stimuli based on what one sees or experience. Profiling and stereotyping are also key concepts in the theory of perception which allude to judgement based on what one sees. Robinson et-al (2010) further suggests that perception affects performance expectations and decision making in organisations. It then follows that these elements affect the way businesses are carried out. The concept of perception is discussed around the concept of reality. Hicks and Gullet (1975) define perception as the manner in which man perceives reality. He argued

that perception can be shaped by uniqueness of a situation; the abstraction in relation to what detail one leaves out in the process of deriving meaning. Hoyer and MacInnis (2007) define perception as the process by which incoming stimuli activate our sensory receptors. Perception occurs when stimuli are registered in our five senses: Vision, hearing, taste, smell and touch. Perception is a more meaningful level of processing stimuli by organisation stakeholders be they consumers or organisational managers.

Nelson and Quick (2000) explain social perception as the process of interpreting information about another person. They assert that virtually all management activities rely on perception and that selective perception is mostly used in management and the only confirmation of the success of strategies is the performance at any one point in time. This has its limitations. These are: being the stereotypes, first impression, error, projection and self-fulfilling prophecy. Nelson and Quick (2000), further tried to elaborate on the managerial implications of using perception at work. They argue that managers use social perception constantly on the job. This means that knowledge of the forces that affect the perception and the barriers to accuracy can help managers form more accurate impressions of others. Attribution in organisations has been advanced by Nelson and Quick (2000) where they explain how we pinpoint the causes of our own behaviour and that of other people. These attributes have important implications in organisations in explaining performance either good or bad. Extension to this knowledge can help us explain why an organisations product is preferred more than that of the competitor. This understanding can help build positive perceptions amid similar strategies.

### **1.1.2 The Concept of Effectiveness**

According to Gerry Johnson and Scholes (1997), effectiveness refers to how well the organisation is matching its products/services to the identified needs of its chosen customers and the competencies that underpin this effectiveness. Porter (1980) alludes to effectiveness as the extent to which a strategy leads a firm to better performance than good if not dismal. He is acknowledged for offering a very important guideline of analysis both for industry and competitor and there by the tool is used to place rating on the strategies in use. They concurred that the wind for change and consistent strategy formulation is shaped by the five forces; threat of new entrants, buyers bargain powers, threat of substitute products the bargain power of suppliers and rivalry among existing firms.

Johnson and Scholes (1997) appreciated that the five competitive forces jointly determine the intensity of industry competition. Further, it is important for a firm to assess its strategic capabilities and resource strength to be able to cut out a clear niche and sharpen its core competences. According to them, Strategic capabilities are related to three factors: the resources available to the organisation; the competence with which the activities of the organisation are undertaken; and the balance of resources, activities and business units in the organisation. Resource audits, competence assessment, core competence assessment, identification of rigidities and comparisons and identification of key issues are the ingredients to understanding the strategic capability of a firm. The concept of value chain also helps to bring out the features of value added (effectiveness). Here the key focus is the critically important features: how well matched the product and service features are and thus the uniqueness.

### **1.1.3 Competitive Strategy**

According to (Porter, 1990) Competitive strategy is the search for a favourable competitive position in an industry. Competitive advantage emphasizes adding value through different activities that occur in a business. For this to be well coordinated there must be a strategy with which the activities are executed. According to Ritson (2013), a well formulated competitive strategy regardless of which type is one that seeks to build a distinctive competence in some key activity and then use it to create a competitive advantage over other firms .Chandler (1962) defines strategy as the determination of the basic long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Porter (1990) relates strategy to success or failure of a company. According to him, strategy is about obtaining a competitive position or series of competitive positions that lead to superior yet sustainable financial performance. The concept of Competitive advantage was published in 1985 as an essential companion to competitive strategy (Porter, 1985). According to him, competitive advantage (here after CA) ignites the aspects of value chain and how it is intertwined with cost aspects to achieve differentiation efforts by a firm.

Barney and Hesterly (2008) define strategy as the theory on how to gain competitive advantages. According to Porter (1990), competitive strategy is the search for a favourable competitive position in an industry. Competitive advantage emphasizes adding value through different activities that occur in a business. Later on, Porter identified the fact that every firm competing in an industry has a competitive strategy whether explicit or implicit .It would be of interest to try and perceive the strategies and



determine how effective they are with a view to improving them and thus attain sustainable competitive advantage continuously.

#### **1.1.4 Environmental Changes**

Response to change is an important ingredient to competitive strategy. In order to uphold a strategy as competitive, every organisation should continuously develop response strategies to cope with emerging changes. Senior and Fleming (2006) identified that an organisation operates in at least three types of environment which together make up the total operation environment. First, there are historical developments that bring change overtime. The changes are viewed as industry focused and others are knowledge and brand power what Handy (1994) calls 'focused intelligence'. This forms the temporal environment where the influence is on innovations. Secondly, the organisation history build up which comprise of the strategy and structure, culture, politics and leadership styles. Also, the external environment which comprise of the legal, economic, technological and social cultural environment. Thirdly, is the internal environment. This includes changes which are first line responses to change in external environment. When the above factors come in to play, there is an environment of turbulence and the organisation positions itself to facing the turbulence.

#### **1.1.5 Nation Media Group**

According to *The Legend* (2012) the media industry in Kenya dates back to the pre-colonial era. It is estimated that there were about fifty publications in Kenya by the year 1952. Prior to independence, the print media used to be done by politicians where the content was not news and adverts as is known today but an agitation for freedom and

independence for Kenya. Today, Kenya has many newspapers, television and radio stations. Many companies have emerged to provide various media services in Kenya under one roof. The main ones are: Nation Media Group and The Standard Group. Currently there are more than 32 radio stations in Kenya and more than 10 TV stations. (KARFQ1 2013)

According to the company website: [www.nationmedia.com](http://www.nationmedia.com), Nation Media Group here after NMG, was founded in 1959 by his highness the Agha Khan who is the major shareholder hither to. It is the leading media house in east and central Africa. It grew from a single newspaper to a multimedia house with digital, print and terrestrial broadcasts in both radio and television. It also has offices in Rwanda, Tanzania and Uganda. These are fully owned subsidiaries with a bit of minority shareholding The group publishes The *East Africana* weekly paper, Daily Nation, Business daily ,Taifa Leo, Nairobi News (recently closed down) , The Monitor, Mwanaspoti and Rwanda Today .In the broad cast frontier, NTV (K), NTV (U) and QTV are the leading television stations. Qfm and Easy fm are the major radio stations. Other products include the digital platforms and Utility card called *Nation Hela*.NMG has a capitalization of more than ksh 36.7 billion based on market share price of the day of this paper. Nation newspaper is the leading newspaper in Kenya. It is also the flagship of NMG with a daily sale of more than 220,000 copies.

## **1.2 Research Problem**

Business organisations exist in dynamic business environments. In the wake of competition, firms will seek to maximize profits by nurturing their competitive strategies overtime. The concept of perceptions explained by Johnson and Scholes (1997) has

become relevant in determining how effective the strategies are and directing strategic processes overtime. But how does doing so promote to the overall wellness of the firm? How does it translate in terms of customer retention and organization identity? Response strategies are developed to ensure an organisation is able to thrive and cope with environmental changes overtime. How well a company does this translate to effectiveness of the strategies adopted? Barney (2010) expresses an assertion that a firm has a competitive advantage when it is able to create more economic value than rival firms amid a competitive environment. Economic value is simply the difference between the perceived benefits gained by a customer who purchases a firm products or services.

The Media industry in Kenya is very competitive going by the upsurge of many Radio and TV stations within the last five years. The Newspaper and digital segment have not been left behind either. Preliminary assessment show strategic trends in media industry revolve around copying strategies of one another by use of fighting brands. A case in point is launch of publication-*Nairobi News* by NMG meant to fight *Nairobiian* publication by the Standard Group. *Nairobi News* has been pulled out of the market since. This study is meant to assess the perceived effectiveness of business strategies and the implication they have on business development and success. The primacy of such strategies is also put to test in terms of sustainability and profound nature. One can always ask whether this is the best and optimal option to ensure growth.

Various studies have been done around sustainability of competitive strategies. Maina (2005) did a multifaceted research on the problems facing the media initiatives in Kenya. The report delved so much on the impact of multiparty status of Kenya, its impact on media proliferation for a decade and the major challenges facing media be it print, TV or

Radio. This report has helped to appreciate the opening up of the media consumerism in Kenya. This study analysed the media consumption patterns and growth strategies by media firms to satisfy the market. The study however did not consider how the audience considered the products from the media. Due to environmental changes since year 2005, media consumers have a wide variety to choose from and in order to satisfy them a firm needs to understand their perceptions and respond as appropriate.

Banda (2006) looked at the challenges of competition and competitive strategies used by public health institutions in Kenya. He observed that different health institutions try to differentiate their products and services in order to beat competition. The health institutions received their customers mostly from the surrounding and a few from distant places. The ones who come from a distance came because there was no facility from their residence. There is little evidence to try and determine how the patients perceived the health facilities. Naku (2011) studied the application of Porter's competitive strategies in the matatu transport industry. She tried to show the extent to which the strategies apply to the industry and their practical relevance to the theory. A study demonstrating how departures from Porter's five forces are addressed would be of importance. This is to grow the theory even in the behavioural aspects and how they shape effectiveness at strategy mapping stage. The case study for Nation Media Group will be relevant to fill this gap.

Okoth (2011) did a study on strategic responses by Jubilee insurance to changing competitive environment. This study was keen to establish the factors that influence the response by Jubilee insurance. Changing customer needs and increase in risks were among the main factors. She also found out that turbulence in the insurance industry

required companies to keep dynamism at its best to ensure differentiated products at that. Though the reasons for its success were related to the strategic responses, the study sighted the firm's financial muscle as its key factor for success. This is why many customers preferred it. Media Industry is equally competitive. The dynamics are different because global competition cannot be locked out of the equation and as such the search for effective strategies relies on perception before consumption as opposed to insurance industry consumption which is driven by futuristic expectations of indemnity by the insurer. The study on NMG will be an important addition especially for the media industry. That said, the researcher is bothered with the sustainability of strategic approaches and how this can be maintained in the long run given the competition has stifled more than ever. As a strategy scholar I am triggered to think of resultant competitive advantage, competitive parity and competitive disadvantage and how it impacts the strategic efforts in a business. (Barney, 2007) the study is intended to answer the question: What is the managers' perceived effectiveness of the competitive strategies adopted by NMG, Kenya in response to changes in the environment?

### **1.3 Research Objective**

To determine the Managers' perceived effectiveness of the competitive strategies adopted by Nation Media Group in response to changes in the environment.

### **1.4 Value of the Study**

The study will be of important use to NMG strategic decision makers. They will be able to deduce how various strategic approaches are perceived and thus determine their effectiveness both before and after implementation. This will ensure continuous strategic

process improvement towards remaining competitive amid competition. It will also be of importance to the other media owners as to be able to benchmark themselves with the international markets yet ensuring a tailor made cut of the media consumption cake. The study will also act as a lead to investment in the media industry and by extension other industries as well. This is by providing prospective investors as well as the esteemed customers with competitive ideas and experiences which connect them with some level of optimality. A sense of competitive disadvantage is brought into the equation to act as a signal for superior strategic decision making requirement by the managers.

The findings will also benefit the media council and media regulators in their endeavour to improving and developing superior guideline that is informed by research. The scholars will also have a point of reference in furtherance of research into the various specifics in the media fraternity. This study will also help the researcher appreciate the mechanics of strategy. Research about strategic perceptions by other industries will be guided by this study too.

## **CHAPTER TWO: LITERATURE REVIEW**

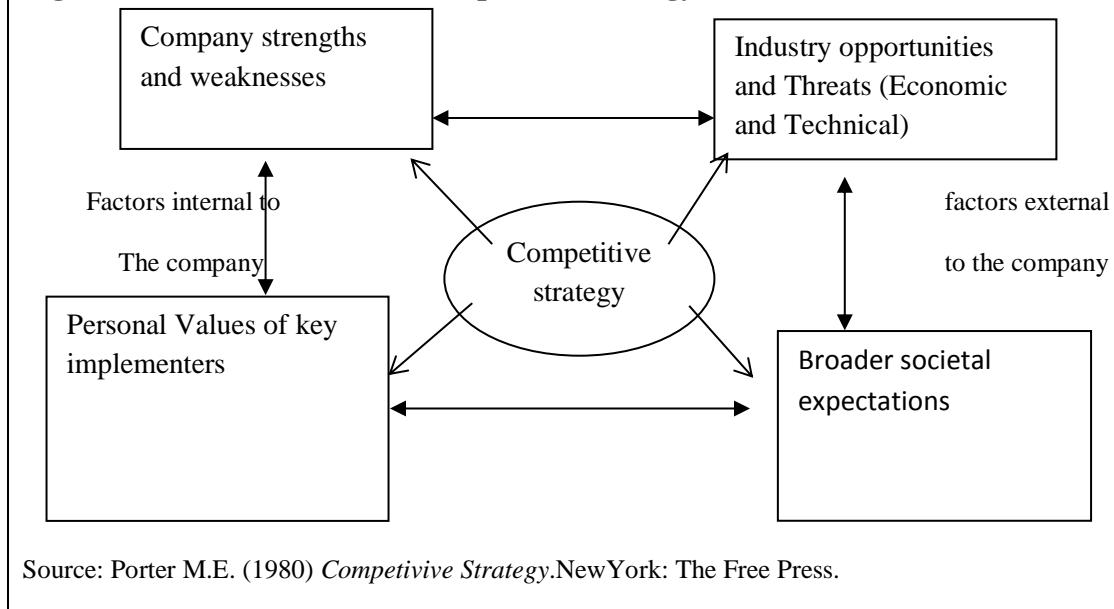
### **2.1 Introduction**

This chapter explores the existing literature about the competitive strategy. It also describes the competitive nature of the media industry in Kenya. The discussion also reviews Porter's competitive forces in relation to media industry in Kenya. It describes the response strategies that are used to counter the environmental changes in a manner that establishes a strategic fit among many possible strategic options. The perceived derivatives of existing generic strategies followed by interplay of other knowledge developments are included to deduce their effectiveness.

### **2.2 Theoretical Perspectives on Competitive Strategy**

According to Porter (1980), every firm competing in an industry has a competitive strategy, whether explicit or implicit. He explains the context within which competitive strategy is formulated. The figure below gives a conceptual view.

**Figure 2.1: Context in which competitive strategy is formulated.**



The study is based on Porter's five forces Porter model. Porter (1980) promulgated five competitive forces that characterize the business environment: Threat of new entrants, rivalry between existing firms, threat of substitute products and services, the bargain power of suppliers, and the bargain power of buyers. The analysis of the said forces helps an organisation realize its weaknesses and strengths and therefore sharpening its competitive edges. A firm develops its market where these five forces are weak.(Porter, 1980).Although he has reemphasized the importance of analysing these forces before developing strategies, the current times demonstrate volatility and mutation if not rapid paced change. This calls for improved ways of getting feedback on effectiveness of strategies derived from the generic guideline. Threat of entry means that an existing industry is faced with possible reduction of its market share.



The threat of entry as explained by Porter (1980) should lead a firm into assessing its barriers to entry and respond as appropriate. The intensity of competitor rivalry is the second force in Porter's framework. This present itself by using tactics like price competition, advertising battles, product introductions and increased customer service. Such moves lead to retaliation and if not checked may leave the initiating firm and the industry worse off. The Pressure from substitute products limits the potential returns of an industry by placing a cap on the possible prices. The bargain power of buyers is characterized by buyers seeking higher quality at lower prices. This is all at the expense of industry profitability. The buyer demand can be powerful if the product neither is nor differentiated. In the media industry this pressure is tamed by availability of varied media products .The bargain power of suppliers is Porter's fifth force that shape the business environment. This is characterized by supplier threat to raise prices and lower quality for the industry supplies. This can happen if the industry has one or few suppliers or when the buyer is not an important portion of the suppliers market. Organisations therefore focus on strategies to contain the five forces in order to remain competitive.

### **2.2.1 Competitive Strategies**

Porter (1990) identifies that cost is one of the two types of competitive advantage a firm may possess. He cites cost leadership and cost reduction as goals. Competitive advantage, here after CA, results mainly because a big proportion of costs is hidden and cannot be easily quantified. Suppliers and buyer cost behaviour are important in assessing cost and effectiveness of strategies. The costs in the value chain are assessed and refinements done towards eliminating unnecessary costs. This suggests that firms should manage their

activities to maximize their sensitivity to the type of scale in which the firm has the greatest advantage over its competitors (Porter, 1990)

Differentiation is another source of CA. Firms pursue uniqueness. At times customers attach different values to the organisation which are not cost related. That said, Porter (1990) points to all departments to be sources of differentiation and not from customer feedback alone. This excites the feeling that the firm is the best placed entity to drive differentiation as opposed from the common norm that it is the customer need. This means that when Nation Media Group is developing and implementing strategies, perceptual reviews are important to act as a continuous measure of effectiveness. Technology comes in handy when CA is considered. It is viewed as the major driver of competition. Porter (1990) stresses that change in technology is not helpful for its own sake. Technology is embodied in the value chain and once affected it is hard to imitate by other firms. More so, it is easier to do differentiation from time to time. This makes it a source of CA. It is deemed sustainable when the rate of technology diffusion is not easy to achieve by the competitor.

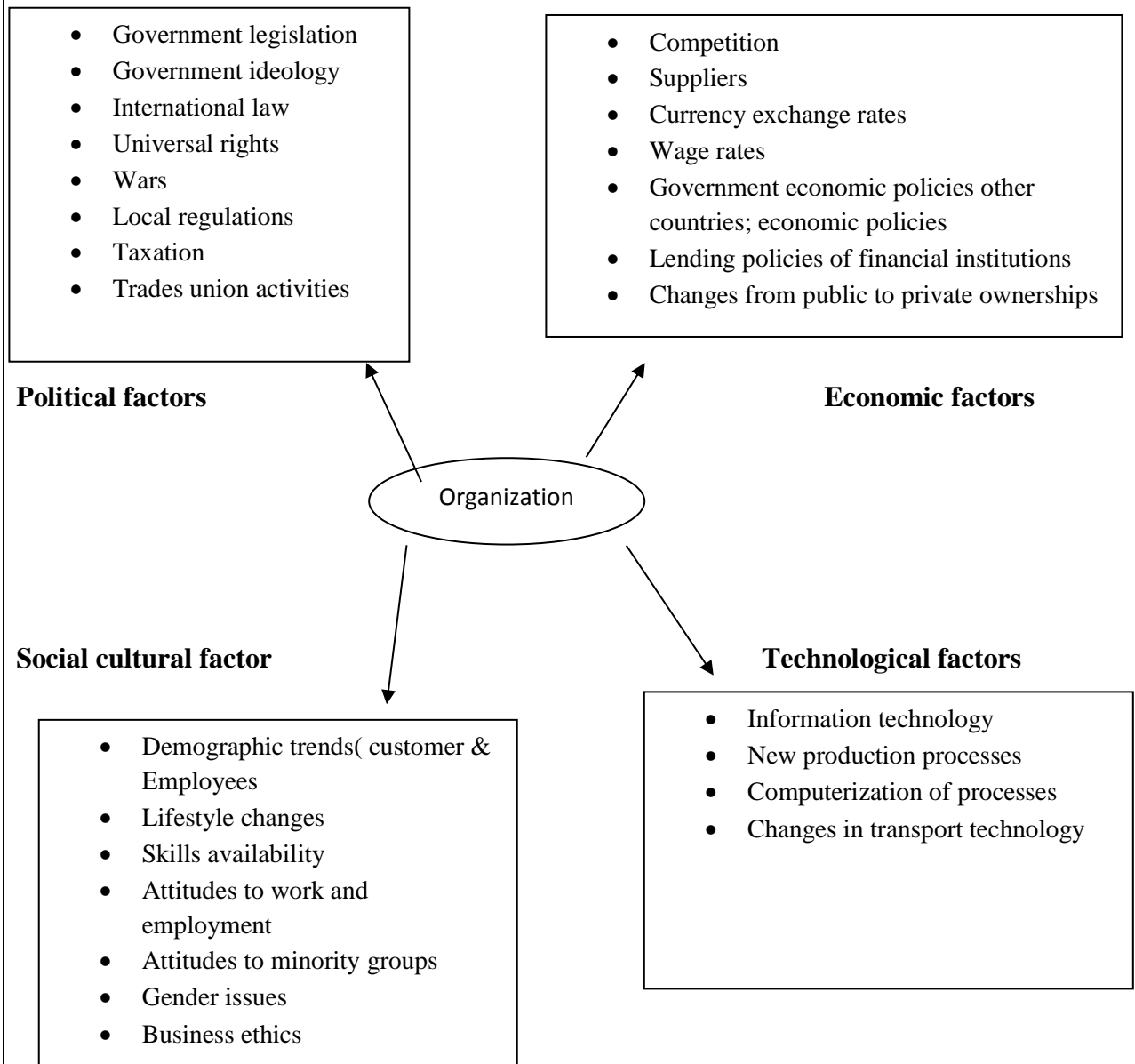
Competitors, though perceived as a threat, serve as a standard of comparison, (Porter, 1990). This is by enhancing ability to differentiate, absorb demand fluctuations and provides a cost umbrella that makes the low-cost firm to have a sustained CA. Availability of competitors also dilute the wrath of antitrust risks that would otherwise make the dominant firm subject to routine litigations. Value chains are a key source of competitive advantage especially when the firm's infrastructure is made of strong human resource, technology and procurement. In the case of Nation media Group, the ability to use varied technological platforms and experienced staff sends a strong perception

towards effectiveness of strategies. It is also bound to increase the motivation of workers. The media industry has become extremely competitive with increased newspaper dailies and more radio and television stations. For a media company to stay ahead of competition, it must demonstrate technological linkages among value activities. This is a situation where changing one activity will affect the other product processes as well. Forecasting and responding to such changes is paramount to be effective.

### **2.2.2 Environmental Changes**

According to Porter (1985) firms often make strategic choices without considering the long term consequences for industry structure. They see again in their competitive position if a move is successful but they fail to anticipate the consequences of a competitive reaction. Environmental changes tend to disrupt competition among peer firms. It is upon the individual firm to assess and respond in the most appropriate way if it is to remain ahead of competition. The level of turbulence determines the type of strategy the organisation will use to counter the turbulence. The nature of turbulence can be predictable if repetitive occurrence is observed. It can be foreseeable if the trend behaviour can be extrapolated. Increased complexities characterize predictable threats and opportunities but the organisation is still able to predict the outcome with a good level of confidence. Organisations do face some unpredictable surprises at times whose build up happens faster than the organisation can respond. According to Fleming and senior (2006) the forces that operate to bring about change in an organisation are thought of as winds which are many and varied. An organisation is a system that receives inputs from the environment and releasing outputs back into it. This causes environmental turbulence with various factors in play. The figure below describes the scenario.

**Figure 2.2: Organisation Environment**



Source: Senior B. and Fleming J. (2006) *organisational Change* 3<sup>rd</sup> edition Pearson Education limited. Spain

### **2.2.3 Competitive Strategy and the Environment**

According to Hill and Jones (2010) various strategic moves are used by companies depending on the surrounding environmental factors. Principle competitive tactics must be developed therefore to tackle various challenges. They suggest that companies develop strategies befitting them in the wake of falling demand, change in supply and distribution strategies especially when there is need to protect competitive advantages. The Generic strategies as promulgated by Porter (1980) are: cost leadership, differentiation and focus. These have provided the guidance to strategic approaches for firms overtime. He also provides the insight that guides response to environment be it in the wake of emerging industries, industry developments and evolution among others. Ansoff's (1965) matrix has also gone an extra mile to provide the best fit guiding strategy with regard to the nature of market environment a firm finds itself in. The promulgation looks at whether the market is new or existing, dealing in new product of existing product and then proposes market and product response strategies as suitable. The perceived effectiveness of such strategies or their derivatives is worth measuring on a case by case basis and then sharpens the strategies towards sustainable competitive advantage. Various studies have been done in an effort to understand competitive strategies for industries.

Teeratansirikool and Siengthai (2003) did a study on competitive strategies and firm performance; specifically on the mediating role of performance measurement. They found out that generally, all competitive strategies positively and significantly enhance firm performance through performance measurement. They observed that firms use differentiation strategy as a measure of adapting to the environment they are in.

## 2.3 Response Strategies and their Effectiveness

According to Porter (1980) Response strategies are the defensive steps taken by a firm in a bid to react to the ever changing and turbulent environment. Creating barriers to entry by developing economies of scale and commanding key distribution channels are among the remedies provided by .Others include switching costs which entail after sale services, complementary products as well as psychic costs of severing a business relationship. In relation to Media industry, identifying with key programme producers and establishing strong relationships will be psychic of a media company to be able to keep viewers glued on their television sets. Catching inserts in particular editions of Dailies has a similar effect. Retaliation by firms has also been used by Nation Media Group as well as other media companies. Case in point is the publication of *Nairobi News* as a fighting brand to *The Nairobian* publication by the Standard Group. According to *Nairobi News*, 22nd May 2014, p 1. The paper has since been pulled out of press. The editor indicates that its ultimate survival is determined by business and as such the need for perception studies on the strategies firms adopt and their envisaged effectiveness.

Porter (1980) rates experience as a more ethereal response strategy than scale. In the media industry, more importantly, the experience need to be proprietary, and even though available to competitors, the perceived identity in the brands acts as the competing edge. Identifying substitute products may be costly but it is a strategy used by firms to respond to pressure from substitute products. According to Barney (1991) In order to fight supplier bargains, firms should foster development of substitute supplies or where possible establish linkages with suppliers from different geographic locations. These threats are not undesirable in entirety. This is because they help an industry position

itself, bring about industrial revolution and shape the diversification strategies which keep the industry vibrant. Barney (1991) has also provided a crosscutting insight on a myriad of strategies used by firms to respond to different environmental situations. Such strategies include: Vertical integration strategies, diversification, strategic alliances mergers and acquisition and internalisation strategies. He views effectiveness in terms of how well a firm responds in a timely manner in the wake of the environmental changes.

## **2.4 Strategic Fit**

In order for a firm's resource to become a source of sustainable competitive advantage, Barney (1991) suggests that company's resources should be harnessed to build an imperfectly inimitable brand. There four questions to ask when analysing a resource are whether it is valuable, rare, costly to imitate and if the firm is organized to capture the value of the resources at hand and harness it to maximize its wellbeing. According to Porter, (1987, 1990) various strategies translate to various structural changes in the organization with regard to workforce, product bundling, system implications, and the corporate role with regard to policy shifts, diversification philosophies, business unit logistics and strategies regarding competitors and rivalry. On this setting the strategies are brought into perspective and a fit is achieved in terms of all the contributors in the value chain. Proper competitor analysis helps a firm identify areas of competitor strengths and weaknesses. According to Porter (1980) a thorough check on quality of channels, technological sophistication and skills, financial strength and general managerial ability are parameters that send great perceptual signals. Assessment of core capabilities, ability to grow and ability to adapt are also critical moves towards harmonizing organisational action and cultures towards attaining effectiveness in

strategy. Better ways of directing focus on the best options for example between defensive and offensive strategies are evaluated bearing in mind the potential competitive advantages and sources of compromise cost. This area remains relatively new and innovative strategies are worth being developed including differential approaches that can withstand the rapid dynamics of the modern times.

The business operations are composed of a series of activities called the value chains. All activities translate to costs and opportunities for differentiation. The value chain disaggregates a firm into its strategically relevant activities in order to understand the behaviour of cost and existing and potential sources of differentiation (Porter, 1990). The firm's fit in the value systems is reflective of customer needs effervescence. A firm's value may differ in competitive scope from another firm; this presents itself as the source of competitive advantage. Value chain analysis seeks to improve how well the activities are integrated according to Porter (1990) these activities included inbound logistics, operations, out board logistics, marketing and sales including service of maintenance. According to Robert (1997) neoclassical economists view superior economic performance as an aberration that goes away as soon as equilibrium is achieved in the market. The management knowledge will sight differentiation as a destabiliser of price or other elements and when this is done consistently then firms can claim competitive advantage, the sustainability of which may mean a different source of competitive advantage all together. That said, every firm can be said to have its competitive edge at whatever level either by nature (follower firms) or by the drive to sustain standards for the (market leaders).



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1. Introduction**

This chapter gives an outline of the approach used to collect data that was used to answer the research questions. It gives the methodology in terms of how data was collected and analysed in order to deduce interpretations and conclusions of this study. The chapter details the population and sample size including the data collection method.

### **3.2. Research Design**

The research study was conducted through a case study where the strategies used by NMG were identified and evaluated for perception and effectiveness. Perception and effectiveness are related by causation. The case study approach was appropriate because one unit of analysis was considered for this study (NMG). According to Cooper and Schindler (2003) case study concentrates on full contextual analysis of fewer conditions of events and their interpretation.

### **3.3. Population**

A Population comprises of all the individuals who have certain characteristics and are of interest to a research. The NMG managers made the population for this study. NMG has more than 100 managers. Due to the large size of the population, the researcher sampled 30-40 respondents who participated in the research.

### **3.4 Sampling Design**

For the purpose of this study, the researcher used simple random sampling to identify the required sample of respondents. This is because the NMG managers are deemed to be evenly spread across departments and sectors.

### **3.5. Data Collection**

Primary data was collected from managers in different sections including : Finance, Human Resources, Circulation, Editorial, Radio, Television, Digital, Administration, Business Development and Corporate Affairs. Primary data was collected by use of questionnaires to various respondents in different departments of the select organisations. The departmental staff and managers were viewed to bear the information about various strategies used by their firm and how effective they are perceived.

Semi structured questionnaires were sent to the respondents with a guide and introductions where necessary. The questionnaires had three sections including: General information, environmental changes and the extent of effectiveness of competitive strategies. The research used a five point likert scale to measure perception on subject areas being researched on.

### **3.6. Data Analysis**

Data analysis is the process of systematically applying statistical and/or logical techniques to describe and illustrate, condense and recap, and evaluate data. (Shamoo and Resnik (2003) Qualitative data was analysed to draw inferences. Descriptive statistics was used to analyse responses. This included mean, standard deviation, frequencies and percentages. Pie charts were used as necessary.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

This chapter is a presents findings obtained from the data collected in the field. The data is broken into two parts. The first section deals with the background information of the respondents, while the other five sections present findings of the analysis, based on the objectives of the study where both descriptive and inferential statistics have been employed in this analysis and discuss the issues in the best way possible.

### **4.2 Response Rate**

Out of 40 questionnaires distributed to the respondents, 36 questionnaires were returned. This constitutes a response rate of above 90% .The response rate was excellent and representative and conforms to Creswell (2009) stipulation that the key to accurately arguing that those responding are similar to those not responding is a high response rate of 70 per cent to 80 per cent. This response rate is considered accurate and it reflects its population. He further stipulates that a high response rate is mandatory for a survey sample. The response rate for this study was 95.45% as indicated in table 4.1

The above implies that based on the assertion, the response rate in this case of 95.45% is very good. This high response rate can be attributed to the data collection procedures, where the researcher pre-notified the potential participants of the intended survey, the questionnaire was self-administered the respondents completed them and these were picked shortly after.

**Table 4.1: Response Rate**

	<b>Questionnaires administered</b>	<b>Questionnaires filled &amp; returned</b>	<b>Percentage</b>
Respondents	40	36	95.45%

(Source: Primary data, 2014)

### **4.3 Respondents Demographic Data**

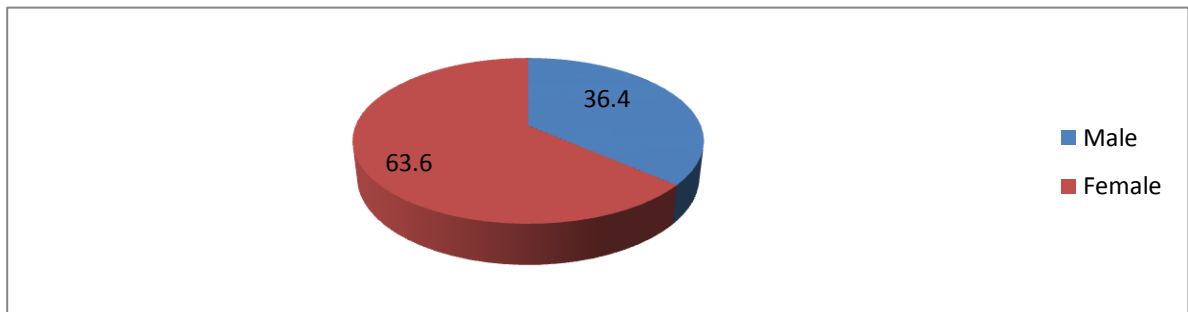
The study sought to determine gender, level of education and work experience of the respondents.

#### **4.3.1 Gender of the Respondents**

The study requested that the respondents state their gender. As shown in Figure 4.1, 63.6% of them were female while the remaining 36.4% were males as illustrated in the figure below.

According to Livingstone (1999) gender equality in workplace enhances working environment of the employee as they feel fully socialized. The study found that males are the majority of the managers in Nation Media Group as proved by the interviewed respondent. The sample rather shows a fairly balanced gender in NMG management positions.

**Figure 4.1: Composition of the respondents by Gender**

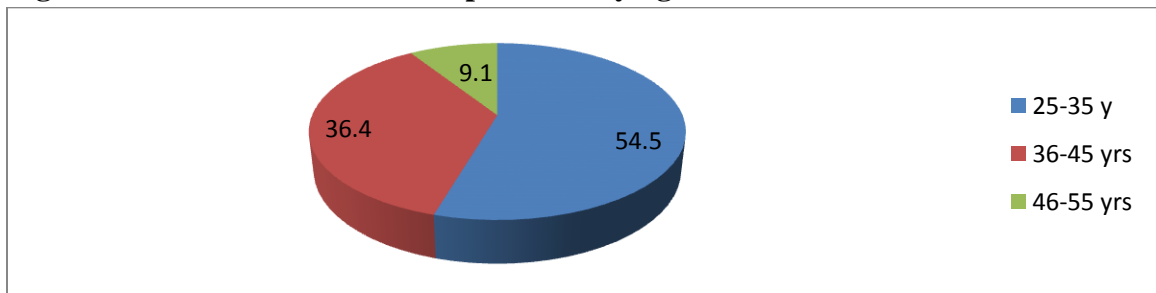


(Source: Primary data ,2014)

### **4.3.2 Age Bracket**

The study sought to find out the age bracket of the respondents. Figure 4.2 shows that majority of the respondents were in the age range of 25-35 years with a percentage of 54.5%. Those in the age range of 36-45 years had percentage of 36.4%. None of the respondent had over 55 years. Eeden, (2004) suggested that viability of the business is determined by energies that employees employs to cope with the changes that relates to operation of it. From the study we can conclude that majority of the respondents were in the middle age, though there is diffuse in all age category.

**Figure 4.2: Distribution of the respondents by age bracket**

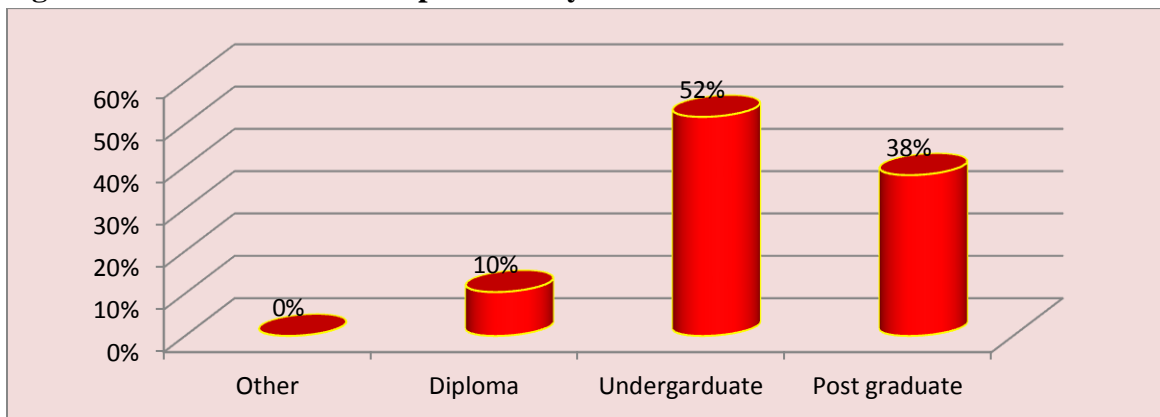


(Source: Primary data, 2014)

### 4.3.3 Level of Education

It was of paramount importance to determine the respondents' level of education in order to ascertain if they were well equipped with the necessary knowledge and skills for the running and the overall management of the competitive strategies in business environment.

**Figure 4.3 Classification of respondents by level of education**



(Source: Primary data, 2014)

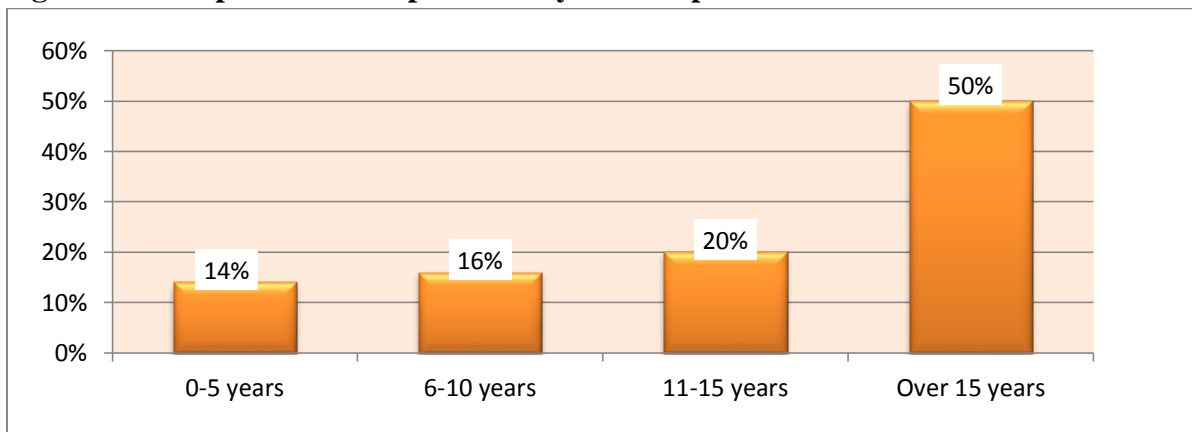
From Figure 4.3, majority (52%) of the respondents indicated that they had bachelor's degree, followed by 38% who indicated that they had post graduate degree with 10% indicating that they had diploma qualification, respectively. Katz, Lazer, Arrow& Contractor, (2004) associated the education level of employees with organization success with findings that, those with higher levels of education are more successful because higher education provides them knowledge and modern managerial skills, making them

more conscious of the reality of the business world and thus in a position to use their learning capability to manage competitive strategies in a business environment.

#### 4.3.4 Work Experience

The study sought to determine how long the respondents had been in the respective supply and procurement departments, this was to ascertain to what extent their responses could be relied upon to make conclusions for the study based on experience.

**Figure 4.4 Composition of respondents by work experience**



(Source: Primary data, 2014)

From the study findings in figure 4.4, majority 50% of the respondents indicated that they had been in their position for a period ranging over 15 years; 11-15 years accounted for 20%; those who indicated that they had been in their position for a period 6-10 years accounted for 16% while those who had worked for 0-5 years accounted for 14%. This may imply that work related experiences are important in developing motivation for becoming good in competitive strategies. Longevity at the organization therefore becomes a trait that ensures continuity and perpetuation of the vision of an organization.

Competitive strategies in relation to business environment would ordinarily thrive under such circumstances where their management remain focused in realizing both their objectives and economic outcomes.

#### **4.4 Environmental Changes**

Various changes in the environment affect strategic decision making and general business trend in an organization. The study therefore found it necessary to determine to what extent changes in the certain business related environmental aspects affect such decisions in NMG. The findings were as indicated in Table 4.2.



**Table 4.2 Environmental changes**

<b>Nature of Environmental change</b>	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>	<b>Mean</b>	<b>Standard deviation</b>
Use of internet based media	20.8	56.3	2.1	18.8	2.1	3.96	0.564
New competing Products in the market.	29.2	45.8	4.2	12.5	8.3	3.78	0.432
Changes in Media Laws	6.3	47.9	8.3	31.3	6.3	3.52	0.378
Digital Migration	8.3	33.3	10.4	31.3	16.7	3.66	0.567
Political climate in Kenya	10.4	35.4	8.3	33.3	12.5	3.24	0.551
Changes in demographic trends and Preferences.	19.8	55.3	3.1	19.8	2.1	3.87	0.432
<b>Overall Mean and Standard Deviation</b>						<b>3.67</b>	<b>0.487</b>

(Source: Primary data, 2014)

Use of internet based media is an environmental change that affect strategic decision making. 20.8% strongly agreed that use of internet based media affect strategic decision making, 56.3% disagreed, 2.1% were uncertain, 18.8% disagreed and 2.1% strongly disagreed. New competing Products in the market also is an environmental change that affect strategic decision making where 45.8% agreed, 29.2% strongly agreed, 4.2% were uncertain while 12.5% disagreed and 8.3% strongly disagreed. The respondents also felt that Changes in Media Laws also is an environmental change that affect strategic decision making; where 6.3% strongly agreed, 47.9% agreed, 8.3% were uncertain while 31.3% disagreed and 6.3% strongly disagreed.

There was a mixed response on the digital migration where 8.3% strongly agreed and 33.3% agreed 10.4% were uncertain while 31.3% disagreed and 16.7%strongly disagreed. Political climate in Kenya as an environmental change that affect strategic decision making had the following results; 10.4% strongly agreed, 35.4% agreed 8.3% were uncertain while 33.3% disagreed and 12.5 %strongly disagreed

#### **4.5 Response Strategies**

Response to change is an important ingredient to competitive strategy. In order to uphold a strategy as competitive, every organisation should continuously develop response strategies to cope with emerging changes. Organizations use various strategies to respond to environmental changes in order to remain competitive. Some of the strategies are: Product diversification, Active Brand Management, Research and Development, Forward and Backward Integration, New product development and new innovations, International

Strategy, Human capital development and Retaliation to competition and Defensive moves.

The study first found it necessary to determine the extent to which NMG has used product diversification to respond to the changes in the environment. The findings were as indicated in Table 4.3

**Table 4.3 Use of product diversification to respond to changes in the environment**

<b>Environmental changes</b>	<b>Mean</b>	<b>Standard deviation</b>
Use of internet based media	3.73	0.464
New competing Products in the market.	3.61	0.532
Changes in Media Law	3.63	0.478
Digital Migration	3.44	0.467
Political climate in Kenya	3.35	0.451
Changes in demographic trends and Preferences.	3.78	0.531
<b>Average Mean and SD</b>	<b>3.59</b>	<b>0.487</b>

(Source: Primary data ,2014)

The results in Table 4.3 yield an overall mean score of 3.59. Changes in demographic trends and Preferences had highest mean score (mean score=3.78, SD=0.531). The lowest score was noted on the Political climate in Kenya (mean score=3.35, SE=0.451). The overall average score implies that Nation Media Group uses product diversification to respond to changes in the environment to great extent.

**Table 4.4 Use of Active Brand Management to respond to changes in the environment**

<b>Environmental changes</b>	<b>Mean</b>	<b>Standard deviation</b>
Use of internet based media	4.10	.200
New competing Products in the market.	3.60	.700
Changes in Media Law	4.00	.800
Digital Migration	3.30	.900
Political climate in Kenya	3.50	1.000
Changes in demographic trends and Preferences.	2.90	.900
<b>Average Mean and SD</b>	<b>3.57</b>	<b>0.75</b>

(Source: Primary data, 2014)

The results in Table 4.4 yield an overall mean score of 3.57. Use of internet based media had highest mean score (mean score=4.10, SD=0.200). The lowest score was noted on the Changes in demographic trends and Preferences (mean score=2.90, SD=0.900). The overall average score implies that Nation Media Group uses Active Brand Management to respond to changes in the environment to averagely great extent.

**Table 4.5 Use of Research and Development to respond to changes in the environment**

<b>Environmental changes</b>	<b>Mean</b>	<b>Standard deviation</b>
Use of internet based media	4.1	.7
New competing Products in the market.	4.5	1.0
Changes in Media Law	4.3	.8
Digital Migration	4.0	.90
Political climate in Kenya	4.2	1.0
Changes in demographic trends and Preferences.	4.0	.60
<b>Average Mean and SD</b>	<b>4.18</b>	<b>0.833</b>

(Source: Primary data, 2014)

The results in Table 4.5 yield an overall mean score of 4.18. New competing Products in the market had highest mean score (mean score=4.5, SD=1.0). The lowest score was noted on the Changes in demographic trends and Preferences (mean score=4.0, SD=0.600). The overall average score implies that Nation Media Group uses Research and Development to respond to changes in the environment to very great extent.

**Table 4.6 Use of forward and Backward Integration to respond to changes in the environment**

<b>Environmental changes</b>	<b>Mean</b>	<b>Standard deviation</b>
Use of internet based media	3.364	.653
New competing Products in the market.	3.091	.292
Changes in Media Law	3.455	.794
Digital Migration	3.364	.653
Political climate in Kenya	3.455	.794
Changes in demographic trends and Preferences.	3.273	.626
<b>Average Mean and SD</b>	<b>3.334</b>	<b>0.587</b>

(Source: Primary data, 2014)

The results in Table 4.6 yield an overall mean score of 3.33. Changes in Media Law and Political climate in Kenya had highest mean score (mean score=3.455, SD=.794) respectively. The lowest score was noted on the new competing Products in the market (mean score=3.091, SD=0.292). The overall average score implies that Nation Media Group uses forward and Backward Integration to respond to changes in the environment to moderate extent.

**Table 4.7 Use of new product development and new innovations to respond to changes in the environment**

<b>Environmental changes</b>	<b>Mean</b>	<b>Standard deviation</b>
Use of internet based media	4.2	1.0
New competing Products in the market.	4.0	.60
Changes in Media Law	4.5	.70
Digital Migration	4.7	.90
Political climate in Kenya	4.1	.70
Changes in demographic trends and Preferences.	4.1	.70
<b>Average Mean and SD</b>	<b>4.27</b>	<b>0.77</b>

(Source: Primary data, 2014)

The results in Table 4.7 yield an overall mean score of 4.27. Digital Migration had highest mean score (mean score=4.7, SD=.90). The lowest score was noted on the New competing Products in the market (mean score=4.0, SD=0.60). The overall average score implies that Nation Media Group uses new product development to respond to changes in the environment to very great extent.

**Table 4.8 Use of International Strategy to respond to changes in the environment**

<b>Environmental changes</b>	<b>Mean</b>	<b>Standard deviation</b>
Use of internet based media	3.364	.653
New competing Products in the market.	3.455	.506
Changes in Media Law	3.273	.626
Digital Migration	3.727	.876
Political climate in Kenya	3.182	.392
Changes in demographic trends and Preferences.	3.909	1.466
<b>Average Mean and SD</b>	<b>3.485</b>	<b>0.753</b>

(Source: Primary data, 2014)

The results in Table 4.8 yield an overall mean score of 3.485. Changes in demographic trends and Preferences had highest mean score (mean score=3.909, SD=1.466). The lowest score was noted on the Political climate in Kenya (mean score=3.182, SD=0.392). The overall average score implies that Nation Media Group uses International Strategy to respond to changes in the environment to a moderate extent.



**Table 4.9 Use of Human capital development to respond to environment**

<b>Environmental changes</b>	<b>Mean</b>	<b>Standard deviation</b>
Use of internet based media	4.30	1.000
New competing Products in the market.	4.50	1.100
Changes in Media Law	4.90	.600
Digital Migration	4.30	.800
Political climate in Kenya	4.50	1.300
Changes in demographic trends and Preferences.	3.78	0.531
<b>Average Scores</b>	<b>4.39</b>	<b>0.889</b>

(Source: Primary data, 2014)

The results in Table 4.9 yield an overall mean score of 4.39. Changes in Media Law had highest mean score (mean score=4.90, SD=0.600). The lowest score was noted on the Changes in demographic trends and Preferences. (Mean score=3.78, SD=0.531). The overall average score implies that Nation Media Group uses Human capital development to respond to changes in the environment to a very high extent.

**Table 4.10 Use of Retaliation to competition and defensive moves to respond to changes in the environment**

<b>Environmental changes</b>	<b>Mean</b>	<b>Standard deviation</b>
Use of internet based media	4.09	.914
New competing Products in the market.	3.45	.794
Changes in Media Law	3.64	1.245
Digital Migration	3.27	1.306
Political climate in Kenya	3.27	.876
Changes in demographic trends and Preferences.	4.00	.968
<b>Average Mean and SD</b>	<b>3.62</b>	<b>1.02</b>

(Source: Primary data, 2014)

The results in Table 4.10 yield an overall mean score of 3.62. Use of internet based media had highest mean score (mean score=4.09, SD=0.914). The lowest score was noted on the Digital Migration (Mean score=3.27, SD=1.306). The overall average score implies that Nation Media Group uses Human capital development to respond to changes in the environment to a high extent.

#### **4.6 Perceived Effectiveness of Strategies**

Every organization desires to be the most competitive in its field of business overtime. The study therefore rated the overall effectiveness of each of the strategies to NMG according to the respondents. The results were as indicated in Table 4.11

**Table 4.11 Perceived Effectiveness of Strategies**

<b>Strategy</b>	<b>Mean</b>	<b>Standard deviation</b>
Product diversification	4.22	0.781
Active Brand Management	3.98	0.562
Research and Development	4.31	0.721
Forward and Backward Integration	3.79	0.478
New product development and New innovations	4.21	0.821
International Strategy	3.56	0.632
Human capital development	3.92	0.721
Retaliation to competition and defensive moves	3.47	0.553

(Source: Primary data , 2014)

The study findings reveals that Research and Development had the highest mean (Mean=4.31, SD=0.721) followed by Product diversification (Mean=4.22, SD=0.781), New product development and New innovations (Mean=4.21, SD=0.821). Further active brand management had a mean of 3.98; Human capital development had a mean of 3.99 with retaliation to competition and defensive moves having the lowest mean of 3.47. This

implies that research and development and product diversification are very crucial competitive strategies in Nation media group with respect to changes in business environment.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents the summary of the data findings on the analysis of the effectiveness of the competitive strategies adopted by NMG. Conclusions and recommendations are drawn there to. The chapter is structured into summary of findings, conclusions, recommendations and areas for further research.

### **5.2 Summary of the Findings**

Various changes in the environment affect strategic decision making and general business trend in an organization. The study therefore found it necessary to determine to what extent changes in the certain business related environmental aspects affect such decisions in NMG. The study found that use of internet based media is an environmental change, New competing Products in the market, Changes in Media Laws, digital migration, Political climate in Kenya that affect strategic decision making in NMG.

Response to change is an important ingredient to competitive strategy. In order to uphold a strategy as competitive, every organisation should continuously develop response strategies to cope with emerging changes. Organizations use various strategies to respond to environmental changes in order to remain competitive. The study found that NMG has used Some of the strategies are: Product diversification, Active Brand Management, Research and Development, Forward and Backward Integration, New product development and new innovations, International Strategy, Human capital development

and Retaliation to competition and Defensive moves to respond to the changes in the environment.

Every organization desires to be the most competitive in its field of business overtime. The study therefore rated the overall effectiveness of each of the strategies to NMG according to the respondents.

The study findings reveals that Research and Development had the highest mean followed by Product diversification, New product development and New innovations, active brand management, Human capital development with retaliation to competition and defensive moves having the lowest mean. This implies that research and development and product diversification are very crucial competitive strategies in Nation media group with respect to changes in business environment.

### **5.3 Conclusion**

The study aimed at finding out how managers' perceive effectiveness of competitive strategies adopted by Nation Media Group, Kenya in response to environmental changes. The study concludes that NMG have been involved in competitive strategies Product diversification, Active Brand Management, Research and Development, Forward and Backward Integration, New product development and new innovations, International Strategy, Human capital development and Retaliation to competition and Defensive moves. On the rating of the competitiveness strategies on environmental changes, the study found that Research and Development had the highest mean followed by Product diversification, new product development and new innovations, active brand management, Human capital development with retaliation to competition and defensive

moves having the lowest mean. This implies that research and development and product diversification are very crucial competitive strategies in Nation media group with respect to changes in business environment.

#### **5.4 Recommendations for Policy and Practice**

The study found that competitive strategies play a vital role in NMG environment and therefore the study recommends that NMG invest in relevant infrastructure that will provide opportunities for competitive strategies. The Study further recommends that NMG change their cultural orientation to allow for faster decision making, innovation, open communication channels and adoption to new ideas. For competitive strategies to be effective there must be a cultural fit between the partners. The study therefore recommends that NMG adapt to cultural practices that adhere to best practices.

The study further recommends that top management of NMG should get involved in competitive strategies from the negotiation stage, to day to day management. Involvement of top management will facilitate faster decision making, prompt conflict resolution and necessary investment in the tools that will facilitate the growth of the group in the competitive environment.

#### **5.5 Limitations of the Study**

The study was designed to enable the researcher establish the perceptions of NMG managers towards effectiveness of strategies used. It is important to note that real issues including financial performance analysis and comparison between similar firms are more detailed ways of estimating the level of effectiveness. The study also narrowed down to a set of environmental changes and strategies which are not exhaustive. While assuming

the sample is fully representative the other NMG stakeholders may have other opinions not captured by this research due to time and business cycle during which the research was conducted.

## **5.6 Suggestions for Further Research**

The study has looked at managers' perceive effectiveness of competitive strategies adopted by Nation Media Group, Kenya in response to environmental changes. There is need to extend the study to other sectors of the economy in order to conclude that there is empirical evidence that the considerations under study do affect the perceived effectiveness of competitive strategies in other business sectors.

Detailed analysis of key performance indicators of NMG require to be evaluated against set strategic objectives and consistent reviews done to provide more tangible measures of effectiveness. This is in line with most of the respondents requirement that NMG invests more in research to improve response mechanisms to the dynamics of business environment.



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## APPENDICES

### Appendix 1: QUESTIONNAIRE

#### Introduction:

This questionnaire is intended to assist the researcher to collect data on the **Manager’s Perceived Effectiveness of the Competitive Strategies adopted by NMG in response to Changes in Business Environment**. The data collected will be used for academic purpose only. Please assist to answer the questions below. Your input will be highly appreciated.

#### SECTION A: GENERAL INFORMATION.

Please indicate as appropriate.

- a) Gender: Male (  ) Female (  ) Age (  ) years
- b) Level of education: Diploma (  ) Degree (  ) Masters (  ) Others (  )
- c) Years worked at NMG (*Please tick as appropriate* )

Years Worked	
0-5	
6-10	
11-15	
Over 15 years	

- d) Level of position held in the company  
 Director (  ) Senior Manager (  ) Middle Level manager (  ) Other-specify (-----)

#### SECTION B: (I) ENVIRONMENTAL CHANGES

Various changes **in the environment affect strategic decision making** and general business trend in an organization. Please indicate to what **extent** changes in the following aspects affect such decisions in **NMG**. (*Please tick once for each factor*)

Nature of Environmental change	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
a) Use of internet based media					
b) New competing Products in the market.					
c) Changes in Media Laws					
d) Digital Migration					
e) Political climate in Kenya					
f) Changes in demographic trends and Preferences.					

**(II) RESPONSE STRATEGIES**

Organizations use various strategies to respond to environmental changes in order to remain competitive. Some of the strategies are:

- a) Product diversification
- b) Active Brand Management
- c) Research and Development
- d) Forward and Backward Integration
- e) New product development and New innovations
- f) International Strategy
- g) Human capital development
- h) Retaliation to competition and Defensive moves.

(i) From the list of response strategies given, please rate the **extent** to which NMG has used **product diversification** to respond to the following changes in the environment.

Environmental changes	Extent of strategy use				
	Not at all	To a less extent	To moderate extent	To a great extent	To a very great extent
a) Use of internet based media					
b) New competing Products in the market.					
c) Changes in Media Law					
d) Digital Migration					
e) Political climate in Kenya					
f) Changes in demographic trends and Preferences.					

(ii) From the list of response strategies given, please rate the **extent** to which NMG has used **Active Brand Management** to respond to the following changes in the environment.

Environmental changes	Extent of strategy use				
	Not at all	To a less extent	To moderate extent	To a great extent	To a very great extent
a) Use of internet based media					
b) New competing Products in the market.					
c) Changes in Media Law					
d) Digital Migration					
e) Political climate in Kenya					
f) Changes in demographic trends and Preferences.					

(iii) From the list of response strategies given, please rate the **extent** to which NMG has used **Research and Development** to respond to the following changes in the environment.

Environmental changes	Extent of strategy use				
	Not at all	To a less extent	To moderate extent	To a great extent	To a very great extent
a) Use of internet based media					
b) New competing Products in the market.					
c) Changes in Media Law					
d) Digital Migration					
e) Political climate in Kenya					
f) Changes in demographic trends and Preferences.					

(iv) From the list of response strategies given, please rate the **extent** to which NMG has used **forward and Backward Integration** to respond to the following changes in the environment.

Environmental changes	Extent of strategy use				
	Not at all	To a less extent	To moderate extent	To a great extent	To a very great extent
a) Use of internet based media					
b) New competing Products in the market.					
c) Changes in Media Law					
d) Digital Migration					
e) Political climate in Kenya					
f) Changes in demographic trends and Preferences.					

(v) From the list of response strategies given, please rate the **extent** to which NMG has used **new product development and new innovations** to respond to the following changes in the environment.

Environmental changes	Extent of strategy use				
	Not at all	To a less extent	To moderate extent	To a great extent	To a very great extent
a) Use of internet based media					
b) New competing Products in the market.					
c) Changes in Media Law					
d) Digital Migration					
e) Political climate in Kenya					
f) Changes in demographic trends and Preferences.					

(vi) From the list of response strategies given, please rate the **extent** to which NMG has used **International Strategy** to respond to the following changes in the environment.

Environmental changes	Extent of strategy use				
	Not at all	To a less extent	To moderate extent	To a great extent	To a very great extent
a) Use of internet based media					
b) New competing Products in the market.					
c) Changes in Media Law					
d) Digital Migration					
e) Political climate in Kenya					
f) Changes in demographic trends and Preferences.					

(vii) From the list of response strategies given, please rate the **extent** to which NMG has used **Human capital development** to respond to the following changes in environment.

Environmental changes	Extent of strategy use				
	Not at all	To a less extent	To moderate extent	To a great extent	To a very great extent
a) Use of internet based media					
b) New competing Products in the market.					
c) Changes in Media Law					
d) Digital Migration					
e) Political climate in Kenya					
f) Changes in demographic trends and Preferences.					

(viii) From the list of response strategies given, please rate the **extent** to which NMG has used **Retaliation to competition and defensive moves** to respond to the following changes in the environment.

Environmental changes	Extent of strategy use				
	Not at all	To a less extent	To moderate extent	To a great extent	To a very great extent
a) Use of internet based media					
b) New competing Products in the market.					
c) Changes in Media Law					
d) Digital Migration					
e) Political climate in Kenya					

**SECTION C: PERCEIVED EFFECTIVENESS OF STRATEGIES.**

Every organization desires to be the most competitive in its field of business overtime.

Please rate the overall effectiveness of each of the strategies to NMG. (Refer to page 2)

Strategy	Highly effective	Very effective	Fairly effective	Less effective	Not effective
a) Product diversification					
b) Active Brand Management					
c) Research and Development					
d) Forward and Backward Integration					
e) New product development and New innovations					
f) International Strategy					
g) Human capital development					
h) Retaliation to competition and defensive moves					



In your role as a manager of NMG, what other strategic moves do you think will assist the organization to better respond to emerging environmental challenges? How effective do you think they are? Please discuss briefly.

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*Thank you!*

**Appendix II: Letter of Introduction from the University**



**UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
MBA PROGRAMME**

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE.....5<sup>TH</sup> SEPTEMBER, 2014

**TO WHOM IT MAY CONCERN**

The bearer of this letter .....PETER MBUWA KINTANJI.....

Registration No.....DG1/62843/2011.....

is a bona fide continuing student in the Master 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 your assistance to enable him/her collect data in your organization.

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.

  
**PATRICK NYABUTO**  
**MBA ADMINISTRATOR**  
**SCHOOL OF BUSINESS**

