EFFECTIVENESS OF COMPETITIVE STRATEGIES ADOPTED BY MAJOR RADIO STATIONS IN KENYA

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DECLARATION

I declare that this project is my original work and has not been submitted for the award of degree in any other university.

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This project has been submitted to the University of Nairobi for examination with our approval as the student's supervisors.

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I wish to thank the Almighty God for his favors, mercy, provision and protection throughout this journey. Indeed, you appoint time for each and every success. Thank you for seeing me through

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DEDICATION

I dedicate this study to my family and friends for their unending love, support and prayers.

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LIST OF ABBREVIATIONS AND ACRONYMS

CAK	:	Communications Authority of Kenya
FM	:	Frequency Modulation
KBC	:	Kenya Broadcasting Corporation
MCK	:	Media Council of Kenya
NMG	:	Nation Media Group
RBV	:	Resource-Based View
RMS	:	Royal Media services

ABSTRACT

One of the challenges presented by a dynamic environment is increased competition. Competition is indeed a very complex phenomenon that is manifested not only in other industry players but also in form of customers, suppliers, potential entrants and substitute products. It is therefore necessary for a firm to understand the underlying sources of competitive pressure in its industry in order to formulate appropriate strategies to respond to competitive forces. Competitive strategy specifies the distinctive approach which the firm intends to use in order to succeed in each of the strategic business area. Competitive strategy gives a company an advantage over its rival in attracting customers and defending against competitive forces. The objectives of this study were to determine the dimensions of competition faced by radio stations in Kenya and also establish the competitive strategies that radio media stations has adopted to cope with the challenges of increased competition in the television broadcast media industry in Kenya. The researcher used cross- sectional survey in the study. The target population of interest in this study was the operational radio channels in Kenya. There are currently over 10 filly operational radio channels in Kenya. The researcher applied proportionate stratified sampling during data collection to select the managers from the study population. Proportionate stratified sampling was appropriate since it identifies sub groups in the population and in their proportions and selected from each subgroup a sample. A sample size of 10 was targeted and data was collected using a questionnaire that allowed for uniformity of responses of questions. Besides, secondary data was collected from documentations from these companies. Data collected was processed through computer software SPSS (Statistical Package for Social Studies) and presented in the report in form of tables and graphs. The study found out that the competitive strategies used by television media stations were cost leadership and differentiation. The strategies according to the study findings have placed the companies in a favorable position relative to the competition. These strategies have also made the major radio stations not only achieve high levels of efficiency and effectiveness, but also to gain and sustain competitive advantage. The study also found out that the dimensions of competition for the major radio stations were threats of new entrants, threat of substitutes, power of suppliers, bargaining power of buyers and intensity of rivalry. It was also conclude that cost leadership helped to deal with competition by employing technology aimed at achieving low cost production. On the effectiveness of the strategies employed it was concluded that, there were effective new service development ,new innovations, active Brand Management, cost leadership, retaliation to competition and defensive moves. The study recommends that successful radio stations should ensure their products are differentiated enough to be able to distinguish them from other competitors.

CHAPTER ONE

INTRODUCTION

1.1Background of the Study

The media industry environment is very dynamic; this calls for every media house to have a plan that enables it to remain competitive in the industry. The dynamism of the environment implies that organizations have to constantly redesign their strategies in order to remain competitive, (Porter, 1980). Failure to effectively adapt the organization to its environment leads to strategic mismatch between what the organization offers and what markets demand. There are many benefits that come with formal strategy formulation today. Some of these are; they ensure coordination of functional departments, it ensures that policies are enacted to achieve the common goals in an organization and it enables a firm to analyze its industry. Strategy serves as the connection between an organization and the external environment; it therefore enables the organization to place itself in a chosen market. The essence of strategy is choosing a unique and valuable position rooted in systems of activities that are much more difficult to match, thus competitive strategy has to have this edge.

Various theories have been advanced on competitive strategies. This study will focus on three major theories the Resource Based Theory and Porter's generic strategies. The Resource Based Theory (RBT) advanced by among others (Mahoney and Pandean 1992; Barney 1991; and Grant, 1991) views firms as a unique collection of assets and resources which can create competitive advantage if exploited to the maximum. Porter's Generic strategy advanced by among others (Porter, 1985; Lynch, 2003; Thompson & Strickland, 1998 and Pearce and Robinson) identifies three generic strategies for the realizing performance in an industry and these are cost leadership, differentiation and focus approach. To ensure survival and success, firms need to develop capacity to manage threats and exploit emerging opportunities promptly.

The radio industry in Kenya is the most vibrant and diverse industry in the region. There has been immense growth in the past two decades in terms of new entrants into the market as well as expansion by some of the leading organizations (Mukhongo, 2015). Broadly, the Kenyan media industry comprises of four major daily newspapers, more than 100 FM radio stations, and four major Television Networks (Kibugi, 2013). The recent digital migration opened new avenues for growth in the radio industry, attracting new investments as well as prompting established media houses to venture into the digital platform. Nevertheless, the biggest players in the industry are The Kenya Broadcasting Corporation (KBC), Royal Media Services, Standard Media, and the Nation Media Group (Amutabi, 2013). KBC is a government corporation with the widest coverage running across the entire country with both television and radio channels. On the other hand, Royal Media Services is the biggest privately owned media house comprising of one television network and several other radio stations broadcasting in English, Swahili, and vernacular languages (Mukhongo, 2015).

1.1.1 Concept of Strategy

According to Grant (1991), strategy can be defined as the art and science of planning and harnessing available resources to ensure they are used in the most efficient way possible to achieve desired objectives. In business, it refers to a plan or method that specifies how an organization will position itself in the best way possible ton order to accomplish its goals. Fundamentally, strategy entails defining the vision and mission of an organization as well as long term and short term objectives and devising an appropriate plan for arriving at the vision.

Strategy is a very important concept not only in the business world, but also in other aspects of life. In fact, this concept was originally used in the military to refer to a specific detailed plan of action designed by the general to achieve certain objectives (Tanase, Tanase and Hamat, 2014). However, he term is widely used in the business world today in relation to plans designed by organizations to help them achieve their desired objectives at specified times.

The concept of strategy is important for businesses because it helps them determine the best ways of overcoming competition, expanding in a new territory or market, and define ways or paths of meeting its organizational objectives. Strategy formulation also makes it impossible for the firm to overcome its challenges (Spanos & Lioukas, 2001). With an elaborate strategy at hand, both the management and the employees will be aware for what they ought to do when executing their mandate as well as the reasons why they do it. As such, everybody in the organization will be geared towards helping the company realize its goals by playing their part.

As such, there will be little room for conflicts in the organization as each person will focus on executing their roles with efficiency. Strategy formulation is one aspect of strategic management, which refers to the process of building capabilities within an organization's environment in order to allow it to create value for its customers and meet the needs of other stakeholders associated with the company (Renko, Sustic and Butigan, 2011). Through strategic formulation, an organization gathers competitive intelligence from its industry and determines the best way to position itself in the industry to fight emerging competition and retain or grow its position in the industry.

1.1.2 Competitive Strategies

Competitive strategy is the bases on which a business unit might achieve competitive advantage in its market. Organizations achieve competitive advantage by providing their customers with what they want, better or more effectively than competitors; and in ways, which their competitors find difficult to imitate, (Johnson et al. 2005).

According to Porter, competitive strategy refers to the process of ‘taking offensive or defensive actions to create a defendable position in an industry, to cope successfully with the five competitive forces and thereby yield a superior return on investment for the firm’ (Azadi and Rahimzadeh, 2012). He further states that there are many different ways through which companies can achieve this objective.

Ormanidhi and Stringa (2008) defines competitive strategy as the bases on which a business unit might achieve competitive advantage in its market. Therefore, companies achieve competitive advantage through meeting the needs of their customers in ways that their competitors will find hard to copy or imitate.

1.1.3 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.

1.1.4 Media Industry in Kenya

An industry can be defined as a group of firms that offer products that are close substitute of each other to a market (Grant 2000). The media industry is generally composed of media firms that engage in print media (daily newspapers, the magazines, and the regional newspapers), broadcast (Radio and television) and electronic media (Internet).

Kenya's media industry is noteworthy given the continent's history that has a devastating effect on the industry. At independence, most African states had media that could have been developed into vibrant institutions (De Beer, Megwa & Steyn, 1995). In most cases, however, as Ayittey (1992) observes, African nations engineered systematic schemes that decimated the industry.

According to Abuoga and Mutere (1998), the media industry in Kenya was largely state controlled during the period 1963(when Kenya achieved independence) to the late 1990's. the Kenya government had total control over the one and only television and radio network, the then Voice of Kenya (VoK) now the Kenya Broadcasting Station (KBC) which has both radio and television broadcasts in both English and Kiswahili, as well as most local languages of Kenya (Gethii, 1971).

Kenyans if compared to people in other developing countries, now enjoy a vibrant media industry, offering opportunities for entrepreneurs, both local and foreign. The Kenyan media industry describes the once very distinct, but today interactive, mass media business of newspapers, magazines, books, radio, internet and TV industries. Kenyans today have access to over fourteen TV channels (KBC, KTN, NTV, EATV, Family TV, Kiss TV, Q TV, K-24, UTV, God TV, KASS TV, GBS, SYR TV, CNBC and Citizen

TV); up to twenty eight radio stations including vernacular stations; the print media is at seven with four alternative media i.e. The independent, The Leader, The confidential and Citizen.

The Kenyan media industry has undergone tremendous growth. The late 1990's saw the liberation of the media industry. Internal and external pressures have brought about the positive change. The FM stations especially have increased drastically and are providing the audience and advertisers a wide range of choices. The government continues to keep a close eye on these developments. The print media has improved over the last ten years especially after the government opened the economy to market forces. By 1994, the government had dismantled most foreign exchange rates, removed importer licensing and liberalized domestic marketing of major products. The Kenyan media has since become vibrant, dynamic and economically sound. The issue of growth presents both opportunities and threats for the media houses. Any media houses must therefore formulate appropriate strategies to exploit the emerging opportunities and face the inherent threats in order to reap the potential benefits. Some of such firms areKTN, Citizen, Nation TV and QTV.

1.1.5 Major Radio Stations in Kenya

The radio station environment in Kenya is one of the most competitive business environments in the region. With most of the country's population residing in the rural areas, radio remains one of the most reliable means of mass communication. To this extent, the bigger the radio in terms of its coverage, the better it is positioned to attract advertisers. However, the industry is saturated with many smaller companies with limited coverage, mostly within the city of Nairobi and other urban areas. Most of these stations operate in vernacular languages, English, Swahili, while a few others operate in Sheng, a street slang in major urban centers and cities in the country.

There are a few companies that have managed to exert their dominance in the industry, using their national or near-national coverage to position themselves strategically at the helm of the industry (Rizea, 2015). These big firms in the Radio segment of the wider media industry are very influential in terms of promoting business activities through advertising, promoting the national agenda, and promoting their own business agenda. Among these companies include the Royal Media Services, a privately owned media house with more than a dozen radio stations. The company's Radio Citizen is the most popular radio station that has one of the widest coverage in the country. Royal Media also runs other popular vernacular radio stations such as Innoro Fm, Ramogi FM, and Mulembe FM, among others.

The other major player in the industry is The Nation Media Group (NMG). NMG owns two radio stations, Nation FM and Q FM, which are also very popular. The company's Q FM has a wide coverage, reaching out to some rural areas in the country. The Standard Group, one of the established media houses with renowned brands in television and print media recently thrust itself in the radio industry with its Radio Maisha, which has been well accepted throughout the country. Other companies that have piled pressure on these established media houses include Radio Africa and Media Max companies. Radio Africa is one of the largest companies today, which is fascinating since the company is less than two decades old. Radio Africa owns several radio stations including Kiss 100, Classic 105, and Radio Jambo. On the other hand, Media Max owns a popular radio stations like; Milele FM, Meru FM and and Kameme FM.

1.2 Research Problem

The recent growth in the radio industry has not been without challenges. The industry is constantly cast in undefined future occasioning from various developments. One of the main challenges the radio industry in Kenya is facing is legislation. There are perceived fears in the country that the government is out to abuse media freedom by limiting the content published or broadcast through the media. While some of these may be unfounded, the fact that the media has played a crucial role in some national disasters such as the postelection violence in 2007-2008, still adequate measures are necessary to regulate the industry.

Kenya has had one of the fastest growing radio industry in East Africa both in terms of numbers of players, revenues and even in technological advancement as indicated in the digital migration plan, (Mukua, 2011).According to the industry regulator CAK, there are approximately 106 radio stations in the market. With the liberalization of the economy, many radio stations were licensed by the industry regulator, CAK, and the government as a result there has come fierce competition in the media industry.

The fast changing, uncertain situations and increased levels of competition among the Radio Broadcast Media houses in Kenya are have caused an increased turbulence in the industry. Many Radio Broadcast stations are no longer stable because the environmental forces are promptly changing. The most common forces of change in this industry include developing internet capabilities and applications, increased globalization, changes in technology, new products and market innovation, changes in consumer preferences, regulatory influences and government policy changes. This has therefore led to the need for radio companies to adopt competitive strategies to remain competitive.

The liberalization of the economy and forces of globalization coupled with developments in the business environment have made competition stiffer in the radio industry. Each player in the industry faces more external competition from other players as each one of them steps efforts to garner a sizeable market share.

For a long time KBC radio had been the only Radio Station in the Kenyan Radio Industry in Kenya. However other Media houses like Radio Africa, Royal media services, Media max among others have entered into the radio Industry and expanded the radio industry. This has led to increased competitions for audiences and advertisers who are the main contributors of revenue for Radio Stations in Kenya. The Emergence of new players in the industry has ushered in a new era of uncertainty as no one is completely sure of how the industry will look in the next ten years.

The business environment has become even more volatile with the changing consumer preferences facilitated by the availability of substitute products ,where by a listener can choose which radio to listen to at different times of the day causing a great turbulence in the radio industry.

Previous research has been done on the media and effects that competition has on different segment of media. i.e. Competitive strategies used by standard group ltd to sustain competitive advantage in the media industry ,(Cherono,2014), Competitive strategies adopted by Television broadcast media stations (Njaaga,2013), Diversification as a competitive strategy in Radio Africa ltd (Mukua, 2011),Competitive strategies adopted by the nation media group Kenya in response to changes in the external environment (Kirimi, 2013) and Competitive strategies and performance of the large

Kenyan media houses (Mutie, 2014). However, very few studies have been done specifically on Radio broadcast media stations and the effects competition has on their operational activities and management styles and those that are available, though the context is the same; the content has changed due to changing environment.

This study will seek to bridge the gap and specifically the questions it will address are: What competitive strategies have major radio stations in Kenya adopted to cope with increased competition in the radio industry in Kenya? What dimensions of competition are faced by Major Radio Stations in Kenya? All these developments necessitate a process of strategy formulation among media houses, specifically, the radio stations, so as to ensure they remain competitive and relevant in the industry in the long term.

1.3 Research Objective

The research objective of this study was to determine competitive strategies adopted by major radio broadcast media stations in Kenya.

1.4 Value of the Study

This study is useful to policy makers in setting policy that encourage media houses to adopt strategies that aim at proving value adding services to the audience. The insights provided in this research paper are also of great benefit to policy makers at both national and county levels of governance. This study is very significant for both the academicians and key players in the media industry in Kenya .The study aims at analyzing existing literature in order to find out the areas of gaps that are yet to be filled through research. This will help lay ground for further research into the future for scholar and other academicians.

The paper analyzes the competitive strategies used by the leading media houses in an attempt to remain relevant in the industry and gain competitive edge over their rivals. As such, the study brings out the merits and demerits of these strategies in terms of their sustainability in the long run. This will help guide decision makers, industry players, and policy makers in the industry how to bet position the companies to create a sustainable industry.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter constitutes of the theoretical foundation, generic strategies adopted by organizations and the summary of the literature review. Barney (1991) posits that the firm contends that a firm's internal resources and capabilities are the best source of competitive advantage over other firms. An approach to strategy with this view then seeks to find or develop distinctive competencies and resources, applying them to produce superior value. To the extent that these competencies can be kept unique to the firm, they can be used to develop a competitive advantage.

Factors that influence competitive strategies are varied but the main factors are changes in competition and customer demand. Competition will increase the supply of comparable or alternative products thus forcing a firm to differentiate. Change in customer wants and demands can cause a firm to suddenly have a change in the products they offer. These factors are critical to monitor and a firm's competitive strategy must adapt quickly to these changes.

This study will focus on three major theories the Resource Based Theory and Porter's generic strategies. The Resource Based Theory (RBT) advanced by among others (Mahoney and Pandean 1992; Barney 1991; and Grant, 1991) views firms as a unique collection of assets and resources which can create competitive advantage if exploited to the maximum. Porter's Generic strategy advanced by among others (Porter, 1985; Lynch, 2003; Thompson & Strickland, 1998and Pearce and Robinson) identifies three generic strategies for the realizing performance in an industry and these are cost leadership, differentiation and focus approach. To ensure survival and success, firms need to develop capacity to manage threats and exploit emerging opportunities promptly.

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. 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 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. Organizations therefore focus on strategies to contain the five forces in order to remain competitive.

2.2.1 Porter's Generic Strategies

An entity`s performance significantly depends on the industry`s environment. An industry`s lucrative potential, and an entity`s place on market domination are key factors of success. The purpose of competitive strategy is to establish organizations within pre-determined trade. Its motive is achievement of a point of stable position above rivals.

To self-establish and dominate a dignified market share, organizations employ tactical methods of business development. Porter (1985) identifies three strategies of market success, porter`s approaches to competitive market positioning include cost leadership, differentiation, and focus advance. They are referred to as generic because they do not depend on a business external environment.

Cost leadership strategy involves pricing of products or services. Cost leadership is a situation where entities seek market domination through reducing their prices to relatively low levels in comparison to other available products with similar specs. Much focus is directed towards cost reduction. Porter (1980) advances that production costs are reviewed downwards by developing a cost curve control, and employing cost minimization mechanisms. Achievement of effective cost leadership requires reduction of leadership cost, employment of cheap manufacturing techniques, and sensitization of staff towards low cost objectivity. This can be achieved through business process review, and employment of optimum cost accounting methodologies and purchasing habits. Cost leadership achieves best results in large market setups. Achieving it requires cost reduction in all manner of spending.

Survival of firms using cost leadership strategy depends on rival products. If competitors deal in differentiated product then, cost leadership does not work since customers choose value difference over price difference. However, where availed products are standardized, the market favors the lowest priced product of an organization (Thompson and Strickland, 1998). Cost leadership does not mean that firms demand low prices but rather, standard prices for product or services offered (Lynch, 2003).

Pearce and Robinson (1997) define differentiation as creation of distinguishing qualities that make a product stand out from available options. It makes products noticeable or easily preferable among others in the market. The spirit of differentiation is establishment of exceptional value of product and services. The motive of pursuing differentiation is to tap exclusive market opportunities, which grant greater profits in comparison with standard market benefits. Differentiation success is partially product focused and producer driven. Uniqueness focuses on client desires of product performance and acceptable usefulness of a product. The competitive edge takes the form of customer service, blueprint, brand image, or technological advancement. Differentiation strategy is challenged by issues such as certifying that a firm will make successful recovery of expenses incurred during research and development stages of products.

According to Porter (1980), focus approach involves identification of specific market segments and working towards product and service developments that satisfies it. Market segmentation creates a situation where competitive strategy development is more specified. In the case of media houses, focus strategy sees establishment of local language radio channels. Focus strategy may also choose to consider income related consumer behavior to come up with products and services cutout for specific disposable income enable purchasing.

2.2.2 The Resource-Based View (RBV)

According to this perspective, an organization's internal environment is a significant source of competitive advantage. As such, this theoretical perspective lays greater emphasis on the internal resources available to a firm as a major factor of enforcing a competitive strategy. This was a very popular view during the initial developments of theories on competitive advantage. For instance, Hokinsson's theory relied heavily on the significance of an organization's internal environment as part of its competitive strategy. Also, researchers like Ansoff and Chandler also made significant contributions towards enhancing the resource-based view of competitive strategies. From the 1980s, most studies on competitive strategies tended to focus on the internal resources of organizations.

Therefore, RBV has come out as a very popular theoretical model for analyzing competitive strategies of companies. The origins of this theory date back to the works of Penrose in 1959. He suggested that if an organization possess and deploys its resources effectively, it is better placed to compete in its industry as compared to the factors without the firm's external environment. However, it was not until 1984 that Wernerfelt coined the term Resource-based View to refer to the theory. For his perspective, he viewed an organization as a consortium of assets and other resources that are semi-permanently attached to the company. Other researchers, Prahalad and Hamel (1990) introduced the element of core competencies. This mainly emphasizes on the firm's capabilities as its most crucial internal resource which can act as its competitive advantage.

Another scholar, Barney (1991) also contributed to the theory. He postulates that an organization's resources are its primary source of competitive advantage. From the results of Ramos-Rodríguez and Ruíz-Navarro's study published in the *Management Journal*, the resource-based view was the most prominent theory that featured in the studies between 1980 and 2000. Furthermore, works from scholars such as Wernerfelt (1984) and Barney (1991) have also been identified as some of the most influential in thinking about strategic management, competitive strategy and the internal environment of companies.

Conversely, Amit and Shoemaker (1993) indicated that it is more prudent to classify organizational resources into two broader classes namely technological and human resources. On the other hand, Lee et al. (2000) was of the view that there should be a clear distinction between firm-level resources and individual-level resources within an organization's internal environment. However, Miller and Shamsie (1996) opted to classify organizational resources as property based and knowledge-based. Barney (1991) brought attention to '*all assets, capabilities, organizational processes, firm attributes, information, knowledge etc., controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness'* (Barney, 1991). Eventually, companies that are able to control resources to implement a *'value creating strategy not simultaneously being implemented by any current or potential competitor'* (Barney 1991) can realize competitive advantage.

Some scholars also argue that the RBV theory is not effective as it ignores the nature of markets in terms of demand and supply while only focusing on internal capabilities and resources of a firm (Hooley et al. 1996). Other researchers such as Andrew (1971) and Chandler (1962) argue that internal and external resources are inseparable when it comes to strategic planning and determining a competitive strategy for an organization. Therefore, it is necessary to maintain a balance between the internal and external resources of a business when designing a firm's strategy for competitiveness in the industry or market.

2.3 Competitive Strategies

Competition inspires change and triggers business development contrary to Kohn`s (2013) arguments that, "competition is not basic to human nature and holds people back." Strategic policies are therefore, a driving force for business development, basically because they facilitate neutralization of organizational threats in an industry. Competitive strategies involve pursuance of business advantage over other firms within a specific industry. This is achieved through pricing related competition, development of superior products that commands higher pricing. Consumers purchasing habit is guided by value for money and quality of product. Therefore, competitive advantage is achieved by ensuring price advantage or product differentiation.

Price advantage concerns developing the image of a company`s product or service through value for money perceptions of customers and client's products perceived value. On the other hand, product differentiation would refer to development perceived value of a product or service traded to customers. Firms are not restricted to product or pricing differentiation; therefore, some choose a cocktail of both. Competitive advantage would be defined by perfection of quality within minimum pricing in comparison to fellow players in a market set up. Achieving competitive edge through establishing both differentiation approaches make better economic sense because upon arrival of weakness in either case, a fall back plan can be devised easily. Combination of product and pricing focused strategies of market domination is a risk better mitigation system. Successful competitive strategies involve detailed response to an industries SWOT analysis, and careful consideration of rival policy. Development effective competition policies requires an understanding of an industry`s set up.

Being the low cast provider of a good or service can be a quick path to gaining more business or market share than your competitors. But this strategy has serious risks. A lower labor, materials or overhead cost is necessary. From the literature above, it is clear that the competitive environment is continually changing. Such changes have led to increased competition forcing many firms to respond by adopting strategies to ensure they achieve sustainable competitive advantage.

Sustainable competitive advantage leads to long term success of firms. This study therefore seeks to establish the dimensions of competition faced by television broadcasting media Industry in response to increased competition in the Media industry in Kenya (Grant, 1998).

2.4 The Effectiveness of Competitive Strategies

According to Porter (1980) Competitive 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 Radio industry, identifying with key programme producers and establishing strong relationships will be psychic of a radio company to be able to keep the listeners glued on their radio sets. Catching inserts in particular editions of Dailies has a similar effect. Retaliation by firms has also been used by many radio stations 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 radio 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.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was used for this study. It consists of the research design, the study population, sample size, data collection and data analysis.

3.2 Research Design

The study used a census research design this is because it was the appropriate in achieving accurate and conclusive results. Kothari (2004) posits that a census is the procedure of systematically acquiring and recording information about the members of a given population. It is a regularly occurring and official count of a particular population. This design was used to obtain information concerning the current status of the media industry, more specifically Kenya`s major radio giants.

3.3 Target Population

The target population of this study included 10 major Radio stations that are licensed to work and operate in Kenya. These major radio stations include: KBC FM (General),Citizen FM(General), Kiss FM (pop), Classic FM (classics), Capital FM (rock and pop), Milele FM, Radio Jambo, Nation FM (General), Inooro FM (Reggae), Homeboyz Radio(Hip hop and R&B) are the popular radio stations in Kenya in terms of listeners and coverage. Target population implies a total pool of relevant elements in a study activity. A target population includes people, services and procedures affecting a study questions and answers. In the case of this study, that includes royal media services, radio Africa, nation media group, and standard group affiliated radio stations as the major players in Kenya`s media industry among other communications authority of Kenya approved radio stations. The study used a census survey of all the major radio stations since the population is small.

3.4 Data Collection

The study used primary data which was collected using a semi-structured questionnaire. The questionnaire contained both open and closed ended questions. A five-point likert scale was used to collect data on structured questions. The questions had two sections: the first sections contained questions on the general profile of the respondents and the organization. The second section consisted of questions on the objective of this study which was to identify the competitive strategies used by major radio stations in Kenya. The respondents of this study were the operations managers and corporate affairs managers since they are deemed to understand the competitive strategies adopted by radio stations. The questionnaires were administered using a "drop and pick" later method at an agreed time with the researcher.

3.5 Data Analysis

Data was analyzed using descriptive statistics to determine the extent of implementation of competitive strategies in major radio stations in Kenya. The researcher used qualitative and quantitative techniques in analyzing the data. According to Kothari (2004) data analysis involves reducing the data into understandable and presentable manner. The researcher used Microsoft excel 2010 application to process the data. Both quantitative and quantitative data was analyzed data using descriptive statistics to generate percentages. This data is presented in form of tables, and pie charts.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The results of the research project exploring the effectiveness of competitive strategies adopted by major radio stations in Kenya. The results of the analyses are presented per study objective and described in tables where stated. Once the respondents answered the questionnaire, data was then coded and analyzed using SPSS.

4.2 Response Rate

The study targeted 30 senior management in the 10 registered radio stations in Kenya. From the study, 28 respondents out of the 30 responded, making a response rate of 93.3%. According to Mugenda and Mugenda (2003) a 50% response rate is adequate, 60% good and above 70% rated very good. This also concurs with Kothari (2004) assertion that a response rate of 50% is adequate, while a response rate greater than 70% is very good. This implies that based on this assertions; the response rate in this case of 93.3 % is very good.

4.3 General Information

Figure 4.1 shows the radio stations targeted to collect information pertaining the effectiveness of competitive strategies adopted by radio stations in Kenya

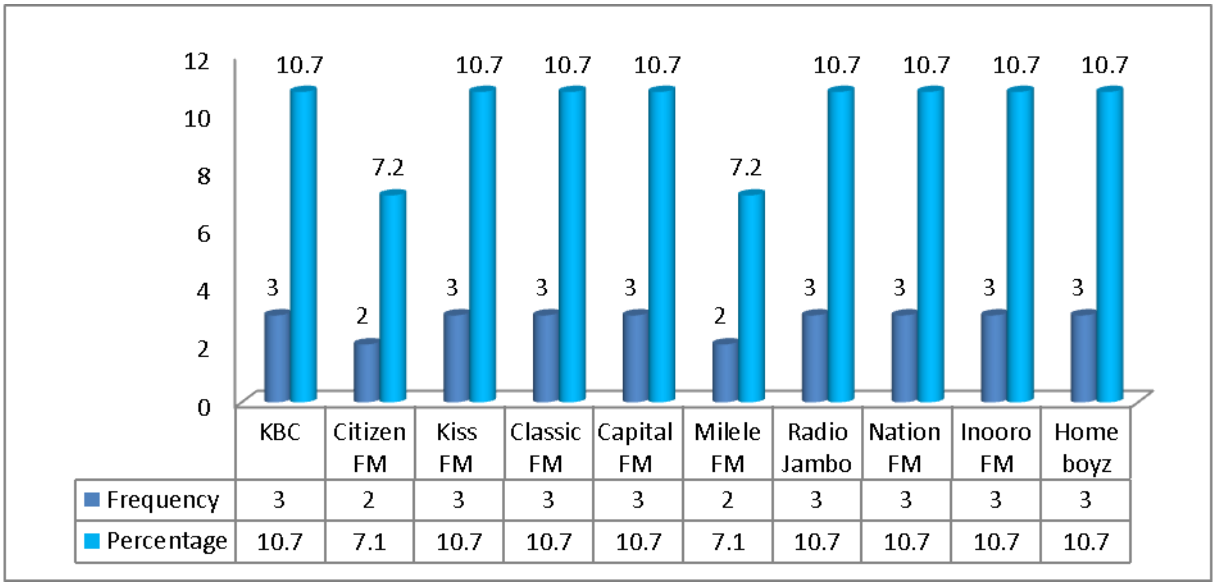

Figure 4.1: Radio Station

From the analysis of the findings the listed radio stations were KBC, citizen, Kiss, Classic, Milele, Radio Jambo and Home boyz.

The study also wanted to find out the number of years the Radio Station been in existence. The findings of the study are as shown in figure 4.2.

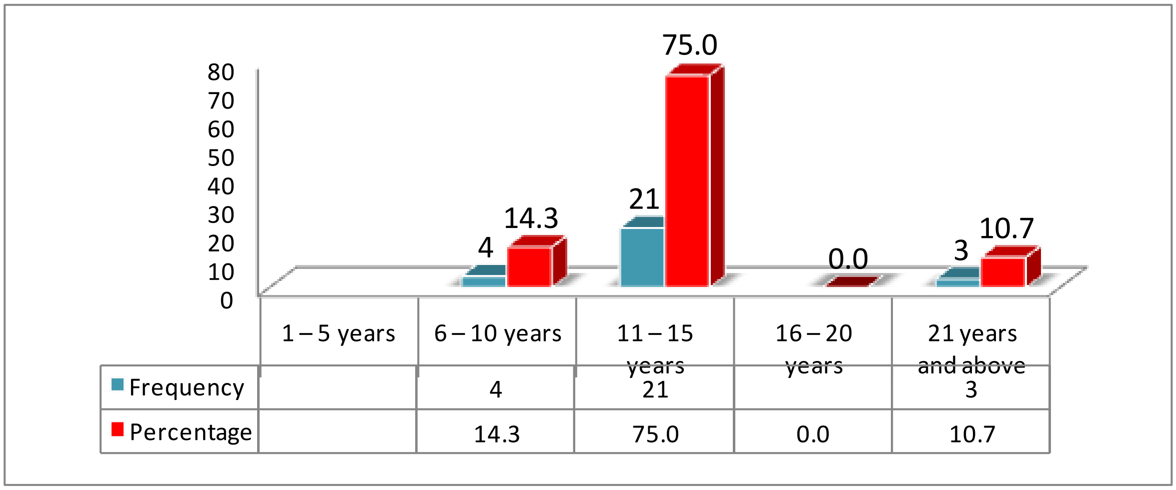

Figure 4.2: Number of years the Radio Station

Figure 4.3: Number of years the Radio Station been in existence Based on the findings of the study, a majority (75.0%) indicated 11-15 years. In addition, 14.3% indicated 6-10 years and the remaining 10.7% indicated 21 years and above. Therefore, it can be depicted that majority of the radio stations have been in existence for 11-15 years.

4.4 Information on Basis of competition

The study sought to establish the extent threats of new entrants influence competitive strategies. The analysis of the findings is as shown in table 4.1.

Table 4.1: The extent of new entrants influenced competitive strategies.

Threats of new entrants	Mean	Standard Deviation
We have strengthened our ability to retain staff	3.74	0.882
We have highly trained staff	3.04	0.936
Entry of new firms is very costly due to high licensing costs	4.17	0.756

From the findings of the study those indicated great extent were on the statements that entry of new firms is very costly due to high licensing costs with a mean of 4.17 and a standard deviation of 0.756, and on strengthening the ability to retain staff with a mean of 3.74 and a standard deviation of 0.882. In addition, those indicated a moderate extent were on the statement that we have highly trained staff with a mean of 3.04 and a standard deviation of 0.936. Therefore, the study of the findings concludes that a majority of the respondents indicate threats of new entrants influence competitive strategies to a great extent.

The study found it important to investigate on how threats of substitute influenced competitive strategies. The findings of the study are as shown in table 4.2.

Table 4.2: Threat of substitute

	Mean	**Standard Deviation**
Introduction of Pay radio stations	3.81	0.587
Introduction of specialized radio stations	3.89	0.916
Internet introduction	4.17	0.756

Based on the analysis of the findings, those indicated great extent said that internet introduction with a mean of 4.17 and a standard deviation of 0.756, introduction of specialized radio stations with a mean of 3.89 and a standard deviation of 0.916 and on Introduction of Pay radio stations with a mean of 3.81 and a standard deviation of 0.587. Therefore, it can be deduced that a majority indicated great extent to threats of substitute and competitive strategies.

The study wanted to establish how power supplies influenced competitive strategies. The study findings are as shown in table 4.3.

Table 4.3: Power of Suppliers

	Mean	**Standard Deviation**
Our competitive position in the market	3.51	0.652
Number of suppliers in our disposal	3.79	0.946
We offer better prices to our suppliers	3.20	0.746

According to the analysis of the findings, those indicated great extent were on statements that number of suppliers in our disposal with a mean of 3.79 and a standard deviation of 0.946, and on competitive position in the market with a mean of 3.51 and a standard deviation of 0.652. In addition, those indicated to a moderate extent said that they offer better prices to our suppliers with a mean of 3.20 and a standard deviation of 0.746. A majority of the participants indicated that power supplies influenced competitive strategies to a great extent.

The researcher wanted to establish the extent bargaining power of buyers influenced competitive strategies. The findings of the study are tabulated in table 4.4.

Table 4.4: Bargaining power of buyers

	Mean	Standard Deviation
We have a wide range of programmes for our listeners to choose form	3.94	0.652
High quality of programmes that we provide	3.69	0.936
Wide geographical coverage of our station		

Based on the analysis of the findings, it emerged that those who indicated great extent were on statements that they have a wide range of programmes for their listeners to choose form with a mean of 3.94 and a standard deviation of 0.652 and on high quality of programmes that provide wide geographical coverage of our station with a mean of3.69 and a standard deviation of 0.936. From the analysis of the findings it can be deduced that bargaining power of buyers influenced competitive strategies to a great extent.

Further, the study wanted to find out how intensity of rivalry influenced competitive strategies. The analysis of the findings is as shown in table 4.5.

Table 4.5: Intensity of Rivalry

	Mean	**Standard Deviation**
Our programming conform to the highest customer expectations	3.62	0.652
we consult with other radio stations to set prices	3.79	0.690
we sometimes consult with other radio stations for some our programming	3.81	0.603

Based on the findings of the study those indicated great extent said that they sometimes consult with other radio stations for some programming with a mean of 3.81 and a standard deviation of 0.603, they consult with other radio stations to set prices with a mean of 3.79 and a standard deviation of 0.690 and on the programming conforming to the highest customer expectations with a mean of 3.62 and a standard deviation of 0.652. It can be therefore concluded that a majority of the respondents said that intensity of rivalry influenced competitive strategies to a great extent.

4.5 Information on competitive strategies adopted by radio stations

The study wanted to find out how often the respectful radio stations developed their competitive strategies. The results of the findings are illustrated in figure 4.3.

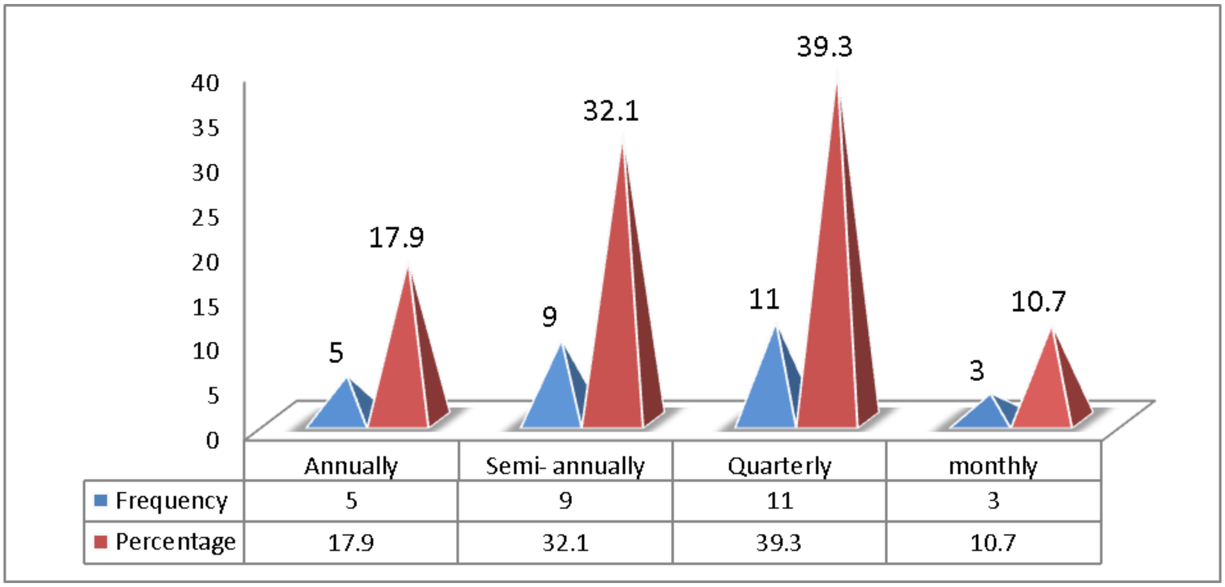

Figure 4.4: Developing Radio Strategies

According to the findings of the study, it emerged that a majority (39.3%) indicated quarterly followed by 32.1% who indicated semi-annually. Further, the findings of the study revealed that 17.9% indicated annually while the remaining 10.7% indicated monthly. The findings of the study conclude that most radio stations develop their competitive strategies annually.

The researcher also wanted to establish the Company's market segment(s) in the radio sector. The study results are illustrated in figure 4.4.

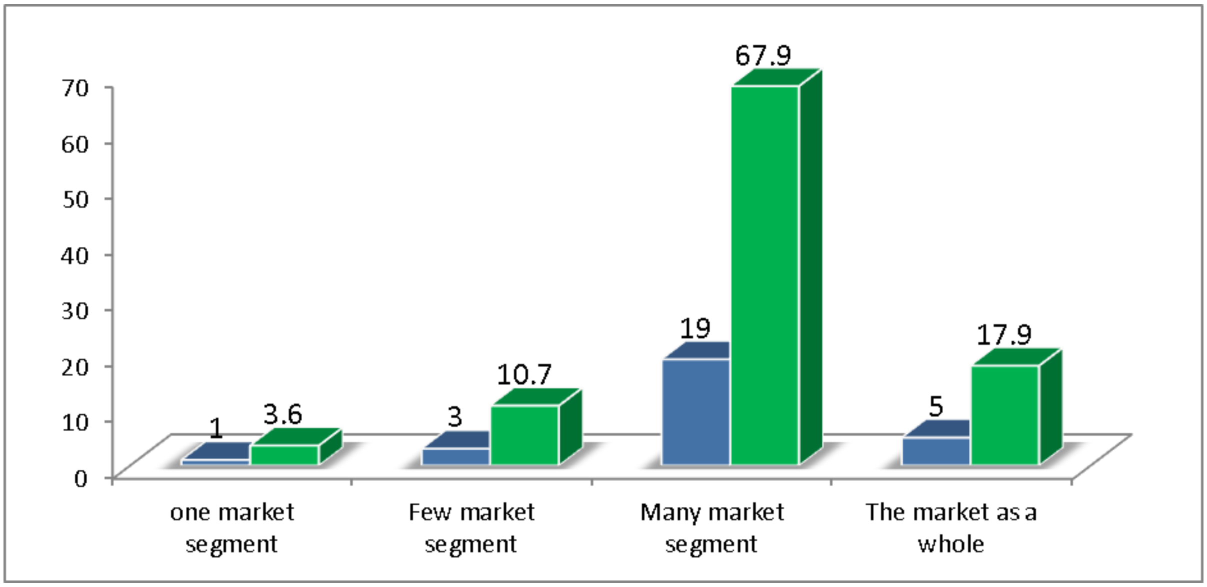

Figure 4.5: Company's market segment(s) in the radio sector

Based on the analysis of the findings, majority (67.9%) indicated many market segments. In addition, 17.9% indicated the market as a whole, 10.7% indicated few market segment and on 3.6% indicated one market segment. The findings of the study concludes that most of the participants indicated that the company's market segment in the radio sector were many market segments.

The researcher sought to establish on how differentiation helped to deal with competition. The findings of the study are tabulated in table 6.

Table 4.6: The extent of using competitive strategies to deal with competition

Differentiation	Mean	Standard Deviation
Technology supports the presentation of our news and other programmes.	4.91	0.693
Use of digital formats to record your news and Programmes	4.62	0.892
Use of Analogue formats to record your news and Programmes	3.69	0.763
All main radio stations have outside/live broadcast units; we you deploy your live broadcast units differently.	3.50	0.729
Our station run on analogue system	3.62	0.848
Our station run on digital system	3.04	0.639
Our presentation of programmes is different from the presentation style of our competitors.	3.67	0.775
In terms of content, our news and current affairs are different from our competitors	3.79	0.830
In terms of regional content, our news and current affairs are different from our competitors	3.70	0.705
In terms of presenters and reporters, our news and current affairs are different from our competitors	4.61	0.841
In terms of style, our news and current affairs are different from our competitors	3.39	0.885
Our advertising rates are better than those of our Competitors	2.97	0.942
Our programming is different compared to our Competitors	3.63	0.693

According to the analysis of the findings, those indicated very great extent were on statements that technology supports the presentation of our news and other programmes with a mean of 4.91and a standard deviation of 0.693, use of analogue formats to record the news and Programmes with a mean of 3.69 and a standard deviation of 0.763, use of digital formats to record your news and Programmes with a mean of 4.62 and a standard deviation of 0.892, and in terms of presenters and reporters, the news and current affairs are different from our competitors with a mean of 4.61and a standard deviation of 0.841.

In addition, those indicated great extent were on statements that in terms of content, our news and current affairs are different from our competitors with a mean of 3.79 and a standard deviation of 0.830, in terms of regional content, our news and current affairs are different from our competitors with a mean of 3.70 and a standard deviation of 0.705, the presentation of programmes is different from the presentation style of our competitors with a mean of 3.67 and a standard deviation of 0.775, the programming is different compared to our competitors with a mean of 3.63 and a standard deviation of 0.693, the station run on analogue system with a mean of 3.62and a standard deviation of 0.848, and on all the main radio stations have outside/live broadcast units; we you deploy your live broadcast units differently with a mean of 3.50 and a standard deviation of 0.729. Further, the analysis of the findings established that those who indicated to a moderate extent were on statements that in terms of style, our news and current affairs are different from our competitors with a mean of 3.39 and a standard deviation of 0.885, the station run on digital system with a mean of 3.04 and a standard deviation of 0.639 and of advertising rates are better than those of our Competitors with a mean of 2.97

and a standard deviation of 0.942. From the analysis of the findings it can be deduced that differentiation helped to deal with competition from other radio stations. The study also sought establish on how cost leadership helped to deal with competition. The findings of the study are tabulated in table 4.7.

Table 4.7: Cost Leadership

	Mean	Standard Deviation
Low cost producer in terms of cost of production	3.06	0.735
Low advertising rates	3.59	0.992
Low price of acquiring international programmes determine our purchasing power	3.71	0.663
Technology employed aims at the need of low cost production	4.81	0.698
Outsource production to reduce costs	3.95	0.792
We are willing to invest in developing production content as long as we are the lowest rates in the market	3.78	0.875
We are willing to trade-off differentiation for cost	3.69	0.832

From the findings of the study, those indicated to a very great extent were on the statements that technology employed aims at the need of low cost production with a mean of 4.81 and a standard deviation of 0.698. In addition, those indicate a great extent indicated that they outsource production to reduce costs with a mean of 3.95and a standard deviation of 0.792, low price of acquiring international programmes determine our purchasing power with a mean of 3.71and a standard deviation of 0.663, they are willing to invest in developing production content as long as we are the lowest rates in the market with a mean of 3.78 and a standard deviation of 0.875, they are willing to trade-off differentiation for cost with a mean of 3.69 and a standard deviation of 0.832 and on the low advertising rates with a mean of 3.59 and a standard deviation of 0.992. Further, the findings of the study revealed that those who were to a moderate extent indicated that low cost producer in terms of cost of production with a mean of 3.06 and a standard deviation of 0.735. Therefore, the analysis of the findings concludes that majority of the respondents indicated that cost leadership helped to deal with competition.

Further, the researcher wanted to investigate the extent focus helped to deal with competition. The findings of the study are tabulated in table 4.8.

Table 4.8: Focus

	Mean	**Standard Deviation**
We target a certain market segment	3.84	0.775
There is development of a specific service that satisfies the target market segment	3.96	0.839
Services are cutout for customers of a specific class	3.29	0.779
We enjoy consumer identification with our programmes and definite loyalty	3.65	0.742
There is pursuance of better beneficial pricing of our services since consumers do not access many alternatives.	3.03	0.559

Based on the analysis of the findings, those indicated very great extent said that technology employed aims at the need of low cost production with a mean of 4.81 and a standard deviation of 0.698. In addition, those indicated great extent said that they outsource production to reduce costs with a mean of 3.95 and a standard deviation of 0.792, they are willing to invest in developing production content as long as we are the lowest rates in the market with a mean of 3.78 and a standard deviation of 0.875, low price of acquiring international programmes determine our purchasing power with a mean of 3.71 and a standard deviation of 0.663, they are willing to trade-off differentiation for cost with a mean of 3.69 and a standard deviation of 0.832 and on the low advertising rates with a mean of 3.59 and a standard deviation of 0.992. Those who were to a moderate extent were on that the low cost producer in terms of cost of production with a mean of 3.06 and a standard deviation of 0.735. The analysis of the findings concludes that a majority indicated focus helped to deal with competition.

4.6 Effectiveness of Strategies

The study found it important to rate that effectiveness of each of the strategies to the radio station. The findings of the study are shown in table 4.9.

Table 4. 9: Rating the overall effectiveness of each of the strategies to the radio station.

Strategy	Mean	Standard Deviation
Product diversification	3.73	0.663
Active Brand Management	4.82	0.652
Research and Development	3.63	0.519
Forward and Backward Integration	3.68	0.634
New service development and New innovations	4.84	0.946
Cost leadership	3.92	0.704
Human capital development	3.57	0.599
Retaliation to competition and defensive moves	3.83	0.653

From the analysis of the findings, those indicted highly effective were on new service development and new innovations with a mean of 4.84 and a standard deviation of 0.946, and on active Brand Management with a mean of 4.82 and a standard deviation of 0.652. In addition, those indicated very effective were on cost leadership with a mean of 3.92 and a standard deviation of 0.704, retaliation to competition and defensive moves with a mean of 3.83 and a standard deviation of 0.653, product diversification with a mean of 3.73 and a standard deviation 0.663, forward and backward Integration with a mean of 3.68 and a standard deviation of 0.634, research and development with a mean of 3.63 and a standard deviation of 0.519 and on human capital development with a mean of 3.57 and a standard deviation of 0.599. Therefore, it can be deduced that a majority of the respondents indicated that the strategies employed by the studied radio stations were highly effective.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This study aimed to analyze effectiveness of competitive strategies adopted by major radio stations in Kenya. This chapter focuses on the conclusion, recommendations and suggestions for further studies.

5.2 Summary

The objective of this study was to analyze the effectiveness of competitive strategies adopted by major radio stations in Kenya. In the general information, the studied radio stations were KBC, citizen, Kiss, Classic, Milele, Radio Jambo and Home boyz. It emerged that most radio stations have existed for11-15 years.

The study sought to establish the extent threats of new entrants influenced competitive strategies. Those indicated great extent were on statements that entry of new firms are very costly due to high licensing costs and on strengthening the ability to retain staff. On threats of substitute and competitive strategies, the respondents indicated internet introduction, introduction of specialized radio stations and introduction of Pay radio stations. On power of suppliers and competitive strategies, the participants indicated great extent on that number of suppliers in our disposal, and on competitive position in the market. Further, on bargaining power of buyers and competitive strategies, the participants indicated great extent on statements that they have a wide range of programmes for their listeners to choose form, and on high quality of programmes that provide wide geographical coverage of our station. It was also established that the radio stations sometimes consult with other radio stations for some programming; and they consulted with other radio stations to set prices on the programming conforming to the highest customer expectations.

The study also sought to establish how often the respectful radio stations developed their competitive strategies. A majority of the people indicated quarterly where each radio station had many market segments.

The study sought to establish on how differentiation helped to deal with competition. Those indicated great extent were on statements that technology supports the presentation of our news and other programmes, use of analogue formats to record the news and Programmes, use of digital formats to record your news and Programmes, in terms of presenters and reporters, the news and current affairs are different from our competitors, in terms of content, our news and current affairs are different from our competitors, in terms of regional content, our news and current affairs are different from our competitors, the presentation of programmes is different from the presentation style of our competitors, the programming is different compared to our competitors, the station run on analogue system, and on all the main radio stations have outside/live broadcast units; we you deploy your live broadcast units differently.

The study also sought establish on how cost leadership helped to deal with competition. Those agreed indicated that technology employed aims at the need of low cost production, outsourcing production to reduce costs, low price of acquiring international programmes determine our purchasing power, and they are willing to invest in developing production content as long as we are the lowest rates in the market, they are willing to trade-off differentiation for cost and on the low advertising rates.

The study also sought to investigate the extent focus helped to deal with competition. Those indicated very great extent said that technology employed aims at the need of low cost production, outsourcing production to reduce costs; they are willing to invest in developing production content as long as we are the lowest rates in the market, low price of acquiring international programmes determine our purchasing power, they are willing to trade-off differentiation for cost and on the low advertising rates.

Further, the study rated the effectiveness of the employed strategies by the studied radio stations. Those indicted highly effective were on new service development and new innovations, active Brand Management, cost leadership, retaliation to competition and defensive moves, product diversification, forward and backward Integration, research and development and on human capital development

5.3 Conclusion

From the analysis of the findings, it can be concluded that threats of new entrants influenced competitive strategies. This is justified by statements that entry of new firms are very costly due to high licensing costs and on strengthening the ability to retain staff. It is also concluded that threats of substitute influenced competitive strategies due to the introduction of specialized radio stations and Pay radio stations.

The findings of the study concluded that differentiation helped to deal with competition where technology supported the presentation of news and other programmes, use of analogue formats to record the news and Programmes, use of digital formats to record your news and Programmes, in terms of presenters and reporters, the news and current affairs.

It was also conclude that cost leadership helped to deal with competition- that technology employed aimed at the need of low cost production, outsourcing production to reduce costs, low price of acquiring international programmes determine our purchasing power.

Further, on the effectiveness of the strategies employed by the studied radio stations, it was concluded that they were effective new service development and new innovations, active Brand Management, cost leadership, retaliation to competition and defensive moves, product diversification, forward and backward Integration, research and development and on human capital development.

5.4 Recommendations

In line with the findings of the study, the study recommends that successful radio stations should ensure their products are differentiated enough to be able to distinguish them from other competitors. In addition, the study recommends that to overcome impediments in their operations, they must put in place strong strategies that achieve success.

5.5 Suggestions for future research

A replica study can be done on other radio stations in the industry which will now determine and compare the strategic response adopted by other players in the media industry. This would give a comparison on the strategic responses adopted by radio stations in dealing with the competitiveness in the media industry.

The study focused on few strategic responses. Identifying other competitive strategic responses adopted by major radio stations in addressing the changes in the media industry could be an ideal area for further study. Another study that can be done includes the study of competition strategy among the media industry. The results of the study can be used to analyze the strategy management of competition within the industry.

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APPENDICES

Appendix I: Letter of Introduction

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

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

P.O. Box 30197
Nairobi, Kenya

DATE 14/10/2015

TO WHOM IT MAY CONCERN

The bearer of this letter MBURUGU HELLEN

Registration No. D61/70957/2014

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.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
14 OCT 2015
P.O. Box 30197 – 00100, NAIROBI

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

Appendix II : Questionnaire

PART A: Demographic Information

1. Name…………………………………………………………………………….
2. Radio station…………………………………………………………… …
3. How many years has your Radio Station been in existence?

   1 – 5 years ( )   6 – 10 years ( )   11 – 15 years ( )

   16 – 20 years ( )   21 years and above ( )

4. Position held in the company………………………………………………..

PART B: Information on Basis of competition

5. To what extent do you consider the following factors to influence your competitive strategies: rate on a 5- point scale where:
   1=Not at all   2= little extent
   3= moderate extent   4= Great extent   5= Very great Extent

Threats of new entrants	1	2	3	4	5
We have strengthened our ability to retain staff					
We have highly trained staff					
Entry of new firms is very costly due to high licensing costs					
Threat of substitute					
Introduction of Pay radio stations					
Introduction of specialized radio stations					
Internet introduction					
Power of Suppliers					
Our competitive position in the market					
Number of suppliers in our disposal					
We offer better prices to our suppliers					

Bargaining power of buyers					
We have a wide range of programmes for					
our listeners to choose form					
High quality of programmes that we provide					
Wide geographical coverage of our station					
Intensity of Rivalry					
Our programming conform to the highest customer Expectations					
we consult with other radio stations to set prices					
We sometimes consult with other radio stations for some our programming					

PART C: Information on competitive strategies adopted by radio stations

6. How often do you develop your radio strategies?

Annually	
Semi- annually	
Quarterly	
Monthly	
Others, specify	

7. What is your company's market segment(s) in the radio sector?

i) One market segment ☐

ii) Few market segment ☐

iii) Many market segment ☐

iv) The market as a whole ☐

8. To what extent do you use each of the following competitive strategies to deal with competition? Please indicate with a tick in the relevant column the extent to which you have used each of the following strategies to gain competitive

Advantage: rate on a 5- point scale where: 1=Not at all 2= little extent 3= moderate extent 4= Great extent 5= Very great Extent6= Not applicable

DIFFERENTIATION	**1**	**2**	**3**	**4**	**5**	**6**
Technology supports the presentation of our news and other programmes.						
Use of digital formats to record your news and Programmes						
use of Analogue formats to record your news and Programmes						
All main radio stations have outside/live broadcast units; we you deploy your live broadcast units differently.						
Our station run on analogue system						
Our station run on digital system						
Our presentation of programmes is different from the presentation style of our competitors.						
In terms of content, our news and current affairs are different from our competitors						
In terms of regional content, our news and current affairs are different from our competitors						
In terms of presenters and reporters, our news and current affairs are different from our competitors						
In terms of style, our news and current affairs are different from our competitors						
Our advertising rates are better than those of our Competitors						

Our programming is different compared to our Competitors						
COST LEADERSHIP	**1**	**2**	**3**	**4**	**5**	**6**
Low cost producer in terms of cost of production						
Low advertising rates						
Low price of acquiring international programmes determine our purchasing power						

Technology employed aims at the need of low cost production						
Outsource production to reduce costs						
we are willing to invest in developing production content as long as we are the lowest rates in the market						
We are willing to trade-off differentiation for cost						
FOCUS	1	2	3	4	5	6
We target a certain market segment						
There is development of a specific service that satisfies the target market segment						
services are cutout for customers of a specific class						
We enjoy consumer identification with our programmes and definite loyalty						
There is pursuance of better beneficial pricing of our services since consumers do not access many alternatives.						

SECTION D: EFFECTIVENESS OF STRATEGIES.

9. 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 your radio station.

Strategy	Highly effective	Very effective	Fairly effective	Less effective	Not effective
Product diversification					
Active Brand Management					
Research and Development					
Forward and Backward Integration					
New service development and New innovations					
Cost leadership					
Human capital development					
Retaliation to competition and defensive moves					

10. In your role as a manager in the radio station, 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.

Thank you!

Appendix III: A List Of Major Radio Stations in Kenya

Radio Stations	**Specialization**

Citizen FM, ,	General
Kiss FM	(pop),
Classic FM	(classics)
Radio Jambo	General
Milele FM	(Rock),
Homeboyz Radio	(Hip hop and R&B)
Kbc	General
Capital FM	(rock and pop),
Nation FM	General
Inooro FM	General