

**COMPETITIVE STRATEGIES ADOPTED BY THE STANDARD
LIMITED**

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

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D61/8802/2006

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

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DEDICATION

This research project is dedicated to my children, Jeanette and Jerry, who have always stood by me and dealt with all my absence from many family occasions with a smile.

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I am heartily thankful to my supervisor, J. Maalu, whose encouragement, guidance and support from the initial to the final level enabled me to complete this project.

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ABSTRACT

The research aimed at determining the competitive strategies adopted by the standard group limited in the face of challenges arising from the operating environment. The researcher noted that the increased level of competition in the media industry has over the last five years been so stiff with the entry of more players in the print and media industry in the country. With this intense level of competition, organization has had to come out with competitive strategies that are aimed to counter the challenges and propel the organization to greater heights. The research identified a number of strategies that have been employed by STGL namely; In response to its operating environment, TSGL has employed strategies like restructuring, IT, marketing and consumer education, leadership and culture change and staff recruitment, building and enhancing the capacity of employees through training and development programs and finally the organization has involved stakeholders in the development and implementation of competitive strategies to be taken by the organization as partners and reduce incidences of resistance.

In trying to achieve the research objective, the researcher adopted a case study approach where seven members of staff were interviewed on the basis of an interview guide prepared. The study found out that TSGL has taken a deliberate move to adequately respond to the challenges it faces in its operating environment. The challenges that the firm faces included changing consumer tastes especially from the young customers, loss of key employees to rival firms, inflexible organizational structure that is slow in adapting to changes, inadequate resources and capacity in the organization and in some

cases a leadership and management team that is not responsive enough to the demands of the market, especially level of competition present using its capabilities. Towards overcoming this challenges, the organizational responses take include; restructuring the organizational structure and operation, adoption of the state of the art IT infrastructure, marketing and consumer education, leadership and culture change, recruitment of competent staff, building and enhancing the capacity of employees through training and development programs and finally the organization has involved stakeholders in the development and implementation of competitive strategies to be taken by the organization as partners and reduce incidences of resistance. By taking the above steps TSGL has been able to increase its market share over the last five years as well as increase its profit margin and improve its public image as well.

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LIST OF ABBREVIATIONS

- KTN - Kenya Television Network
- TSGL - The Standard Group Limited
- NTV - Nation Media Group
- KBC - Kenya Broadcasting Corporation

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

In today's fast-changing competitive environment, firms' competitive positions are constantly challenged by the emergence of new technologies, products, markets and competitors. Flexibility and adaptability have become key management concepts to develop a sustainable competitive advantage, and successful firms apply them in new organizational strategies that put into question many conventional tenets on organizations and their management. These strategies involve a decentralized and responsive work organization, based on co-operative relations not only within the firm but also in its relations with customers, suppliers and competitors. A large number of research studies have concluded that organizations that have adopted strategic management are likely to be more profitable and successful than those that do not (Fred, 1996).

Rapid technological changes in media industry have set into motion stiff competition among the participants in the last five years. Indeed, the degree of substitutability among different newspapers, but also between newspapers and internet sites, or different kinds of television or cable channels or between different radio stations is a key element in competition analysis. Media outlets compete not only for readership or audience, but also for advertisers, who in turn are attracted by the possibility of reaching potential consumers. The advent of new media and the recent technological advances in information transmission have an impact on the degree of substitutability between different media, and in ways in which advertising messages are conveyed to the public.

1.1.1 Competitive Strategies

The competitive strategies adopted by a firm should result in a competitive advantage. Competitive advantage grows fundamentally out of value a firm is able to create for their buyer that exceeds the firm's cost of creating it. The goal of a competitive strategy for a business is to find a position in the industry where the company can best defend itself against competitive forces or can influence them in its favor. Knowledge of underlying sources of competitive pressure highlights the critical strengths and weaknesses of the company, animates its position in the industry, clarifies areas where strategic changes may yield greater pay off and highlights the area where industry trends promise to hold the greatest significance as either opportunity or threat. An effective competitive strategy takes either offensive or defensive action in order to create a defensible position against the five forces and thereby yield a superior return on investment for the firm.

Adequate capital is required for every type of expansion, and if a firm is to maintain its position it ought to have sufficient financial strength to withstand aggression by competitors for choice markets. On community and government relations, it must be noted that companies differ in their ability to work with governments. While it is important to be regarded as a good 'corporate citizen', good community and good government relations lead simply to a permissive situation, but in crisis situations the very right to continue operating may be at stake.

The ability and values on company executives are important in putting strategy into action. Executives turn potential sales into actual sales, keep costs in line and face

unanticipated problems. Within the management group there should be individuals with qualities essential to the planning, direction and control of the enterprise.

The cost leadership strategy emphasizes efficiency. By producing high volumes of standardized, the firm hopes to take advantage of economies of scale and experience curve effects. The product is often a basic no-frills product that is produced at a relatively low cost and made available to a very large customer base. Maintaining this strategy requires a continuous search for cost reductions in all aspects of the business. The associated distribution strategy is to obtain the most extensive distribution possible. Promotional strategy often involves trying to make a virtue out of low cost product features. To be successful, this strategy usually requires a considerable market share advantage or preferential access to raw materials, components, labor, or some other important input.

Differentiation is aimed at the broad market that involves the creation of a product or services that is perceived throughout its industry as unique. The company or business unit may then charge a premium for its product. Firms that succeed in a this strategy often have some internal strengths including high research and development capabilities, strong sales team and a corporate reputation for quality and innovation.

1.1.2 Media Industry in Kenya

The media industry is generally composed of media firms that engage in print media (daily newspapers, the magazines, the regional newspapers), broadcast (radio and

television), and the internet. Kenya's media industry is noteworthy given the continent's history that has had a devastating effect on the industry. At independence most African states had media that could have been developed into vibrant institutions (de Beer et al., 1995). In most cases, however, as Ayittey (1990) observes, African nations engineered systematic schemes that decimated the industry. According to Karoney (2008), the media industry in Kenya was largely state controlled from the time the country attained independence to the late 1990's. Kenyans if compared to other people in other developing countries, now enjoy a vibrant media industry, offering opportunities for entrepreneurs, both local and foreign.

The media industry has undergone tremendous growth. The late 1990's saw the liberalization of the media industry. Internal and external pressures have brought about the positive changes. The media industry in Kenya 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 media houses. Any media house must therefore formulate appropriate strategies to exploit the emerging opportunities and face the inherent threats in order to reap the potential benefits. One of such is The Standard Group. The print media is made up of six top newspapers i.e The Standard, Nation, Business Daily, Taifa Leo, East African and Star. Electronic media consist of television and radio broadcasting. The key local television stations are Kenya Television Network (KTN), Nation

Television (NTV), Citizen TV, K24 and Kenya Broadcasting Network (KBC). The key local radio stations are KBC radio, Easy FM, Classic FM, KISS FM, Citizen Radio and the recent entrant, Radio Maisha.

1.1.3 The Standard Limited

The Standard group Limited, one of the leading media houses in East Africa was founded in 1902. The Standard newspaper is the flag ship brand of the company and it was previously called The East African Standard. It is an English daily newspaper published in Nairobi. It was first published in 1902 as a weekly, the African Standard, by A.M Jeevanjee who was an Indian merchant. In 1910, the paper became a daily.

The company also operates electronic media. It owns Kenya Television network (KTN), which is the leading television station in East Africa. It was founded in March 1990 by Jared Kangwana and was the first non-pay privately owned TV Station in Africa, and the first to break KBC's monopoly in Kenya. KTN became famous for activism journalism in the 1990's, developing sophisticated, aggressive and unique style news coverage. It has continued with the same hard line stance, issues based reporting to date and is largely viewed as the authoritative and independent news channel.

The Standard Group also distributes international and local magazines, and major UK newspapers through its Publishers Distribution Services (PDS) section. The company recently opened a radio station called "Radio Maisha". It is a Kiswahili radio station and

it seeks to relate to listeners' day-to-day life through news, views and entertainment. www.standardmedia.co.ke, (2010).

The company's vision is to be the leader in media industry, delivering world class services and products to its customers. Its mission is to inform, entertain and educate its customers by reporting, publishing and broadcasting relevant and timely content through its talented and professional staff. The key enablers are excellent customer service, world class business processes and right business behaviours. The company has its headquarters at the newly built Standard Group Centre on Mombasa road, which houses all its subsidiaries.

The company's quest for capacity expansion becomes the single most significant factor vis-à-vis the limited resource base available for the rapid creation of a regional network, coupled with the issue of how to deal with the contending force of rivalry from other established competitors. Threats to a typical media house emerge from the fact that protection of traditional markets, previously catered for by regulation and bilateralism are quickly dwindling and the threat of entry by new competitors is fast becoming an additional contending force to deal with. Profitability over the long term is now, more than ever, a key demand on media house's management by shareholders. In light of these issues, The Standard Group must formulate appropriate competitive strategies to strengthen its competitive position in the changing environment and become a major player in the regional arena.

1.3 Statement of the problem

A strategy is a pattern or plan that integrates an organization's major goal, policies and action sequences into a cohesive whole (Porter, 1980). Strategic management is concerned with deciding on a strategy and planning how the strategy is to be put into effect through strategic analysis, strategic choice, strategic implementation and control (Johnson and Scholes, 1993). The strategic management process therefore allows an organization to take advantage of key environmental opportunities to minimize the impact of external threats, to capitalize upon internal strengths and overcome weakness.

The media industry plays a key role in the country's socio economic development. The media industry spurs economic growth by linking people of diverse backgrounds to share information and it also creates change by promoting accountability and transparency in all sectors of the economy. The revenue generated from advertisement and copy sales has supported the Standard Group, the oldest media house in the country. This profitability is now being threatened by strategic moves being undertaken by other players in the industry. The Standard Group customers are spoilt for choice from the competitors who are offering substitute products and also other modes of information dissemination like internet and mobile telephony which have revolutionized the media industry by enabling access to information by a touch of a button. Competitors and new entrants both in print and electronic media such as the Star newspaper, gutter press and K24 TV also threaten to eat into The Standard Group's revenue by under charging the advertisement costs. It is therefore necessary to study how The Standard Group has responded to these competitive pressures.

Studies done in the area of competitive strategies include: Okoth (2005) focused on competitive strategies employed by sugar manufacturing firms in Kenya and he concluded that sugar manufacturing companies in Kenya face stiff competition from cheap imports from neighboring countries and that they need to respond to this competition to retain market share. Mula (2004) studied competitive strategies adopted by small scale enterprises in exhibition stalls in Nairobi while Karoney (2008) dwelt on competitive strategies adopted by the Kenya Television Network (KTN) of The Standard Group and she found out that local programming content is the key driver for increased viewership and advertising revenue.

As observed above, no studies have looked into competitive strategies being employed by players in the media industry as a whole. It is necessary to carry out this study because the managerial processes in media firms are different from those of industries covered in previous studies due to the difference in environmental and organizational factors.

1.4 Objective of the study

To determine the competitive strategies adopted by The Standard Limited.

1.5 Importance of the Study

This study will be significant because the results will be of benefit to various groups:

This study is justified since it will be of academic value to those interested in media studies with an aim of establishing a business in the media industry since they will be able to understand what to do right to succeed and what if done wrong will bring the business down.

Future scholars may use the results of this study as a source of reference. The findings of this study can be compared with strategic management in other sectors to draw conclusions on various ways a company can respond to competitive forces in the environment. It will also benefit consultants who endeavor to provide assistance to successful running of organizations in developing and sustaining a competitive edge in their environment.

The study will also create a monograph which could be replicated in other media outlets in Kenya. Most important, this research is further aimed at offering some practical suggestions on the strategies to be put in place in order to gain competitive advantage.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter is concerned with the review of literature related to the study. An overview of the theoretical origins to competitive strategies such as Porter's theory and resource based theory, criticism of the theories and performance in the environment.

2.2 Competitive Strategies

Two schools of thought have emerged on the conceptualization and adoption of competitive strategies. One school of thought has predominantly considered that viable firms can either seek efficiency or differentiation. The more efficiency is sought by management, the less differentiated the firm would be. While the more differentiation is sought by management, the less efficient the firm would be, Dess and Davis (1984), Hambrick (1983) and Porter (1980). Porter (1980), representing this school of thought, conceptualized low costs vs. differentiation in terms of a continuum, with low costs at one end and differentiation at the other end. According to Porter (1980), "a firm will ultimately reach the point where further cost reduction requires a sacrifice in differentiation. It is at this point that generic strategies become inconsistent and a firm must make a choice."

The members of this school of thought have considered that the value chain required for a low cost strategy is qualitatively different from the value chain required for the differentiation strategy. The emphasis of the differentiation strategy would be on gaining (even at considerable costs) superior quality and image throughout the value chain while

the emphasis of the low cost strategy would be on the lowering of costs wherever possible. Because of different thrusts of the strategies, according to this school of thought, viable firms tend to compete with one strategy only. Porter (1985) said that "sustained commitment to one of the strategies as the primary target is usually necessary to achieve success". Later on he hedged this position by stating that, "A cost leader must achieve parity or proximity in the bases of differentiation even though it relies on cost leadership for its competitive advantage. A differentiator cannot ignore its cost position, because its premium prices will be nullified by a markedly inferior cost position." Murray (1988) regarded this hedging by Porter (1985) as implying an inconsistent logic "that a cost leader that competes against a product differentiator must also be a product differentiator, and vice versa."

Hambrick (1983) excluded the possibility of firms competing with more than one strategy. He proposed that even though the competitive strategies may be found among various industries, not all of them would be found within any one industry setting. He argued that the low cost strategy would be unlikely to be found in a dynamic industry environment. According to Dess and Davis (1984) competitive strategies represent broad strategy types of strategic groups. Consequently, the choice of strategy can be viewed as the choice of which strategic group to compete in.

The second school of thought has considered that the low cost strategy and the differentiation strategy may be adopted simultaneously by an enterprise (Buzzell and Wiersema (1981), Jones and Butler (1988), Philips, et al. (1983) and White (1986). Accordingly, the adoption of the differentiation strategy would entail promoting higher product quality. This would likely mean higher costs across a number of the functional

areas in order to support the differentiation strategy and quality products would presumably channel greater market demand toward the firm.

2.3 Porter's Generic Strategies

The generic strategies were used initially in the early 1980s, and seem to be more popular today. The primary determinant of a firm's profitability is the attractiveness of the industry in which it operates; an important secondary determinant is its position within that industry. Even though a firm may have below average profitability, a firm that is optimally positioned can generate superior returns.

According to Porter (1980), a firm's strengths ultimately fall into one of two headings: Cost advantage and differentiation. By applying these strengths in either a broad or narrow scope, three generic strategies emerge: cost leadership, differentiation and focus. These strategies are applied at the business unit level. They are called generic strategies because they are not firm or industry dependent.

2.3.1 Cost Leadership Strategy

This strategy emphasizes efficiency. By producing high volumes of standardized, the firm hopes to take advantage of economies of scale and experience curve effects. The product is often a basic no-frills product that is produced at a relatively low cost and made available to a very large customer base. Maintaining this strategy requires a continuous search for cost reductions in all aspects of the business. The associated distribution strategy is to obtain the most extensive distribution possible. Promotional

strategy often involves trying to make a virtue out of low cost product features. To be successful, this strategy usually requires a considerable market share advantage or preferential access to raw materials, components, labor, or some other important input.

According to Allen et al. (2006), when a firm designs, produces and markets a product more efficiently than its competitors such a firm has implemented a cost leadership strategy. Cost reduction strategies across the activity cost chain will represent low cost leadership, Tehrani (2003), Beheshti (2004). Attempts to reduce costs will spread through the whole business process from manufacturing to the final stage of selling the product. Any processes that do not contribute towards minimization of cost base should be outsourced to other organisations with the view of maintaining a low cost base, Akan et al. (2006). Low costs will permit a firm to sell relatively standardised products that offer features acceptable to many customers at the lowest competitive price and such low prices will gain competitive advantage and increase market share (Porter 1980, Srivannboon 2006, Porter 1987, Bauer, Allen and Helms 2006). These explains that the cost efficiency gained in the whole process will enable a firm to mark up a price lower than competition which ultimately results in high sales since competition could not match such a low cost base. If the low cost base could be maintained for longer periods of time it will ensure consistent increase in market share and stable profits hence consequent in superior performance. However all writings direct us to the understanding that sustainability of the competitive advantage reached through low cost strategy will depend on the ability of a competitor to match or develop a lower cost base than the existing cost leader in the market.

A firm attempts to maintain a low cost base by controlling production costs, increasing their capacity utilization, controlling material supply or product distribution and minimizing other costs including advertising (Prajogo 2007). Mass production, mass distribution, economies of scale, technology, product design, learning curve benefit, work force dedicated for low cost production, reduced sales force, less spending on marketing will further help a firm to main a low cost base (Freeman 2003; Trogovicky et al. 2005). Decision makers in a cost leadership firm will be compelled to closely scrutinize the cost efficiency of the processes of the firm. Maintaining the low cost base will become the primary determinant of the cost leadership strategy. For low cost leadership to be effective a firm should have a large market share (Robinson and Chiang 2000; Allen and Helms 2006). New entrants or firms with a smaller market share may not benefit from such strategy since mass production, mass distribution and economies of scale will not make an impact on such firms.

According to Kim et al. 2004 a low cost may act as entry barriers since new entrants require huge capital to produce goods or services at the same or lesser price than a cost leader. Further some factors such as technology which may be developed through innovation (mentioned as creative accumulation in Schumpeterian innovation) and some may even be resources developed by a firm such as long term healthy relationships build with distributors to maintain cost effective distribution channels or supply chains. Similarly economies of scale may be an ultimate result of a commitment made by a firm such as capital investments for expansions. Also raising barriers for competition by virtue of the low cost base that enables the low prices will result in strong strategic positioning

in the market. Low cost leadership could be considered as a competitive strategy that will create a sustainable competitive advantage.

However, low cost leadership is attached to a disadvantage which is less customer loyalty (Vokurka and Davis 2004, Cross 1999 cited by Allen and Helms 2006). Relatively low prices will result in creating a negative attitude towards the quality of the product in the mindset of the customers (Priem 2007). Customer's impression regarding such products will enhance the tendency to shift towards a product which might be higher in price but projects an image of quality. Considering analytical in depth view regarding the low cost strategy, it reflects capability to generate a competitive advantage but development and maintenance of a low cost base becomes a vital, decisive task.

2.3.2 Differentiation Strategy

Differentiation is aimed at the broad market that involves the creation of a product or services that is perceived throughout its industry as unique. The company or business unit may then charge a premium for its product. This specialty can be associated with design, brand image, technology, features, dealers, network, or customer's service. Differentiation is a viable strategy for earning above average returns in a specific business because the resulting brand loyalty lowers customers' sensitivity to price. Increased costs can usually be passed on to the buyers. Buyer's loyalty can also serve as an entry barrier-new firm must develop their own distinctive competence to differentiate their products in some way in order to compete successfully. A successful differentiation strategy may attract competitors to enter the company's market segment and copy the differentiated product (Lynch, 2003).

The risks associated with a differentiation strategy include imitation by competitors and changes in customer tastes. Additionally, various firms pursuing focus strategies may be able to achieve even greater differentiation in their market segments. The emphasis can be on brand image, proprietary technology, special features, superior service, a strong distributor network or other aspects that might be specific to an industry.

The shareholder value model holds that the timing of the use of specialized knowledge can create a differentiation advantage as long as the knowledge remains unique. This model suggests that customers buy products or services from an organization to have access to its unique knowledge. The advantage is static, rather than dynamic, because the purchase is a one-time event.

The unlimited resources model utilizes a large base of resources that allows an organization to outclass competitors by practicing a differentiation strategy. An organization with greater resources can manage risk and sustain losses more easily than one with fewer resources. This deep-pocket strategy provides a short-term advantage only. If a firm lacks the capacity for continual innovation, it will not sustain its competitive position over time.

2.3.3 Focus Strategy

This strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation. It is hoped that by focusing its marketing efforts on one or two narrow market segments and tailoring its marketing mix to these specialized markets, a firm can better meet the needs of that target market. The

firm typically looks to gain a competitive advantage through product innovation and/or brand marketing rather than efficiency. It is most suitable for relatively small firms but can be used by any company.

A focus strategy should target market segments that are less vulnerable to substitutes or where a competition is weakest to earn above-average return on investment. Organizations can make use of the focus strategy by focusing on a specific niche in the market and offering specialized products for that niche. This is why the focus niche is sometimes referred to as the niche strategy (Lynch, 2003).

2.3.4 Criticisms of Generic Strategies

According to Porter (1980), a firm's failure to make a choice between cost leadership and differentiation essentially implies that the company is stuck in the middle. There is no competitive advantage for a company that is stuck in the middle and the result is often poor financial performance (Porte, 1980). Kay (1993) and Miller (1992) disagreed with this aspect of the analysis as they cited examples of companies which have become successful after adopting more than one generic strategy. Both Toyota and Benetton companies used the generic strategies of differentiation and low cost simultaneously, which led to the success of these companies.

The generic strategies were regarded as fundamental to strategy and the ideas suggested by Porter (1980) were extensively. It became clear over time that in reality there were some shades of grey in the distinction between differentiation and cost, compared to the black and white that is projected in theory. It is very difficult for most companies to completely ignore cost, no matter how different their product offering is. Similarly, most

companies will not admit that their product is essentially the same as that of competitors (Macmillan et al, 2000).

It is important for the analysts therefore to bear in mind that Porter's (1980) generic strategies should be considered as a part of a broader strategic analysis. The generic strategies only provide a good starting point for exploring the concepts of cost leadership and differentiation. Perhaps a major limitation of the generic strategies is that they may not provide relevant strategic routes in the case of fast growing markets (Lynch, 2003). It is clear that the competitive environment is continually changing and 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.

2.4 Resource Based Theory

The resource-based theory argues that competitive advantages lie in the heterogeneous firm-specific resources possessed by the firm (Rumelt, 1984; Montgomery and Wernerfelt, 1988). Resources include "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 efficiency and effectiveness" (Barney 1991, p. 101).

On their part, Mahoney and Pandian (1992), building upon the work of Penrose (1955), argue that a firm achieves rents not because it has more or better resources, but because the firm's distinctive capabilities allow it to make better use of available resources. Resource-based theory therefore attributes priority to the content aspect of strategy, and

leaves the managerial aspect that underlies the creation and management of resource-based strategies (Mahoney, 1995; Foss, 1997; Henderson and Mitchell, 1997). Although capabilities are resource dependant (Grant, 1991) resources do not exclusively determine what the firm can do and how well it can do it. A key ingredient in this relationship is entrepreneurial key decision maker of the firm (Grant, 1991; Teece *et al.*, 1997).

According to Jiang (2002), a firm that wants to obtain SCA should possess the capabilities to adapt its operations to the dynamics of the market environment in which it is positioned. In addition, the capacity to develop new forms of competitive advantage before the decline of the previous or current form of competitive advantage is necessary. In this sense, while innovation must be a consistent and continual process, a degree of “creatively destructive innovation” is also a necessary ingredient. Hence, managers of firms must conceive of and develop a competitive advantage as if it was on a continuum.

2.5 The Five Competitive Forces That Shape Strategy

Awareness of the five forces can help a company understand the structure of its industry and stake out a position that is more profitable and less vulnerable to attack. These five forces are threat of entry, power of suppliers, power of buyers, threat of substitutes and rivalry among the existing competitors.

New entrants to an industry bring new capacity and a desire to gain market share that puts pressure on prices, costs, and the rate of investment necessary to compete. Particularly when new entrants are diversifying from other markets, they can leverage existing capabilities and cash flows to shake up competition. The threat of entry, therefore, puts a cap on the profit potential of an industry. When the threat is high, incumbents must hold

down their prices or boost investment to deter new competitors. The threat of entry in an industry depends on the height of entry barriers that are present and on the reaction entrants can expect from incumbents. If entry barriers are low and newcomers expect little retaliation from the entrenched competitors, the threat of entry is high and industry profitability is moderated. It is the threat of entry, not whether entry actually occurs, that holds down profitability.

Powerful suppliers capture more of the value for themselves by charging higher prices, limiting quality or services, or shifting costs to industry participants. Powerful suppliers, including suppliers of labor, can squeeze profitability out of an industry that is unable to pass on cost increases in its own prices. Companies depend on a wide range of different supplier groups for inputs. A supplier group is powerful if: It is more concentrated than the industry it sells to, the supplier group does not depend heavily on the industry for its revenues, industry participants face switching costs in changing suppliers, suppliers offering products that are differentiated, there being no substitute for what the supplier group provides and the supplier group being credibly threatened to integrate forward into the industry. In that case, if industry participants make too much money relative to suppliers, they will induce suppliers to enter the market.

Powerful customers can capture more value by forcing down prices, demanding better quality or more service (thereby driving up costs), and generally playing industry participants off against one another, all at the expense of industry profitability. Buyers are powerful if they have negotiating leverage relative to industry participants, especially if

they are price sensitive, using their clout primarily to pressure price reductions. As with suppliers, there may be distinct groups of customers who differ in bargaining power. A customer group has negotiating leverage if: there are few buyers, or each one purchases in volumes that are large relative to the size of a single vendor. Large-volume buyers are particularly powerful in industries with high fixed costs, the industry's products are standardized or undifferentiated, buyers face few switching costs in changing vendors and buyers can credibly threaten to integrate backward and produce the industry's product themselves if vendors are too profitable. Producers of soft drinks and beer have long controlled the power of packaging manufacturers by threatening to make, and at times actually making, packaging materials themselves.

A buyer group is price sensitive if: the product it purchases from the industry represents a significant fraction of its cost structure or procurement budget, the buyer group earns low profits, is strapped for cash, or is otherwise under pressure to trim its purchasing costs, the quality of buyers' products or services is little affected by the industry's product, the industry's product has little effect on the buyer's other costs. Here, buyers focus on price. Conversely, where an industry's product or service can pay for itself many times over by improving performance or reducing labor, material, or other costs, buyers are usually more interested in quality than in price.

Most sources of buyer power apply equally to consumers and to business-to-business customers. Like industrial customers, consumers tend to be more price sensitive if they are purchasing products that are undifferentiated, expensive relative to their incomes and

of a sort where product performance has limited consequences. The major difference with consumers is that their needs can be more intangible and harder to quantify. Intermediate customers, or customers who purchase the product but are not the end user, can be analyzed the same way as other buyers, with one important addition. Intermediate customers gain significant bargaining power when they can influence the purchasing decisions of customers downstream. Producers often attempt to diminish channel clout through exclusive arrangements with particular distributors or retailers or by marketing directly to end users. Component manufacturers seek to develop power over assemblers by creating preferences for their components with downstream customers.

A substitute performs the same or a similar function as an industry's product by a different means. Sometimes, the threat of substitution is downstream or indirect, when a substitute replaces a buyer industry's product. Substitutes are always present, but they are easy to overlook because they may appear to be very different from the industry's product. When the threat of substitutes is high, industry profitability suffers. Substitute products or services limit an industry's profit potential by placing a ceiling on prices. If an industry does not distance itself from substitutes through product performance, marketing, or other means, it will suffer in terms of profitability—and often growth potential.

Substitutes not only limit profits in normal times, they also reduce the bonanza an industry can reap in good times. The threat of a substitute is high if: It offers an attractive price-performance trade-off to the industry's product. The better the relative value of the

substitute, the tighter is the lid on an industry's profit potential, the buyer's cost of switching to the substitute is low. Switching from a proprietary, branded drug to a generic drug usually involves minimal costs, for example, which is why the shift to generics (and the fall in prices) is so substantial and rapid. Strategists should be particularly alert to changes in other industries that may make them attractive substitutes when they were not before. Of course the substitution threat can also shift in favor of an industry, which bodes well for its future profitability and growth potential.

Rivalry among existing competitors takes many familiar forms, including price discounting, new product introductions, advertising campaigns, and service improvements. High rivalry limits the profitability of an industry. The degree to which rivalry drives down an industry's profit potential depends on the intensity with which companies compete and on the basis on which they compete.

The intensity of rivalry is greatest if: Competitors are numerous or are roughly equal in size and power, industry growth is slow, exit barriers are high, rivals being highly committed to the business and have aspirations for leadership especially if they have goals that go beyond economic performance in the particular industry, firms cannot read each other's signals well because of lack of familiarity with one another, diverse approaches to competing, or differing goals.

The strength of rivalry reflects not just the intensity of competition but also the basis of competition. The dimensions on which competition takes place, and whether rivals converge to compete on the same dimensions, have a major influence on profitability.

Rivalry is especially destructive to profitability if it gravitates solely to price because price competition transfers profits directly from an industry to its customers. Price cuts are usually easy for competitors to see and match, making successive rounds of retaliation likely. Sustained price competition also trains customers to pay less attention to product features and service.

Price competition is most liable to occur if: Products or services of rivals are nearly identical and there are few switching costs for buyers, fixed costs are high and marginal costs are low, capacity must be expanded in large increments to be efficient, the product is perishable. Competition on dimensions other than price is on product features, support services, delivery time, or brand image, for instance—is less likely to erode profitability because it improves customer value and can support higher prices. Also, rivalry focused on such dimensions can improve value relative to substitutes or raise the barriers facing new entrants. While non price rivalry sometimes escalates to levels that undermine industry profitability, this is less likely to occur than it is with price rivalry.

As important as the dimensions of rivalry is whether rivals compete on the same dimensions. When all or many competitors aim to meet the same needs or compete on the same attributes, the result is zero-sum competition. Here, one firm's gain is often another's loss, driving down profitability. While price competition runs a stronger risk than non price competition of becoming zero sum, this may not happen if companies take care to segment their markets, targeting their low-price offerings to different customers.

Rivalry can be positive sum, or actually increase the average profitability of an industry, when each competitor aims to serve the needs of different customer segments, with different mixes of price, products, services, features, or brand identities. Such competition can not only support higher average profitability but also expand the industry, as the needs of more customer groups are better met. The opportunity for positive-sum competition will be greater in industries serving diverse customer groups. With a clear understanding of the structural underpinnings of rivalry, strategists can sometimes take steps to shift the nature of competition in a more positive direction.

2.6 Performance in a Competitive Environment

Firm strategy is the fundamental basis by which firms move towards the preferred position in the framework (Whitley, 1999). Firms in a competitive institutional environment have two strategic options: firstly, they may compete with rivals through the more traditional market mechanisms, on the basis of elements such as price, product and quality. Such competitive strategies are captured by existing strategy paradigms, such as Porter's (1980) framework. These can generally be referred to as market competition strategies. However, firms opting to compete on such elements must also take into account the competitive edge of their rivals. In addition to this, firms may compete for the benefits of the institutional environment, by aiming primarily to change their position within the framework (Khanna and Palepu, 1997).

Such strategies are defined as institutional strategies. Firms would therefore follow market competition strategies to maintain their positions within the framework and

institutional competition strategies to move within the framework towards the preferred position. Four types of strategies are available to firms in a competitive institutional environment: Market competition strategies including dominant market competition and niche market competition, institutional competition strategies, including institutional competition for support and institutional competition on governance (Langlois et al, 1990).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study will be modeled on a case study design. Kothari (1990) defines a case study as a powerful form of qualitative analysis and involves careful and complete observation of a social unit be it a person, family, cultural group or an entire community and/or institution.

The study will focus on competitive strategies adopted by The Standard Group. By using case studies, researchers are able to probe, collect data and explain phenomena more deeply and exhaustively (Mugenda and Mugenda, 2003).

3.2 Data Collection

The study will use both primary and secondary data; Primary data will be collected through a face to face interview with the researcher with the help of an interview guide. The respondents will consist of Deputy Chairman and Chief Strategist, Group Chief Operations Officer, Group Operations and Technical Director, Assistant Director/commercial, Assistant Director/Group Chief Editor, Assistant Director/legal and human resources and Head of Sales and Distribution.

The respondents will be expected to give an insight into some of the strategies they have put in place to ensure that the company has a competitive edge over its competitors. These respondents are involved in formulation and implementation of organization's

strategies. Secondary data will be collected from the organization's documents such as annual reports, strategic plan and end term evaluation.

3.3 Data Analysis

The data collected will be qualitatively analyzed by use of content analysis techniques. The information will be analyzed and evaluated to determine their usefulness, consistency, credibility and adequacy. The content analysis technique will be used because it assists in making inferences by systematically and objectively identifying specific messages and then relating them with their occurrence trends. Similar studies in the past like those done by Armule (2003) and Kandie (2001), karoney (2008) used this technique of content analysis to analyze data collected from case study.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

The research objective was to determine competitive strategies adopted by The Standard Group and to identify strategy implementation challenges that the company has encountered. This chapter presents the findings and analysis with regard to the objective and discussion of the same.

4.2 The Respondents Profile

The respondents comprised the top and middle level managers of the Standard group Ltd. In total, the researcher interviewed seven respondents that had been earmarked to be interviewed. This means that the researcher achieved a 100% response rate. The respondents consisted of staff in the operations, production, marketing, business development, technical, human resource and editorial departments. All the respondents interviewed had university degrees with four of them having a Master in Business administration degree as well. The respondents had different educational backgrounds that ranged from IT, Journalism, Finance, Economics and HR plus other professional qualifications. In addition, all the respondents had worked in the organization for over four years. With this solid background, it was felt that the respondents were knowledgeable enough on the research subject matter and thus of help in the realization of the research objectives.

The researcher also noted that three of the respondents, representing 43% of the respondents indicated that if an opportunity arose, they would leave the organization. The reasons given were that they felt the amount of work they undertake in the organization was a lot and is not commensurate with the level of compensation they get. However, the other four respondents, 57% the population, indicated their satisfaction with their current duties, highlighting various opportunities available within and without the organization such as the opportunity to get experience on leadership and problem solving, the opportunity to interact with various people, adaptability to ever changing environment and opportunity to mentor young employees. They also listed career development, interaction and solving customer complains, and the new challenges that come in the course of their duties. All these helped in personal development of the respondents and thus creating a motivated workforce.

4.3 Challenges facing The Standard Group Limited

This part of the interview guide was intended to establish the current business environment that TSGL operates in and also determine the challenges that result from the same operating environment. All the respondents appreciated the fact that the organizations operating business environment has experienced great changes in the last ten years.

4.3.1 Increased Competition

The organization has witnessed entrance of new competitors in the market like the star newspaper, classic and kiss TV stations and other independent newspapers that are

produced on daily or weekly basis. With the new entrants in the market, the organization's revenue base is threatened.

Over the last two years, the media industry has registered increased income from advertising cumulatively. However, on the individual company point of view, the income as remained fairly the same. This trend can thus be attributed to the increased number of media players who eventually share the advertising income that is raised.

4.3.2 Changing Consumer Expectation

The customers' expectations have changed over the period. The taste of the current customers and especially the youth has kept on changing such that the organization has had to keep pace with the changes otherwise it would loss audience and readership. With technology in the telecommunication sector changing, the market can access news and information at a click of the button. Hence if a company in the media industry has to retain and grow its market share, it needs to keep pace with the changing needs of market.

Media industry is an electronically managed sector that forces industry players to continuously adopt new technology so as to keep pace with provision of quality services and products. This need has forced the TSGL to adopt the state-of -art technology in production of newspapers and in newsgathering and transmission.

4.3.3 Loss of Employees

The media industry in Kenya has been termed as a personality industry. Popularity of most programs and articles in the newspapers and on TV usually depend on the host or the writer. As a result, whenever one of these staff moves to a competing firm, the organisation that loses the staff will equally lose its share of listeners or readers.

The Standard group has in the recent past lost some of its key staff to competing firms such as Nation Media Group, Citizen and Radio Afrika Group. With such movements, TSGL has lost not just viewers or readers but also the time and money that it invests in staff training and development.

4.3.4 Organizational Structure

The respondents indicated that the organizations structure in some cases has posed a challenge to strategy implementation. The structure of an organisation is designed to breakdown how work is to be carried out in business units and functional departments and not to be an impediment in the developing or implementing the organizations strategies.

It was observed that the vertical structure that has been adopted by the organisation though good for controlling the activities of the organisation, has impacted its decision making process. Its response structure was found to be slow and in some cases lead to the loss of opportunities. It is important therefore that in designing the structure and making

it operational, key aspects such as empowerment and communication process are considered.

4.3.5 Resources and Capacity

The respondents agreed unanimously that resources constraints hindered strategy implementation and delivery of human resource capacity in terms of qualifications, competence and numbers.

Proper planning and prioritizing of the policies is a key factor to consider so as to avoid wastage of resources. It is also important to set aside enough finances for the projects while ensuring that staffs are motivated and recognized i.e. through reward and appreciation schemes. The staffs with adequate training in their roles in strategy implementation are the nerve centre in boosting the organisation competence and qualification to handle demanding tasks. As a result, the respondents noted that when the organisation is setting budgets, it ought to incorporate adequate resources to ensure the realization of the set goals and putting in place mechanism of addressing the issue of resource limitation in their role.

4.3.6 Leadership and Management

The researcher also wished to identify from the respondents if leadership was a challenge to the process of strategy implementation. To this extent 100% of the respondents were of the opinion that indeed leadership was a big challenge to the organisation. They supported this by pointing out the various kinds of challenges faced by the organisation that resulted by lack of proper leadership in place. Rigidity and bureaucracy together with

the failure to embrace new ideas and innovative technology in business was noted as a challenge.

In addition, some of the managers have been known to lack expected competence to ensure actualization of the strategies. Management's resistance to change and new ideas, lack of visionary leadership together with poor leadership skills are still additional challenges facing the organisation and has led to loss of key staff to rivals.

4.4 Competitive Strategies Adopted by The Standard Ltd

The Group has not taken the challenges that it is facing in its current operating environment lightly. Various measures and strategies have been undertaken to overcome the challenges and move the organization towards the realization of its objectives. The following are the various competitive strategies that have been adopted by the organization to cushion itself against the challenges has discussed with the respondents.

4.4.1 Restructuring

Five respondents, representing 71%, observed that activities within a business value chain are more critical to the success of the business strategy than others. Since the TSGL organizational structure and the operational mechanism has been noted to hamper the competitiveness of the organisation, the firm has undertaken Business Process Re-engineering (BPR) that has been intended to regularize a company so that it can best create value for customer by eliminating barriers that create distance between employees and customers. The respondents highlighted that this process in the organisation

involved fundamental rethinking and radical redesign of business process to achieve dramatic improvements for instance, cost, quality service and speed. Reengineering and value orientation have led to downsizing of some staff, outsourcing of non-core services and self management as themes of influencing original structure.

The organizational structure has been noted before that it has contributed to slow decision making in the organisation. The respondents indicated that the organizational restructuring process also entailed removal of structural barriers and creation of learning organizations capable of continued re-generation from the variety of knowledge, experience and skills of individuals within a culture which encourages mutual questioning and challenge around a shared purpose of vision.

4.4.2 Marketing

Three of the respondents argued that the company assets have little value without the existence of customers. The key company task therefore is to attract and retain customers. Customers are attracted through competitive superior offering and retained through satisfaction. The Standard Group has recognized this important stakeholder by embracing marketing concepts that stress on focusing on the customer. In addition, the respondents noted that the organisation has come up with special discounts in advertising and newspaper subscription sales and special treats to customers especially the key account holders for instance dinners. This move was noted to have helped the organisation in maintaining its current customers and at the same time helps it in getting new ones.

It was also observed that, the organisation has adopted a country-wide orientation where marketing was embraced by all other departments in the organisation. They must think customer. Teamwork is being fostered among all departments and the practice of internal as well as external marketing factored in. Whereas the latter is directed at people outside the firm, the former is the task of hiring, training and motivating employees to serve customers well. A number of strategic marketing variables has been manipulated in response to a changing competitive situation. These variables that were noted by the respondents to have been adopted include adjusting of target market especially children and youth, diversification and development of new products and services and establishment of relationship marketing.

4.4.3 Embracing of Information Technology

As was noted earlier by the respondents, the organization has embraced modern technology in production of newspapers and in newsgathering and transmission. The new production machine is more efficient to operate as it results to less wastage. It is also much faster as it produces 70,000 copies per hour and its copies are brighter than those of the previous machine. Five of the respondents, representing 71% of the respondents noted that automation of business processes has led to a drastic improvement in productivity and reduction in costs.

With the high level of competition in the media industry, the organisation has realized the importance of IT to develop new products, services, processes and capabilities that give a business a strategic advantage over the competitive forces it faces in its industry. It has

come to the realization of the organisation that its competitive advantage rests in its adoption of the IT infrastructure that will improve its speed of responding to market demands as well as meeting and exceeding customers' expectations.

4.4.4 Leadership and Culture

Leadership of an organisation has become very important in recent years due to businesses becoming more competitive and volatile. Without good leadership, an organisation will not be able to manage the changes in an effective and efficient manner. The respondents indicated that the organization has structured its leadership so that will be able to respond appropriately to the environment by exploiting opportunities and defending itself from threats. The company is also preparing future leaders by training and developing certain managers with a vision to take over leadership when opportunities arise. Continuous training has been provided to this cadre of staff in order to instill to them the importance of good leadership. In addition, the organisation has frequently hired experts to engage senior management on the need for change through retreats and seminars. The respondents also observed that the organisation has arranged leadership training sessions to instill a sense of management competencies that will deliver better competitive and commercial practice.

Organizational culture is a set of important assumptions, often unstated that members of an organization share in common. The respondents did underscore the importance of organizational culture in acting as a competitive response to the challenges of the business environment. Some of the employee beliefs such as being the best, belief in

superior quality and service, belief in importance of people as individuals and a faith in their ability to make a strong contribution, importance of details of execution and customers were noted as important attributes that will shape the personality of the staff. In the case of TSGL, the organisation has embraced Total Quality Management (TQM) practice to develop a culture of quality among its employees across the entire value chain. TQM ideas and principles have made management focus on continuous improvement in all its operations. TQM focuses on customer satisfaction and seeks to accurately measure every critical variable in the business operations.

4.4.5 Building Capacity of the Employees

The respondents observed that since organizational competitive strategies are to be formulated and implemented through its employees, the same employees have to be given necessary skills to undertake the same duties. The Standard Group has in the light of this, formulated a strategy of training its employees both locally and abroad to enable them anticipate challenges in advance and put in place adequate mechanism to address the same. In addition, the importance of employees adapting to various situations and not resisting change has been achieved by involving all the staff in formulating strategic objectives, communicating the strategies periodically, motivating employees and encouraging teamwork. Further, the respondents noted that the organization has initiated a program of recognizing employee's for achieving success in the implementation of the strategies adopted by the organization at a given time. The respondents further added that dissemination of vision through constant communication was paramount in overcoming resistance, as the employees would feel part of the process.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter provides summary, conclusions and recommendations for the research findings in line with objectives of the study.

5.2 Summary of the Findings

The Standard Group Limited, like any other media player in the country, has been experiencing intense level of competition since the liberalization of the sector. With the liberalization, many more players have entered the market and with the competition, the more established organizations like TSGL have had to come up with multi-prong strategic response to maintain and grow their market share.

The challenges that have faced the organization have ranged from changing consumer tastes, loss of key employees to rival firms, inflexible organizational structure that is slow in adapting to changes, inadequate resources and capacity in the organization and in some cases a leadership and management team that is not responsive enough to the demands of the market.

However, a number of competitive strategies have been undertaken by the organization to counter these challenges. The research established that TSGL has employed adequate strategic responses though the researcher felt that there is still room for improvement to

respond to that which has not been done. TSGL has employed strategies like restructuring, use of modern information technology, marketing and consumer education, leadership and culture change and staff recruitment, building and enhancing the capacity of employees through training and development programs.

5.2.1 Strategic Fit

Even though TSGL has experienced inadequate funding for its operations most of the times, it has employed cost reduction strategy by improving on its processes and thus making them more efficient. The acquisition of the state of the art printing machine which has led to the reduction of cost by 20% according to the organization June update bulletin is an good example. In addition, the restructuring strategy undertaken has improved synergy within the organization by maximizing and optimizing use of resources. The study has also found out that TSGL, though faced with HR shortage in some departments, has been endowed with professional and qualified staff that has enabled it to address the challenges in its operating environment more successfully. Thus Ansoff and McDonell logic has been met.

5.3 Conclusion

In regard to the objective of the study, the aim of the research paper was realized. The study found out that TSGL has endeavored to adequately respond to its operating environment using its capabilities. This is evident through organization ability to increase its market share over the last five years. In addition, the organization has been able to increase its profit level from a loss of 54 million in 2006 to 340 million in 2009. The

organizations public image has improved and cases of interference from the shareholders and political class has reduced to the level that can be said to be operating autonomously.

5.4 Recommendation

The study recommends that TSGL to further enhance the adoption integrated marketing approach where all departments work together with customer in mind to continually improve service delivery and customer satisfaction. The organization should also strive to be more aggressive in marketing and put in place mechanism to reach more audience especially in the rural areas and specifically the North Eastern and parts of coastal region in the country. This move will broaden its audience base and consequently its revenue. In addition, the organization should move from depending only on the Newspapers, TV and most recently radio revenues and instead diversify to other business lines like courier and distribution of more foreign publications.

Even though TSGL has continued to embrace IT and modernization, it still has room for improvement due to the low level of computerization especially in its branch offices for provision of better service delivery. TSGL should also strive to embrace the challenge of catching up with the ever-changing technology in order to remain relevant and successful. The organization should also strive to negotiate with NGOs and other developmental organization to run campaigns that are aimed at the public good. This will further improve the company image.

5.5 Limitations of the Study

This study depended on interviews and discussions with management and the employees of the TSGL. It would have been of value to obtain the views of those served by the organization or other stakeholders in the firm. The scope and depth of study was also limited by the time factor and financial resource constraints. This put the researcher under immense time pressure. The researcher also encountered challenges with some respondents' unwillingness to give the researcher interview time promptly.

5.6 Suggestions for Further Study

The study confined itself to The Standard Group Limited. This research therefore should be replicated in other companies in the media industry that have recently faced similar challenges like the Nation Media Group and the results compared so as to establish whether there is consistency among the challenges facing such firms in the competitive strategy adopted.

This study should be extended to cover strategic responses of TSGL to its internal customers as well as remote environment. Also across sectional research of TSGL strategic responses to its operating environment can be carried out.

5.7 Implication on Policy and Practice

The implementation of firm competitive strategies has become an important exercise due to its critical role in actualizing the plans set for an organisation especially in a competitive environment that the organizations operate in at present. As a result, there

should be a deliberate policy shift to put in place a group of people in these organizations whose duty will be to develop appropriate strategies for these organizations. These group of staff should not be assigned other major duties that will distract them from there core activity which is to ensure the attainment of the organizational goals through development of appropriate strategies. In addition, there should be a National Committee funded and managed by the government that will be entrusted with the duty of assisting various sectors of the National economy to fight off the challenges arising from competition from other countries that are in the various trading blocs and generally globalization. With such an external oversight body, more interest and resources will be assigned to helping the private sector in the same noble course of protecting the local firms from the unfair competition arising from the changing trading environment.

Many a research has been done on competitive strategies developed by organizations but not on the capacity of the staff developing the said strategies. On this regard, a research should be done to understand what goes on in the mind of the person who develops these strategies in establishing their competency. Thus a research on the relationship between the level of staff competency and success of the competitive strategies should be undertaken.

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Appendix 1

Letter of Introduction

University of Nairobi
School of Business Studies

Dear Respondent,

I am a postgraduate student in the School of Business Studies, University of Nairobi, conducting a management research paper on competitive strategies adopted by the Standard Group to cope with changes in the environment.

In order to undertake the research, you have been selected to form part of the study. This letter is therefore to request your assistance giving me information to the attached interview guide. This information will be treated with strict confidence and is purely for academic purposes. A copy of the final report will be availed to you upon request.

Your assistance and co-operation in this exercise will be highly appreciated.

Yours faithfully,

Eurry Karanja

MBA student

J. Maalu

Supervisor

APPENDIX II

Interview Guide

Goals of the interview process

1. To determine the competitive strategies adopted by The Standard Limited.

Interview Questions

The following sections provide sample questions to be used in evaluating competitive strategies adopted.

Background Review

The following questions are designed to confirm the ability of the respondent to answer the research questions adequately.

Educational Background

- What is the highest level of education you have received?
- How long have you worked in this organization?
- What position do you hold in this organization?
- What do/did you like best about the position/s you have held?
- What do/did you like least?

Competitive strategies adopted by The Standard Group

Following is a list of questions designed to gather information relating to competitive strategies adopted by The Standard Group.

1. Does TSGL categorize its customers?
2. What are the changes in the environment which have occurred that necessitate strategic response?
3. Does the company tailor its products to meet specific customers' needs?
4. Are there divisions within the company that are designed to cater for specific segments of customers?

5. In your opinion, are the customers satisfied by the products/services offered by the company?
6. How has TSGL responded to environmental challenges?
7. Is the strategies suggested by the management inspirational?
8. How often is feedback on strategy implementation communicated to you/employee?
9. What means of communication does the management use to communicate the awareness of change at TSGL?
10. What factors may have influenced the speed of strategic change in TSGL?
11. Were the concerns of customers taken into consideration before implementing the strategic change?
12. Does the management involve all employees in strategy formulation?
13. What are some of the strategies you use to attract customers and retain them?
14. How would you rate the state of competition in the industry?
15. Does TSGL have a mechanism in place for conducting customer satisfaction surveys?
16. What are some of the strategies that TSGL has used?
17. Do you consider the organization's strategic responses to competitive environment as adequate?
18. In your view, what actions should TSGL take to strategically align itself to the operating environment in order to enhance customer satisfaction?
19. What else do you feel that TSGL should do to stay focused in the competitive environment?