COMPETITIVE STRATEGIES ADOPTED BY KENOLKOBIL LIMITED IN DEVELOPING SUSTAINABLE COMPETITIVE ADVANTAGE

MUSYOKA FREGUSTUS MASAI

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DECLARATION

This management research project is my original work and has not been submitted for a degree award in any other University.

Signed .... Date ..08/11/2011..

Musyoka Fregustus Masai (D61/70831/2008).

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

Signed .... Date 11/11/2011........

Prof. Evans Aosa

School of Business

University of Nairobi

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May God bless you all.

DEDICATION

This Research Project is dedicated to my two sons, with gratitude, Steve Evans Musyoka Masai and Teddy Mark Masai. Grow to be scholars in this great land of ours. May God Bless you.

ABSTRACT

Companies pursue competitive strategies to gain competitive advantage that allows them to outperform their rivals and achieve increased profitability. Competitive strategy, if well developed and implemented, leads to sustainable competitive advantage which is considered to be the heart of corporate success. Developing competitive strategy is essentially developing abroad formula of how the business is going to compete. Competitive strategy grows out of an understanding of the rules that guide competition. A firm can be said to have sustainable competitive advantage when its competitive strategies are unique, offer long–term benefits, other firms within the industry cannot duplicate (at least in the short term) and the identified strategies are continually improved to keep the firm ahead of its competitors.

This research seeks to establish the competitive strategies adopted by KenolKobil limited to develop sustainable competitive advantage in the oil industry in Kenya and the factors leading to the choice of these competitive strategies. In the recent past, we have seen major changes and alignment in the oil industry with increased competition as each firm aspires to acquire and maintain a significant part of the market share for its products. The exit of major oil multinationals out of the Kenyan market is a clear evidence that these changes are bound to cause new alignment as existing companies strive to tap in the market share once served by these multinationals. In effect, competition has increased with companies devising new and improved competitive strategies so as to protect their ever-challenged market share.

The research was conducted using a case study design of KenolKobil limited. The case study is intended to bring out information regarding the competitive strategies employed by the company, the factors influencing choice of such strategies and the influence of these strategies on the company's market share. Case studies designs are most appropriate when a detailed analysis of a single business unity of study is desired. Data from both interview and secondary sources was analyzed using content analysis. Content analysis is the systematic qualitative description of the materials of the study. Its purpose is to analyze given information in order to determine the factors that explain a given phenomenon. The results of this analysis were then discussed in a more detailed form so as to establish the competitive strategies being pursued by KenolKobil in developing sustainable competitive advantage.

The study established that KenolKobil has adopted focus competitive strategy to develop sustainable competitive advantage in its market. This strategy is a moderate between the other two generic strategies of cost leadership and differentiation strategies. The company has been able to grow from a small outfit in the 1950s to a large multinational in the present time with operations in ten African countries. Globally, it has become a household name related to success throughout the years with ever increasing market share.

The study recommends that the company should focus more on broadening its business lines so as to diversify its sources of income and hence minimize on depending only on fuel business. This will result in creation of a value chain better than its competitors and thus continue sustaining its existence in the environment with ever increasing competition. This will also cushion income sources since the market is now regulated a feature that does not encourage fair market forces to control prices. Furthermore, the adoption of focus strategy calls for the firm to continually scan the environment regularly to so as to cope up with any changes that occur in the environment , being internal and external and leverage itself against competition. This will enable creation and maintenance of competitive advantage.

Some limitations were encountered while undertaking the study. For example, the respondents were mainly busy company executives and senior managers, who due to their busy schedules could not provide some of the required data in good time. Other respondents felt that the information asked was confidential and this affected their response to the questions. Lack of some data led to the generalization of some information, thus making subjective conclusions. Resource constraints were also experienced collecting secondary data so as to have adequate information required for the study. This led to some data not being fully collected though it was important for the study.

Since the firm operates both fuel-based and non-fuel based business activities, the study recommends that further research should be done to ascertain if there are other business opportunities that it can exploit to cushion itself against increased competition. This will help the firm to create more uniqueness and become a pedestal in the African market.

In addition, further research should be done on other major competitors faced by KenolKobil to establish what kind of competitive strategies they are adopting. This information will be helpful for the management of KenolKobil in gauging its strategies in the oil industry. Since these firms basically operate in the same environment, it is important to understand the strategies being employed by the competitor to help a firm create a sustainable competitive advantage.

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In the recent past, we have seen major changes and alignment in the oil industry with increased competition as each firm aspires to acquire and maintain a significant part of the market share for its products. The exit of major oil multinationals out of the Kenyan market is a clear evidence that these changes are bound to cause new alignment as existing companies strive to tap in the market share once served by these multinationals. In effect, competition has increased with companies devising new and improved competitive strategies so as to protect their ever-challenged market share. The need for firms to remain competitive and successful in the long term has created the concept of competitive strategies for use by these firms. These firms adopt and maintain particular set of strategies and pursue these strategies so as to create a sustainable competitive advantage in their day to day operations.

Thompson and Strickland (1989) observe that competition in the market place is like war where one sustains injuries and casualties, but the best strategy helps one to win the war. Competition is the act of striving against another face for the purpose of achieving dominance or attaining a reward or goal, or out of biological imperative such as survival (American Heritage Dictionary, 2004). Competition according to theory causes commercial firms to develop new products, services and technologies. This gives customers wider selection and better products.

1.1.1 Competitive Strategy and Competitive Advantage.

Competitive strategies are said to be the heart of corporate success through which a firm attains sustainable competitive advantage. A firm is said to have a sustained competitive advantage when it's implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy (Barney, 1991). Barney (1991) also discusses four indicators of the potential of firm resources to generate sustainable competitive advantage. These are value, rareness, in ability to be limited and imperfect substitution. Thus a firm can be said to have sustainable competitive advantage when its competitive strategies are unique, offer long–term benefits, other firms within the industry cannot duplicate (at least in the short term) and the identified strategies are 2continually improved to keep the firm a head of its competitors. Porter (1980) observed that the essence of formulating competitive strategy is to relate on organization to its environment. Since organizations are said to be environment dependent, they must scan the environment in order to spot trends and conditions that could affect the industry and adapt to them.

The essence of formulating a competitive strategy is relating a company to its environment (Porter, 1998). Aosa (1992) observes that the actions of competitors have a direct influence on a firm's strategy. He further states that strategy will only make sense if the market to which it relates is known. The nature of the industry needs to be understood. The structure of an industry and trends in that industry will help the current and future attractiveness of that industry. Porter (1980) observes that competitive advantage is the ability of a firm to outperform rivals on the primary performance goal of profitability. Competitive strategy means the process of selecting and deliberately choosing a different set of objectives to deliver a unique mix of value. According to Newman, Logan and Hegarty (1989), strategy reflects the choice of the key services that the organization will perform and the primary basis for distinctiveness in creating and delivering such services. This leads to creation of sustainable competitive advantage by a firm in its area of business.

1.1.2 Oil Industry in Kenya

Before the liberalization of the petroleum sector, the tariff structure adopted by the government was led by two primary objectives. These were to ensure the maximization of revenue and to put in place a tax structure that allowed for subsidization of some products by others. The pump prices of petroleum fuels reflect the heavy taxation that the products undergo. The policy of subsidization of some products by others still remained; for instance kerosene attracts lesser tax while petrol fuel incurs higher rates on taxation (Midwa, 2008). The rationale here is to benefit low-income households that use kerosene (Ikiara and Njenga, 2000).

Liberalization led to the entry of small independent outfits. Such outfits competed against the more established stations by offering discounts on fuel to gain market share. However, due to taxation structure that made kerosene cheaper than other fuels, some small dealers resorted to mixing petrol with kerosene to add to their margins thus undercutting the market (Ikiara and Njenga 2000). Price become a major strategy for competition while quality and service were sidelined resulting in emergence of illegal outlets, dumping of petroleum products meant for export, which resulted in unfair competition (Chepkwony, 2001).

In terms of legislative action, Kahira (2006) observes that the Kenyan government made a number of changes in the legislations governing the oil industry. In May 2003 , legislation requiring oil firms to maintain specific stock levels was passed while in November 2003, two legislations, the first to introduce the central tender system (now called Open Tender System-OTS) for purchasing crude oil and the other directing oil firms to receive all their imported finished petroleum products at KPC depot in Mombasa only were passed. In 2005, a directive requiring oil firm to pay customs taxes on imported products in advance was passed. More so, in December 2010, the Government of Kenya re-introduced price controls at the retail outlets aimed at cushioning the consumers against the raising cost of petroleum products and bring about some order in the oil industry (Kahira, 2006) .

1.1.3 KenolKobil Limited

According to www.kenolkobil.com, the history of KenolKobil limited can be traced back to 13th May 1959 when Kenol (the then Kenya Oil Company Limited) was incorporated in Nairobi under the companies act as a limited company. The principal activity of Kenol was and still is the production, refining, distilling, storing, supplying, importing and distribution of petroleum products of all descriptions. Kenol was listed at the Nairobi Stock Exchange (NSE) in September 1959. In January 1986, Kenol entered into a joint operations and management agreement with Kobil Petroleum Limited (Kobil). Most of the principal activities of Kenol and Kobil are executed through secondary agreements with other service providers in the oil industry. The Kenya Pipeline Company (KPC) providers both the storage and transportation of petroleum products through its pipeline network to various parts of the country. On the other hand, Kenya Petroleum Refineries Limited (KPRL) provides the services of refining crude imported through the Open Tender System (OTS) (Kahira, 2006).

In December 2007, Kenol acquired one hundred percent issued share capital of Kobil Petroleum Limited and consequently changed its name to KenolKobil Limited. KenolKobil markets a wide range of petroleum products and lubricants and is widely active in sectors of the economy such as energy, agriculture, mining, transport, aviation, marine, construction, hospitality (hotels and tourism) and hospitals. In Kenya, KenolKobil runs 67 Kenol-branded service stations and 88 Kobil-branded service stations. KenolKobil boasts of having a wide range of products among them fuels, lubricants, liquefied petroleum gas (LPG), car-care products, fuel-card and non-fuel business. KenolKobil, has in addition to its Kenya business portfolio, six fully fledged and fully-owned subsidiaries in the following countries in Africa. Kobil Uganda Limited established in 1999, Kobil Tanzania Limited in 2001, Kobil Zambia Limited in 2002, Kobil Ethiopia Limited in 2005, Kobil Rwanda Limited in 2006, Kobil Burundi SARL in 2009, Kobil Mozambique Limited in July 2010 and Kobil Zimbabwe Limited in January 2011 and is still prospecting establish more subsidiaries in the central and southern parts of the continent apart from South Africa (retrieved from www.kenolkobil.com).

1.2 Research Problem

Companies pursue competitive strategies to gain competitive advantage that allows them to outperform their rivals and achieve increased profitability. Competitive strategy, if well developed and implemented, leads to sustainable competitive advantage which is considered to be the heart of corporate success. Developing competitive strategy is essentially developing abroad formula of how the business is going to compete. Competitive strategy grows out of an understanding of the rules that guide competition. A firm can be said to have sustainable competitive advantage when its competitive strategies are unique, offer long–term benefits, other firms within the industry cannot duplicate (at least in the short term) and the identified strategies are continually improved to keep the firm ahead of its competitors (Wernerfelt, 1984).

KenolKobil is one of the leading oil companies in Kenya, a company that has been witnessed to grow from a small outfit in the 1950s to a large multinational in the recent past. Various studies have been conducted by different researchers regarding KenolKobil limited. Njoroge (2006) conducted a study on building competitive advantage through diversification. This study only considered the aspects of competitive advantage derived through KenolKobil's continuous diversification into different markets in Africa. Ongaga (2006) conducted a study on responses of Kenol to changes in the external environment. This study focused on the responses by Kenol on the general changes that have occurred in the whole oil industry. A study by Chepkwony (2001) on the strategic responses by the Kenyan petroleum firms to challenges of increased competition revealed that firms in Kenya operated in an open system and that they constantly interact with the external environment. This interaction requires firm to develop strategies aimed at responding to the environmental challenges especially competition from other firms in the same industry. A study by Nyokabi (2001) on competitive strategies adopted by Kenyan Independent Petroleum Association (KIPEDA) revealed that all petroleum retails outlets have target customer groups who receive different nature of products and services.

Although all the studies pointed out those local firms apply competitive strategies in developing sustainable competitive advantage in their environments coupled with challenges which are unique and sector specific, the same cannot be generalized to represent other firms that have not been studied. The uniqueness of specific firms may necessitate a separate study. Various studies have been done to determine the competitive strategies and challenges facing Kenyan firms. But these have not been conclusive enough to warrant a generalization (Ngotha, 2008). The research questions for this study are designed to establish what are the competitive strategies adopted by KenolKobil limited in developing sustainable competitive advantage and what are the factors that have influenced the choice of such competitive strategies by KenolKobil limited?

1.3 Research Objectives

This study has two objectives.

- To determine the competitive strategies adopted by KenolKobil limited in developing sustainable competitive advantage in the marketing of its products and services.
- To establish the factors that has influenced the choice of such competitive strategies by KenolKobil limited.

1.4 Value of the Study

The study will be important to the following stakeholders. To academia and other researchers as the findings will serve as a data bank for information in this field. These findings may be used for further research into the area of competitive strategies and sustainable competitive advantage in the oil industry or any other applicable field.

The findings may be used in enlightening the management of KenolKobil in understanding whether the competitive strategies used have a positive contribution to the company's sustainable competitive advantage. This will assist the policy makers in the firm to ensure that the firm adopts strategies that enable it to remain competitive in the market and outwit its competitors.

The results may also be useful to policy makers in the oil industry as they can be used to understand the dynamics in the oil industry and come up with measures improving the sector for competitiveness. The practitioners already in the industry may use the results to enhance the company's activities in the provision of goods and services to customers. On the other hand, the private investors may find the results useful where they want to set up new businesses.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews existing literature in relation to the competitive strategies and sustainable competitive advantage of firms operating in their surrounding environments with a view of building a body of knowledge relevant to this research work. It analyzes various views raised by different authors in relation to the objectives of the study.

2.2 The Concept of Strategy

Many planning experts believe that the general philosophy of doing business declared by the firm in the mission statement must be translated into a holistic statements of the firm's strategic orientation before it can be further defined in terms of a specific long term strategy (Pearce and Robinson, 1997). They further observe that the long term or grand strategy must be based on a core idea about how the firm can best compete in the market place. The popular term for this core idea is the generic strategy.

There are three levels of strategies namely corporate, business market and operational levels. Corporate level comprises a board of directors and the chief executives and administrative officers. They are responsible for the firm's financial performance and achievement of non-financial goals such as enhancing the firm's image and fulfilling its social responsibilities. Business level is composed of business and corporate managers. They translate corporate level decisions into concrete objectives and strategies for individual business divisions. At the bottom is the functional level which involves managers of functional areas who implements the firm's strategic plans.

Competitive strategy is a broad formula of how a business is going to compete, what its goals should be and what policies will be needed to carry out those goals (Porter, 1980). Competitive strategy is defined as the means that a firm can use to achieve competitive advantage in the market. It consists of approaches and initiatives the firm undertakes to attract customers and fulfill their expectations (Wacuka, 2008). The industry environment in which a business operates is full of opportunities and risks often blurred by familiarity and uncritical acceptance of the established relative position of completions (Obiero, 2008).Thomson and Strickland (1989) perceived strategy as a combination of competitive moves and business approached that managers employ to satisfy organizational vision and objections. A unique strategy contributes effectively to the competitiveness of a firm.

The word strategy comes from the Greek word "strategos" which means the art of general or commander-in-chief. Ansoff (1980) warned that strategy in an elusive and somewhat abstract concept. This is expected when dealing with an area that is constantly changing. Pearce and Robinson (1997) define strategy as large-scale future oriented plans for interacting with competitive environment to achieve company objectives. It is the company's "game plan". While it does not detail all future development of resources, it provides the framework for managerial decisions. A strategy reflects company's awareness of why, where and how it should compete and for what purpose. The major components of the strategic management process include defining the mission and major goals of the organization, analyzing external and internal environments of the organization, choosing strategies that align of fit the organization's strength and weakness with external environment opportunities and threats

Thomson and Strickland (1989), define strategy as a pattern of organizational moves and managerial approaches used to achieve organizational objectives and pursue organizational mission. Mintzberg et al (2002) defines strategy in five dimensions. They observe that strategy can be viewed as a plan, ploy, pattern, position and perspective. Strategy as a plan is a consciously intended course of action to deal with a situation, as a ploy is a specific maneuver intended to outwit a competitor, as a pattern is a streamline of actions, as a position is a means of locating an organization in its environment and as a perspective is an integrated way of perceiving the world. The concept of strategy is a commercial logic of a business that defines why a firm can have a competitive advantage. Strategy is the direction and scope of an organization over the long term, which achieves advantage for organization through a changing environment to meet the needs of the market and to fulfill stakeholder expectations (Johnson and Scholes, 1999).

2.3 Sustainable Competitive Advantage

The need for firms to remain competitive and successful in the long term has created the concept of sustainable competitive advantage. A body of literature has therefore emerged to address sources and different types of strategies that may be used to attain a sustainable competitive advantage. The term sustainable competitive advantage (SCA) emerged in 1985, when Porter (1985) discussed the basic types of competitive strategies firms can possess to achieve sustainable competitive advantage. He argued that competitive advantage could be achieved through low costs and differentiation strategies.

According to Barney (1991), a firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. Barney (1991) discusses four indicators of the potential of firm resources to generate sustainable competitive advantage. These are value, rareness, in ability to be limited and imperfect substitution. Thus a firm can be said to have sustainable competitive advantage when its competitive strategies are unique, offer long–term benefits, other firms within the industry cannot duplicate (at least in the short term) and the identified strategies are continually improved to keep the firm a head of its competitors.

Porter (1985) identifies three generic strategies of low-cost, differentiation and focus as main drivers of developing sustainable competitive advantage. Other sources have identified as superior skills and superior resources as potential sources of SCA. Prahalad and Hamel (1990) put more emphasis on skills and resources by arguing that firms should consolidate resources by arguing that firms should consolidate resources and skills into competencies that allow them to adapt quickly to changing opportunities.

2.4 Resource-based View on Sustainable Competitive Advantage.

Wernerfelt (1984) describes resources as anything which could be thought of as strength or weakness of a given firm. More specifically, resources based competencies consist of core human and non- human assets, both tangible and intangible, that allow a firm to outperform rival firms over a sustained period of time. In order for resource based competencies to be a source of SCA, a firm must ensure that there is synergy between the various firm-specific resources and capabilities. The tact-ness of intangible input / skill based competencies would also enhance the difficulty of competitors' initiation from the foregoing. It is evident that firms have to position themselves and what they offer in a certain market. It is equally important that firms enhance their distinctive competencies as sources of SCA, through strategic development and use of resources at their disposal.

These competencies are proactively created and nurtured through the pattern of strategic decisions and the actions of individuals within the firm. According to Mbugua (2006), to create and sustain a competitive advantage, managers within a firm need to focus on developing and nurturing their firm's unique competencies that inhibit inimitability. Thus, firms should continuously invest in skills and capabilities that are ambiguous and scarce to the competitors or if acquired by rivals would not be able to exploit them far any strategic competitiveness.

2.5 Porter's Generic Competitive Strategies

Porter's generic competitive strategies are key in developing a firm's competitive advantage which is considered as the heart of corporate success. According to Porter (1998), a company can outperform rivals only if it can establish a difference it can preserve and the essence of strategy is choosing to perform activities differently than rivals do. To cope with the competitive firms, then are three potential successful generic strategies approaches to out perform firms in an industry. These are overall cost leadership, differentiation and focus. A firm can pursue more than one approach. When formulating a strategy, a firm must consider the external environment in relation to its internal capabilities. According to Coulter (2002) competitive strategies comprise both offensive and defensive action. Kotler et al. (2004) says that poor firms ignore their competitors, average firms copy their competitors while successful firms lead their competitors. According to Porter (1998), the fundamental question in strategy formulation is how a company can achieve long-term competitive advantages. He insists that there are only three internally consisted and successful strategies, so-called generic strategies. Porter advocates use of a value chain to analyze a company's internal competitiveness, and the five forces model to analyze the external competitiveness and business strategy of the firm. Firms which neither aim at the lowest cost position nor differentiated position become, according to Porter, "stuck in the middle" with sub-optimum returns.

A firm that pursues as overall cost leadership strategy focuses on gaining advantages by reducing its economic costs below the costs of all its competitors (Ngotha, 2008). The firm sells its products either at industry prices to earn a profit higher than that of its rivals or below the average industry prices to gain market shares (Mwakundia, 2006). The sources of cost advantage are varied and depend on the structure of the industry. They may include the pursuit of economics of scale, proprietary technology, and preferential access to raw materials and other factors. A low cost producer must find and exploit all sources of cost advantage. If a firm achieves and sustains overall cost leadership, then it will be an above industry performs in its industry provided it can command prices at or near the industry average (Isena, 2008). According to Pearce and Robinson (1997), strategists examining their business value chain for low cost leadership advantages evaluate sustainability of those advantages by bench making their business against key competitors and by considering the impact of any cost advantage on the five forces in their business environment. The firm can use its skills and resources available to accomplish one or more activities in its value chain so as to achieve a cost advantage.

Differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by a customers and that customers perceive to be better than or different from the products of the competitors (Wacuka, 2008). Product differentiation is always a matter of customer perception, but firms can take a variety of actions to influence this perception (Barney 1991). According to Porter (1998), differentiating the product or service offering of the firm is thus the act of creating something that is perceived industry wide as being unique. According to Porter (1980), a product can be differentiated in terms of design, brand image, technology, features or dealer network. He further explains that if a firm successfully adopts this strategy it's very viable for earning above-average returns in an industry because it creates a defensive position for coping with the five competitive forces. He also observes that other forms of differentiation include introducing the product at the right time, exploiting location advantages, mixing products and reputation. Barney (1991) states that successful products differentiation helps a firm respond to environmental threats, furthermore, this strategy reduces the threat of rivalry because each firm in an industry attempts to carve out its own unique product niche.

The generic strategy of focus rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment group or groups of segments in the industry and tailors its strategy to serving them to the exclusion of others (Wacuka, 2008). Porter initially presented focus as one of the three generic strategies, but later identified focus as a moderator of the other two strategies. Porter states further that although the low cost and differentiation strategies are aimed at achieving their objectives industry wide, the entire focus strategy is build around serving a particular target more effectively or sufficiently than competitors who are competing more broadly. The strategy seeks to provide high perceived value justifying a substantial price premium usually to a selected market segment. It is important to be clear about which market segment is being targeted, defined in terms of a coherent set of customer needs, and this need to be translated in to action which satisfies those customers (Isena, 2008).

2.6 Challenges of Competitive Strategies

Besides market and supply factors, three other considerations throw light on the ability of the enterprise to put strategy into action (Newman, Logan and Hegarty, 1989). These are financial strength of the company, community and government relations and the ability and values of company executives.

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 the community and government relations, it must be noted that companies differ in their ability to work with governments (Mulandi, 2008). While it is important to be regarded as a good corporate citizen, a good community and government relations lead simply to a permissive situation, but in crisis situations the very right to continue operating may be at stake (Theuri, 2003).

2.7 Success Criteria of the Strategies Chosen

The likelihood of success of strategic options is assessed by use of success criteria. There are three main success criteria applicable namely suitability, acceptability and feasibility. Suitability is concerned with whether a strategy addresses the circumstances in which an organization is operating or the strategic position. It requires abroad assessment of the extend to which new strategies would fit with the future trends and changes in the environment, exploit the strategic capability of an organization and meet the expectation as of stakeholders. Suitability can be thought of as the rationale of a strategy and whether it "makes sense" in relation to the strategic position of an organization (Johnson et al, 2005).

Acceptability is concerned with the expected performance outcomes of a strategy. These can be of three broad types namely return, risk and stakeholder reactions. Returns are the benefits which stakeholders are expected to receive from a strategy. Risk concerns the probability and consequences of the failure of a strategy. Stakeholder mapping identifies stakeholder expectations and power and helps in understanding political priorities, thus can be used in understanding the likely reactions of stakeholders to new strategies, the ability of manage these reactions, and hence the acceptability of a new strategy (Johnson et al, 2005).

Feasibility is concerned with whether an organization has the resources and competences to deliver a strategy. Approaches such as financial feasibility and resource deployment can be used to understand feasibility. Feasibility is also informed by implementation of a strategy. So strategies may need to be reshaped as implementation proceeds (Johnson et al, 2005).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives an outline of the research methodology to be used so as to achieve the objectives of the study. The research design is discussed to establish how the study will be carried out, as well as data collection method. The instrument for data collection is also discussed in detail.

3.2 Research Design

The research will be conducted through a case study design. The case study is intended to bring out information regarding the competitive strategies employed by the company, the factors influencing choice of such strategies and the influence of these strategies on the company's market share. Mugenda and Mugenda (1999) observe that a case study is an in-depth examination of an institution. Case studies provide very focused and valuable insights to phenomena that may otherwise be vaguely known or understood (Ngotha 2008). Midwa (2008) and Ngotha (2008) and have used this design in similar studies.

The advantage of using a case study includes enabling an in-depth understanding of the behavior pattern of the concerned unit and facilitating intensive study of the concerned unit. The limitations of a case study include the danger of a false industry generalization, which might be experienced due to lack of set rules to follow in the collection of information. Further it is limited in its application. Despite the stated limitations the application of open-ended questions and in-depth interviews can minimize the risk of subjective responses or answers.

3.3 Data Collection

For purpose of this study, both primary data and secondary data were collected simultaneously to aid in obtaining the information required to meet the objectives of the study. Primary research entails the use of immediate data in determining the survival of the market. The popular ways to collect primary data consist of surveys, interviews and focus groups, which shows that direct relationship between potential customers and the companies. Secondary research is a means to reprocess and reuse collected information as an indication for betterments of the service or product.

Primary data was collected using an interview guide consisting of open-ended as well as closed questions. This will ensure in depth probing of the respondents to obtain correct and clear information. Mugenda and Mugenda (1999) note that interview guides make it possible to obtain data to meet the research objectives. Secondary data will be collected from secondary sources such as company's bulletins and annual reports, Ministry of Energy (MOE) data and Petroleum Institute of East Africa (PIEA) journals.

The guide was administered to middle level and senior managers in KenolKobil who were deliberately chosen to ensure that only those at the strategy development and implementation level were selected. These have the information required relating the adoption of competitive strategies in developing sustainable competitive advantage as per the objectives of the study.

3.4 Data Analysis

Data from both interview and secondary sources was analyzed using content analysis. Content analysis is the systematic qualitative description of the materials of the study. Its purpose is to analyze given information in order to determine the factors that explain a given phenomenon. Content analysis is also defined as a technique for making inferences by systematically and objectively identifying specified characteristic of messages and using the same approach to relate trends (Nachmias and Nachmias, 1996).

This approach has been previously used in similar research papers by Ongaga (2006), Midwa (2008) and Ngotha (2008). Mbogo (2003) argues that this method is scientific as the data collected can be developed and verified through systematic analysis. The qualitative method can be used to uncover and understand what lies behind the phenomenon of study.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter details the findings of the research project based on the analysis and interpretations of both primary and secondary data as per the research methodology. Senior managers and middle level managers were interviewed using the interview guide so as to achieve the objectives of the study.

4.2 Company Profile – KenolKobil Limited

The company was established on 13th May 1959 and incorporated in Nairobi under the companies act as a limited company. The firm has been witnessed to grow its market share over years to become a market leader in the recent past. The company now operates in nine African countries and still prospecting to expand to other African countries. The firm trades in sale and marketing of petroleum fuels as well as other non-fuel business ventures that include rentals, mobile airtime business, car batteries, and bottled drinking water as well as car care products.

KenolKobil is committed to offering unique products and services to its customer base while maintaining a fair return on investment. As such, the firm offers competitive prices aimed at retaining the customer base as well as improving profitability and market share while constantly monitoring the activities of the major competitors. The five major competitors of KenolKobil were found out to be Total Kenya Limited, Libya Oil Limited, National Oil Corporation of Kenya (NOCK), Kenya Shell Limited and Gulf Energy.

The major business lines were said to be retail sales, commercial sales, trading and non-fuel business which are the major contributors to the firm's bottom line. Level of competition in all these business lines and the oil industry in general was said to be high especially among the major competitors mentioned earlier. This level of competition is further enhanced by the presence of upcoming small traders who have joined the industry recently and commonly referred to as independents.

KenolKobil is said to embrace competitive strategies in its business plan. These strategies are geared into achieving a fair return on investment and continued growth of its market share with improved profitability. The firm seeks to expand its business beyond the Kenyan market. Already, KenolKobil operates in nine countries with fully-fledged subsidiaries independent of themselves with minimal support from the head office based in Kenya.

4.3 Competitive Strategies adopted by KenolKobil Limited

Porter (1985) identifies three generic strategies of low-cost, differentiation and focus as main drivers of developing sustainable competitive advantage. Other sources have identified as superior skills and superior resources as potential sources of sustainable competitive advantage . Prahalad and Hamel (1990) put more emphasis on skills and resources by arguing that firms should consolidate resources by arguing that firms should consolidate resources and skills into competencies that allow them to adapt quickly to changing opportunities.

As per the objectives of the study, the firm has adopted the Porter's generic strategies in different ways. These ways are aimed at creating a competitive advantage in the ever increasing challenging industry faced with stiff competition. The firm aspires to be the market leader through increased profitability occasioned by growing a larger market share.

4.3.1 Cost Leadership Strategy

The respondents identified the following to be the major cost elements incurrent while undertaking the business in KenolKobil. Product costs, financing costs, distribution and logistics costs, marketing overheads like advertising, staff costs, refining costs and taxes. The study indicated that there are various ways in which the firm uses to minimize these costs while maximizing on every possible opportunity for profitability. These include sourcing products from the most competitive suppliers while adhering to set standards, sourcing financing from most competitive financial institutions as well as paying loans and other financial facilities in time to avoid penalties and interest.

Other ways include maintaining an efficient distribution system to ensure maximization of turn around in supplies and distribution functions of the company as well as having efficient management of all the logistical functions of the firm. In addition, staff costs are efficiently maintained while maintaining a well-motivated workforce so as to achieve the set goals and targets. Overheads like marketing promotions and product launches are well planned and budgeted for to avoid impromptu expenditure without desired targets. Other costs like refining are dependent on the volume throughput but expenses incurred out of the same are settled in time to avoid penalties which are synonymous with these costs. The study further reviewed that the competition among the five major companies was stiff. In terms of prices, the company normally posts same prices in the retail segment (but often offers promotional discounts to its customers) but different prices in other segments like commercial, trading, non-fuel, aviation and exports. This is due to the fact that prices are controlled in the retail segment through price capping introduced by the Kenyan Government through the Energy Regulation Commission (ERC) in December 2010. This was meant to cushion consumers against increasing fuel prices against high levels of inflation and weakening of the Kenyan Shilling. On other segments, the prices are largely depended on other market factors that include but not limited to demand, customer loyalty and history, cost of product or service, location especially rental-based segments, supply constraints, distribution costs, etc.

The study also established that the firm undertook cost control on various cost elements while maintaining the same quality of products and services. These costs contribute substantially to the overall cost incurred by the company in its day to day business activities. As such, their control leads to improved performance and profitability of the firm. These results to creation of competitive advantage of the firm to enable it compete effectively with its competitors.

4.3.2 Differentiation Strategy

The study reviewed that the firm creates uniqueness of its products and services compared to its competitors in the following ways. The firm maintains an efficient supply chain, flexibility and professionalism in carrying out business activities, becoming a corporate citizen present in all corners of the corporate world, being ahead of competitors in terms of information pertinent to the smooth running of the business, ensuring reliability and assured good customer service in all the business lines. In addition, the firm is also ISO certified to ensure compliance to international standards of doing business. The study reviewed that the company's uniqueness is superior compared to the major competitors.

The study also reviewed that the firm experiences some degree of threat of substitute products offered by its competitors indirectly in the areas of low pricing and imitation of products and services. However, since the products in the oil industry are almost homogeneous, the threat is minimal. In addition, the study found that the firm is very flexible in terms of processing and adopting information available to guide in timely decision making in regard to it day to day operations. This is guided by the fact that competition in the oil industry is high and hence any lost opportunity can spell disaster to the firm's performance. All this flexibility is of course guided by the company policies and principles while maintaining professional ethics in all the undertakings.

The study also indicated that the company boasts of having some of the well-trained professionals in the oil industry. These includes salesmen and women, engineers, administrators, accountants and generally all the staff. The staff is either sourced directly from the universities as well as the oil industries and other related industries. This was observed to be a key element in the success of the firm in developing a source of sustainable competitive advantage. In addition, KenolKobil has well-structured policies regarding human resource administration that spells out the expectations of all the employees in carrying out their duties as well as adherence to the company policies. Remuneration was also observed to be a key determinant in maintaining a well motivated staff that drives the firm in achieving its goals and objectives.

So as to effectively embrace differentiation strategy, the study established that the firm has adopted the following strategies in the last five years namely expansion, diversification in to new markets and new business lines, strategic alliances and adopting a more robust enterprise resource planning (ERP) technology. All these strategies have been implemented across all the firm's business lines.

4.3.3 Focus Strategy

The study reviewed that the firm pursues all customer categories based on the evaluation that the particular customer has the ability to transact and settle the due amounts appropriately. This has much to do with the credit worthiness of the customer. These include wholesalers, retailers, middlemen, resellers, distributors and consumers. Any willing customers are allowed to purchase products provided they adhere to the laid down procedures. The firm target to all customers since the main aim is to increase profitability and market share. This is the reason why the company has ventured into virtually all business lines available in the oil industry.

The study further established that the firm has the capacity to serve the needs of either small or large customers without any major challenges. The firm ensures that the customers retain their loyalty to its products and services in the following ways. Efficient service in terms of products delivery and product availability, good customer service, high quality and reliable products, maintaining loyalty schemes especially by use of the fuel card (K-Card) that attracts promotional discounts for products and services purchased for the company's outlets. The study also reviewed that the firm sometimes offers some products and services which are specific to the demands and tastes of specific customers. For example, some lubricants are specifically blended with the customers' requirements in mind to ensure that the customer's needs are met. Other includes non-fuel facilities like banking halls or supermarkets stores, tire centers, automated teller machines lobbies, hotels, etc, where the construction is done with the customer in the mind. This ensures that the company retains these customers for elongated time. Regular internal and external audits are carried out to ensure that the company operates within the laid down procedures.

The study also reviewed that some customers still purchase products and services from the company even if the prices are higher than the competition. This was mainly attributed to dedicated customer service, timely service offer as well as high quality of goods and services offered to the customers. The firm also charges fairly premium prices if it has any unique product or service in its portfolio. This is mainly guided by the investments cost rather than the uniqueness as the firm adopts fair business practices.

4.4 Factors Influencing the Choice of a Particular Strategy

In terms of choice of the particular strategy or strategies being adopted by the company, the respondents concluded that the company adopted focus strategy in its business undertakings. The choice of focus strategy is attributed to the fact that focus strategy is a moderator of the other two strategies of cost leadership and differentiated strategies. The entire focus strategy is built around serving a particular target market more efficiently than competitors who are competing more broadly. Focus strategy seeks to provide higher perceived value justifying a substantial premium price usually to a selected market segment.

The following factors were observed mainly to influence the choice of focus strategy applied by the firm in carrying out its duties. These are market share, resources available, level of competition in the industry, technology available within the organization and government policies like price controls, tax regimes etc. These were seen as the factors that could assist the firm develop and sustain competitive advantage in the wake of continued competition in the oil industry.

4.5 Discussion of the Results

This section presents the discussion regarding the research findings in comparison with the existing theory guiding this study. Likewise, the results are also compared with other empirical studies that have been undertaken in the past.

4.5.1 Comparison with Theory

The study revealed that the firm has adopted focus strategy which is a moderator of both the cost leadership strategy and differentiation strategy. Various factors were established to influence the choice of this strategy as previously discussed. These factors are key in assisting the firm to develop and sustain competitive advantage in the wake of continued competition in the oil industry. The factors most involve the internal capabilities of the firm coupled with external factors that possess a huge bearing on the operation and performance of the firm like government policies.

According to Barney (1991), a firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. Barney (1991) discusses four indicators of the potential of firm resources to generate sustainable competitive advantage. These are value, rareness, in ability to be limited and imperfect substitution.

Thus a firm can be said to have sustainable competitive advantage when its competitive strategies are unique, offer long–term benefits, other firms within the industry cannot duplicate (at least in the short term) and the identified strategies are continually improved to keep the firm a head of its competitors. This study has reviewed that KenolKobil has embraced this uniqueness in its day to day business activities.

Porter (1985) identifies three generic strategies of low-cost, differentiation and focus as main drivers of developing sustainable competitive advantage. Other sources have identified as superior skills and superior resources as potential sources of SCA. Prahalad and Hamel (1990) put more emphasis on skills and resources by arguing that firms should consolidate resources by arguing that firms should consolidate resources and skills into competencies that allow them to adapt quickly to changing opportunities. The study has established that KenolKobil has adopted the generic strategies through the adoption of the focus strategy which is a moderator of the two. More so, the firm has created competencies in the areas of human resource, logistical effectiveness and industry mastering to ensure smooth and profitable operations.

4.5.1 Comparison with other Empirical Studies

Previous studies done by other researchers on competitive strategies adopted by firms in developing sustainable competitive advantage indicate similarities with the research findings. Some of the researchers include Nyokabi (2001), Obado (2005), Njoroge (2006), Ngotha (2008) and Obiero (2008). Njoroge (2006) studied on building competitive advantage through diversification. The study about KenolKobil found out that the firm has continually diversified by operating in different African markets to build competitive advantage in these markets. Nyokabi (2001) studied on competitive strategies adopted by Kenya Independent Petroleum Dealers Association (KIPEDA). The study established that all petroleum retail outlets have target customer groups who receive different nature of products and services.

Obiero (2008) studied on competitive strategies applied by cement manufacturing firms in Kenya. This study established that these firms employed growth strategy in carrying out their businesses to develop sustainable competitive advantage. Similarly, Obado (2005) studied on competitive strategies employed by sugar industry in Kenya. This study identified the competitive strategies used in the sugar industry as a combination of cost leadership and differentiated strategy which is essentially focus strategy. Similar competitive strategies include cost control measures in value chain activities. These activities include efficiency in production and operation areas, elimination of non-performing activities, zero-based budgets and proper forecasting of sales and supplies for optimum production. All these results are similar to the finding of this particular study.

CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary, conclusion and recommendations of the study. It explores the findings of the study and summarizes them as well as concluding in relation to the objectives of the study. Various recommendations are presented in relations to the findings of the study both to the firm's management and to other researchers to conduct further research.

5.2 Summary of the Findings

5.2.1 Competitive Strategies Adopted by KenolKobil Limited

KenolKobil limited has been in the Kenyan market since 1959 when it was established as a small outfit operation in the downstream market of the oil industry. Currently, the company has grown to a multinational level operating in nine African markets with its head office located in Kenya and still prospecting for more markets to venture into. The company is involved in the marketing of petroleum products as well as non-fuel business in the region. The company employs competitive strategies so as to develop and maintain sustainable competitive advantage.

The study found out that the company employs focus strategy (cost focus and differentiation focus) in its value chain activities so as to build sustainable competitive advantage. These strategies are basically used in the control of its cost elements which include product costs, financing costs, distribution and logistics costs, marketing overheads like advertising and promotions, staff costs, refining costs and taxes. This is achieved by a pool of well-trained professional human resource base at all its establishments.

The company has differentiated its products and services by creating unique products and services as well as unique business lines compared to its competitors. Although these products and services and business lines are similar in nature , the firm has endeavored to created uniqueness through maintaining an efficient supply chain, being flexible and professional in carrying out business activities, becoming a corporate citizen present in all corners of the corporate world, being ahead of competitors in terms of information pertinent to the smooth running of the business, ensuring reliability and assured good customer service in all the business lines. In addition, the firm is also ISO certified to ensure compliance to international standards of doing business. The study reviewed that the company's uniqueness is superior compared to the major competitors.

5.2.2 Factors Influencing the Choice of a Particular Strategy

The following factors were observed mainly to influence the choice of focus strategy applied by the firm in carrying out its duties. These are market share, resources available, level of competition in the industry, technology available within the organization and government policies like price controls, tax regimes etc. These were seen as the factors that could assist the firm develop and sustain competitive advantage in the wake of continued competition in the oil industry.

The increasing cost of inputs such as product costs and other overheads pose a challenge in the overall performance of the company. Increasing competition is also a major challenge since all the competitors are fighting for the same market share. Thus, it is vital for the firm to build and create uniqueness in its products and services offered so as to retain a huge customer base and ensure continuity.

5.3 Conclusion

KenolKobil has adopted focus competitive strategy to develop sustainable competitive advantage in its market. This strategy is a moderate between the other two generic strategies of cost leadership and differentiation strategies. The company has been able to grow from a small outfit in the 1950s to a large multinational in the present time with operations in ten African countries. Globally, it has become a household name related to success throughout the years with ever increasing market share.

The choice of focus strategy is attributed to the fact that focus strategy is a moderator of the other two strategies of cost leadership and differentiated strategies. The entire focus strategy is built around serving a particular target market more efficiently than competitors who are competing more broadly. Focus strategy seeks to provide higher perceived value justifying a substantial premium price usually to a selected market segment. In addition, following factors were observed mainly to influence the choice of focus strategy applied by the firm in carrying out its duties. These are market share, resources available, level of competition in the industry, technology available within the organization and government policies like price controls, tax regimes etc. These were seen as the factors that could assist the firm develop and sustain competitive advantage in the wake of continued competition in the oil industry.

5.4 Recommendations

The study recommends that the company should focus more on broadening its business lines so as to diversify its sources of income and hence minimize on depending only on fuel business. This will result in creation of a value chain better than its competitors and thus continue sustaining its existence in the environment with ever increasing competition. This will also cushion income sources since the market is now regulated a feature that does not encourage fair market forces to control prices.

Policy makers can use the results of this study in the fields to add more value to business practices and hence improve competitiveness. If well implemented, these results can be useful to organizations aspiring to adopt either of the generic competitive strategies and gain sustainable competitive advantage.

On the other hand, scholars and researchers can use the findings of these strategies to do more research on the topic and hence establish hoe a firm can continue applying competitive strategies and remain in the competitive business environment. This study will also form a strong base in the area of competitive strategies, both in theory and practice.

The adoption of focus strategy calls for the firm to continually scan the environment regularly to so as to cope up with any changes that occur in the environment , being internal and external and leverage itself against competition. This will enable the firm create and maintain a sustainable competitive advantage.

5.5 Limitations of the Study

The following were some of the limitations encountered while undertaking the study. The respondents were mainly busy company executives and senior managers, who due to their busy schedules could not provide some of the required date in good time. Other respondents felt that the information asked was confidential and this affected their response to the questions. Lack of some data led to the generalization of some information, thus making subjective conclusions.

Resource constraints were also experienced collecting secondary data so as to have adequate information required for the study. This led to some data not being fully collected though it was important for the study. However, efforts were made to obtain all the relevant data using the available resources so as to achieve the stated objectives of the study.

5.5 Suggestion for Further Research

Since the firm operated both fuel-based and non-fuel based activities, the study recommends that further research should be done to ascertain if there are other business opportunities that it can exploit to cushion itself against increased competition. This will help the firm to create more uniqueness and become a pedestal in the African market.

In addition, further research should be done on other major competitors faced by KenolKobil to establish what kind of competitive strategies they are adopting. This information will be helpful for the management of KenolKobil in gauging its strategies in the oil industry. Since these firms basically operate in the same environment, it is important to understand the strategies being employed by the competitor to help a firm create a sustainable competitive advantage by strategizing its efforts towards improving business processes and response to emerging market trends.

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www.kenolkobil.com

Appendix I: Letter of Introduction

Fregustus Musyoka

University of Nairobi

School of Business

P. O. Box 30197

NAIROBI

The Respondent

Dear Sir/Madam,

RE: REQUEST FOR YOUR PARTICIPATION IN RESEARCH WORK

I am a postgraduate student in the School of Business, University of Nairobi pursuing a **Master of Business Administration (MBA) degree program**. In order to fulfill the degree requirements, I am currently undertaking a Strategic Management Research project on **"Competitive Strategies Adopted by KenolKobil Limited in Developing Sustainable Competitive Advantage."** The study focuses on the competitive strategies adopted by the mentioned firm to develop sustainable competitive advantage in the sale and marketing of its products and services.

Since you are a key person in the designing and implementation of the strategies at corporate level in your organization, I would appreciate and request you to fill the attached questionnaire as truthfully as you can.

The information required is needed purely for academic purposes only and will be treated in strict confidence. No names or titles of the respondents will appear in the final report.

Your assistance and cooperation is highly appreciated.

Yours faithfully,

Fregustus Musyoka

Appendix II: Interview Guide

A. General Information

1. What position do you hold at KenolKobil?

----

2. How many years have you worked for KenolKobil?

----

3. What is your main responsibility in the organization?

----

4. What is the level of competition in the oil industry now?

----

5. What is the geographical coverage area of your operations?

----

6. Does your organization embrace competitive strategies in its day to day activities?

B. Cost Leadership Strategy

A firm that pursues as overall cost leadership strategy focuses on gaining advantages by reducing its economic costs below the costs of all its competitors. The firm sells its products either at industry prices to earn a profit higher than that of its rivals or below the average industry prices to gain market shares. The sources of cost advantage are varied and depend on the structure of the industry. They may include the pursuit of economics of scale, proprietary technology, and preferential access to raw materials and other factors.

1. What are you major cost elements?

----

2. How does your firm minimize the above cost elements to enhance profitability?

----

3. Are customers sensitive to changes in the prices of your products?

----

4. How many companies deal with oil business in Kenya?

----

5. Which five companies do you consider to be your major competitors? Please list.

i. iv.

ii. v.

iii.

6. How do you rate this competition among your major competitors?

----

7. (i) How are your prices compared to other competitors?

(ii) Comment on your answer above.

----

8. Which of the following areas of your business do you undertake cost control while maintaining the same quality of products and services to your customers.

Advertising	[ ]
Research and Development	[ ]
Distribution costs	[ ]
Customer Service	[ ]
Number of staff employed	[ ]
Staff costs	[ ]
Innovativeness	[ ]

Others (Please list)

C. Differentiation Strategy

A differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by a customers and that customers perceive to be better than or different from the products of the competitors. Product differentiation is always a matter of customer perception, but firms can take a variety of actions to influence this perception.

1. How do you create unique image of your firm to your competitors?

----

2. How do you rate the uniqueness of your firm compared to your competitors?

----

3. What threats arise from substitute products offered by your competitors?

----

4. How would you rate flexibility in transacting your day to day business compared to your major competitors?

----

5. What is the level of professionalism in your organization? Please explain

----

----

6. What could you consider as your major business lines? Are they different from your competitors? Please explain.

----

7. What other aspects of your firm could you consider as more unique and/or innovative compared to your competitors?

----

8. Has your organization adopted any of the following strategies in the last 5 years? (Please tick if adopted).

Increasing number of employees [ ]

Increasing number of outlets [ ]

Diversification into new markets [ ]

Adopting modern technology in the Enterprise Resource Planning [ ]

Forming Strategic alliances [ ]

Diversification to many business lines [ ]

Others (Please list):

D. Focus Strategy

The generic strategy of focus rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment group or groups of segments in the industry and tailors its strategy to serving them to the exclusion of others.

1. What are the categories of customers who buy your products?

----

2. Do you target a particular group of customers for your products? Please explain.

----

3. What are your major concerns in (2) above when targeting particular group?

----

4. How do you ensure that your customers retain their loyalty to your firm?

----

5. Do you offer any products through the influence of the demand or tastes of a particular customer(s)? If so, please give examples.

----

6. How can you rate your response to customer complains/queries coupled with your customer service?

----

7. Do your customers still buy from your firm even if the prices are higher than your competitors? If yes, why do you think this is he case?

----

8. In the event that you have a unique product, to what extend do you charge premium price? Please briefly explain.

E. Choice of a Particular Strategy

1. In conclusion, what do you think is the strategy that has been implemented by KenolKobil limited?

(i) Cost Leadership Strategy [ ]

(ii) Differentiated Strategy [ ]

(iii) Focus Strategy (Cost Focus and Differentiated Focus Strategy). [ ]

Please explain.

----

2. In your own opinion, which factor(s) do you consider to influence the choice of a particular strategy you have chosen in 1 above? Please tick.

Number of staff	[ ]
Market Share	[ ]
Resources available	[ ]
Competition	[ ]
Customer loyalty and demands	[ ]
Representation in the region	[ ]
Credit management policies	[ ]
Government policy e.g. price controls, taxes, etc.	[ ]
Organization Structure	[ ]
Technology available	[ ]
Others – please list.	[ ]

Thank you very much for your time and cooperation.