STRATEGIC INNOVATIVE RESPONSES ADOPTED BY REAL ESTATE FIRMS TO ATTAIN SUSTAINABLE COMPETITIVE ADVANTAGE IN THE INDUSTRY: A CASE STUDY OF SURAYA LTD

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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: ________________________ Date ______________

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

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DEDICATION

I dedicate this project to my beloved family for their support throughout my entire study period. For standing by my side and as always being my loudest and heartiest supporters, you are truly remarkable. Thank you for always believing in me.

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ABSTRACT

The main objective of the study was to establish the strategic and innovative responses adopted by real estate firms to gain sustainable competitive advantage: Case of Suraya Property (K) Ltd. The study was theoretically grounded on the resource based view theory. The research design to be adopted was a case study. Primary data was collected by use of an interview guide targeting four senior property managers of the company. Data obtained was qualitative in nature. Content analysis was the right techniques to utilize in the analysis process. Content analysis techniques was preferred because it assisted in making inferences by objectively identifying specific information relating the same to occurrence trends on competitiveness factors. The study findings established that the essence of a firm developing appropriate competitive advantage is concerned with being able to contribute more value to customers than competitors in a competitive environment. Competitive advantage is the result of the firm’s planned strategy. As seen, many factors are equally important in producing appropriate competitive advantage. Some of these are industrial factors; others are resources and competencies of the firm. The sum of all these factors results in creating and sustaining successful competitiveness. The findings indicate that the real estate firms use various strategies, resources and capabilities in order to achieve competitive advantage. Due to the multiplicity of factors that lead to a firm’s competitive advantage, there is need for a firm to identify appropriate industry resource, firm resource and capability formation in a manner that is going to lead to synergy between the industry and the firm. The firms should be able to identify an appropriate strategy that it can employ in order to gain the necessary competitive advantage because even though two firms operate in the same industry, their sources of competitiveness might differ due to the market segment that it has concentrated on. A firm’s ability to develop an appropriate competitive advantage grows out of value a firm is able to create for its buyers that exceeds the firm's cost of creating it. The study has established that the real estate firms use several strategies in order to ensure that they achieve competitive advantage and it is recommended that the firms should use only those strategies which would ensure that they maximize the advantage in order to reduce costs to manageable level. The study has established that the real estate firms should consider using latest technology in their operations in order to reduce their operational cost and offer their services at competitive pricing. It is recommended that the firms should continue training their employees on how to maintain the low cost strategy and at the same time they should not incur the costs which they can do away with by outsourcing the services which will leave them to concentrate on their core objective. The real estate firms should at the same time continue evaluating their customer service in order to compete effectively with other players in the market. The findings of the study is consistent with the resource based theory which forms the basis for competitive advantage of a firm which lies primarily in the application of a bundle of valuable and tangible or intangible resources at the firm’s disposal. It is recommended that researchers and academicians explore further research on the symbiotic relationship and organizational performance in other sectors.

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Globalization is characterized by growing worldwide interconnections, rapid discontinuous change, growing numbers and diversity of participants, (Paker, 2005). The process of globalization has occurred rapidly but not a steady pace, a chart of global interconnections would follow an upward trend; growing interconnections are discontinuous following a tagged upward slope. Discontinuities in the pace of change make it difficult for organize, interpret or plan for the future. Vesseth (1998), notes that globalization events and interconnections are experienced in different ways. The process of itself is disorganized and incoherent. Ansoff (1987) indicated that an organization must try and adapt to its environment, so that it can successfully position itself in the competitive and overcome the environmental shortcomings. They must anticipate change and influence change drivers towards organizations vision and mission strategies and goals. Firm's top management must scan the environment since that's the greatest key to organizational success. Environments both internal and external must be scanned for opportunities and threats. Majumdar (1996) narrates that the changing environment globally calls for new perspectives and innovative skills and strategies to face the challenge due to the opening windows of globalization. Caught in routine details of product development, pricing, promotion, advertising and distribution the business executives often lose sight of the big picture, often with disastrous consequences. Firms lose focus on their vital direction and path of growth; offense ceiling, hence need for unique innovative response (s) to cope and fit with the firm and the environment dynamics.

Suraya group (K) Ltd operates in a competitive local environment local business environment can be relatively stable or highly turbulent and at each stage and level requires different strategies and different inputs and capabilities. The Kenyan real estate industry has drastically taken diverse directions in terms of structure growth and clientele composition; severe competition is paramount and evident. Industry level environmental forces are at great play hence influencing the performance of the firms in the economy. Different firms employ different strategies as they compete for different categories of clientele; the clientele can be corporate, individual, residential or business types. According to Kevin, Mahajan and Varadarajan "Strategic planning is the managerial process which entails analysis, formulation and evaluation of strategies that would enable the organization to achieve its goals by developing and maintaining a strategic fit between the organizations distractive competencies or resources vice versa the threats and opportunities arising from changing environment."

1.1.1 Concept of Strategy

Strategy is the means an organization uses to achieve its objectives. According to Porter (1980), "strategy is a central vehicle for attaining certain competitive advantage Hofer and Schendel, 1979) describes strategy as the basic characteristic of the match an organization achieves with its environment. Aosa (1992) argues that strategy is creating a fit between the external characteristics and internal conditions of an organization to solve problem which mismatch between the internal characteristics of an organization and its environment.

Strategy development generally takes place at multiple levels within an organization, corporate level, which defines the business in which the company competes making optimum use of its resources and district competencies; decision involving new product market development; mode of entry, (Acquisition, internal development, joint ventures) and mode of exit (Spinoffs; Sell offs, liquidation) are some of major issues considered at this level Majumudar (1996). These decisions determine the current and future composition of a company portfolio, how the businesses complement or reinforce one another and how corporate resources are allocated. According to Andrew (1980) business strategy in the determination of how a company will compete in a given business and position itself visa its competitors. Competitors differ in their resources and objectives hence within a particular market segment firms evolve different strategies. Firms must develop distractive competencies by attaining lower delivered cost or by differentiating itself from others, (Day, Wensley & Porter 1988) by evolving proper business unit strategy a firm will occupy different competitive position within a target market.

1.1.2 Competitive Strategies

Competitive strategies refers to how a company can compete in a particular environment; competitive strategies are concerned with how a firm can gain competitive with how a firm can gain competitive advantage over the competition; the industry competitive forces will dictate the level type and structure of competition. Porter (1988) notes that every firm is competing in an industry must have a competitive advantage whether explicit or implicit; a firm's relative position within its industry determines whether a firm's profitability is above or below the industry average the fundamental basis of above average profitability in the long run is sustainable competitive advantage. These are two basic types of competitive advantage combined with the scope of activities for which the firm seeks to achieve them; lead to three generic strategies for achieving above average performance in an industry; cost leadership; differentiation; and focus; focus has two dimensions, cost focus and differentiation, cost focus and differentiation focus.

In cost leadership a firm strives to achieve to become a low cost producer in the industry the sources of cost advantage are varied and depend on the structure of the industry, they may include proprietary technology, preferential access to raw materials and economies of scale. A low cost produces must bind all sources of cost advantage. Porter (1998) argues it at in differentiation; strategy a firm seeks to be unique in its industry along some dimensions that are valued by its customers. The firm chooses some attributes to compete with and differentiates itself the firm gets rewarded for its uniqueness with a premium price. Focus strategy tends to attach emphasis on specific market segments not exploited by the rest of the firms in the industry. The firm undertakes exclusive selection of market segments and tailors its strategy to fit the customer’s needs; organizations must strive to achieve sustainable competitive advantage in order to survive when the hostilities of environment crop up and change becomes inevitable. Organizations have to strategically respond to the changes (Thomson 1977)

1.1.3 Competitive Advantage

Johnson and Scholes (2004) states that competitive advantage is the bases on which a business achieves competitiveness over others in the market; for the firm to gain competitive advantage the firm must analyze and understand its internal and external environment, one of the goals of crafting and ;implementing business strategy as to achieve sustainable competitive advantage. Porter (1985) firm’s performance which yields higher profits than the competition and exceeds average industry levels, the firm will be said to possess a competitive advantage over its rivals; competitive advantage is attained through provision of greater value either through lower prices or providing extra benefits and service. Thomson & Strickland (2003) argues that a firm has competitive advantage, whenever it has an edge over its rivals in securing customers and defending against competitive forces. Competitive advantage list never static without significant effort; over time the edge may erode due to competitors duplicating themselves, as the market changes. Half the battle is establishing the competitive edge, while the other half is to maintain it. This calls for the firm's continual analysis and revision of the venture to make it current and competitive.

1.1.4 The Real Estate Industry in Kenya

The Kenyan real estate sector is on a high rise in terms of growth and investment; the huge urban population had triggered need for affordable and high cost residential utilities in the country. The sector comprises of real estate agents, property management companies, real estate construction companies, in total the participants are involves in sales, building and renting real estate related assets, including shopping centers, office buildings, hotels and residential apartments. Kenya's good economic growth since 2002 and a stable political climate have made the country the regional hub of investments. Another is contributor to real estate sector remittances by the Kenyans in the Diaspora.

The financing of real estate properties in Kenya is also diverse. Individual banks provide montage facilities to individuals; companies etc. Kenya has two financial institutions specializing in real estate finance, the savings and loans (S & L) and National Finance Corporation of Kenya; the savings and loan merged with the mother company on January 2010. This leaves one firm to solely financing the project. In the above circumstances real estate firms have to remain competitive in order to survive and growth into higher heights of development (CBK 2014).

1.1.5 Suraya Property Group (K) Limited

The Suraya Property Group (K) Limited was established in (2006) in Kenya. The main vision of the firm is to become the leading property company in East and Central Africa; through provision of stylish homes, affordable and eco-friendly structures. The company operated under the understated core values, quality, lifestyles, affordability, innovative, team work and eco-friendly. Suraya Property (K) Ltd model of operation is based on partnering with large scale private landowners and converting parcels of lands into commercially viable project. This has led to development of new commercial and industrial hubs, in the periphery. The current statics of the real estate development in Kenya surpasses all the other neighbors countries, new opportunities have come up with Nairobi becoming the preferred business destination in Eastern Africa and South of the Sahara Region.

1.2 Research Problem

Proponents of transformation are in every sector, some business also reflect a transformations view that works towards a better world. Ellis (2001) believes that the same force can drive business globalization can also drive and contribute to social changes and progressive pattern of behavior. Business need to responds to these environmental threats as opportunities and threats are always abound. Innovativeness and quick responsive strategies are the ultimate actions firms can undertake; in such competitive business environment. Customer preferences should also be closely monitored as these create foundations of a sound response strategy. Porter (1996) indicates that a proper link between strategy and operations is the key to developing sustainable competitive advantage. Shields (1997) indicates that increasing globalization has resulted in intense and aggressive competition, increased customer demand, and short product life cycle; Otido (2011) indicates that investing in technology, selling / marketing innovative products and constant environmental review guarantees a firm's success in the market place.

Analysis of the company's industry and competitive environment begins with identifying the industry's dominant economic features which facilitates the kind of strategic responses a firm can undertake. (Thomson & Strickland and Gamble 2007) Pearce II and Robinson (2011) indicates that an industry has an underlying structure or set of fundamental economic and technical features that gives rise to competitive foreseers/forces as Porter (1980) classifies them as threats of entry bargaining power of buyers and bargaining power of suppliers; threat of substitutes and rivalry within the industry. The five forces framework allows a firm to re-examine through the complexity and identify the critical areas of competition in its industry.

The local estate industry has experienced dynamic changes in terms of participants, structure and level of investments. The industry has approximately seventy nine property firms (registered) this has changed the nature and magnitude of competition within the industry. Firms with large investment portfolio like Tysons Ltd, Knight Frank Ltd, Suraya Properties, compete with average firms in the same market segment(s). Same property firms have combined their clientele to maximize the industry returns. (Both corporate individual; residential and business) to survive these firms have to change tactic and create innovative responses towards the ever changing business scenarios. The complex and diversified mortgage market has led to increased and cut throat competition.

Established firms have created their websites using the current technological advancements. Most of the developers have also gone outline in terms customers reach and publicity programmes. This indicates that competitive pressures are rising and this requires innovative and sustainable strategies to make the firms survive in a such turbulent environment. Previous studies have been undertaken in the area of real estate. Wairigia (2007) did a study on the response of real estate firms in Kenya to changes in the external environment. Karanja (2002) did a study on competitive strategies of real estate firms the perspective of Porters generic model. Marete (2012) researched on the real determinants of estate property prices (Kiambu Municipality Kenya) the study found that the location and realtors' were key factors affecting real estate prices in Kiambu Municipality. None of the above studies have researches Suraya Property Group (K) Ltd. The research question is what strategic innovative responses are adopts by real estate firm in case to attain sustainable competitive advantage: A case of Suraya Property Group (K) Ltd?

1.3 Research Objective

The main research objective of the study is to:

To establish the strategic and innovative responses adopted by real estate firms to gain sustainable competitive advantage. (Case of Suraya Property (K) Ltd)

1.4 Value of the Study

The study will enable the establishing of policy guidelines for real estate firms to operate on: the details of the study will enable them articulate well the environmental trends in the business and how to overcome challenges through innovative responses adopted. Investors and agents / brokers / will also benefit from this study through educative programmers and knowledge sharing. The study will also be of benefit to the government as it regulates business (es) within a regulated economy. This will provide various guidelines for proper regulation and controls.

To the academicians the study will be of great and immense help in terms of defining various research variables which will be used as guide posts in developing of policy guidelines for stakeholders, individual firms and the government at large. The academicians and scholars can also use the same knowledge to write up proposal documents to enable investor’s findings of various real estate related projects.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section covers literature relative to the area of study. It covers theoretical foundations of study, which includes Porters five forces model (1990). The resources based view Wernerfelt (1984). Strategy formulation and implementation; core competencies distractive capabilities importing focus to the firms competitive strategy; challenges of strategy implementation; beyond competitive strategies.

2.2 Theoretical Framework

A number of theoretical frame works have been advocated to support the nature of the study. The significant contribution is of Porter's five forces model (1990) the resources based view.

2.2.1 The Porter's five forces model

The five forces model is an analytical tool that attempts to broaden the scholars view on how the environment forces is a business competitive environment determine and shape strategies and the firms performance (Miller and Dess 1996). The environment consists of PEST framework (Political, Economic, Social and Technological factors) exert pressure and influence on the firms operations and shape the extent and level of competition in particular environment (s); According to Porter (1990) the forces under study include the entry of new competitors the three of substitutes the bargaining power of suppliers, the bargaining power of buyers and rivalry among existing competitors.

Competitive advantage is achieved when an organization positions and differentiates itself within the industry relative to the competition. The five forces model introduces the rules of competition that influence industry attractiveness and help them determine a competitive strategy to cope with and favor the firm in question Porter (2008). The firm’s competitive strategy evolves from the industry attractiveness and a clear understanding of the rules of competition in question. New firms (entrants) to the industry bring new capacity, technology and desire to gain market share and often substantial resources. The degree and seriousness of the threat depends on entry barriers in the industry; the threat of entry slows if the entry barriers are high and new corners expects strong retaliation from the entrenched competitors (Porter 2008)

Firms have several weapons for battling rivals and attracting buyers, they can lower prices, offer products with more or efficient features, better product performance, higher quality stronger brands image and appeal; wider selection of models and styles, bigger and better networks, low rate financing higher levels of advertising; strong product innovation capabilities; better customer service, stronger capabilities to provide buyers with custom made products (Porters 2008). The power of buyers is often referred to customers or customers as a group as well as industrial buyers. Suppliers can exert bargaining power on an industry by raining prices or reducing the quality of goods and services purchased hence this reduces industry revenue and profits this leads to exit of those firms who are unable to recover the increased cost in its our prices. Substitute products force the firms in the industry to adapt differentiation practices on their products and services. The firm’s responsiveness and flexibility to changes are important factors that contribute to success of the organization. The attainment of superior quality; innovation and responsiveness enables the organization to create superior value and attain competitive advantage (Jones 2001)

2.2.2 The Resource based view Theory

The theory of resource based view was initiated by Wernerfelt in 1984 and has steadily gained prominence in strategic management circles and many scholars contributing and improving its view (s). It has assumptions that firms can gain and sustain competitive advantage by deploying valuable resources and capabilities. The theory further explains that the sources of competitive advantage is mainly the ownership and utilization of specific characteristics of rareness, unique, value, imperfect limitation and non-substitution; Barney (1991). Scholarly argument puts the view in different dimension like use of assets, capabilities competencies, information, and knowledge among other factors to create competitive advantage (Banney 1991). Anit and Scheomaker (2003) argue that capabilities are not part of resources and have therefore to differentiate between the two (capabilities and resources). Capabilities are results of resources deployed and organizational procedures and processes having a dynamic nature, they strongly advocate that capabilities should be created independent from resources.

2.3 Strategy Formulation and Implementation

Johnson et al (2006) defines strategy as the direction and scope an organization adapts over a long term, which enables a firm to attain competitive advantage in a dynamic environment through use of organizations resources and competencies with a grand aim of meeting shareholders expectations; firms' resources play a great role in strategy implementation. The nature of competition has influenced the level and intensity of competitive pressure (s). Smith (1990) points out that the problem of strategy formulation varies from organization to organization but common elements remain constant, seven key steps which need be followed and formulated is as follows, setting provisional objectives, assessing the permeable future environment in assessing the situation of the firm, formulating alternative strategies; evaluation of strategies, deciding on the favored strategy (including revised objectives) and finally drawing up plans needed to implement the plan itself.

A guiding strategy is needed both for the firm as a whole and for consistent parts. Mintzberg (1994) defines strategy as a plan ply; pattern an perspective and a position strategy as a plan defines the means through which organizations moves from one state to another; usually from one state of fairness to an excellent state of affairs. This strategy element provides a clear direction on how the firm will progress towards the future scholars, practitioners and prominent authors have generated diverse views on the mode of strategy implementation in organizations; the universally acceptable framework involved should include the organizational culture, structure, people, communication, control and outcome (Okumu 2003; Reed & Buckley 1998); leading researchers like Saunders, Mann & Smith (2008) have indicated that other functional areas of organizations contribute to strategy implementation, this include culture and organizational elements, like leadership practices, market constraints and utilization of relevant management practices and human resource capacity development; process and technology inputs and develop. Brown (2007) concludes that manufacturing and operations strategy content and processes aids strategy implementation and improves performance.

According to Rutan (1999) all implementation; aspects during planning phase are essential for implementation process. It is paramount to understand all that pertains to panning and plans focused attention on critical issues need not be overlooked. There should be a balance between new strategies initiatives and ongoing business activities, pit falls and challenges occur whenever there’s a mismatch between the ongoing and new process and initiatives. Nickils (2000) discusses four cases of strategy implementation; sound strategy and flowed implementation; flawed strategy and sound implementation, and sound strategy and sound implementation success of the firm arises where the strategy is sound and implementation is sound and accommodates the changes in the business environment. He concludes that wrong strategy leads to unsuccessful implementation of strategy.

2.4 Core competencies and distinctive capabilities of the firm's competitive strategy.

Rastogi (2008) asserts that a firms remains competitive is core competencies' and distractive capabilities are correctly directed towards organizations operations and resources; the central issue of the firms competitive business strategy is whether its products and service are positioned competitively in the industry, and how the firm copes up with general environmental trends and pressures; criteria of cost and quality remain as minimum thresholds to make the firm competitive, they should have unique resources and differentiated offers in the market / industry. Smith (1990) indicates that competitive strategy is that aspects of strategy which is concerned with how to so better than the competition. Rumelt (1974) describes it as the "art of creating or exploiting those advantages that are most telling, enduring and most difficult to duplicate. He attributes competitive advantage to one of the three roots, superior resources, superior skills, or superior position. In business positional advantage reflects such factors as" a well-established position in the market; economical of scale or technological leadership; Michael Porter (1985) emphasizes the importance of analysis the nature of competition and market structure in the industry, and the likely reactions of competitors to a firm strategic moves.

The firms of skills, and expertise primarily in the domain of production technology, while core capabilities denote the excellence in knowledge based specialties or service activities throughout the firm's value chain. Core capabilities may incorporate technology related specific and unique skills. Competencies are enhanced if they are increasingly applied and shared; they do not deteriorate overtime, unlike physical assets; but they need be nurtured and assiduously cultivated. Core competencies essentially involve harmonizing and integrating streams of technology, they also involve harmonization and integration of the organization work and delivery of value to customers. Firm's core competencies should provide access to a wide variety of markets, make significant contribution to the perceived customer's benefits and be difficult for the competitors to imitate.

2.5 Challenges of innovative strategic responses in implementation

Hrebiniak (2005), notes that the success of the any strategy lies in its execution and implementation process. A host of challenges can potentially influence, affect the process by distracting the events from the main course of action and cause deviations of events and subsequently a shortfall or flawed implementation process, outcome. Noble (199) indicates that unlike strategy formulation, strategy implementation is often tricky, challenging and is more like a craft rather than a science. Several challenges affect effective challenge implementation in firms.

2.5.1 Organizational Culture

Organizational culture, practices and political influences and affects strategy implementation in most organizations. Marginson (2002) indicates that strategy implementation evolves either from a process of winning group commitment through a coalitional form of decision making or as a result of complete coalitional involvement of implementation staff through strong coporate culture. Leading authors like Aaltonen and Ikavalko (2002) also noted that the impact of poor integration of activities and diminished feelings of ownership and commitment counts. Copinathy and Becker (2002) finally indicate through their study that perceived procedural justice concerning the investment activities of the firm is positively related to post investment to the firm.

Finally research undertaken by Davis Le Mastro et al (1990) through their study of 210 employees and a sample of 110 respondents, concluded that organizational culture is related to various attributes and behaviors and that poor organization culture affects strategy implementation; their study concluded that managers should ensure that organization culture takes care of employee’s needs; as employees are the pillar and cornerstone or organizations survival and growth.

2.5.2 Lack of Participative Management Policies and Poor Leadership

Management practices, true and correct leadership styles are core to effective’s strategy implementation in organizations. Leadership plays a pivotal role in any successful organizational processes or activity. Managers need to oversee the plans and be part and parcel of proper implementation in matters of organizational dynamics, resources, and constraints. Alexander (1985) found that poor coordination of implementation activities is a prime cause of failure. Beret al (2000) asserts that leadership in many teams does not make the necessary tradeoffs, they face during implementation, and instead they create vague strategic objectives which do not provide effective direction for implementation.

Failure to provide a participative climate in the organization also affects the process of implementation. The basic ingredients of participative management are:- shared authority, involvement in important decisions, subordinate involvement. Effective participation practices leads to improved quality of decision made which will leak implementation a success. The practice also increases employees. The practice also increases employees productivity and job satisfaction as well as make the organization able to respond to environmental challenges and demand which positively contributes to strategy implementation (Scanlan et al 1983)

2.5.3 Ineffective, Poor Communication

Strategy implementation gets affected if communication network is sound in the organization (both upward, lateral, downward channels). When there is an information vacuum the chances of implementation failure are higher and the organization may not be able respond to the challenges and needs of the day. (Beer et al, Al Ghamdi 1998: Alexander 1985)

The information flow does not include people communication with each other; but also includes information systems. Within the organization; where by management can monitor and implement efforts of others. Strong communication networks facilitate strong organization culture of trueness in various organizations issues. In transition period and change management, information flow becomes critical for successful success; employee commitments is only possible if employee understand the values and organizations ideals, Lares Mankki (1994) examined the relationship between top management practices on employees commitment, job satisfaction and role uncertainty, all these revealed that proper information flow us paramount to organizational success.

2.5.4 Employee Ownership

Ownership factor implies that joint acceptance and ownership by employees in organizational matters. AlGhamdi (1998) indicates that ownership is the greatest cause of failure in strategy implementation, and related processes. He simply states that employees should seem to own up the process (s) and the organization, when direct participation of key persons is missing the strategy implementation process is bound to fail; sometimes it increases the time needed for strategy implementation (Al Chamdi 1985: Alexander 1985), when the affected employees and senior staff are not involved in the formulation of strategy. It also becomes difficult to feel ownership of the strategy (Alexander 1985).

2.6 Competitive Strategies

Firms adapt strategic moves as dictated by environmental demands and challenges, so that the organization can align their strengths with opportunities and threats from the external environment. Evidences by research indicate that firms must always change their tactics and develop innovative responses to contain the challenges, if they have to proper and maintain industry competitiveness. Porter (1980) extensively examines the competitive strategies a firm can undertake to remain competitive in the market / industry. He further explains these a firm can adopt one single strategy or combine both depending on environmental trends; the three generic strategies are cost, focus and differentiation.

Differentiation strategy involves differentiating the product or service the firm is offering, something unique unusual and very different from the competition. The unique aspect must add value in terms of customer satisfaction. Effective differentiation depends on the level of variability from the competitors offering

(Russel & Taylor III 2003). Thompson and Strickland and Gamble (2008) explains the various ways a firm can adopt the differentiation strategy, the brand image speed of delivery; features; after sales service; warranties and dealer network.

Focus strategy target a particular market segment which either is ignored by major players, unattractive to other firms, Porter (1980) states that focus can be built around particular target audience. A prerequisite for success of this approach is that the firm has the potential to serve and finds it economical to undertake the processes. Cost leadership strategy enables a firm to pursue lower prices relative to the competition and achieve high volume or charge same prices as the competition. Pearce and Robinson (2008) indicates that following as sources of cost advantage economies of scale, favourable work conditions, preferential access to raw materials among others.

2.7 Beyond competitive strategies (other important strategy options)

2.7.1 Strategic alliances and collaborative partnerships

Strategic alliances are collaborative partnerships where two or more companies join forces to achieve mutually beneficial strategic outcomes; alliances have become so essential to the competitiveness of companies in many firms that they are core elements in today's business strategies. (Porter 1980). Few firms have the resources capabilities to pursue their strategies alone. It is becoming increasing common for companies to pursue their strategies in collaboration with suppliers, distributors, makers of complementary products / and even with select competitors. Alliances can enhance a firm to establish a strong beach head for participating in the target technology or industry; master new technologies and build new expertise and competencies faster; open up broader opportunities in the target market by melding the firm's own capabilities with expertise and resources of partners. Alliances fallouts occur due to conflicts of interest, and unexpected frictions; fear of dependent of an ally is not productive for the parent firm; some alliances have limited potential which they try to safeguard (Porter 1985).

2.7.2 Mergers and Acquisition strategies

An acquisition is a combination which one company, the acquirer purchases and absorbs the operations of another the acquired. A merger is pooling of equals with the newly created company often taking on a new name. (Porter 1985) Porter continues to explain the various objectives mergers and acquisitions aim to achieve; some notable benefits are, expansions of geographic coverage; extended the company’s business into new product categories or international markets; to gain quick access to new technologies and avoid the need for a time consuming research and development effort; to pave way for acquiring new company to gain more market share.

2.7.3 Diversification and vertical integration strategy

A firm can pursue a diversification strategy to gain competitive advantage. Des et al (2012) explains diversification as a process of firms expanding their operations by entering new businesses and leveraging competencies, sharing activities or building market power. Power (1985) signals out various factors encouraging diversification; these include, the firm having a strong brand name; which can be transferred to other business and products; when it can utilize existing competencies and capabilities; when it can move to technologies and products to complement with its products.

Vertical integration strategy takes shape where the firm decides to be its own supplier or distributors (Dess et al., 2012). Forward integration involves gaining ownership or increased control over distributors or retailers, the strategy is pursued when an organization’s present distributors are especially expensive, unreliable or incapable of meeting the firm’s distribution needs. (David 2011) backward integration is a strategy which seeks ownership or increased control of firms’ suppliers, reasons being same as forward integration.

2.7.4 Outsourcing and operational strategies.

Thompson et al (2007) indicates that outsourcing involves a conscious decision to abandon or forgo attempts to perform certain value characteristics internally and source them from outside specialists or firms; the basic reason being that the outside firm has economies of scale or capabilities in the same area of operations. The result of such strategies is that the sourcing firm concentrates on its core competencies and operations. Strategic decisions in operations involve products and services processes and technology, the competitive gains from integrated operating systems is more sustainable than new products and technologies. (Russel and Taylor 2003) operations have great impact on cost, speed of delivery, flexibility and quality key components in creating sustainable advantage. The positive contribution of operations helps the firm to create strategies which evolve by creating new and better ways of delivering the firms competitive priorities of the customers.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This section highlights the framework under which research was conducted. The section covers the research design, data collection and data analysis.

3.2 Research Design

The research design to be adopted was a case study. In this case is the case study, case studies places more emphasis on a full contextual analysis of fewer events or conditions and their interrelations (Cooper and Schindler 2005). The essence of using a case study is that it allows an in depth understanding of the behavior patterns of the concerned unit. According to Mugenda and Mugenda (2003) it's important to briefly outline reason why the chosen design is appropriate as it enables in depth interaction of respondents through the interview guide.

3.3 Data Collection

Data collection involves contacting respondents in order to collect the required information about the study (Cooper and Schindler 2003). The data collected was primary data, which was collected through the use of the interview guide (See Appendix II). The target interviews were four (4) senior property managers of Suraya Ltd.

To ensure quality of data collected voice recording during the interview was employed to ensure that majority of the questions of thematic responses were well recorded for effective translation and write ups. Secondary data supplemented the primary data. Secondary data sources included websites of the company, company records and bulletins, annual reports.

3.4 Data Analysis

Data analysis involves examining, categorizing, tabulating the evidence to address the initial preposition of study (Yin 1994). Data obtained was qualitative in nature. Content analysis was the right technique to utilize in the analysis process. Mugenda and Mugenda (2003) points out that the best content analytical studies use both qualitative and quantitative methods. Content analysis techniques was preferred because it assisted in making inferences by objectively identifying specific information relating the same to occurrence trends on competitiveness factors.

CHAPTER FOUR

DATA ANALYSIS, RESULT AND DISCUSSIONS

4.1 Introduction

This chapter presents the result of the analysis of data collected through interviews with four senior property managers of Suraya (K) Ltd. The data was analyzed using content analysis based on meanings and implications emanating from respondents information and documented data. Secondary data supplemented the primary data. The topic under study was the strategic innovative responses adopted by real estate firms to attain sustainable competitive advantage in the industry: a case Study of Suraya (K) Ltd.

4.2 Demographic Information

This section presents the general information about the respondents targeted by the study at Suraya (K) Ltd. The findings were presented below in the following subsections of the study.

4.2.1 Duration of operation of the firm

The study sought to determine the duration of operation of the real estate firm. The interviewees indicated that Suraya (K) Ltd has been in operation since incorporation in the year 2006. This makes the number of duration of operation for the organization to be 9 years.

4.2.2 Mode of ownership of the firm

The study sought to determine the mode of ownership of the firm. The interviewees indicated that Suraya Kenya Ltd is a privately owned organization. The interviewees indicated that Suraya Property Group Ltd is a real estate company incorporated in 2006 owned by Peter Muraya and Sue Muraya.

4.2.3 Size of the firm

This section of the study sought to establish the number of branches, employees, sales turnover and capital employed by the real estate firm. The respondents indicated that Suraya Property Group Ltd had two branches one that deals with property management and property development. The sales turnover for the firm ranged from Kshs. Ten million to one hundred million (10M -100M). The number of staff in the real estate firm was between 50-80 members of staff. The staff level just likes the capital employed, depends on the number of constructions that the real estate firm had and the more the construction works, the employee's number tended to increase.

4.3. Strategy, formulation, planning, implementation and control of strategic innovative responses

The study sought to determine who is involved in the planning, formulation, implementation and control of business strategies. The respondents indicated that the board of directors is involved in the planning and formulation of strategic innovative responses adopted by the company. The Chief Executive Officer (CEO) and the managers in charge are involved in the implementation and control of strategic innovative responses adopted by real estate firms to attain sustainable competitive advantage in the industry. The study revealed the middle management undertakes the implementation of plans formulated at the top. The property managers are senior middle level employees who have right experience and qualification to make desired decisions. The analysis further indicated that the engineers and architects who design buildings also do make strategic decisions when it comes to technical areas of structure, design, compatibility, location and site decisions depending on the type of building (s) under construction. Their recommendation is accorded the weight it deserves as they are core to the product itself; house designs should be competitive for ease of marketing and buyer preferences. They also do advice on the kind of raw materials for different types of buildings.

4.3.2 Firm's resources in strategic innovative response and implementation

The study sought to determine the role of the firm's resources in strategic innovative response and implementation. The study established that the role of the firm's resources in strategic innovative response and implementation is financing the planning, formulation and implementation of strategic innovative responses to be adopted by the real estate firm to attain competitive advantage. The firm has invested substantial resources to build innovation competencies the resources are in human, capital, technology, etc. Firms exist to satisfy the needs of their target markets, and as such, building innovation competencies requires a strong set of organizational knowledge, abilities, and motivations to ensure that innovation activities are geared towards serving market needs and organizational goals. Firms study competitive rivalry in order to predict the competitive actions and responses each of their competitors are likely to take. Competitive actions are either strategic or tactical in nature.

The firm takes competitive actions to defend or build its competitive advantages or to improve its market position. Competitive responses are taken to counter the effects of a competitor's competitive action. A strategic response requires a significant commitment of organizational resources is difficult to successfully implement and is difficult to reserve. This resource factor of Suraya (K) Ltd is very evident that the company has a strong financial base, an able team of techno crafts who undertake various functions; in the field of technology the firm has been trying to utilize the latest materials in designs and related activities to achieve competitiveness. The firm undertakes huge projects which are financed from self incomes / banks and high corporate sponsors. The firm also enjoys a competitive force of manpower both in the technical and managerial levels. This concurs well with the works of Rastogi (1996) “dynamics of global competitiveness of industrial enterprises, he asserted, that core competencies and capabilities of a firm are seen to be shaped by and in turn shape the firms basic capabilities of an enterprise. Further to that, the firm’s competitiveness in future in the face of declining profit margins and sales of existing products, in increasingly saturated markets, its top management need to envision new products and markets that do not yet exist. Creation of new competitive pace is therefore a vital facet of the formulation and implementation of the (firms) globally competitive strategy which simultaneously affects it and is affected by it. Creation of new competitive space is however not easy. Its realization depends on the conjunctive support provided by the firm’s basic capabilities of technology management and flexible organization and creative human resources, besides the deployment and maximal stretching of the firm’s core competencies and capabilities towards equalization. The firm’s success in this context reinforces the effective implementation of its competitive strategy and therefore strengthens the firm’s financial position.

4.3.3 Factors considered in strategic innovative response

The study sought to determine the factors normally considered during the strategic innovative response. The respondents indicated that the firm’s skills and expertise primarily in the domain of production technology, while core capabilities denote the excellence in knowledge based specialties or service activities throughout the firm's value chain. Core capabilities may incorporate technology related specific and unique skills. Competencies are enhanced if they are increasingly applied and shared; they do not deteriorate overtime, unlike physical assets; but they need be nurtured and assiduously cultivated. Core competencies essentially involve harmonizing and integrating streams of technology, they also involve harmonization and integration of the organization work and delivery of value to customers. Firm's core competencies should provide access to a wide variety of markets, make significant contribution to the perceived customer's benefits and be difficult for the competitors to imitate. This phenomenon quite in line with what Hamel & Prahlad (1991) refers to as core competencies of firm denoting a shapely honed combination of its individual production skills that underlie its different product lines. The firms has to excel in them in order to be competitively effective, core competencies may be viewed as collective learning in the organization, regarding how to coordinate diverse production skills and integrate multiple streams of technology. Summarily a core competence should provide access to a wide variety of markets, core competence should make significant contribution to perceived customer benefits of the end product, a core competence should be difficult to imitate. Suraya (K) Ltd has exhibited those competencies as outlined above that's why the firm has been able to achieve competitiveness edge in the market.

4.4 Challenges of innovative strategic responses in implementation

Whereas formulation of competitive strategies is vital the adoption of these strategies is extremely paramount. Lack of proper implementation of competitive strategies culminates to losses that ultimately affected the performance of a firm.

Despite the efforts being made by Suraya (K) Ltd to achieve competitive advantage, several challenges still hamper this important process. When asked on their opinion, the interviewees noted that Suraya Ltd still faced numerous challenges in adopting competitive strategies. All the respondents mentioned different challenges that hindered effective implementation of these strategies. However the researcher merged the related challenges to come up with these challenges: leadership and management; resources, organizational structure, organization culture, and environmental as well as regulatory framework challenges. .

4.4.1 Leadership and Management challenges

To establish whether there were leadership and management challenges at Suraya Ltd, the researcher asked whether there were constraints that affected implementation of competitive strategies. In this case, majority of the respondents reckoned that leadership and management challenges exist. The respondents indicated that in any organizational set ups challenges abound any situation. Leadership challenges abound in any highly competitive environment and organizations with multiple activities coupled with diverse managerial and technical and personnel. Leadership is critical for organizational growth and development. On the other hand, the respondents noted that some leaders were resistant to change and therefore were not willing to embrace new ideas to achieve competitive advantage. They also noted visionary and leadership challenges that hampered strategy implementation. The respondents recommended that more training on leadership and modern management practices are needed if competitive advantage was to be sustained at Suraya Ltd.

4.4.2 Organizational Culture challenges and practices

The researcher further sought to find out whether the respondents felt that Suraya's organizational culture promoted implementation of competitive strategies. In this case varied responses were received among the respondents some felt that organizational culture affected the implementation of competitive strategies. When asked to mention some of key aspects of organizational culture that affected the implementation of these strategies, factors such as transparency and accountability, resistance to change poor policy framework were mentioned. Regarding resistance to change, some respondents reckoned that some members of the senior management team were not ready to embrace change and often delayed decision making process concerning the implementation of these strategies. The respondents recommended that change of the betterment of the company needed to start with the top management for competitive strategies to be implemented.

4.4.3 Organizational Structure

The researcher also sought to find out whether the organizational structure was hindering the implementing of competitive strategies at Suraya Ltd. In this case, some of the respondents disagreed while others agreed. Majority of the interviewees felt that the organizational structure supported the competitive strategies adopted by the company. There was a general feeling that almost all levels of the organization were kin to see into it these strategies were successful. Those who disagreed reckoned that though the middle level management and the lower level management were keen to implement the strategies, questions were directed to the senior management team who according to them felt delayed implementation process. This study finding very well fits Rastongi (1996) write up on culture and constructive competition. He indicates that organizations wide shared values, norms and beliefs do not however imply an absence of divergent and varied supportive of creativity and innovation encourages constructive contention in discussion towards decisions and actions. It fosters and intellectual climate in which different views and opinions are actually sought and seriously considered. Constructive contention denotes a company’s willingness to continue re-examine critically those assumptions and beliefs which may seriously impair environmental scanning and creative approach to problem solving.

4.4.4 Organizational Resources

For competitive strategies to succeed, it is important to have enough organization resources. According to Kim et, al. (2004) the success of implementing any strategies in an organization highly depend on the availability of financial, physical, human and information resources. According to the findings of the study, the company had sufficient resources for implementing competitive strategies. The interviewees noted that the organizational did not have enough and qualified man power to undertake this process. They felt that there was need to train the existing labour force on competitive advantage for competitive strategies to have meaning, on the other hand when asked whether there was enough financial and information resources to undertake the process, most of the respondents felt that these resources were sufficient. To this end, it can be concluded that Suraya Ltd still needed to improve on its organizational resources for continuous successful implementation of competitive strategies.

4.4.5 Inadequate Market Penetration

On the question of market penetration, the researcher sought to find out if it was also a challenge that hampered the success of competitive strategies. In this case when asked there was a neutral response by the respondents who felt that the company’s market penetration strategy was excellent with majority noting that this was evident by the fact the products of Suraya Ltd had been distributed to virtually every part of Kenya. However, some of the respondents had a feeling that whereas market penetration had been successful, it did not fully enjoy the products of the company due to its poor market penetration strategy and the fact rival firms had already captured markets in the other parts of the country.

4.4.6 Limited Motivation and Compensation Packages

In this case, the researcher sought to find out if the workers were motivated by the company to implement competitive strategies. When asked on this question. Majority of the respondents felt that the company did not motivate or compensate the workers competitively, while other respondents did not have a challenge with the company's motivation and compensation strategy. According to Gupta et, al. (2009), the human resources are the important resource when implementing competitive strategies and therefore have to be well taken care of so as to administer the process. The respondents recommended that the company should raise the salaries of the employees and improve on their benefits to motivate them to work towards achieving competitive advantage.

Shirley (2003) notes that the execution of a strategy depends on how well an individual member of an organization is motivated. Motivating and rewarding good performances for individuals and units are key success factors in effective strategy implementation. On the other hand organization rewards are powerful incentives for improving employees and work group performance since competent personnel and effective internal organizational systems are vital.

4.5 Competitive Strategies adopted by real estate firms

The study sought to determine the competitive strategies and the challenges faced in adopting these strategies in the real estate firms in Kenya. The study sought to determine the type of competitive strategies adopted by the real estate firm. The interviewees indicated that the source of competitive advantage in the firm enjoyed by the real estate firm. The response reveals the types of real estate competitive strategies as product differentiation, cost leadership, marketing and infrastructure.

4.5.1 Product Differentiation

The ability of a firm to differentiate its products and services from other competitors in the market will enable it develop a niche market that makes the customers get attracted to the firms services. The differentiation process might take different forms such as quality, reputation of the firm and after sale services. Real estate product differentiation of the real estate firm offers unique products in the market; reputation of a firm and of its products is different from the competitors; real estate product differs in quality from each other depending on the target market and the firm offers different after sales benefits for different

construction products. The study revealed that the firm had effectively segmented its markets. The different household built in different location in various segment (s) is a clear testimony of product differentiation. The development of town houses; size, shape all contributes to competitiveness through differentiation approach. The study revealed that in up market areas of Nairobi residents prefer big and spacious houses units comprising of even servant quarters since they have more than one house help, they also require spacious car parks that are clearly differentiation component. Alternatively in low income sections of Nairobi county, the housing units are small, two and one bedroom, dominate with no servant quarters because their incomes limitations. Noted also was the style of construction of middle income residential areas which have certain characteristics within that income category.

4.5.2 Cost Leadership

A firm's ability to offer a product or service of high quality at a competitive cost is a source of competitive advantage because from the same, the firms pricing will also be competitive. The researcher also sought to establish cost leadership strategy employed by the real estate firms. The firms' cost leadership position was determined through establishment of offices within localities that are easily accessible by the customers. Cost leadership of the firm offers outsourcing some of the real estate's services; competitive property prices; employ superior technology and continuous innovations; project location i.e. proximity to raw materials and labour and exploiting linkages with suppliers and /or customers, in the firm's value chain. Respondents indicated some cost effective methodologies the firm has adopted to stay ahead of the competition. This indicates raw materials types, acquisition and the technologies in use. This effectively reduces the cost of bringing up the construction (s).

4.5.3 Focus Strategy

Focus as a marketing strategy implies a firm trying to concentrate on a narrow or niche markets where it can serve its clientele better that the competition. A focused strategy is based on low cost aiming to achieve competitive advantage by serving particular market segment. This strategy is considerably suitable and attractive when a firm can lower costs significantly by limiting its customer's base to a well defined segment. The avenues to achieving cost leadership, out manage rivals in controlling the factors that drive costs and re configure the firms value chain in ways that yield a cost edge over rivals (Strickland et al 2005).

The researcher sought to understand which areas the firm has applied focus strategy with success. Respondents indicated that the provision of premium housing units to a particular up market segments where incomes are quite high and less price sensitive. The products are customized and usually prepared to specification; the study also revealed that construction of office parks is an example of focus strategy, since the clientele has different business needs hence the offices need to accommodate that kind of clientele specifications. Finally the researcher probed further to understand whether the firm was involved in construction of schools, hospitals among other activities outside housing ventures, the reply was not yet. May be in future the firm well venture to those particular segments

4.5.4. Beyond Competitive Strategies

The study sought to establish some of the alternative competitive strategies the firm was utilizing to remain competitive. The findings were that these were various strategies like outsourcing some services like interior decoration from other establishing firms, plumbing and electrical installations, gardening and landscaping, all these gave the firm a competitive edge, since it saves resources to embark on its core mission and vision. Strategic alliances concepts was also mentioned by some respondents, this is through alignment with other firms to offer similar services to particular clientele where Suraya (K) Ltd feels the contracted partner has the core competence and capabilities.

CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives the summary of the findings, conclusion and recommendations of this study that focused on the strategic innovative responses adopted by Suraya (K) Ltd to attain sustainable competitive advantage in the industry.

5.2 Summary of Findings

The study shows that the majority of the respondents are involved in the planning, formulation, implementation and control of business strategies. The respondents indicated that the board of directors is involved in the planning and formulation of strategic innovative responses adopted by the company. The Chief Executive Officer (CEO) and the managers in charge are involved in the implementation and control of strategic innovative responses adopted by real estate firms to attain sustainable competitive advantage in the industry. The study revealed that the role of the firm's resources in strategic innovative response and implementation is financing the planning, formulation and implementation of strategic innovative responses to be adopted by the Suraya (K) Ltd to attain competitive advantage. Suraya (K) Ltd had invested substantial resources to build innovation competencies. Firms exist to satisfy the needs of their target markets, and as such, building innovation competencies requires a strong set of organizational knowledge, abilities, and motivations to ensure that innovation activities are geared towards serving market needs and organizational goals. Firms study competitive rivalry in order to predict the competitive actions and responses each of their competitors are likely to take. Competitive actions are either strategic or tactical in nature. The firm takes competitive actions to defend or build its competitive advantages or to improve its market position. Competitive responses are taken to counter the effects of a competitor's competitive action. A strategic response requires a significant commitment of organizational resources is difficult to successfully implement and is difficult to reserve.

The study revealed that whereas formulation of competitive strategies is vital the adoption of these strategies is extremely paramount. Lack of proper implementation of competitive strategies culminates to losses that ultimately affected the performance of a firm. Despite the efforts being made by Suraya (K) Ltd to achieve competitive advantage, several challenges still hamper this important process. When asked on their opinion, the interviewees noted that Suraya Ltd. still faced numerous challenges in adopting competitive strategies. All the respondents mentioned different challenges that hindered effective implementation of these strategies. However the researcher merged the related challenges to come up with these challenges in related areas like leadership and management; resources, organizational structure, organization culture, market penetration and opportunities to open firm branches.

The study findings analyzed the competitive strategies adopted by Suraya (K) Ltd. The interviewees indicated that the source of competitive advantage in the firm enjoyed by the estate firm. The response reveals the types of real estate competitive strategies as product differentiation, cost leadership, focus. Product Differentiation is the ability of a firm to differentiate its products and services from other competitors in the market will enable it develop a niche market that makes the customers get attracted to the firms services. The differentiation process might take different forms such as quality, reputation of the firm and after sale services. Real estate product differentiation of the real estate firm offers unique products in the market; reputation of a firm and of its products is different from the competitors; real estate product differs in quality from each other depending on the target market and the firm offers different after sales benefits for different construction products. The study found out the firm practiced focus strategy through branding customized housing facilities in particular up market areas residentially or office parks. The study further revealed that even the middle and low income segments were catered for in terms of products through that focus approach. In the areas of cost leadership the study highlighted specific measures leading to that strategy success. Finally it was noted that beyond competitive strategy measures were also utilized by the firm like outsourcing and strategic partnering with their firms.

5.3 Conclusion

The study concludes that the essence of a firm developing appropriate competitive advantage is concerned with being able to contribute more value to customers than competitors in a competitive environment. Competitive advantage is the result of the firm's planned strategy. As seen, many factors are equally important in producing facilitating competitive advantage. Some of these are capabilities resources and competencies of the firm. The sum of all these factors results in creating and sustaining successful competitiveness. The findings indicate that the real estate firms use various strategies, resources and capabilities in order to achieve competitive advantage; others adopt other strategies like outsourcing, alliances and partnerships. The study also identified various challenges as well, challenges are those constraints which make the strategy formulation and implementation difficult of the factors which prohibit successful and fruitful strategy implementation as per organizations expectations. The challenges arose in many areas ranging from leadership, innovative responses; organizational culture, organizations structure (s), organizational resources and market penetration among motivation and compensation among others. A firm's ability to develop an appropriate competitive advantage grows out of value a firm is able to create for its buyers that exceeds the firm's cost of creating it. In this context, value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price. All these factors have significant impact on the adoption of strategic innovative responses by real estate firms to attain sustainable competitive advantage in the industry.

5.4 Limitations of the Study

Time constraints on part of respondents and then immediate availability posed greatest challenges. Information relating to strategic innovative responses adopted by real estate firms to attain sustainable competitive advantage in the industry is always treated with sensitivity. This caused difficulties soliciting deep private information respondents as it had policy implications and strategic options regarded secrets.

The study confirmed itself to real estate firm environment of Nairobi County whose housing needs are unique. The same strategies need be researched in other counties far from Nairobi.

5.5 Recommendations

The study has established that the real estate firms use several strategies in order to ensure that they achieve competitive advantage and it is recommended that the firms should use only those strategies which would ensure that they maximize the advantage in order to reduce costs to manageable level.

The study has established that the real estate firms should consider using latest technology in their operations in order to reduce their operational cost and offer their services at competitive pricing. It is recommended that the firms should continue training their employees on how to maintain the low cost strategy and at the same time they should not incur the costs which they can do away with by outsourcing the services which will leave them to concentrate on their core objective. The real estate firms should at the same time continue evaluating their customer service in order to compete effectively with other players in the market.

The findings of the study is consistent with the resource based theory which forms the basis for competitive advantage of a firm which lies primarily in the application of a bundle of valuable and tangible or intangible resources at the firm's disposal. It is recommended that researchers and academicians explore further research on the symbiotic relationship and organizational performance in other sectors.

5.6 Suggestion for further study

It's suggested that the study be of continuous nature because the housing sector needs are changing drastically and customer perceptions are also not uniform.

Further research is needed to ascertain the application of particular technologies in housing sector.

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APPENDICES

Appendix II – List of Real Estates Firms in Kenya

1. Active Homes
2. Afriland Agencies
3. Ark Consultants Ltd
4. Barloworld Logistics (Kenya) Ltd
5. Betterdayz Estates
6. British American Asset Managers
7. Canaan Properties
8. Capital City Limited
9. CB Richard Ellis
10. Colburns Holdings Ltd
11. Coral Property Consultants Ltd
12. Country Homes and Properties
13. Crown Homes Management
14. Crystal Valuers Limited
15. Daykio Plantations Limited
16. Double K Information Agents
17. Dream Properties
18. Dunhlill Consulting Ltd
19. East Gate Apartments Limited
20. Eastwood Consulting Limited
21. Ebony Estates Limited
22. Economic Housing Group
23. Elgeyo Gardens Limited
24. Fairway Realtors And Precision Valuers
25. FriYads Real Estate
26. Gimco Limited
27. Greenspan Housing
28. Hajar Services Limited
29. Halifax Estate Agency Ltd.
30. HassConsult

31. Hewton Limited
32. Home Afrika Limited
33. Homes and lifestyles
34. Housing Finance
35. Jacent Properties Limited
36. Jimly Properties Ltd
37. Jogoo Road Properties
38. Josekinyaga Enterprises Ltd
39. Josmarg Agencies
40. Kali Security Co Ltd
41. Karengata Property Managers
42. Kenya Prime Properties Ltd
43. Kenya Property Point
44. Kilifi Konnection
45. Kiragu & Mwangi Limited
46. Kitengela Properties Limited
47. Knight Frank Limited
48. Kusyombunguo Lukenya
49. Land & Homes
50. Land & Homes
51. Langata Link Estate Agents
52. Langata Link Ltd
53. Lantana Homes
54. Legend Management Ltd
55. Lloyd Masika Limited
56. Mamuka Valuers (M) Ltd
57. Mark Properties Ltd.
58. Market Power Limited
59. Mentor Group Ltd
60. Merlik Agencies
61. Metrocosmo Ltd
62. Mombasa Beach Apartments
63. Monako Investment Ltd
64. Muigai Commercial Agencies Ltd.

65. Myspace Properties (K) Ltd.
66. N W Realite Ltd
67. Nairobi Real Estates
68. Neptune Shelters Ltd
69. Oldman Properties Ltd
70. Oloip Properties
71. Ounga Commercial Agencies
72. Palace Projects Limited
73. Property Investment Network
74. property zote.com
75. Raju Estate Agency Limited (REAL)
76. Suraya Property Group (K) Ltd
77. Tysons Limited
78. Urban Properties Consultants & Developers Ltd

Appendix III: Interview Guide

The objective of this study is to establish the strategic and innovative responses adopted by real estate firms to gain sustainable competitive advantage: (Case of Suraya Property (K) Ltd). The factors assessed are Strategy formulation and implementation; Challenges of innovative strategic responses in implementation and Competitive Strategies adopted by real estate firms to attain sustainable competitive advantage in the industry: a case study of Suraya (K) Ltd.

Section A: Background Information

1. What is the duration of operation of the real estate firm?
2. What is the mode of ownership of the real estate firm?
3. What is the size of the Real Estate Firm?

Section B: Strategic and innovative responses adopted by real estate firms to gain sustainable competitive advantage

1. Who is involved with the Planning, formulation, implementation and control of strategic innovative responses adopted by the firm to attain sustainable competitive advantage in the real estate industry?
2. What is the role of firms' resources in strategy formulation and implementation?
3. What are the factors normally considered during the strategy formulation?

Challenges

1. What are the challenges faced by real estate firms in adopting competitive strategies?

2. Does the organizational culture in the company hinder strategy implementation?

3. What kind of challenges do you face with leadership? How do you deal with such challenges?

4. What are the challenges that the company faced while implementing cost leadership as a competitive strategy?

5. What are the challenges that the company faced while implementing differentiation as a competitive strategy?

6. What are the challenges that the company faced while implementing focus strategy as a competitive strategy?

Competitive Strategies adopted by real estate firms

1. What is the source of competitive advantage in the real estate firm?

2. Which competitive strategies do you consider the most important for sustainable competitive advantage?

3. How would you rate the impact of competitive strategy on your organisations?

4. What the influence of differentiation strategy on achieving sustainable competitive advantage in your organisations?

5. What the influence of cost leadership strategy on achieving sustainable competitive advantage in your organisations?

6. How do you carry out market service focus for sustainable competitive advantage in your organizations?

7. How has these strategies contributed towards achieving competitive advantage in your organizations?

8. How has competitive strategies enhanced a sustainable competitive advantage in the following areas?

    a) Service quality

    b) Number of programs

    c) Speed of transactions

    d) Compliance to regulations

    e) Reduction of costs

    f) Customer satisfaction

9. What are the effects (positive & negative) of competitive strategies on your company?

10. Are there strategies in place to deal with the challenge of direct competition?