

**COMPETITIVE STRATEGIES AND IMPLEMENTATION  
CHALLENGES BY KENYA ORIENT INSURANCE COMPANY**

**BY**

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## DECLARATION

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

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## **DEDICATION**

This study is dedicated to my mentor and loving father the late Dr. John Manyali Mulupi and my loving mother Hellen Manyali Mulupi.

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## **ABBREVIATIONS AND ACRONYMS**

- KOIL:** Kenya Orient Insurance Limited
- MBV:** Market Based View
- SCP:** Structure-Conduct-Performance
- RVB:** Resource Based View
- AKI:** Association of Kenya Insurers
- IRA:** Insurance Regulatory Authority
- IT:** Information Technology
- KES:** Kenya Shillings
- SWOT:** Strength, Weaknesses, Opportunities and Threats
- ERP:** Enterprise Resource Planning

## ABSTRACT

There has been notable increase in competition within the insurance industry in Kenya. With competition remaining high within the insurance industry it is necessary for organizations within the industry to adopt competitive strategies so as to gain a higher level of competitive advantage over other firms within the industry. Strategy adoption and implementation is therefore very important for any company that is operating in a highly competitive industry. Competitive strategies are necessary for companies that are heavily saturated with customers. The insurance industry in Kenya is growing and hence organizations need to come up with competitive strategies that will enable them to remain competitive. Due to the nature of the insurance business, insurance companies that succeed should be able to gain competitive advantage over their competitors. The objective of this study was to determine the competitive strategies adopted by Kenya Orient and their implementation challenges. Kenya Orient is operating in a highly competitive industry that is characterized by limited number of customers' and therefore needs to adopt competitive strategies in order for them to maintain their customers and gain competitive advantage over their competitors. The main theories covered under the study were ; resource based view of the firm ,the market based view of the firm and the knowledge based view of the firm that have been discussed as theories that enable organizations gain competitive advantage. A case study approach was used where data was collected using an interview guide. Secondary data inform of past interviews and publications was also used to supplement primary data collected. Qualitative data was collected and an analysis done using the content analysis technique. The results of the study indicated that the organization uses various competitive strategies in order for them to gain competitive advantage over their competitors. The competitive strategies used are; product differentiation, focus and niche, cost leadership, product development, market penetration and use of technology. Though the strategies adopted are expected to help the organization in gaining competitive advantage the organization still faces some challenges during implementation that hinder the effectiveness and success of the competitive strategies adopted. The study revealed that the challenges faced during strategy implementation are; inadequate support structure, resistance to change and time constraint. The challenges faced will help the organization identify their weak points and therefore improve on such areas during planning when implementing new strategies. The recommendation from the study is that Kenya Orient Insurance Limited needs to work on the challenges that they have experienced during strategy implementation so that they can ensure that all strategies employed will be successful and effective. The challenges experienced during implementation have been seen to hinder the effectiveness of the strategy and hence the company working on them will lead to effective implementation of competitive strategies that will lead to competitive advantage. The study concludes that competitive advantage is achieved when companies adopt competitive strategies in their business. When organizations effectively adopt and implement competitive strategies then they are able to acquire competitive advantage and are able to maintain their customer base.



# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Strategy can be defined as a complex concept that enables an organization to engage in different processes and activities. According to Mintzberg (1987), strategy can be articulated by what he labeled as the “5 Ps of strategy”. Understanding strategy as a plan, a ploy, a position, a pattern, and as a perspective is important. The five ways of thinking are important in understanding strategy but neither of them can be used on its own in understanding the concept. According to Dettwiller, Lindelof and Lofsten (2006), Changes in the business environment lead to different responses by different firms so as to ensure that the changes do not render strategies adopted as obsolete. Companies therefore need to have strategies in order to survive and dominate in their industries.

Competitive strategies can be defined as long term action plans that are contrived in order to help an organizations to acquire a higher level of competitive advantage over its rivals. Competitive strategies are important to companies that are heavily infused with alternatives for consumers. Porter (1996) stated that the concept of strategic management was developed out of the need for organizations to seek competitive advantage. Organizations that need to succeed in competitive industries must look for ways to gain competitive advantage in their industry of operation. According to Porter (1985) when accompany gains competitive advantage they are able to gain superiority over other firms in the industry.

Noble (1999) defined Strategy implementation as operationalization of a clearly articulated plan. Hrebiniak and Joyce (1985) defined strategy implementation as a process of breaking down complex and unmanageable strategic problems into manageable proportions that are easily managed. Hrebiniak and Joyce (1985) also defined strategy implementation as a process through which organizations resources are controlled and managed so as to achieve desired results.

Insurance services are services that are offered by insurance companies as an agreement for indemnity in case of losses experienced. The services will be offered to the insured who will in turn pay premiums to the insurance company. The main purpose of Insurance is to be able to protect the insured against future financial losses. There are certain forms of insurance that are a legal requirement while other forms of insurance are optional. A contract between the insurer and the insured is reached when the insured agrees to the terms of the contract. The insured will be required to pay premiums for a sum insured to be paid in case of loss. In most cases, the insured is expected to pay part of the loss. Examples of insurance include motor insurance, disability and personal accident insurance, life insurance, medical insurance and corporate insurance.

This study will be based on the following theories; The Market based view (MBV) of strategy that states that a firm's performance is determined by the external environment in which the firm operates as well as the industry factors. Bain (1986) Structure-Conduct-Performance (SCP) and Porters (1980) Five Forces model are two theories that contribute towards the MBV category. Another theory that informs this study is the Resource Based View of the firm (RVB). The theory focuses on a firm's internal capacity as the main driver of competitive advantage. The theory states that the resources available within an

organization are enough to enable the firm compete effectively. Ansoff (1965) and Chandler (1962) are considered to be the major contributors towards developing the RBV view of strategy.

### **1.1.1 Competitive Strategies**

There is a need for firms to learn how to continuously adapt to the changing external environmental and focus on improving service delivery to their target customers. By ensuring that the level of service delivery is superior then firms are able gain superior performance. Porter (1985) defined two competitive strategies that firms can adopt; Low Cost and Differentiation. Porter further states that the two competitive strategies when combined with different activities within a firm will lead to three generic strategies that enables a firm in improving its performance in an industry. The three generic strategies are cost leadership, differentiation, and focus.

When firms adopt these competitive strategies their main aim is to have superior performance and therefore gain a competitive advantage .When a firm chooses to use the Low cost they aim to be cost leaders in the market by providing their goods and services at very low prices that will enable them to capture a large percentage of the market which will eventually increase their profits. When a firm chooses to use differentiation then they aim at providing goods and services that are not available to other companies and hence are more attractive to the consumers as compared to those provided by their competitors. When organizations adopt the right competitive strategies then they are able to deliver superior value to their target customers and gain Competitive advantage over their competitors.

### **1.1.2 Strategy Implementation.**

Strategy implementation as defined by Hrebiniak and Joyce (1984) is a process of converting strategic problems into smaller, less complex manageable problems that can be easily solved. According to Owen (1993), he states four main problems that lead to unsuccessful implementation of strategies: The first challenge is associated with developing strategies around existing business units. A firm's business units will often not relate to the organization's strategies. Business units in a firm will usually concentrate on their functional activities of serving their customers. When units have their external market places their strategic operations can be planned and executed independent of other units of the company. It is therefore important that at any one time the strategy adopted corresponds to the organization structures and the two are supportive of each other.

The firm's traditional management reports adopted is another problem identified. The reports used by managers are not fully capable of monitoring the implementation strategies which leads to the strategic manager not being fully aware of what is happening. If the manager is not aware of the strategy being implemented it leads to inadequate monitoring of the performance of the existing structure which leads to ineffective control mechanisms. A third problem identified is that there is change that is involved in strategy implementation which therefore leads to uncertainty and risk. The only way to manage change is coming up with a change management plan that will motivate managers to make changes as a key determinant.

The last problem identified by Owen is the firm's current management systems which include but are not limited to compensation schemes, communications systems, and management development are rarely revised so as to meet the needs of new strategies

adopted. According to Pateman (2008) for strategy to yield results the coordination of resources has to consider the changes in the firm's external environment. Pearce and Robinson (2007) argue that effective strategic leadership is important for successful strategy implementation. Hrebiniak, (2005) states that the success of strategy implementation largely depends on the management leadership in the organization. Management therefore need to manage implementation problems in order to successfully execute strategies adopted.

### **1.1.3 Insurance Industry in Kenya**

The Kenyan insurance industry consists of reinsurance companies, intermediaries like brokers, bank assurance and agents, insurance companies, loss adjusters and other service providers. (IRA Industry report, April 2016). IRA is the regulatory body that regulates the insurance operations in Kenya. The laws that govern insurance operations are contained in the Insurance Act, Chapter 487 of the laws of Kenya. The industry operates under the Association of Kenya Insurers (AKI) which is an umbrella body established in 1987.

The Kenyan insurance market is mostly non-life or general insurance unlike in leading world economies where life insurance is the most common. Non-life insurance premiums contribute two thirds (64.6%) of the total gross premiums written in Kenya while life premiums contribute 35.4%. The world economy is dominated by life insurance business at 54.8% while non-life insurance is at 45.2%, which is however, a more balanced position in terms of contribution by class. (Source: Swiss Re Sigma, 2014). The total industries premiums in 2015 were KES 173.26 billion while in 2014 the premiums were of KES 157.78 billion .This was a year-on-year nominal growth of 9.8% over the period of one year. Life insurance business reported gross written premiums of KES 61.26 billion while

general business reported premiums of KES 112.00 billion. (IRA Industry report, April 2016).

With the number of players in the insurance industry increasing it is important for the firms operating within the industry to concentrate on developing competitive strategies that will enable them to maintain their customer base. The percentage of people accessing insurance services in Kenya is still very low therefore companies that adopt the best competitive strategies will be able to gain competitive advantage that will enable them operate better and retain more clients.

Some of the challenges that are currently being experienced in the Insurance industry are; Lack of knowledge on importance of insurance leading to increased competition due to growth in number of firms and low customer base, entry of new entrants in the market which leads to stiff competition with the number of people who are able to access insurance services being limited, IRA regulations that strictly govern the insurance industry to ensure that the interests of insurance policy holders and insurance beneficiaries are safeguarded.

#### **1.1.4 Kenya Orient Insurance Limited**

The Al-Fatem group of Dubai established Kenya orient insurance limited in 1982. The company was later acquired by Kenyans in 1988. KOIL has registered steady growth since it was acquired by Kenyans in 1988. The insurance Act of Kenya has registered KOIL and authorized the firm to underwrite all classes of general insurance business. KOIL is a medium sized insurance company with 13 branches in Kenya and a staff of over 150 employees with a recent turnover of KES 2.45 billion. (Published Annual report and financial statements 2014-KOIL)

The rebranding of KOIL goes back to October 2004, when firm was transferred to new owners resulting in change in the management board. The changes in ownership led to creation of a new a vision that aims at the delivery of world class service to their intermediaries, business associates and clients. The vision of KOIL is to be a premier insurance provider in Africa, while its mission is to exceed customer expectations by providing unique and relevant innovative insurance solutions. KOIL provides a wide range of products that have enabled them to attract a vast majority of its clients.

KOIL is successfully coming up as a market leader especially in providing individual clients products. This could be due to the competitive strategies that they have adopted. With the increased competition and growth KOIL has opened new branches and engaged itself with different agencies in the country so as to remain competitive and achieve competitive advantage over its competitors.

## **1.2 Research Problem**

The concept of competitive strategy is universal to all companies operating in competitive environments. Porter (1980) states that competitive strategies provide a unique niche to the organization that assures the success and hence profitability in its operations. Through competitive strategies firms in an industry are able to compete effectively and therefore sustain a profitable business. Firms are also faced with implementation challenges that may hinder them from successfully applying the competitive strategies formulated. Aosa (1992) stated that strategies need to be implemented in order for them to be valuable to the organization. Strategy implementation is therefore necessary if organizations are to remain competitive and relevant to current market trends

The increased number of insurance companies in the business has necessitated the need for companies to come up with competitive strategies in order for them to survive. Licenced insurance companies are competing for limited market share with insurance uptake being very low in Kenya. There is poor uptake of insurance with insurance covers being mostly on motor, fire industrial and personal accident (mainly group medical cover) classes. This shows that there is negative attitude towards insurance from Kenyans (Mbogo, 2010). This study will focus on competitive strategies adopted which lead an organization in becoming successful in an industry with low penetration.

The study of KOIL was necessary due to the fact that there are a lot of mergers and acquisition of small and medium sized companies within the Kenyan insurance industry. In a market where most insurance companies are merging with international companies and others like Cannon Insurance are being taken up by international companies' like Metropolitan my study will be focusing on how KOIL is able to maintain being competitive in a very aggressive marker. KOIL is known as an Industry leader in product development and innovativeness and yet it still experience Low insurance uptake hence a study on the competitive strategies used by the organization.

Some of the international studies done on competition include; Sundar, Varadarajan& Fahy, (1993) studied Sustainable competitive advantage in service industries where the scholars focused on the distinctive and organizational skills underlying sustainable competitive advantage in service industry. The study however did not focus on the competitive strategies adopted by the organizations and any challenges in implementation. Fiegenbaum and Howard (2007) studied Industry and Strategic group dynamics: competitive strategy in the insurance industry. The scholars focused their studies in



insurance industries in the United States of America where knowledge on insurance is high and insurance uptake is high. Locally studies that have been done include; Muriira (2014) who studied Competitive Strategies adopted by insurance companies in Kenya. The study focused on competitive strategies of various insurance companies but did not focus on Kenya Orient Insurance Limited. Kitua (2009) investigated the internet as a source of competitive advantage for insurance firms in Kenya but the study only focused on the internet and competitive advantage.

The studies done focused on surveys within the insurance industry and did not give an in-depth study on why a specific insurance company would adopt specific competitive strategies and how the strategies would fit into the organizations and enable them to effectively operate in a very competitive business environment. This study will seek to address and bridge the gaps by focusing on competitive strategies and implementation challenges by KOIL. The research focuses on answering the following question, what are the competitive strategies and implementation challenges by Kenya Orient Insurance Company?

### **1.3 Research Objective.**

The objective of this study was to determine the competitive strategies adopted and implementation challenges by Kenya Orient Insurance Company.

#### **1.4 Value of the study**

The study will help the management of Kenya Orient insurance company and other players in the industry realize how competitive strategies adopted are beneficial to their business. By adopting specific competitive strategies then businesses will be able to gain competitive advantage in their industry

The results of this study will be useful to scholars and researchers who can use it when doing further research. It will aid in contributing towards other studies done on competitive strategies being adopted in order for firms to gain competitive advantage. The findings of this study will enrich existing knowledge in the field of competitive strategies especially in the insurance industry.

Policy makers, regulators and the government will gain an understanding in formulating the appropriate legislations and policies for the industry that will cater for the changes in the business environment. The policy makers and regulators can form a basis to partner with Kenyan companies to formulate competitive strategies that will guarantee success in the competitive and dynamic insurance business environment.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter focuses on the review of past literature on competitive strategies and competitive advantage. The chapter covers the theoretical foundations, competitive strategies, competitive advantage, strategy implementation and empirical studies and research gaps.

#### **2.2 Theoretical Foundation**

The study was focused on competitive strategies adopted in order for companies to gain higher levels of competitive advantage. Firms that have gained competitive advantage are firms that can attract and retain customers in the long-term and are also able to defend their firms against competitive forces. Porter (1985) observes that firms that have competitive strategies are able to establish sustainable and profitable positions against forces that determine industry competition. Several theories have been discussed on competitive strategies and how good strategies lead firms to gain competitive advantage.

The Market Based View (MBV) of strategy argues that a firm's performance can be determined by the external business environment in the industry in which it operates in. The two scholars who contributed to the MBV theory are; Bain's (1986) Structure-Conduct-Performance (SCP) and Porter's (1980) Five Forces Model .A firm that wants to be strategically positioned in the market needs to find superior ways of performing its activities .The competitive dynamics and structure of an industry can be used to determine a firms performance and eventually determine the profitability of the company.

A firm that has a strategic position in the market derives more value from their end products. By performing their operations differently organizations are able to gain superior strategic positions in the market.

The Resource-based view of the firm (RBV) focuses on the firms operations and internal environment as a source of competitive advantage. Ansoff (1965) and Chandler (1962) are the major contributors to the resource based view strategy. According to Furrer et al. (2008), they stated that from the 1980's onwards the focus of inquiry changed from external forces as sources of competitive advantage to a firm's internal capacities and resources as the main sources of competitive advantage to a firm. The RVB Strategy gained popularity in the 1980's as a major theory for competitive advantage. Barney (1991) states not all resources and competencies should be viewed as sources of competitive advantage. Only resources and competencies that are strategically positioned should be considered in RBV.

The Knowledge based view of competitive advantage as argued by Hamel and Prahalad (1994) states that knowledge is the most important source of competitive advantage in the current market situations. Tiwana (2002) argued that technology, capital and market share can be copied whereas knowledge is the most unique resource since it cannot be copied. Grant (1991) argued that capabilities are what bring about competitive advantage but without resources then capabilities are of no value. Amit and Shoemaker (1993) suggested that resources cannot be considered as sources of competitive advantage and in their view capabilities are what brings about competitive advantage for a company. Amit and Shoemaker (1993) defined capabilities as firm's process of using resources and processes in order to have a desired results that are useful for the organization.

Dyer and Singh (1998) suggest that firms that have focused on well-structured processes and procedures are able to gain competitive advantage. They suggest that organizations structure can lead to competitive advantage. The MBV of strategy suggests that a firm that has superior market returns has the best bargaining power in the external market while RBV suggests that the firm's internal capacity is what leads to superior returns. The relational view suggests firms can gain competitive advantage by having shared knowledge and use of complementary resources.

### **2.3 Competitive Strategies**

Competitive strategies are the method by which you achieve a competitive advantage in the market. Porter (1985) said that there are two main types of competitive strategies that firms can take control of; Low Cost and Differentiation. The two main types of competitive strategies combined with a unique set operations will enable a firm to derive three generic strategies for acquiring superior performance in an industry. The three generic strategies are; cost leadership, differentiation, and focus. When a firm is seeking cost leadership they sets out to become a low cost producing firm and having the lowest costs in their market segment. The sources of cost advantage are different and will vary within the industry. They will include; achieving high asset utilization, preferential access to raw materials, control over the value chain, economies of scale, proprietary technology, and other factors.

When a firm adopts differentiation strategy it seeks to have superior and differentiated products that will give them a preference in the market. A firm that wants to achieve differentiation finds common attributes that many buyers in an industry perceive as important, and uses them to develop products that meet the customer needs and uniquely positions in them in the market.

Porter (1985) states that the generic strategy of focus leads a firm in choosing a specific segment in the market and try to meet the needs of that segment. In cost focus a firm seeks to incur lower producing costs, whereas in differentiation focus a firm seeks to produce unique highly competitive products. Cost leadership strategy ensures that a firm is a leader in its industry in terms of cost. Differentiation requires a firm to produce unique and differentiated products that are highly competitive in the market.

For a firm to be successful when using differentiation strategy the organizations will need to invest in good research, development and innovation .The firm will also need to cater for its ability to deliver superior goods or services and engage in effective sales and marketing, this ensures that the market understands the benefits offered by the differentiated offerings. Companies that use focus strategies pay attention to specific niche markets and try to understand the dynamics of that market as well as the distinctive needs of customers within the segment so as to develop uniquely low-cost or well-specified products for the market.

Ansoff (1957) suggests that new and existing products are what firms depend on for their growth and success. He also states that firm's success and growth can be attributed to the fact that there is growth in their existing market as well as entry into new markets. Ansoff's explains that marketing strategies that should be used will mainly focus on whether products are new or existing. The four strategies as discussed by Ansoff are; market penetration, product development, market development and diversification. Market penetration is a strategy used by organizations to penetrate a market where similar goods or services already exist. This can be achieved through, price adjustment, increased distribution channels or improvements in the products being offered.

Market development entails organizations finding new group of buyers as potential customers for their business and will include expanding potential markets through new users. Product development is the process through which firms come up with new products that they design and market to attract and retain customers. Product development may involve redesigning or rebranding of existing products to make them more appealing , or creating a new product to meet a specific need in the market. Organizations that actively engage in product development tend to gain more benefits from the strategy which ensures guaranteed profitability and success. Effective product development should focus on meeting the current demand in the market. Diversification is a corporate strategy used by firms that expand their business into new territories by creating new products for new markets. Diversification when used as strategy involves broadening a firm's scope across different market sectors and products.

## **2.4 Competitive Advantage**

Competitive advantage is a concept that is used to define features that allow an organization to outperform its competitors. The term competitive advantage refers to the capability of firms to outperform its competitors in the same industry or market. The term “sustainable competitive advantage” emerged when Porter (2008) pointed out that firms that succeed in gaining sustainable competitive advantage adopt low cost and differentiation as strategies. Economic and Military origins of strategy literature have been sited to have notable role in the field of competitive advantage (Whittington 1993). A firm that is able to gain competitive advantage is one that has the ability to attract and retain customers in the long-term and is also able to safeguard against competitive forces.

Kotler (1996) on his part suggests that a firm can differentiate its products or services to customers in four different areas and attain competitive advantage in each one of them. The four areas include service, product, personnel and image differentiations. Product wise, firms can seek to deliver highly differentiated products or they can offer standardized products with small amounts of differentiation.

Johnson and Scholes (2002) look at the concept of competitive advantage from strategic fit and strategic stretch points of view. From the strategic fit point of view, a firm strives to match its resources and activities to their external environment. Strategy is developed by recognizing opportunities in the business environment and adjusting the internal resources and competencies so as to take advantage of the identified opportunities. In this regard, competitive advantage is attained through correct positioning directed by the market need. Porter (1998) observes that when the costs incurred by the firm is less than the ability of the firm to create value for its customers then the firm is said to have attained some level competitive advantage. In this regard, he introduced the value chain concept and states that when all the activities of a firm are organized and evaluated they tend to lead the firm to create more value in their processes and hence lead to competitive advantage.

## **2.5 Empirical Studies and Research Gaps**

Research has shown that though strategy implementation is an important aspect to any firm a lot of scholars and firms have concentrated on strategy formulation as compared to strategy implementation process. Over the decades some of the studies done on competitive strategies include; Kogut (2005) studied the Types of information technologies and their role in competitive advantage.



Recently the idea of competitive differentiation through Information Technology (IT) has been challenged, this study contrasts the traditional thinking about competitive advantage with the resource-based view. Specifically, it is argued that by demarcating specific types of capabilities, there can be contribution to better understanding of the sources of IT-based competitive advantage. Though IT can be seen as a way of gaining competitive Advantage, as a strategy there is gap on the how IT resources are being utilized and also the challenges in the use of IT to gain competitive advantage especially in insurance. When studying one insurance company then the gap can be filled by finding out how that company uses IT in order to gain competitive advantage.

Muriira (2014) studied Competitive Strategies adopted by insurance companies in Kenya. The study focused on the following competitive strategies; differentiation, cost leadership, focus and niche, diversification, product development, market development and market penetration. The findings were that most organizations within the Industry tend to lean towards differentiation and product development. There is a gap in the study done since though many companies are seen to adopt differentiation and product development we still cannot tell if the strategies make them more competitive.

This study will focus on Kenya Orient Insurance Company which is a middle level insurance company operating in highly competitive market and will seek to identify the competitive strategies within that organization and how the organization operates in order to achieve competitive advantage when they adopt the strategies. Kitua (2009) studied the internet as a source of competitive advantage for insurance firms in Kenya. He however focused on internet and did not put into consideration other competitive strategies that organizations can adopt in order for them to gain competitive advantage.

The internet has can therefore be defined as a source of competitive advantage though other strategies need to be adopted for organizations to be competitive. There is a gap in this study as the scholar did not mention the challenges of using the internet as a source of competitive advantage. In summary though there have been studies in different areas on competitive strategy. There is a contextual gap identified by the studies on how and why the competitive strategy is being used and the challenge that the organization has faced during implementation. There is also a gap on how the strategy being used has helped the organization in gaining competitive advantage over other organizations within the industry. The identified gap can therefore be bridged by studying the application of competitive strategies in the context of Kenya Orient Insurance Company.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter covers the various methodology that were used in the study for competitive strategies and implementation challenges by Kenya Orient Insurance Limited. It covers research design, data collection procedure and data analysis technique.

#### **3.2 Research Design**

The research design used was a case study which is suitable in situations where only one organization is being considered for a research. The study required observing, recording and analysing current conditions in the area of study. The data collected is then related to the current external and internal environment within the organization to give conclusions and recommendations.

Kothari (1990) argues that a case study is the detailed observation of a solid unit, person, institution or cultural group. A case study focuses on depth rather than breadth. The study aimed to describe the competitive strategies adopted by Kenya orient insurance company so as to remain competitive in the insurance industry and maintain their market share. It also identified the challenges faced during implementation of the strategies adopted. According to Mania (2011) he states that the success of scientific theories and models can be tested using a case study approach.

### **3.3 Data Collection**

The study focused on the primary data obtained directly from the field. Secondary data in form of past interviews and publications was also used to supplement the primary data collected. Welmann and Kruger, (2000) defined secondary data as data that consists of information that already exists in form of videos, journals or publications which was previously collected for another purpose whereas primary data can be defined as original data gathered for a specific purpose .

The data collected for study was primary data which was collected by use of an interview guide. The interview guide used open ended questions which enabled the researcher to get sufficient data directly from the respondents. The respondents interviewed were; The General Manager Strategy and Finance, The Head of Marketing, Head of underwriting and Head of Customer experience. The four were interviewed due to their position in the company as they head several departments and their involvement in the process of identification and execution of strategies.

### **3.3 Data Analysis**

Qualitative data collected was analysed using content analysis. Krippendorff (1980) defines content analysis as a process of providing new insights and knowledge by making valid inferences from data to their context. According to Mugenda and Mugenda (2003) they state that existing information can be used to explain specific phenomenon by use of content analysis. Content analysis is therefore important in analysing data that has been collected so as to make inferences from the data in order to provide an insight into specific phenomenon.

The responses from the different interviewees was compared and summarised according to the objective of the study. Content analysis was the best method to use due to its flexibility and objectivity. It has been successfully used by other scholars as such Nyamai (2011), due to its ability to give a descriptive and qualitative analysis of data collected.

## **CHAPTER 4**

### **DATA ANALYSIS, RESULTS AND DISCUSSIONS**

#### **4.1 Introduction**

This chapter covers data analysis, results and discussions. The chapter covers the findings of the competitive strategies adopted by Kenya Orient Insurance Company and the challenges that they face during implementation of the strategies. The data was analyzed based on the objective of the study using content analysis.

#### **4.2 Interviewees**

The interviewees in this study were the General Manager Finance and Strategy, Head of Underwriting, Head of Marketing and Head of Customer Experience. The main areas of research were based on competitive strategies adoption and how the strategies implemented lead to competitive advantage. Since the interviewees head different department such as Finance, IT, Marketing, Underwriting, Business development and Customer Experience, they are involved in formulation and execution of all company strategies as they are the key people in each of their departments. All Interviewees were successfully interviewed on the competitive strategies and were able to give the information needed.

#### **4.3 Competitive Strategies Adopted**

The section discusses the competitive strategies adopted by Kenya Orient Insurance Company in order for them to gain competitive advantage. With the number of insurance companies increasing and the insurance uptake in the industry being very low then companies need to develop competitive strategies in order to increase their market share.

The interviewees were in agreement that the level of competition is very high within the industry and therefore they have to come up with strategies that will enable them be successful in their industries.

The respondents indicated that though there have been challenges during implementation of competitive strategies so far there has been no total failure experienced in strategies that have been adopted. KOIL is usually involved in environmental scanning before coming up with competitive strategies that they want to adopt. They will study the customer behavior and also other products in the market and this enables them to come up with competitive strategies that fit the competitive environment in which they operate in. Some of the factors in the current environment that the organization considers include; similar products in the market, the behavior of the target market, the market response rate on new products that are introduced in the market and the time when the strategy is most applicable.

The respondents indicated that the successful implementation of competitive strategies can be attributed to research done on similar products in the market, the experience of the management on similar competitive strategies in the market and the lessons learnt on other strategies that have been adopted by the organization. The organization also ensures that the competitive strategies are in line with the organization culture by ensuring that when setting up goals and objectives of the company then they will also be relevant to the strategies that will be adopted. The organization tries to ensure that all employees will be involved in implementation by including all strategies and objectives as part of their departmental objectives which are then passed down to employees during their performance appraisal. The competitive strategies adopted by KOIL are as discussed below;

### **4.3.1 Product differentiation strategy**

The organization main aim is to be the first in introducing unique products to the market. KOIL identifies a product that is different and targets a certain market audience. A good example of product differentiation is the introduction of a product like orient motor pack which is targeted to private car owners. The product is tailored differently so as to attract the upper middle class in the industry. Orient motor pack was introduced in the market when all motor products attracted excess payments before claiming and hence the target was to give an excess free product with free 24 hour assistance countrywide. This was a first in the market and led to the growth in motor premiums with KOIL writing premiums of KES 963M in 2015 for motor Private.

Orient xtense is another differentiated product which covers the insured against mechanical damage or electronic failure of the motor vehicle. This product is unique in that it's the only product in the market since no other insurance company in the industry has a product with the similar features .Orient xtense is an additional product for motor vehicle owners since it doesn't require the insured to change their current motor insurer. Orient xtense targets customers who end up incurring large expenses due to mechanical damage to their motor vehicles. Orient mobile is another unique product that enables KOIL to be a market leader when it comes to insurance of mobile devices. No other company in the industry offers phone insurance as a stand-alone product since most insurance companies cover it under home insurance this hence makes it unique to Kenya orient .Orient Mobile covers mobile phones and tablets against theft and damage and enables client to cover their phones online without visiting the organization offices. Orient Commercial is a unique product offered to business people with unique features such as free tracking device, free towing



and recovery, loan facilitation and personal accident for driver and loader. The product is different from what is offered in the market as most commercial products do not offer loan facilitation and tracking for commercial vehicles. This has led to increased gross written premium for motor commercial with premiums of KES 1.05 billion in 2015 compared to KES 644 million written in 2014. Such unique products have enabled the organization attain a higher level of competitive advantage within the industry.

The growth in the premiums for the differentiated products show that the company by using product differentiation as a competitive strategy is gaining competitive advantage over their competitors. A good example is the growth in premium of motor private which has grown from KES 29.5 million in 2008 to KES 963 million in 2015. Differentiated products have led KOIL to be known as a first in introducing unique products. The IRA report for 2015 put the market share for Kenya orient to be at 2.19% with motor private having 5.09% and motor commercial 5.58%. The IRA industry report for 2016 shows growth in the industry to 2.25% with motor private market share growing to 5.56 and motor commercial growing to 6.34%. KOIL is therefore seen to be gaining competitive advantage especially in motor products.

#### **4.3.2 Focus and Niche Strategy**

The organization uses focus and niche as another competitive strategy by tailoring products according to certain market segments. Kenya Orient insurance targets the middle class employed and self-employed individuals. The target market is the young employed and self-employed technologically savvy individuals who want to get their insurance at the comfort of their homes. This can be attributed to products like orient mobile where the client will insure their phones at the comfort of their homes.

The products are tailor made and advertised so as to capture the middle class employed individuals who are in need of motor insurance, home insurance and phone and tablet insurance. Products are also tailored to attract middle class individuals in business who are targeted by business products like orient commercial .Products like orient Xtense which cater for mechanical damage mainly targets the middle class individuals who own high end motor vehicles. Many middle class customers are seen to insure their vehicles with the orient motor pack package.

Most of the premium from orient is from the motor sector which is very popular among the middle class market sector. The total premium written in both motor commercial and motor private as of 2015 was KES 1.9 billion which contributes majorly to the KES 2.45 Billion written by KOIL in 2015.KOIL is therefore seen to select a specific segment in the market and research their needs which are used as a basis for products product development.

#### **4.3.3 Cost Leadership**

KOIL aims at being a cost leader in the market so as gain competitive advantage within the industry. The company's aim is to minimize cost to the clients when a loss occurs to them. This can be seen by the reduced cost when an accident occurs since the company ensures free 24 hour rescue services which reduces the cost of transporting the damaged vehicle to the client. The motor pack product is also excess free and hence ensures that no extra charges are incurred by the client in case of an accident. Most insurance companies that charge excess free premiums for motor have higher premiums which is not the case for KOIL since the excess free was tailored as a benefit for the product.

Orient mobile compensates the clients on the full insurable amount which ensures that the customer does not incur losses when they misplace or damage their phones. This is because the customer is given the insured amount and not the market value as is done by other insurance companies who insure their mobile phones via personal products. By ensuring that minimal losses are incurred by the client when a risk occurs then low cost as a competitive strategy is achieved.

The cost leadership has seen growth in the market for motor private products whose market share has increased over the years with premium in 2014 for motor private being KES 556M and In 2015 growing to KES 587M. This has seen growth in market share for motor private insurance. Insurance for phones is also growing with many people insuring phones via orient mobile rather than via personal products. Growth in premium for orient mobile shows that there is more people insuring phones with a gross written premium of KES 3.2 million for as of December 2015.

#### **4.3.4. Product Development**

The study found out that product development is also a competitive strategy used by KOIL in gaining competitive advantage. The organization ensures that they develop new products annually depending on the needs of their customers. The aggressive advertising and marketing campaigns done when new products are introduced leads to exposure of the company to the customers. KOIL introducing new products as the first company in the market enables the company gain recognition and therefore competitive advantage. By being the first company to market and sell the product they are able to earn premiums and are already known as a market leader in the industry for that specific product.

Product development helps Kenya Orient to sustain competitive advantage as customers see the company as being innovative. By being recognized as one of the most innovative insurance companies when it comes to product development, KOIL has been able to gain popularity in the industry. The industry is now recognizing KOIL as being a market leader in motor Insurance. The Association of Kenyan insurance in 2014 stated that the percentage growth in premiums for KOIL in 2013 was at 10.88% with a market share of 1.6 % compared with the growth in 2014 which was 34.35% with a market share of 1.93%.

#### **4.3.5 Market Penetration**

The respondent indicated that market penetration is another competitive strategy that is used in order to gain competitive advantage. KOIL engages in market penetration by having aggressive advertising of the products especially when they introduce new products to the market. The advertisements done in the local TV stations and local radio stations are aimed at making the clients aware of the features and availability of any products introduced in the market. KOIL has a wide network of agents and brokers that ensures their presence in most parts of the country and hence making them able to easily penetrate most parts of the country.

The agents and brokers are given incentives and are managed by relationship officers to ensure that their needs are met. KOIL is increasing its branch network in the market which leads to increased premiums since they bring the insurance services closer to the clients. The marketing team is usually engaged in marketing activities in different parts of the country that ensures that the presence of KOIL as an Insurance company is felt. During the marketing activities customers will be given branded items that they can now associate with the organization.

Continuous training of agents, brokers and employees on new and improved products also ensures that market penetration is achieved since now the trained individuals are able to sell the products with more knowledge on the product features. This has seen a growth in business and increased competitive advantage. Competitive advantage has been gained by using market penetration as it ensures that the company and its products are well known in the industry. By increasing the branch network this has led to increase premium since the new branches are now bringing in new business. This is seen by the growth in premium which has a 5% growth from September 2015 to September 2016.

#### **4.3.6 Use of Technology.**

The respondents also stated that KOIL ensures that it uses technology in order to gain competitive advantage. By use of various systems in administering services to their clients then they are able to improve on the communication between them and their clients. The technology helps in reducing the time in which processing can be done as well as ensuring that the clients are served without delays .e.g. by using online system to sell products then the company is able to sell more at the convenience of the customer. A good example is orient mobile which enables the customer to cover their phones at the comfort of their homes by sending a sms with the word mobile to 70707.

The organization also uses an Enterprise Resource Planning (ERP) system that ensures real time processing of transactions and printing of documents. By using the ERP the company can serve more customers and process the transaction end to end without any hitches. Use of management systems helps in maintaining clients since they are be able to get their documents on time which is helped by maintaining all clients' records in one place. Faster processing of claims is also ensured when systems are used.

Advertising has also been made easier through social media platforms like Twitter and Facebook. Customer service is also improved by use of online web based systems as well as real time chat which is available on the KOIL website and KOIL web portals. The company is therefore gaining competitive advantage by use of technology since it is able to pass information on new products faster to their clients through social media. Competitive advantage is also gained on the customer service front with the number of Kenyans now in social media increasing daily with Facebook and Twitter being highly used in the country. Selling through online systems also helps in tapping a market of people who purchase their insurance at home or at work. This has helped in increasing the clients and hence increased market share from 2.19% in quarter four 2015 to 2.25% in quarter one 2016. (IRA, 2016)

#### **4.4 Challenges in Competitive Strategy Implementation**

Strategy formulation is a task that can be achieved by all organizations. However, when it comes to strategy implementation then the task becomes more complicated. There are a lot of factors that need to be considered before strategies can be implemented by the organization. During strategy implementation the following need to be considered; strategy, structure and behaviour. If a strategy does not fit to the structure and culture of the organization then the chances of failure are higher. During strategy formulation and planning the team involved must ensure that the strategy aligns with the organization structure and culture. A strategy that doesn't conform to the company structure may not be easily implemented. The respondents highlighted the following as the implementation challenges.

#### **4.4.1 Inadequate support structure.**

Strategy implementation needs the support of the organization structure for it to be successful. Most times if the structure does not support the strategy then the risk of failure is high. During implementation of strategies some of the questions that are asked are, does the firm have the right leadership, governance and operational structure. To implement a competitive strategy like product development then the organization needs to have a creative team in place. KOIL currently constitutes a team by picking members from each department to be a representative in the team. There is no criteria as to how the team will be picked and what qualities are needed in order for the team to be efficient and successful in coming up with the best products. This leads to poor execution of strategies.

For a team to be successful the team must be motivated and knowledgeable or experts in their fields. This is not the case when the managers randomly pick employees from their departments to join a specific group or a specific initiative like implementation of a new system. This leads to KOIL Management having to constantly follow up and motivate the team as that they can enable them to successfully implement the strategies adopted.

As it is currently most times it's the management who come up with a strategy that they pass down to the employee for implementation. This will usually leads to poor implementation because if a strategy is formulated by people then they are the ones with the vision on how to implement it. The team usually chosen to implement the strategies have no vision and require a lot of follow up in order for them to implement the strategy on time and successfully. The lack of a proper implementation team leads to inadequate structure as an implementation challenge.

#### **4.4.2 Resistance to Change**

Respondents agreed that one of the major challenges of strategy implementation is resistance to change. If a competitive strategy is formulated and it may lead to major changes in the way the employees work lead to resistance. A good example in KOIL is when employees are used to running their reports off the system on excel and then they are now required to use the new implemented system to produce the same reports. This may take a very long time to implement since the employees do not want to change their current way of working as it helps them achieve their goals easily. Most strategic changes which involve technology change may get resistance from employees who do not want to change their current way of working. Often implementing strategy requires adopting a new ways of doing things.

If there is resistance then the strategy doesn't become as successful as it was envisioned to be. Change management is therefore necessary during strategy implementation. Currently the process of change management in KOIL is not effective. This is because the strategy implementation will be guided by the business need and not the needs of the specific employees. The team tasked with implementing the strategies will then implement it only to meet the current need without thinking of how it will affect the future needs of the organization. The resistance is also seen in KOIL since the employees take the implementation as an additional task to their daily tasks and this will hinder them from getting fully involved in the process. Many employees will resist the change so as to avoid being involved in the implementation. This leads to change being imposed on them and hence not being successful.



#### **4.4.3 Time constraint**

Time has been a challenge during implementation of strategies. The time allocated for full implementation of a strategy is not usually met. Strategies that are required to take one month end of taking 3 months and those are required to take a year end up taking up to 3 years for them to be fully implemented. KOIL faces time challenges due to lack of resources. The personnel tasked with implementing the strategies are also involved in other daily tasks. This will usually leads in delays since personnel want to complete their daily work and also get involved in implementation. A good example is the implementation of the ERP which has been delayed due to lack of full commitment from the personnel as they find themselves involved in so many projects at the same time.

There is usually a delay due to poor management of time and resources available for implementation. Sometimes implementation may take too long and hence by the time the strategy is fully implemented other organizations may have come up with a similar idea. This makes it hard for the organization to benefit from the competitive strategy implemented. KOIL employees also take time to respond to tasks that they are supposed to do in order for implementation to be completed successfully.

Lack of proper planning and poor time management therefore leads to KOIL implementations taking longer than expected. Respondents indicated that most times when strategies are implemented they take longer than expected to be executed. The delay in execution therefore leads to a reduction in the rate of success of the implemented strategy. Time must therefore be planned and executed effectively during the implementation stage to ensure that there is no delay in deploying the strategy that may lead to loss in business and the company not achieving the competitive advantage.

#### **4.4 Discussion of Findings**

The study was aimed at finding out the competitive strategies adopted by Kenya Orient Insurance Limited and any challenges experienced during implementation of the strategies. One of the findings of the study is that differentiation and cost leadership are used as a competitive strategies. KOIL is seen to gain competitive advantage by introducing new and unique products in the market like orient xtense, orient mobile and orient motor pack. The unique products have enabled them to grow in market share from 2.19% in 2015 to 2.25% in 2016 (IRA, 2016). KOIL also uses cost leadership by having products with extra benefits at no extra cost. An excess free motor product reduces the cost to the clients as well as Free 24 hour help and rescue to clients who get involved in accidents reduces cost to the client.

This agrees with Porter (1985) that differentiation and cost leadership can be used by companies to gain competitive strategies. Muriira (2014) also established that differentiation and cost leadership were widely used in the insurance industry for organizations that wanted to gain competitive advantage over other companies in the industry. In her study on competitive strategies adopted by insurance companies in Kenya Muriira found out that most companies employ the differentiation and cost leadership strategies but not all are as successful as KOIL in gaining competitive advantage.

The study also found out that KOIL uses market penetration and product development as competitive strategies that enable them acquire higher levels of competitive advantage. By using market penetration and product development KOIL has seen growth in market share as well as gross premium written from KES 81M in 2008 to KES 2.45B in 2015. This agrees with Ansoff(1957) Growth Matrix that urges that companies need to use the growth matrix in order for them to grow and achieve and sustain competitive advantage.

Companies that want to compete successfully should also consider that market penetration may lead to market development and diversification which according to Ansoff leads to future growth of the company.

The study found out that use of technology leads the company in gaining competitive advantage over their competitors. By use of technology there is improved service delivery to customers and hence this enables KOIL to maintain existing customers, agents and brokers. Use of technology ensures improved communication between the organization and its customers. Kiragu (2014) in his study found that distribution channels affected service delivery levels and that the insurance industry should adopt internet marketing and distribution in order to improve its competitiveness. This therefore indicates that use of technology by organizations will lead to competitive advantage.

The study also found out that Focus and Niche has been used by KOIL as a competitive strategy that has enabled them gain competitive advantage. KOIL has been noted to focus a lot on motor private and motor commercials which are common products among the middle class who constitute of majority of their clients. There is notable increase in market share among this segment over the years. By focusing on unique products in the motor insurance industry then the focus leads to better and improved products that are attractive to the market. Muriira (2014) found that Focus and Niche is widely used in the insurance industry as a competitive strategy that enables organizations within the industry to gain competitive advantage over their competitors.

The study found out that KOIL experienced the following challenges during strategy implementation. Inadequate support structure, resistance to change and time constraint.

The challenges hinder KOIL from successfully implementing the strategies so that they can enable them gain competitive advantage over their competitors. According to Owen (1993) the challenges experienced during strategy implementation are lack of change management, compatibility of structure and strategy and implementing strategies that do not fit into the current organization culture.

## **CHAPTER 5**

### **SUMMARY CONCLUSION AND RECOMENDATIONS**

#### **5.1 Introduction**

This chapter will give a summary of the key findings, conclusions, recommendations and limitations. The conclusions and recommendations have been made based on the research questions. The topic also outlines the limitations and challenges faced during the study, suggestions for further studies and the implication to policy and practice.

#### **5.2 Summary of Key Findings**

The objective of the study was to establish the competitive strategies adopted by Kenya orient insurance company and the challenges that they face during implementation. Competitive strategies adopted are meant to enable the organization gain competitive advantage against their competitors. As per findings of the study KOIL has adopted the following competitive strategies; Product differentiation, Focus and Niche, Product development, Market penetration, use of technology and cost leadership. The strategies adopted enable the organization to attain competitive advantage over other insurance companies in the industry.

The study established that KOIL usually implements the strategies adopted. Some of the commonly used practices that KOIL uses before adoption of competitive strategies are; Environmental scanning, market research, setting up of goals and objectives that are relevant to their current business situation and aligning the overall company objectives to the competitive strategies adopted. The planning and execution process is also well thought out to ensure that challenges faced during implementation are minimized.

The study found out several challenges that KOIL faces when implementing the competitive strategies adopted. The challenges include inadequate support structure which was mainly on the organization structure as well as the leadership of the company. The current organization structure doesn't support some of the adopted strategies. Employee's resistance to change was another challenge that hinders the successful implementation of the competitive strategies for this to be overcome the company should ensure that everyone is involved in the process from formulation of the strategy to implementation and launch. When awareness is created in the whole organization this reduces the resistance to be experienced. Time constraint was another challenge where implementation of strategies in KOIL takes longer than expected if strategy was to be implemented in two months it ends up taking four or more months which has effects on the market. The challenge of time can be overcome by management taking time to plan for all resources during the implementation stage. Poor management leads to delays causing time to be a major issue in implementation.

### **5.3 Conclusion**

The study concludes that competitive strategies need to be adopted for a company to remain competitive and achieve competitive advantage. KOIL understands the importance of adopting and implementing competitive strategies that will enable them to increase their market share in an industry where competition is high and insurance uptake is very low. The study also concludes that KOIL introduces products in the market that are more superior to products from other companies. The organization by tailor making products suited for a certain group of people then is able to gain competitive advantage through product development.

Unique products introduced in the market lead to brand loyalty which can be seen by the company having most of its premium coming from Motor insurance .The study also concludes that for the competitive strategies adopted to be successful then the organization needs to overcome some of the challenges that they face during implementation.

### **5.3 Recommendations**

The study recommends that KOIL should come up with strategies and policies that will enable them curb the challenges that are faced during implementation of competitive strategies. Some of the strategies that can be used include; improved planning during formulation and implementation, improved communication to all staff in the organization, market survey and research which involves the whole company so as to create awareness on the importance of adopting such competitive strategies.

The research also recommends that in order for KOIL to deal with the challenge of inadequate structure the organization should consider having a team that will lead in the process of strategy adoption and implementation to ensure that employee resistance is captured and that all KOIL employees are made aware of any initiatives and their advantages. The team will also be tasked with time management to help in curbing the challenge of time constraint. The research also recommends that KOIL should develop strategic plans that will enable reach more customers and create new markets in order for them to increase their market base.

### **5.4 Limitations to the study**

The major challenge during the study was obtaining the information from the respondents since the information of strategies employed is sensitive and confidential.

The respondents were only comfortable with responding to the questions based on a general view. This affected the study as there was need to complement was collected from various secondary sources. The main secondary sources used were past interviews, publications from Regulatory bodies like IRA ad also newspaper publications.

Time was also another limitations since most of the respondents had very little time and hence data collected was limited by the available time. Most of the head of departments have very busy schedules and were only willing to allocate the researcher limited amount of time. This made it difficult for the topic to be covered comprehensively.

### **5.5 Suggestions for further studies**

The study suggests that other studies that can be done will include; the impact of the challenges on the competitive strategies adopted and the competitive advantage gained. This study will enable scholars to understand how the challenges experienced during strategy implementation affect the competitive advantage gained. Another study that can be done will be on the effects of the external environment on the competitive strategies adopted by insurance companies in Kenya.

### **5.6 Implication on Policy and Practice**

The results of this study are useful for the management of KOIL and other industry player as they are able to understand the importance of competitive strategies adopted and how they help the business if implemented successfully. The study also enables the management to be aware of some of the challenges that are faced during implementation so that they can include them during planning in order to ensure successful implementation.



Other insurance companies can also learn of the challenges in implementation and include them in planning when implementing their competitive strategies. The results of this study will be useful to scholars and researchers as a basis for further research. It will contribute to theory building particularly in competitive strategies within the insurance industry in Kenya. The findings of this study will enrich existing knowledge on competitive strategies in the insurance industry and will enable other scholars who study competitive strategies in the industry have a basis on what is already there in some insurance companies.

Policy makers and regulators will gain a better understanding of why insurance companies adopt specific competitive strategies. This will enable them in formulating appropriate legislations and policies that will be beneficial to both the insurance companies in the industry as well as to the protection of the insurance customers.

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## APPENDICES

### Appendix I: Interview Guide

#### Competitive strategies adopted by Kenya Orient Insurance Limited.

1. How would you describe the level of competition in the industry?
2. What would you say are the major competitive strategies that are adopted by KOIL in order for them to remain competitive and retain their customers?
3. How would you relate the competitive strategies that you adopt to the level of competitive advantage that you have gained?
4. How do you ensure that the competitive strategies agree to the Organization culture and Business environment?
5. How do you ensure that the competitive strategy adopted fits into the current environment?
6. What are some of the environmental factors that you consider when coming up with the competitive strategies?
7. What factors should KOIL consider in order for them to have successful implementation of competitive strategies?
8. What are the major factors that contribute to successful adoption of competitive strategies?
9. How does the management ensure that the competitive strategies adopted are in line with the organization mission and vision?
10. During competitive strategy execution how do you ensure that information is passed down to all the people in the organization?

11. Have there been any challenges that you face when implementing the competitive strategies?

12. Do you have instances where the competitive strategies adopted fail?

**Appendix II: Introduction Letter**



**UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
MBA PROGRAMME**

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

P.O. Box 30197  
Nairobi, Kenya

DATE...11<sup>th</sup> Aug 2016

**TO WHOM IT MAY CONCERN**

The bearer of this letter ...MILDRED KENDERA MULUPI.....

Registration No...DE1172702/2012.....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

  
**PATRICK NYABUTO  
MBA ADMINISTRATOR  
SCHOOL OF BUSINESS**

