COMPETITIVE STRATEGIES USED BY NAS-SERVAIR TO ACHIEVE SUSTAINABLE COMPETITIVE ADVANTAGE IN KENYA

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DECLARATION

I declare that this is my original work and has not been presented in any other University or College for Examination or Academic purposes.

Signature: ______________________________ _______________

Student: **CONSOLATA MORAA NYANGERA**

REG NO: D61/62638/2010 Date

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

Signature: ______________________________ _______________

SUPERVISOR: MR. J. KAGWE Date

DEDICATION

This project is dedicated to my loving family.

ACKNOWLEDGMENTS

It has been an exciting and instructive study period in the University of Nairobi and I feel privileged to have had the opportunity to carry out this study as a demonstration of knowledge gained during the period studying for my master's degree. With these acknowledgments, it would be impossible not to remember those who in one way or another, directly or indirectly, have played a role in the realization of this research project. Let me, therefore, thank them all equally.

First, I am indebted to the all-powerful GOD for all the blessings He showered on me and for being with me throughout the study. I am deeply obliged to my supervisor for his exemplary guidance and support without whose help; this project would not have been a success. Finally, yet importantly, I take this opportunity to express my deep gratitude to the lasting memory of my loving family, and friends who are a constant source of motivation and for their never ending support and encouragement during this project.

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ABSTRACT

The main purpose of the study was to identify the competitive strategies used by NAS-Servair to achieve sustainable competitive advantage in Kenya. The research design for this study was case study. The main aim of this study was qualitative. This study applied primary data only. An interview guide was used in the collection of the primary data. The interviewees were three top management employees from NAS-Servair; these include business development manager, catering operations manager and the technical manager. The responses were processed; the compiled and filled interview guides were edited in order to ensure completeness and consistency. The study findings established that sustainable efforts of an organization are a primary source of competitive advantage; strategies they apply in pricing depend upon the basic requirement of the clients in terms of corporate negotiations on the product mix; pricing strategy as a sustainable competitive advantage ensures that ventures operating in the same industry in a location will tend to have pretty much the same cost structure, meaning that when one competitor cuts price; sustainability is a basic requirement for holding the market for the hotels to gain more revenue; the promotion strategies the company uses marketers as a promotion strategy entry in the market to gain a sustainable competitive advantage in the market; the clients are the basic determinants of sustainability of the company hence their feedback is highly appreciated to maintain and improve on the standards offered; and the corporate culture influences strategic design of the company in creation of competitive advantage and that ambidextrous strategies have been used by the NAS-Servair to give the company a sustainable competitive advantage position over competitors by keeping relevant to all sectors and providing diversification of products so as not to rely on one product. The study recommends that NAS-Servair should try to create a sustainable competitive advantage (SCA) in the market which it competes. Promotion strategies used should have a sound understanding of consumers' perceptions of and preferences for particular products and how they differ across cultures/countries. NAS-Servair in choosing the competitive strategies to adopt are faced by a number of factors should consider organizational resources and capabilities, environmental dynamics, organizational leadership and the culture of an organization. NAS-Servair should allow managers to consider ways to grow the business via existing and/or new products, in existing and/or new markets and this helps companies decide what course of action should be taken given current performance. NAS-Servair should make use of SWOT analysis in summarizing key issues from the business environment and the strategic capability of an organization that are most likely to impact on strategy development.

ACRONYMS AND ABBREVIATION

CBD:	Central Business District
EAC:	East African Community
GMO:	Genetically Modified Organism
I/O:	Industrial and Organizational
IT:	Information Technology
JKIA:	Jomo Kenyatta International Airport
MIA:	Moi International Airport
NAS:	Nairobi Airport Services
RBV:	Resource Based View
SCA:	Sustainable Competitive Advantage
SWOT:	Strengths, Weaknesses, Opportunities and Threats

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Andrews (2013) defines competitive strategy as the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities.

The game theory postulates a formal language to describe conscious goal-oriented decision making process involving one or more players. The solution concepts derived from game-theory may be thought of as normative or descriptive views of multi-person decision-making (Shubik 1972). Porter (1990) further argues that a company's strength ultimately could be placed into two categories: cost advantage or differentiation. Application of those strengths in either a broad (industry wide) or narrow (market segment) scope results in three generic strategies: Cost leadership, differentiation and focus. These three strategies are supposed to be applied on a business unit level.

Catering industry in Kenya faces stiff price competition; businesses have to constantly change their business model. Catering presents unique competition, most stemming from the fact that there are many uncontrollable factors business owners must deal with. From fluctuating guest counts and seating changes to weather delays, nothing in the catering industry is static. These changes can seem daunting for an inexperienced caterer. However, foodservice chains in Kenya are less reliant on tourists than on the local population and may adapt their operation to reflect local tastes. The growth of the Internet has enabled small hotels and restaurants to promote themselves effectively in competition with big brands (Hunt, 2012).

1.1.1 Competitive strategies

Competitive strategy refers to the way a firm competes in a particular business and gains competitive advantage by deliberately choosing a distinctive set of activities. According Porter (1980), a firm can attain two basic types of competitive advantage low cost or differentiation. Porters' model of Competitive strategy proposed that firm's position within an industry was an important factor in attaining competitive advantage.

In order to achieve a competitive advantage, firms are required to make strategic choices about the type of competitive advantage they seek to attain and the scope within which it will attain it. Choosing the competitive scope or the range of the firm's activities can play a powerful role in determining competitive advantage because it aims to establish a profitable and sustainable position against the forces that determine your industry competition. Strategic choice decisions that a firm can pursue to achieve competitive advantage for growth may broadly be categorized into intensive, defensive, joint venture and a combination of strategies David (2001). Depending on the competitive environment firms choose strategies that are able to give them sustainable competitive advantage.

The competitive strategies adopted by a firm result in a competitive advantage. According to (Shapiro, 1989) competitive strategy encompasses wide variety of strategic and tactical decision making, from pricing of products to investment in production and distribution facilities to contracting practices with customers and input suppliers to research and development expenditures. Competitive advantage grows from value that a firm is able to create for the buyer that exceeds the firm's cost of creating it. The goal of competitive strategy for a business is to find a position in the industry where the firm can best defend itself against competitive forces or can influence them in its favour. An effective competitive strategy takes either offensive or defensive action in order to create a defendable position against the five forces and thereby yield a superior return on the firm (Kathura et al, 2007). A strategy needs to be fluid as the competition will most likely adapt to the most successful company in your industry, so will the strategy need to change in order to meet this adaptation (Marren, 2010).

1.1.2 Sustainable Competitive Advantage

A sustainable competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors (Davidow and Uttal, 2005). These attributes can include access to natural resources, such as high grade ores or inexpensive power, or access to highly trained and skilled personnel human resources. New technologies such as robotics and information technology can provide competitive advantage, whether as a part of the product itself, as an advantage to the making of the product, or as a competitive aid in the business process (for example, better identification and understanding of customers) (Porter, 1985). The goal of much of business strategy is to achieve a sustainable competitive advantage. An organization will gain competitive advantage over its competitors from an understanding of both markets and customers, and special competences that it possesses (Porter, 1985). A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Thus a competitive advantage enables a firm to create superior value for its customers and superior profits for itself.

Cost and differentiation advantages are known as positional advantages since they describe the firm's position in the industry as a leader in either cost or differentiation (Porter, 1985). A firm utilizes its resources and capabilities to create a competitive advantage that ultimately results in superior value creation. Mc Lauren (2004) argues that resources are the sources of a firm's capabilities, while capabilities are the source of a firm's competitive advantage.

A sustainable competitive advantage framework uses concepts developed in micro-economics to derive five forces that determine the attractiveness of a market. They consist of those forces close to a firm that affect its ability to serve its customers and make a profit. A change in any of the forces requires a firm to reassess its marketplace. These forces include, bargaining power of suppliers, bargaining power of buyers, threat of substitute product and threat of new entrants. The above four forces combine with other variables to influence a fifth force, the level of competition in an industry. The intensity of rivalry among firms varies across industries. If rivalry among firms in an industry is low, the industry is considered to be disciplined. This discipline may result from the industry's history of competition, the role of leading firm, or informal compliance with a generally understood code of Conduct (Porter, 1980).

1.1.3 The Catering Industry in Kenya

Catering is the business of providing food service at a remote site or a site such as a hotel, public house (pub), or other location. Catering in Kenya falls under the ministry Environment, Water & Natural Resources. It is the principal representative of hotels and restaurants to the Government and other agencies on regulation, licensing and policy This role is fulfilled through representation in the Kenya Tourist Board, Kenya Tourism Federation, Federation of Kenya Employers, Hotels and Restaurants Authority, Kenya Utalii College, East Africa Tourism Council, Catering and Tourism Development Levy Trustees, Tourism Trust Fund, Nairobi Central Business District Association, Mombasa and Coast Tourism Association, Coast Development Authority and other forums. It also liaises with the ministries of Tourism, Trade, Finance and Labour (Garrouste, 2011).

The general growth in the Kenyan economy and steady increase in tourism earnings (US$286,000 in 2002 to US$855 million in 2007) have led to expansion and new investments in the catering industry in Kenya. Hospitality organizations are turning to performance measurement and management in order to qualify for the International Organization for Standardization standard certifications, and Company of the Year Awards. General business pressures, the achievement of the coveted five-star rating and membership to international hotel associations have created the need for effective key performance indicators (Malinga, 2004 and de Waal, 2007).

According to Jones (2004) Caterers have two main roles which are to prepare items not bought in directly from suppliers to a state ready for loading on board and to assemble trays and trolleys. Flight kitchens are always located near to major airports and are usually used to 'manufacture' consumable food items. There are two main reasons why menu items may be made outside of airport-based flight kitchens: the cost of space and the cost of labour. Airport space is at a premium so often it is not feasible for a flight kitchen to produce all of the meals needed for every seat class. For instance, some flight kitchens or caterers may make their first-class, and in some cases business-class, meals from scratch at the flight kitchen and outsource all other meal production. The caterer is often in an unusual and sometimes difficult, position. Although they are a customer of the supplier, the products used may not be of their choosing but may have been determined by the airline. When the products used are those purchased directly by the airline, caterers only charge for a handling and storage fee of the product but not the cost of the product (Garrouste, 2011). For instance, all liquor products for tax reasons must be purchased by the airlines, either through a prepaid arrangement with the distributor or through an arrangement whereby the charges are directly invoiced to the airline. However, the caterer is often responsible for keeping and accounting for any such products and these products are usually delivered directly to the caterer’s bonded store. The challenge for caterers is that the products are the property of the individual airlines served by the caterer. Products belonging to one airline cannot be used for another, even if the two airlines use identical products.

1.1.4 NAS-Servair

NAS is an on-site airport catering facility supplying over 30 International Airlines that fly into and out of Jomo Kenyatta International Airport (JKIA) in Nairobi and Moi International Airport (MIA) in Mombasa. NAS is built on consistent growth and bold innovation that dates back to its formation in 1949. It pre-dates the establishment of JKIA and has the unparalleled advantage of growing with the airport. NAS functions, from Nairobi and Mombasa, fully-integrated catering provision, loading and off-loading, laundry, bonded storage and dry goods uplift services. Currently, NAS has a meal capacity of up to 15,000 and a workforce comprising of 950 highly trained professionals, all working under purpose-built, super hygienic and fully equipped facilities.

Its depth of experience has given NAS a deep-rooted understanding of clients' businesses, enabling them to precisely tailor services to the specific individual requirements of each airline. NAS focus on quality and creativity to work in tandem with customers to achieve their ultimately goals, whose firm commitment to remain the most valued in-flight catering service company in Africa. NAS processes all conform to world-class standards, and integrated software guarantees accuracy, efficiency and an instant crosscheck capability with every client order; including supply-chain, scheduling, audits and checklists. These run on specialized catering software that is compatible with each airline's administration software.

NAS supply high quality in-flight products and service and are recognized for both NAS professional standards and in-depth knowledge and understanding of local and international aviation hospitality requirements. As well as on-board meals and supplying on-ground outlets, NAS offer on-site catering services for local companies, hospitals and schools. NAS also cater for one-off functions: weddings, annual general meetings, cocktail and end of year parties, within the Nairobi and Mombasa areas. As a major corporation, NAS understand the importance of a successful corporate event, and offer the excellence and quality their customers demand. NAS-Servair has a strategic alliance with Kenya airways /klm whereby it stores all their inflight bars, frozen imported vegetables and fish products. This involves services like providing personal effects to passengers and soft furnishing like shawls and duvets. NAS is the only operator who services international airlines and sometimes ship chandelling when they are in the country.

1.2 Research Problem

A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson and Strickland, 2002). Firms respond to competition in different ways. Some may opt to move into product improvement, some into divestiture and diversification, while others enter into new markets and others merge or buy out competitors. Porter, (1980) postulates that, the essence of strategy formulation is coping with competition within the operating environment. Therefore, competitive strategy is vital to the adaptation to the changing business. Organizations, in choosing the competitive strategies to adopt are faced by a number of factors which they should consider, among them being the organizational resources and capabilities, environmental dynamics, organizational leadership and the culture of an organization. All organizations are faced with the challenge of managing strategy. Strategic issues are by nature future oriented, affecting the firm’s long term prospects and therefore having enduring effects. In a turbulent environment, a firm will succeed only if it takes a proactive anticipatory strategic approach.

NAS-Servair has a strategic alliance with Kenya Airways whereby it stores all their inflight bars, frozen imported vegetables and fish products. The caterer is often in an unusual and sometimes difficult, position. Although they are a customer of the supplier, the products used may not be of their choosing but may have been determined by the airline. This enables them to be price setters for the meals and services they are offering without having another service provider to check with/counter them. This encourages competitive behavior that affords NAS-Servair not to comply with some government regulations.

A number of studies have been done on competitive strategies but under different contexts in Kenya. Gathoga (2011) focused on competitive strategies on procurement performance by commercial banks in Kenya. The study revealed that banks in Kenya use various means in order to remain competitive. He also concluded that expansion into other areas by opening new branches has also been used as a strategy; Karanja (2002) did a survey of competitive strategies on procurement performance of real estate firms in the perspective of Porters generic model. These studies reveal that firms in different industries adopt different competitive strategies which are unique in each context.

In the catering industry, Muthenya (2009) did a study on the extent of the use of sales promotion tolls by fast food restaurants within Nairobi’s CBD; Mutua (2010) consumer patronage of up market fast food outlets in Nairobi; Odera (2010) did a study on the perceived effect of EAC customs union on the food & beverage manufacturers in Kenya; Theuri (2010) did a study on competitive strategies adopted by branded fast food chains in Nairobi. Their studies concluded that the food business environment is characterized by a spirit of competitions. Firms continuously devise ways of capturing a bigger market share by attaining market leadership. The activities performed by firms or the food chains in bringing about an exchange may be referred as to “Marketing Aspects” or it is under the “marketing mix” in marketing and “variations” in food service establishments. The functions of the components of this co called marketing aspects are greatly facilitated by market.

On the topic related to NAS-Servair, Chacha (2010) did a study of performance contracting in NAS-Servair as a tool for strategy implementation in catering and tourism development levy trustees, Kenya; Gitia, (2011), did a study on responses of NAS Airport Services to environmental challenges in the catering industry in Kenya. These studies concluded that catering operations in NAS-Servair are generally one of the more complex components of a venue’s activities. It is estimated that only 15% to 30% of restaurant, hotel and club catering operations are profitable. A successful catering department requires the effective management of everything from price and portion size to marketing and Human Resources. The benefit of a successful catering operation is that it not only brings in profits from the catering department, it also serves to enhance other areas of the business.

On competition Opondo (2011) conducted a study to investigate effect of competition on the nutritional value of food samples offered by mobile caterers on the adoption of new technology in Samburu hotels city and Nzioka (2010) did a study on comadoption of GMO products by hotel industry in South Africa. Further, Ongwae (2010) did an inquiry into creating and sustaining competition by Total Kenya Limited in a changing environment while Chang'orok (2009) did a survey on the nature of competition adopted by credit card providers in Kenya. However, despite the massive inquiry into competitive strategies and studies in pharmaceuticals industries, none of these studies have been done to investigate competitive entry strategies used by pharmaceutical companies in Kenya. No study(s) have been done to determine competitive strategies used by NAS-Servair to achieve a sustainable competitive advantage in Kenya. The Study seeks to fill the above gap in the knowledge by answering the question, what are the competitive strategies used by NAS-Servair to achieve sustainable competitive advantage in Kenya?

1.3 Research Objective

To identify the competitive strategies used by NAS-Servair to achieve sustainable competitive advantage in Kenya.

1.4 Value of the Study

The findings of this study are expected to produce the following benefits: The research shall identify the gap on the influence of competition to NAS-Servair competitive strategies in the airport catering industry in Kenya. The research shall also evaluate and be able to indicate the catering in the aviation industry and how best KRA can manage bonded warehouse operation. This research shall help competition in the catering market in the aviation industry in Kenya, in a way that will create vibrant business environment in Kenyan so to attract other foreign investors. Partly, this paper will remain a source of reference for future academic researchers and for policy makers, to gain understanding of the business environment in Kenya.

The government agencies will make use of this study, since it will provide useful knowledge in formulation of policies and a regulatory framework for running campaigns advocating low cost inflight services to local and international airlines in Kenya. Researchers and scholars can use this information to add to their understanding the influence of competition to NAS-Servair monopolistic market in the aviation industry in Kenya and provide foundation and material for further related research.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter shall review the literature available on competitive strategies adopted in catering at the aviation industry. This section will capture the theoretical underpinnings of competitive strategies and factors influencing choice of competitive strategies.

2.2 Theoretical Underpinnings of the study

Strategy theory concerns the explanations of firm performance in a competitive environment (Porter, 1991). There are many strategy perspectives, and the strategy process perspective bases their views on what competitive advantage is and on what it is based on. While both RBV and I/O may be seen as content-based approaches (variance theories in Markus and Robey, 2008) to strategic management, the process-based view on strategy focuses on the processes through which strategy contents are created and managed over time.

Game theory can be defined as part of a large body of theory providing a formal language to describe conscious, goal-oriented, decision making processes involving one or more players. The solution concepts derived from game-theory may be thought of as as normative or descriptive views of multi-person decision-making (Shubik 1972). Porter (1990) further argues that a company's strength ultimately could be placed into two categories: cost advantage or differentiation. Application of those strengths in either a broad (industry wide) or narrow (market segment) scope results in three generic strategies: Cost leadership, differentiation and focus. These three strategies are supposed to be applied on a business unit level. Andrews (2003) defines competitive strategy as the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities.

Porter (1980) brought in the I/O (Industrial and Organizational) perspective (Bain, 1968), by claiming that external industrial forces affect the work of managers. Substitute products, customers and suppliers as well as potential and present competitors determine strategic choices. The two 'generic strategies' are differentiation and low-cost. Porter's work was further developed in 1985, with the value-chain model, which focuses on the activities and functions of the firm, the underlying factors that drive cost and differentiation advantages. Thorough control and grouping of activities enable firms to utilise cost and differentiation potentials through the reaping of scale advantages or the creation of innovative forums. The Porterian framework has been used extensively within IS research. McFarlan (1984) suggests that IS can be used to manipulate 'switching costs', and erect 'barriers to entry'. Porter and Millar (1985) argue that IT can be used to enhance value chain activities to gain competitive advantage through low cost or differentiation.

2.3 Competitive Strategies and Sustainable Competitive Advantage

The following are the competitive strategies for sustainable competitive advantage used in business.

2.3.1 Generic Competitive Strategies

If the primary determinant of a firm's profitability is the attractiveness of the industry in which it operates, an important secondary determinant is its position within that industry. Even though an industry may have below-average profitability, a firm that is optimally positioned can generate superior returns (Porter, 1980). A firm positions itself by leveraging its strengths. Porter (1980) has argued that a firm's strengths ultimately fall into one of two categories, namely: cost advantage or differentiation. By applying these strengths in either a broad or narrow scope, three generic strategies result. These are cost leadership, differentiation, and focus. These strategies are applied at the business unit level. Ansoff (1957), Product-Market Growth Matrix is a marketing tool created by Igor Ansoff. The matrix allows managers to consider ways to grow the business via existing and/or new products, in existing and/or new markets there are four possible product/market combinations. This matrix helps companies decide what course of action should be taken given current performance. They are called generic strategies because they are not firm or industry dependent. They apply across all industries.

Githae (2004) implies that in differentiating, audit firms have to broaden their services. They have to embrace various disciplines crucial to world of business, charting what one may describe as new frontiers. According to (Porter, 2006), firms that succeed in a differentiation strategy often have the following internal strengths access to leading scientific research, highly skilled and creative product development team, strong sales team with the ability to successfully communicate the perceived strengths of the product, corporate reputation for quality and innovation. The risks associated with a differentiation strategy include imitation by competitors and changes in customer tastes. Additionally, various firms pursuing focus strategies may be able to achieve even greater differentiation in their market segments.

2.3.2 Ambidextrous Strategies

An organization is said to be ambidextrous when it has established a relationship between environmental factors, innovation strategy and organizational capabilities. Organizational ambidexterity is about organizational capability to simultaneously deal with paradoxical or conflicting activities such as organizational alignment and adaptation; evolutionary and revolutionary change; manufacturing efficiency, flexibility; strategic alliance formation; and even strategic renewal (Adler, Goldoftas, and Levine, 2009). Exploitation and exploration are the most recurrent underlying dimensions regarding organizational ambidexterity. Due to the dynamism and complexity of the environment, organizations' short term success does not necessarily guarantee their long term survival. Therefore, organizational ambidexterity tries to find out how organizations manage to maintain today's success while preparing to adapt to tomorrow's changing environment (Jansen, Bosch, and Volberda, 2005).

March (2001) maintained that balance between exploitation and exploration is advantageous for firm's long term success. The nature of ambidexterity is also implicitly recognized in the dynamic capabilities literature which urges the need to blend two different strategic logic exploitation and exploration within organizations.

2.3.3 Product-Market Growth Matrix

The Product-Market Growth Matrix by Igor Ansoff (December 12, 1918 – July 14, 2002) portrays alternative corporate growth strategies. As an example of a suitable scenario for implementation on Ansoff product/market matrix could be a company that is in need of a strategic change in order to maintain growth. In relation to Ansoff's product/market matrix this means that a company needs at some point in their growth phase to make a decision as to what products or services they should offer in which markets.

According to the original Ansoff (1957), market penetration is an effort to increase company sales without departing from an original product-market strategy. The company seeks to improve business performance either by increasing the volume of sales to its present customers or by finding new customers for present products. The market penetration strategy is the least risky since it uses and builds upon the company's existing resources and capabilities. If the market is growing, a company maintaining market share can experience growth. It is important to point out that market penetration has its limits, because of market saturation. If the market saturates, companies must use another strategy in order to continue their growth. A conclusion from this might be that a diversification strategy is more suitable for well-established, capital strong companies. However, according to Proctor (2007), there may be some synergy to be gained from moving into related markets. The synergy may be in marketing or even in production.

2.3.4 Grand Strategies

All companies operate in a macro environment shaped by influences emanating from the economy at large, population demographics, societal values and lifestyles, government legislation and regulation, technological factors and industry competitive arena in which the company operates. Strategically relevant influences coming from the outer ring of the macro environment can sometimes have a high impact on a company's business situation and have a high impact on a company's direction and strategy. As company managers scan the external environment, they must be alert for potentially important outer ring developments, assess their impact and influence and adapt the company's direction and strategy as needed (Pearce and Robinson, 2007). Thus, Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis is important.

SWOT analysis is a technique employed by managers to create a quick overview of a company's strategic situation through the various dimensions of strengths, weaknesses, opportunities and threats. Strengths are resources skills or other advantage relative to competitors and the needs of the markets a firm serves or expects to serve. It gives the firm competitive distinction. Weaknesses are limitations or deficiency in resource, skills or capabilities that seriously impedes a firm's effective performance. Opportunities are major favorable situations in a firm's environment. Threats are key impediments to the firm's current or desired position – SWOT analysis should summarize the key issues from the business environment and the strategic capability of an organization that are most likely to impact on strategy development (Johnson et al, 2008).

2.3.5 Pricing strategy

Company manipulates its pricings to affect its market. The focuser's basis for competitive advantage is either lower costs than competitors serving that market segment or an ability to offer niche members something different from competitors. According to Davidow and Uttal, (2005) pricing strategy as a sustainable competitive advantage ensures that ventures operating in the same industry in a location will tend to have pretty much the same cost structure, meaning that when one competitor cuts price. Ways to achieve a fundamental cost advantage might be through lower overhead or shipping costs (perhaps through geographic closeness to markets), cheaper labor, and/or low-priced raw materials (perhaps through long-term purchase agreements).

Focusing is based on selecting a market niche where buyers have distinctive preferences. For example, company may use a loss leader, this is a product sold at a low price (ie at cost or below cost) to stimulate other profitable sales. This would help the companies to expand its market share as a whole. Further, a company may set a price based upon analysis and research compiled from the target market. This means that marketers will set prices depending on the results from the research. Della, Monroe and McGinnis, (2012) concur with the above statement that marketers promoting lower prices must therefore decide how much to reduce the price as well as how to communicate the price reduction to their customers. New entrants in the market may use penetration pricing for a sustainable competitive advantage, this involves setting the price low in order to attract customers and gain market share (Burton and Biswas, 2013).

2.3.6 Cost Leadership Strategy

The goal of Cost Leadership Strategy is to offer products or services at the lowest cost in the industry. The challenge of this strategy is to earn a suitable profit for the company, rather than operating at a loss and draining profitability from all market players. Companies such as Walmart succeed with this strategy as a sustainable competitive advantage by featuring low prices on key items on which customers are price-aware, while selling other merchandise at less aggressive discounts. Products are to be created at the lowest cost in the industry. An example is to use space in stores for sales and not for storing excess product. For an effective cost leadership strategy, a firm must have a large market share (Hyatt, 2001). There are many areas to achieve cost leadership such as mass production, mass distribution, economies of scale, technology, product design, input cost, capacity utilization of resources, and access to raw materials (Malburg, 2000).

Cost leadership strategy as a sustainable competitive advantage is when a company is able to utilize its skilled workforce, inexpensive raw materials, controlled costs, and efficient operations to create maximum value to consumers. Walmart uses the cost advantage strategy by providing a very large selection and low prices via its retailer strength and size. Costs can be kept at a minimum in many different ways. Some companies, like Nissan, have years of experience producing cars in a very cost-effective manner. Other companies use offshore manufacturing to keep the costs of their products down. The current trend is for companies to cut down on the extras they offer to customers. For example, the airline company Ryanair is removing two of its three toilets in each airplane to increase the number of seats and drive down ticket costs. This might be an extreme way of cost cutting, but companies need to survive in a recession. Companies may also receive government subsidies, which help to pass on lower costs on to their customers. One prime example is your local farm.

2.3.7 Promotion Strategies

According to Ogbonna and Harris, (2003) firms use various elements to achieve their promotional objectives. A company’s promotional strategies comprise basically of message and media strategy, consisting of the appropriate use of branding, logo or slogan. Promotion is one of the classic 4Ps marketing mix elements. In promotional and marketing strategy, a company should try to create a sustainable competitive advantage (SCA) in the market which it competes. An SCA is a perceived difference that leads customers to prefer one offering to another. The difference may be based on a superior product such as Nokia or a better service support such as Toyota or lower price such as Game. When a company creates a SCA, it creates a higher market share and develops a barrier for entry for new competitors and ability to defend attacks from existing ones (David and Uttal, 2005).

For a sustainable competitive advantage to thrive under promotional strategy there are four criteria's: customer benefits - the offering must be seen as something important to them; unique - cannot be obtainable from any other firm; sustainable - difficult to copy - patents, - economies of scale - the more you produce the cheaper it becomes and a profitable - to offer a product or service with a price, cost and volume structure that makes it profitable - customer must be willing to pay for your profit. Designing effective promotional strategies is basically a communication problem (Nahmias, 2008). In fact, at its most fundamental level, marketing is communication. Promotion strategies should have a sound understanding of consumers' perceptions of and preferences for particular products and how they differ across cultures/countries. This understanding can be helpful in targeting countries/ cultures to promote a product and improving or amending their business perceptions so that customer demand can be increased (Cantor and Macdonald, 2009).

2.3.8 Differentiation Strategy

David and Uttal, (2005) defined differentiation strategy as positioning a brand in such a way as to differentiate it from the competition and establish an image that is unique. According to Ogbonna and Harris, (2003) Differentiation reduces competitiveness and the fight for scarce resources, thereby improving performance; but on the other hand, conformity makes all organizations similar and, therefore, the competitive pressures are stronger. Differentiation will create benefits and dominant positions that will last until competitors imitate a firm's key resources, and will be restored through the creation of new opportunities that result in a new competitive advantage and new entry barriers. Differentiation strategies for a sustainable competitive advantage are marketing techniques used by a firm to establish strong identity in a specific market; also called segmentation strategy.

Using differentiation strategy, a firm will introduce different varieties of the same basic product under the same name into a particular product category and thus cover the range of products available in that category. Differentiation can be based on the product itself, the delivery system, and a broad range of other factors. With these differentiation features, firms provide additional values to customers which will reward them with a premium price. As Baum and Oliver, (2011) notes, the value added by the uniqueness of the product may allow the firm to charge a premium price for it. The firm hopes that the higher price will more than cover the extra costs incurred in offering the unique product. Because of the products unique attributes, if suppliers increase their prices the firm may be able to pass along the costs to its customers who cannot find substitute products easily (Porter, 2008).

2.4 Research Gaps

A sustainable competitive advantage as a competitive strategy involves every aspect of the way the organization competes in the market place. This includes prices, product range, product quality, service levels and so on. However some of these competences can easily be imitated. For example, prices can be changed virtually overnight. He notes that the real benefits come from advantages competitors cannot easily imitate and not those that give only temporary relief from the competitive battle. He notes that to be sustainable, competitive advantage needs to be more deeply embedded in the organization. These are its resources, skills, culture and investment over time. The activities must be unique and different from competition. Since most businesses face competitors, the need for a sustainable competitive advantage to help them compete is evident.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses on the approach that was applied to conduct the research. It was composed of the research design, data collection and data analysis.

3.2 Research Design

Research design refers to the methods and procedures that are to be followed in order to conduct the study. The research design for this study was case study. This is based on the fact that the unit being analyzed is one organization. Case studies allow an investigation to retain its holistic and meaningful characteristics based on real life events. The study involved a complete and careful observation of the social units.

The main aim of this study was qualitative. The research design emphasized on the full analysis of the study based on a limited number of interrelations. This is based on its depth rather than breadth nature. The primary data applied in the study was more reliable and up to date.

3.3 Data Collection

This study applied primary data only. An interview guide was used in the collection of the primary data. Its essence was to gain a better understanding and more insightful interpretation of the results obtained from the study. The study identified the competitive strategies used by NAS-Servair to achieve sustainable competitive advantage in Kenya.

The interviewees were five top management employees from NAS-Servair, these include business development manager, catering operations manager, purchasing manager, ICT manager and the technical manager. The personal interviews method was used to get interviewees opinions on the competitive strategies used by NAS-Servair to achieve sustainable competitive advantage in Kenya.

3.4 Data Analysis

Before the responses were processed, the compiled and filled interview guides was edited in order to ensure completeness and consistency. Qualitative data analysis aimed at making general statements based on how categories and themes of data are related. The data collected was qualitative in nature. This is based on the fact that the content analysis was used to analyze the data. Content analysis method was used to analyze the qualitative data.

Content analysis is a systematic qualitative description object or material composition in relation to the study. The data obtained from the study originates from various management team members who belong to different departments. That data is then compared against each other. This enabled it to gain more revelation based on the issues found in the study.

CHAPTER FOUR

DATA ANALYSIS, RESULT AND DISCUSSIONS

4.1 Introduction

This chapter presents the result of the analysis of data collected through interviews with the three (3) managers drawn from various departments. Three respondents in managerial positions, in three departments, one in each were interviewed. These departments were the business development department, catering operations department and technical department. The respondents were the, business development manager, catering operations manager and the technical manager. The data was analyzed using content analysis based on meanings and implications emanating from respondents information and documented data. Specifically, it starts with the analysis of the general information of the respondent and their organization then proceeds to interpret results on the competitive strategies used by NAS-Servair to achieve sustainable competitive advantage in Kenya.

4.2 Research Findings

This section presents the general information about the respondents at NAS-Servair. This includes the highest level of education and the number of years worked in the company. From the three managers interviewed, the highest level of education indicated was bachelor's degree and CPA-K. The researcher found out that the respondents were knowledgeable and they were in a position to respond effectively to the competitive strategies used by NAS-Servair to achieve sustainable competitive advantage in Kenya. The researcher established the number of years worked in the company by the respondents and found out that one of the mangers had been in the company for about 16 years, the other manager had been for about 4 years while the other respondent had been in the company for about 2 years.

4.2.1 Sustainable Efforts

The interview guide sought response on the sustainable efforts as a primary competitive advantage over other hotels. From the responses received from the interviewees, it was clear that they consider sustainable efforts as primary competitive advantage over other hotels. The company has highly skilled workforce that are offered continuous training like international hygiene standards. These motivate the workforce by training, frequent promotions, bonuses and incentives like shopping vouchers, recognition and events. NAS-Servair have title deed to land, they have direct access to airside and have acquired high loaders for aircraft.

From the response the study established that the company is entitled to numerous exemptions from KRA; they have a purpose built building and the company possesses economies of scale to carry out industrial catering for 18, 000 meals per day; they lease duty free stores that sell watches and perfumes to Kenya Airways passengers and they keep aircraft supplies duty free and also NAS products. The study further established the primary competitive advantage of NAS-Servair over other hotels as they offer different services under that same brand and this includes NAS pristine that offers laundry, NAS cuisine that offers outside catering/industrial catering, NAS laboratory that offers micro-laboratory services and NAS export that exports processed fruits such as pineapples. These sustainable efforts guarantee a competitive advantage to NAS-Servair Company over other hotels.

4.2.2 Levels of application of differentiation strategies

The researcher established that the market keeps changing with the market forces and demands; NAS-Servair keeps changing its brand name from providing outside catering to corporate catering hence naming it NAS cuisine reaching out to the market from the lowest to highest markets. For example the restaurant at International arrivals Terminal 1A called Table 9 offers the highest prices, the company has partnered with other organizations such as Java at Terminal 1C that offers relatively low prices and Kenchic at Terminal 1D that offers the lowest prices. Java and NAS-Servair in conjunctions British Airways and Kenya Airways serve departing passengers of first class and business class.

The researcher examined the levels of strategy differentiation in the company and the effect the strategies had to the performance of the company. NAS-Servair offers a mass production of services across all areas of food production, exports and laundry. The company has enough workforces that are outsourced on a contractual basis hence it is very cost effective and efficient to run 24 hours. Through outsourced work force, expertise is obtained that offer services owing to the length of time they have been in the market.

The findings are in line with David and Uttal, (2005) who defined differentiation strategy as positioning a brand in such a way as to differentiate it from the competition and establish an image that is unique. Differentiation will create benefits and dominant positions that will last until competitors imitate a firm's key resources, and will be restored through the creation of new opportunities that result in a new competitive advantage and new entry barriers. Differentiation strategies for a sustainable competitive advantage are marketing techniques used by a firm to establish strong identity in a specific market; also called segmentation strategy.

Baum and Oliver, (2011) note that using differentiation strategy, a firm will introduce different varieties of the same basic product under the same name into a particular product category and thus cover the range of products available in that category. Differentiation can be based on the product itself, the delivery system, and a broad range of other factors. With these differentiation features, firms provide additional values to customers which will reward them with a premium price.

4.2.3 Environmental factors and innovation strategy

The researcher found out the company has established relationship between environmental factors and innovation strategy. The respondents indicated that audits are carried out throughout the year by British Airways, Qatar, Korean Airline, KLM and Etihad Airline on hygiene, production standards, hazardous, critical, control point's security and controls. The NAS R&D Kitchen maintains international standards to keep within the market shore to know what is happening around the world i.e. the executive chefs Lufthansa and Servair Paris. Paris Serviar sets the trend for the NAS-Servair company. The business conforms to the international standards as it is now ISO 22000 certified company.

The findings are in line with Johnson et al., (2008) in determining SWOT analysis is a technique employed by managers to create a quick overview of a company's strategic situation through the various dimensions of strengths, weaknesses, opportunities and threats. Strengths are resources skills or other advantage relative to competitors and the needs of the markets a firm serves or expects to serve. It gives the firm competitive distinction. Weaknesses are limitations or deficiency in resource, skills or capabilities that seriously impedes a firm's effective performance. Opportunities are major favorable situations in a firm's environment. Threats are key impediments to the firm's current or desired position SWOT analysis should summarize the key issues from the business environment and the strategic capability of an organization that are most likely to impact on strategy development.

4.2.4 Pricing as an entry strategy

According to the response of the managers, the level to which the company uses pricing strategy as an entry strategy in the market gains sustainable competitive edge in the market. The strategies they apply in pricing depend upon the basic requirement of the clients in terms of corporate negotiations on the product mix.

The researcher found out that pricing is based on the clients' requirements for example, the Korean Airline requires sea foods especially prawns, crabs and lobsters and these demands exquisite menu where the prices range. Organizations such as Coca cola needs a menu for industrial workers so their pricing is different based on their product mix. This therefore influences pricing while getting top produce from the market of economies of scale.

The findings are in line with Davidow and Uttal (2005) whose defines pricing strategy as a sustainable competitive advantage ensures that ventures operating in the same industry in a location will tend to have pretty much the same cost structure, meaning that when one competitor cuts price. Ways to achieve a fundamental cost advantage might be through lower overhead or shipping costs (perhaps through geographic closeness to markets), cheaper labor, and/or low-priced raw materials (perhaps through long-term purchase agreements).

He further adds that company manipulates its pricings to affect its market. The focuser's basis for competitive advantage is either lower costs than competitors serving that market segment or an ability to offer niche members something different from competitors.

4.2.5 Sustainability

The respondents considered sustainability as a basic requirement for the hotels currently. All the respondents were in agreement that sustainability is a basic requirement to hold the market for the hotels to gain more revenue.

The findings are in line with the original Ansoff (1957) that market penetration is an effort to increase company sales without departing from an original product-market strategy. The company seeks to improve business performance either by increasing the volume of sales to its present customers or by finding new customers for present products. The market penetration strategy is the least risky since it uses and builds upon the company's existing resources and capabilities. If the market is growing, a company maintaining market share can experience growth. It is important to point out that market penetration has its limits, because of market saturation. If the market saturates, companies must use another strategy in order to continue their growth.

Proctor (2007) draws a conclusion that a diversification strategy is more suitable for well-established, capital strong companies. However, there may be some synergy to be gained from moving into related markets. The synergy may be in marketing or even in production.

4.2.6 Promotion Strategy

The study findings established that the company use marketers as a promotion strategy entry in the market to gain a sustainable competitive advantage in the market. NAS-Servair has recently introduced marketing departments especially for corporate clients as it expands its horizons to the national market because previously they exclusively catered to flights. For example, restaurant Table 49 sets up flyers, presentations, and electronic media such as television and radio. The restaurant extends it services in providing lunch to radio personalities such as Maina and Kingangi.

The study further established that before the NAS-Servair launches its products to an airline, it does a menu presentation where tasting in the R&D kitchen is done and if there are any adjustments to be made before commencing the services it is done. Photographs are taken and pinned up in the kitchen for duplication and pinned up in the kitchen from duplication at the catering assembly department.

According to Ogbonna and Harris (2003), firms use various elements to achieve their promotional objectives. A company's promotional strategies comprise basically of message and media strategy, consisting of the appropriate use of branding, logo or slogan. In promotional and marketing strategy, a company should try to create a sustainable competitive advantage (SCA) in the market which it competes. David and Uttal (2005) add that an SCA is a perceived difference that leads customers to prefer one offering to another. The difference may be based on a superior product such as Nokia or a better service support such as Toyota or lower price such as Game. When a company creates a SCA, it creates a higher market share and develops a barrier for entry for new competitors and ability to defend attacks from existing ones.

4.2.7 Strategic design influence a sustainable competitive advantage

The study found out that strategic design influence a sustainable competitive advantage in the organization. The responses indicate that through experience NAS-Servair has enabled them to forecast the market at 18, 000 meals a day. The company uses feedback from the clients to gauge their place in the market. The clients are the basic determinants of sustainability of the company hence their feedback is highly appreciated to maintain and improve on the standards offered. These feedbacks from clients is obtained from Kenya, South Africa, Western Africa and Northern African countries as the company serves the same standards of service across all African countries. NAS-Serviar is a string brand in Africa operating in 12 countries with SLG. Another strategic design used to influence sustainability in the company is providing cyclic menu for each segment and this is done after 3 months. This is done to break a monotonous cycle and builds to maintain consistency hence gaining a competitive advantage over other organizations.

The finding according to Nahmias (2008), designing effective promotional strategies is basically a communication problem. In fact, at its most fundamental level, marketing is communication. Promotion strategies should have a sound understanding of consumers' perceptions of and preferences for particular products and how they differ across cultures/countries. Cantor and Macdonald (2009) bring out an understanding that is helpful in targeting countries/ cultures to promote a product and improving or amending their business perceptions so that customer demand can be increased.

4.2.8 Ambidextrous Strategies

The researcher found out that ambidextrous strategies have been used by the NAS-Servair to give the company a sustainable competitive advantage position over competitors by keeping relevant to all sectors and providing diversification of products so as not to rely on one product. The company produces strategic plans that ensure they remain relevant in the market. NAS-Servair has ventured also to provide laundry services that have captured the attention of private clients, organizations and hotels such as Sarova Stanley Hotel and they also provide for corporate catering. Through diversification, the company ensures that they maintain quality of their services hence keep maintains its clients and attract others to the same. They offer technical know-how through their experience for over 50 years and they have the ability to reinvent themselves.

The study findings further established that the right policy making and strategic planning team should be active in making ambidextrous strategies while equipment and technology is what plans for adapting changing times. The study findings revealed that lowering cost of providing services and removing the middle men saves the company huge sums of money. The workforce is hired under contractual basis that is renewable annually for example, the company outsources workforce on contract basis hence cutting down the cost of hiring pensionable employees and also the cost of buying fuel is cut down by buying fuel in bulk and providing fueling at site.

The findings are in line with Adler, Goldoftas, and Levine (2009) that organizational ambidexterity is about organizational capability to simultaneously deal with paradoxical or conflicting activities such as organizational alignment and adaptation; evolutionary and revolutionary change; manufacturing efficiency, flexibility; strategic alliance formation; and even strategic renewal. The nature of ambidexterity is also implicitly recognized in the dynamic capabilities literature which urges the need to blend two different strategic logic exploitation and exploration within organizations.

4.2.9 Corporate culture influences strategic design

The researcher was informed by the managers that corporate culture influences strategic design of the company in creation of competitive advantage. The response indicated that a big influence from the other corporates deal with expectations from Kenya Airways, KLM and British Airways that conduct frequent audits that influence and forces the company to adopt to the policies and changes made to suit clients taste. For example, the introduction of uniforms for the staff, they wear white gowns for all the staff in the production areas and also all staff in the production area are searched when they get in and out of the production area.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The study inquired on the competitive strategies used by NAS-Servair to achieve sustainable competitive advantage in Kenya. The respondents cited that it involved sustainable efforts as a primary competitive advantage; the level of application of differentiation strategies; the environmental factors and innovation strategy; the use of pricing as an entry strategy; the promotion strategies; strategic design, ambidextrous strategies and corporate culture influence a sustainable competitive advantage.

5.2 Summary of Findings

The study inquired on the various sustainable efforts as a primary competitive advantage over other hotels. From the responses received from the interviewees, it was clear that they consider sustainable efforts as primary competitive advantage over other hotels. The company has highly skilled workforce that are offered continuous training like international hygiene standards. These motivate the workforce by training, frequent promotions, bonuses and incentives like shopping vouchers, recognition and events. NAS-Servair have title deed to land, they have direct access to airside, and they have acquired high loaders for aircraft.

It was found out that the company is entitled to numerous exemptions from KRA; they have a purpose build building and the company has economies of scale for industrial catering for 18, 000 meals per day; they lease duty free stores that sell watches and perfumes to Kenya Airways passengers and they keep aircraft supplies duty free and also NAS products. The study further established the primary competitive advantage of NAS-Servair over other hotels as they offer different services under that same brand and this includes NAS pristine that offers laundry, NAS cuisine that offers outside catering/industrial catering, NAS laboratory that offers micro-laboratory services and NAS export that exports processed fruits such as pineapples. These sustainable efforts guarantee a competitive advantage to NAS-Servair Company over other hotels.

The study inquired that on the levels of application of differentiation strategies and established that the market keeps changing with the market forces and demands; NAS-Servair keeps changing its brand name from providing outside catering to corporate catering hence naming it NAS cuisine reaching out to the market from the lowest to highest markets. For example the restaurant at International arrivals Terminal 1A called Table 9 offers the highest prices, the company has partnered with other organizations such as Java at Terminal 1C that offers relatively low prices and Ken chic at Terminal 1D that offers the lowest prices. Java and NAS-Servair in conjunctions British Airways and Kenya Airways serve departing passengers of first class and business class.

Further the findings established that NAS-Servair offers a mass production of services across all areas of food production, exports and laundry. The company has enough workforces that are outsourced on a contractual basis hence it is very cost effective and efficient to run 24 hours. Through outsourced work force, expertise is obtained that offer services owing to the length of time they have been in the market.

Taking in consideration the environmental factors in innovation strategy, the responses obtained from the study indicated that audits are carried out throughout the year by British Airways, Quatar, Korean Airline, KLM and Etihad Airline on hygiene, production standards, hazardous, critical, control point's security and controls. The NAS R&D Kitchen maintains international standards to keep within the market shore to know what is happening around the world i.e. the executive chefs Lufthansa and Servair Paris. Paris Serviar sets the trend for the NAS-Servair company. The business conforms to the international standards as it is now ISO 22000 certified company.

The researcher found out that pricing is based on the clients' requirements for example, the Korean Airline requires sea foods especially prawns, crabs and lobsters and these demands exquisite menu where the prices range. Organizations such as Coca cola needs a menu for industrial workers so their pricing is different based on their product mix. This therefore influences pricing while getting top produce from the market of economies of scale. The strategies they apply in pricing depend upon the basic requirement of the clients in terms of corporate negotiations on the product mix.

The study findings established that the company use marketers as a promotion strategy entry in the market to gain a sustainable competitive advantage in the market. NAS-Servair has recently introduced marketing departments especially for corporate clients as it expands its horizons to the national market because previously they exclusively catered to flights. The study further established that before the NAS-Servair launches its products to an airline, it does a menu presentation where tasting in the R&D kitchen is done and if there are any adjustments to be made before commencing the services it is done. Photographs are taken and pinned up in the kitchen for duplication and pinned up in the kitchen from duplication at the catering assembly department.

On the area of strategic design, the strategic design influences a sustainable competitive advantage in the organization. The response indicated that through experience NAS-Servair has enabled them to forecast the market at 18, 000 meals a day. The company uses feedback from the clients to gauge their place in the market. The clients are the basic determinants of sustainability of the company hence their feedback is highly appreciated to maintain and improve on the standards offered. Another strategic design used to influence sustainability in the company is providing cyclic menu for each segment and this is done after 3 months.

For ambidextrous strategies, the respondents used by the NAS-Servair to give the company a sustainable competitive advantage position over competitors by keeping relevant to all sectors and providing diversification of products so as not to rely on one product. The company produces strategic plans that ensure they remain relevant in the market. The findings further established that the right policy making and strategic planning team should be active in making ambidextrous strategies while equipment and technology is what plans for adapting changing times. The study findings revealed that lowering cost of providing services and removing the middle men saves the company huge sums of money. The workforce is hired under contractual basis that is renewable annually for example, the company outsources workforce on contract basis hence cutting down the cost of hiring pensionable employees and also the cost of buying fuel is cut down by buying fuel in bulk and providing fueling at site.

In addition, the researcher was informed by the managers that corporate culture influences strategic design of the company in creation of competitive advantage. The response indicated that a big influence from the other corporates deal with expectations from Kenya Airways, KLM and British Airways that conduct frequent audits that influence and forces the company to adopt to the policies and changes made to suit clients taste. For example, the introduction of uniforms for the staff, they wear white gowns for all the staff in the production areas and also all staff in the production area are searched when they get in and out of the production area.

5.3 Conclusion

The study made conclusion based on the study findings that, sustainable efforts of an organization are a primary source of competitive advantage. These efforts are considered as a primary source of competitive advantage for they offer highly skilled workforce that are offered continuous training like international hygiene standards. These motivate the workforce by training, frequent promotions, bonuses and incentives like shopping vouchers, recognition and events. A sustainable effort that is a primary competitive advantage of NAS-Servair over other hotels is that they offer different services under that same brand name. These sustainable efforts guarantee a competitive advantage to NAS-Servair Company over other hotels.

The strategies they apply in pricing depend upon the basic requirement of the clients in terms of corporate negotiations on the product mix. Pricing strategy as a sustainable competitive advantage ensures that ventures operating in the same industry in a location will tend to have pretty much the same cost structure, meaning that when one competitor cuts price. Companies manipulate their pricings to affect the market.

Sustainability is a basic requirement for holding the market for the hotels to gain more revenue. The market penetration is an effort to increase company sales without departing from an original product-market strategy. The market penetration strategy is the least risky since it uses and builds upon the company’s existing resources and capabilities. If the market is growing, a company maintaining market share can experience growth. It is important to point out that market penetration has its limits, because of market saturation.

If the market saturates, companies must use another strategy in order to continue their growth. In promotion strategies the company uses marketers as a promotion strategy entry in the market to gain a sustainable competitive advantage in the market. A company's promotional strategies comprise basically of message and media strategy, consisting of the appropriate use of branding, logo or slogan. In promotional and marketing strategy, a company should try to create a sustainable competitive advantage (SCA) in the market which it competes.

The clients are the basic determinants of sustainability of the company hence their feedback is highly appreciated to maintain and improve on the standards offered. Designing effective promotional strategies is basically a communication problem. In fact, at its most fundamental level, marketing is communication. Promotion strategies should have a sound understanding of consumers' perceptions of and preferences for particular products and how they differ across cultures/countries.

The researcher found out that corporate culture influences strategic design of the company in creation of competitive advantage and that ambidextrous strategies have been used by the NAS-Servair to give the company a sustainable competitive advantage position over competitors by keeping relevant to all sectors and providing diversification of products so as not to rely on one product.

5.4 Recommendations

The study made recommendations based on the study findings that NAS-Servair should try to create a sustainable competitive advantage (SCA) in the market which it competes. Promotion strategies used should have a sound understanding of consumers' perceptions of and preferences for particular products and how they differ across cultures/countries. NAS-Servair in choosing the competitive strategies to adopt are faced by a number of factors should consider organizational resources and capabilities, environmental dynamics, organizational leadership and the culture of an organization. NAS-Servair should allow managers to consider ways to grow the business via existing and/or new products, in existing and/or new markets and this helps companies decide what course of action should be taken given current performance. NAS-Servair should make use of

SWOT analysis in summarizing key issues from the business environment and the strategic capability of an organization that are most likely to impact on strategy development.

5.5 Limitations of the study

The research met with various challenges when conducting the research that included the fact that the firm ordinarily do not want to give information due to client confidentiality. In addition, some of the interviewees would not find the subject to be of interest. Additionally, some respondents would not want to give the information as they considered it of competitive importance. The respondents being normally very busy people may not have found a lot of time to be interviewed. Since the research was conducted via open-ended interviews, a large amount of time was needed to collect information from the respondents. Time limitation made it impractical to include more respondents in the study. This study was also limited by other factors in that some respondents may have been biased or dishonest in their answers. More respondents would have been essential to increase the representation of the firm team in this study and allowed for better check of consistency of the information given. However, the researcher did look for contradictions in the information given and no inconsistency were found.

5.6 Suggestions for further research

The competitive strategies used by NAS-Servair achieve sustainable competitive advantage in Kenya is determined by competitive strategies and sustainable efforts in competitive advantage, product-market growth matrix, pricing and promotion strategies. Thus, in understanding the competitive strategies used by NAS-Servair to achieve sustainable competitive advantage, there is room to determine the benefits and challenges of sustainable competitive advantage in other companies across all sectors from public to private institutions.

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APPENDIX I: INTERVIEW GUIDE

SECTOR A: GENERAL INFORMATION

1. What is your highest level of education?
2. How many years have you worked in this company?
3. Do you consider sustainable efforts as your primary competitive advantage over other hotels?
4. What are the levels of application of differentiation strategies in your company and their effect to performance of the company?
5. Does the organization have an established relationship between environmental factors and innovation strategy?
6. To what level does your company usage pricing strategy as an entry strategy in the market to gain a sustainable competitive edge in the market?
7. Do you consider sustainability as extra-service or as basic requirement for the hotels today? In the future? Why?
8. How does your company use promotion strategy as an entry strategy in the market to gain a sustainable competitive advantage in the market?
9. How has strategic design influnece a sustainable competitive advantage in your organization?
10. Has ambidextrous strategies given your company a sustainable competitive advantage position over competitors?
11. How has corporate culture influneced strategic design of your company in creation of competitive advantage?

THANK YOU FOR YOUR TIME AND PARTICIPATION