COMPETITIVE STRATEGIES ADOPTED BY HIGHLANDS MINERAL WATER COMPANY IN KENYA

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DECLARATION

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

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

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DEDICATION

This work is dedicated to my sister Kate Mbaire, other family members, friends and colleagues whose prayers, encouragement and understanding enabled me to complete the programme.

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ABBREVIATIONS

CEO: Chief Executive Officer

ERP: Enterprise Rouse Planning

EU: European Union

FDI: Foreign Direct Investment

HMWC: Highlands Mineral Water Company

MNC's: Multinational Corporations

SMEs: Small and Medium Enterprises

US: United States

ABSTRACT

Organizations have been achieving competitive advantage by offering their clients with the preferences they have or by implementing effective means of satisfying customers and in a manner that competitors find hard to imitate. The objective of this study was to determine competitive strategies that have been adopted by Highlands Mineral Water Company in Kenya. This study was guided by resource-based theory and competence based strategy theory. This was a case study design since Highlands Mineral Water Company is a single company. The study used primary data that was collected using an interview guide. The study interviewees consisted of senior selected staff of Highlands Mineral Water Company, specifically, those involved in formulation and implementation of the company's strategies. Data collected in the study was qualitative hence main tool for data analysis was content analysis. The study concludes that Highlands Mineral Water Company had adopted a wider corporate coverage across the country, customers, and community development enabled the achieving of the company's overall objectives. The study further concludes that Highlands Mineral Water has the power of using pricing as a competitive tool to spur an increase in demand for soft drink products. The study concludes Highlands Mineral Water Company Focus strategies include offering an exceptional customer service, enhancing the efficiency of operations, controlling product and service quality, front-line personnel training, as well as extensive supervision of the latter. The study also concludes that Highlands Mineral Water has asset resources like housing, personnel unique brands among others, which it uses to improve its performance, and also in coming up with Highlands Mineral Water foundation programmes like community development and other Corporate Social Responsibilities

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the contemporary world where marketplace environment is highly competitive, it is becoming utterly vital for firms to go global so as to promote growth and competition. Companies enter new markets for various reasons, among them; expanding their markets, minimizing the operating costs as well as improving on competitive advantage, capitalizing on core competencies, spreading the risk of a business across a bigger market base as well as obtaining access to natural resources that are more valuable. Because majority of markets are currently on the verge of being saturated, firms are forced to look for fresh opportunities, which are often fund in developing countries.

All organizations are open systems in that they affect and are affected by external conditions that are largely beyond their control (Nyango, 2011). Organizations exist in a complex political, social, technological and legal environment. Moreover, with globalization, the competitive landscape of markets has broadened resulting to complex macro environment for all organizations. Organizations are therefore forced to adapt to these changes and adopt various strategies to obtain and/or maintain their competitive edge (Keegan, 2010). Even though the relevant environment is huge and broad, the major part of a company's environment is the sector in which it operates and competes with other firms. Competitive analysis and crucial components incorporate the act of delving into the sector's competitive process to learn the main sources of competitive pressure along with their strengths (Thompson & Strickland, 2007).

This study was guided by resource-based theory and competence based strategy theory. Resource based theory argues that the resources of a firm are major determinants of how competitive they are as well as their performance. It adopts two main assumptions in evaluation of the sources of firm competitiveness. One is the assumption on the model that the firms in an industry are likely to be heterogeneous in respect to the kind of resources within their control (Porter, 2011). In addition, it assumes that the level of resource heterogeneity is likely to persist over a longperiod. The uniqueness of resources is a great contributor to firm competitiveness. Competence based strategy theory builds on structure-conduct-performance on the industrial organization economics. The role of such paradigm is that it talks more on the competitiveness of a firm in an industry that relies on its characteristics (Prescott, 2011). Based on this theory, firm profits are not bound to the firm but rather to industry structure, nature and also balance of the forces of competition.

In the drinks/ beverage-manufacturing sector, there is a rise in competition mainly because of several factors. This factors include, industry consolidation, demand for fresh niche products in accordance with customers' diversifying preferences, the upsurge of private labels, and improvement of operations to cut costs accompanied by rationalization and consolidation, as well as removing redundancy where prices of soft drinks are decreasing and mid-market parties are vertically integrated.

An economic survey report by the KNBS during the year 2014 showed that the production of mineral water moved up by 10.9 per cent while the manufacture of soda rose by 6.4 per cent in that it stood at 405.5 million liters in the year 2013. This survey highlights the high nature of competition in the market, which most companies struggle with. In this case, brand recognition is a major challenge. For instance, Coca Cola marketing strategies are well financed while Highlands is well advanced due to the fact that its juice brands have roots in Kenya.

1.1.1 Concept of Strategy

Strategy is a term that refers to the scope and long-term direction of a firm. It additionally deals with the positioning of an organization in terms of the environment and its rivals. Its main focus is the development and creation of competitive advantage, which can be sustained over time by taking a long-term overall perspective rather than by technical maneuvers (Johnson & Scholes, 2012).

The term strategy refers to a carefully laid course of action or policies that are set with the aim of achieving specific goals. In most cases a strategy works with organizational goals that are to be achieved over a long period of time.

The specified goals are achieved through a strategic analysis summarized by the acronym SWOT, which represents Strengths, weaknesses, opportunities and threats. This analysis aids an organization to understand the position of its operations as well as define the kind of future it wishes to incline towards in the set time. The SWOT analysis therefore equips an organization with the knowledge to maximize its strengths and opportunities as well as come up with measures that will curb its weaknesses and overcome its threats (Barnley, 2001).

Strategy is a crucial management tool in any firm. It is a concept that talks several dimensions and various people have defined it in distinct ways. More exactly, strategy is the match between a firm’s skills and resources and the opportunities within its environment, along with the risks involved and the goals to be achieved (Thompson, 2007).

1.1.2 Competitive Strategy

The search for a competitive position that is favorable to a firm in an industry is referred to as Competitive Strategy (Porter, 2008). In a field where competition takes place, competitive strategy should develop out of a complex understanding of the rules of the competition with the actual aim of adopting the rules and changing them in favor of the organization (Porter, 2011). He added that the types of competitive strategies, which have to be reviewed from time to time to match the changing conditions, depend on industry structure. Competitive strategy is about positioning of a firm's products in such a way that customers perceive them to offer better value for money relative to those of competitors (Russel& Taylor III, 2013). A firm's positioning strategy, whose effectiveness depends on the strengths and weaknesses of the organization, the needs of the market place, and position of the competitors, defines how it will compete and involves picking the crucial things on which to dedicate concentration on and carrying them out in an exceptional manner (Russel& Taylor III, 2013).

Competitive strategies are approaches and moves put in place by a firm to make the organization's goods or services attractive to buyers, deal with competition, and improve the firm's position in the market as well as to gain a competitive edge from the way they organize and undertake their activities (Thomson and Strickland, 2008). Competitive strategy involves smaller aspects of a management's plan for successfully competing in a market and gaining a competitive edge over the competitors by doing a better job of satisfying buyer needs and preferences (Thomson et al., 2012). It focuses on coming up with a sustainable and productive position against the determinants of a sector's competition (Pearce & Robinson, 2011). More exactly, competitive strategy is the act of picking a unique set of activities in order to produce and deliver a different mix of value.(Mintzberg et al., 2003).

A firm can pursue Cost leadership, Differentiation and Focus generic strategies (Porter, 2012). Thompson et al., (2012) have identified five generic competitive strategies, namely low-cost provider; a broad differentiation and best-cost provider strategies; a focused strategy based on low costs and one based on differentiation. Other competitive strategies are: Operations, diversification, vertical integration, strategic alliances, mergers and acquisition, offensive and defensive strategies and outsourcing strategies.

1.1.3 Soft Drink Industry in Kenya

The term soft drink initially was used to carbonated as well as non-carbonated drinks made from concentrates, although at the present it applys any cold drink that is non-alcoholic with the exception of milk. Examples of soft drinks include carbonated soft drinks, juices and nectars, fruit punch, iced tea and water. The soft drink industry has a long history in Kenya, the first indigenous soft drink manufacturers were Kenya Ice and Aerated Water Factory founded in 1931 in Mombasa. Another early entrant was Aggaruwal Brothers Limited in Nanyuki (Ibanda 1979). These two companies specialized in mineral and non-carbonated soft drink. At that point in time investments within the soft drink industry were mainly in the hands of indigenous people mostly Asians. In the 1940s the local soft industry was composed of a large pool of small-scale producers.

After 1945 Multinational Corporations (MNC's) intensified their importation efforts. This can be partly attributed to the westernized taste syndrome. African soldiers who took part in the Second World War travelled extensively abroad and as a consequence acquired westernized tastes and preferences. On their return to Kenya they constituted a new market. Another explanation as to why MNC's intensified their importation efforts was the growth of the settler community after the war in Kenya. Foreign Direct Investment (FDI) by some MNC’s thereafter followed this importation surge. Key symptoms of this FDI were that a number of MNC's situated their production facilities in the country and foreign firms taking over local firms or initiating franchising arrangements with local firms. For example, 7-Up took over Crystal Springs Aerated Water Company in 1960 (Ibanda 1979). By the mid-1950s, MNCs with operations in Kenya included Schweppes, Pepsi-Cola, Fitzgerald Baynes, 7-Up and Coca-Cola. This FDI ushered in heavy expenditure on sales promotion and advertisement in order to capture a larger market share, a practice that local firms did not there before engage in. It also introduced the internationally branded products in the Kenyan market. Ultimately it set the stage for the eventual domination of the industry by a few players who commanded substantial resources that could be employed in advertising and other marketing promotion activities.

Five important themes can be used to summarize market trends for the soft drink industry. They are: The growing focus on health-oriented wellness beverages, increased friction in the distribution system between manufacturers and bottlers, Growing strength of retailers visa vis a corresponding drop in strength of the soft drink companies, the ever-changing preferences of drinks for consumers, A sophisticated sales environment made up of several channels with unique requirements.

Every company in the soft drink industry should take these challenges and focus on its strengths and specified positioning in the market into thought when trying to find ways to enhance growth and increase margins.

1.1.4Highlands Mineral Water Company in Kenya

The company was incorporated as a limited company in 1954 as one of the pioneers of the beverage companies in Kenya. However, it did not commence right away as a soft drinks manufacturer; rather, it began as a shop known as “Padia Stores” in 1947 in Nyeri town. The owner of this shop was TribhovanPadia, a local of Asian origin based in Nyeri; he was also the grandfather of the immediate former CEO of the firm AshwinPadia. HMWC begun operation over 60 years ago and currently boasts of a broad portfolio stretching from juices, water, and soda to a workforce of over 500 staff direct employees. The company has also managed to create slightly over 4,000 indirect jobs. The company is involved in the manufacture and sale of ready to drink juices, concentrated juices commonly referred to as cordials, bottled mineral water, and sodas. To date, the company still has its headquarters in Nyeri town.

Padia stores initialized its transformation into a manufacturing firm when Nyeri got its first electricity connections. The founder Padia quickly seized that opportunity to compete with giant companies like Coca Cola and Pepsi through the production and sale of Soda that went by the name “Vimto”. In 1954, it changed its name to Highlands Mineral Water Company and diversified into production of bottled mineral water which was later to outdo soda and become its major brand. Years of transformation have seen the company grow from a common shop to a small drinks venture to a big firm with major investments in machines and multiple laboratories. As of now, the company has a strong position in the juice market with its major brands being Pineapple, Orange, Lemon, Strawberry and Tropical cordials among others that unseated the 1990's popular juice brand "Quencher" that is produced by Excel Limited. Even now, in spite of new competitors like Kevian's Afia, Highland's brands are still emerging as market leaders in the Juices segment. In the Soda segment, the company recently took on market giant Coca Cola when it resuscitated its ventures in the Soda business with the initiation of its Club Sodas in May 2014. The Club Soda brand boasts of several variants, which include Lemon lime, Orange, Tangawizi and Cola variants. To date, Lemon lime is the fastest moving variant with Cola a close second.

1.2 Research Problem

The entry of new players into the industry as well as the already existing stiff competition make it necessary for firms to develop unique strategies that guarantee them exceptional performance(Vázquez et al., 2011). Many firms have been accomplishing this by implementing effective customer satisfaction platforms that other companies cannot adopt. (Pearce & Robinson 2010). This implies that organizations tend to perform a wide range of different activities in a unique and exquisite manner in order to stay ahead of the competition. It becomes a necessity for firms to become aggressive when developing strategic measures that offer them a competitive advantage (Daft, 2010).

The approximate net worth of the Kenyan drink market is $1 billion. The carbonated soft drinks company and synthetic juices make up the biggest portion of it (Jairo&Kirwa, 2013). As of now, the fight for the soft drinks market is becoming more intense, with many players bringing up fresh products. The soft drink sector has a lot of competition since it has many entrants into the market. These new parties always face stiff competition from the parties who dominate in the soft drink market (Institute of Economic Affairs, 2012).

In the soft drink industry, the dominant products are carbonated soft drinks, which are composed of traditionally flavored drinks and caffeine-free and sugar drinks. At the same time, manufacturers are aiming at innovating their businesses so as to maintain high rates of growth. Notably, private labels are now influencing the industry, bringing up more competition.

Just a small number of international “beverage giants” produce a wide range of brands, but they fall into independent groups as well. Fresh and unique categories are now emerging at a high rate and many of them have already consolidated due to the shifting of customer preferences to healthier options like water, sport drinks, and functional beverages. While carbonates still represent the largest soft drink categories, bottled water is also coming in as one of the preferred product. In fact, an average each person consumes an average of 58 liters annually. As well, bottled water now accounts for the fastest growing category with an expansion of 9% every year. The high growth is as a result of the health benefits of hydration.

More studies have been carried out on the sector of competitive strategies employed by Kenyan firms; Oloko et al. (2014) reported that Safaricom Ltd has utilized marketing strategies to drive its outstanding growth regarding the market share and its unprecedented productivity within its industry both nationally and on a regional scale.

Many studies have that were carried out on competitive strategies between 2010 through 2014 highlighted that most companies use competitive strategies in order to stay ahead of the competition in their respective industries. Meyer and Tran (2010), did a study on market acquisition and penetration strategies in emerging economies, Koome (2011), did a research on market penetration strategies implemented by Essar Telecom Kenya, Sije and Oloko (2013), analyzed the relationship between performance of the SMEs and penetration pricing strategy in Kenya and Kimani (2014) examined market penetration strategies and challenges faced during implementation of these strategies by the internet service providers.

There was, however, no empirical study that focused on competitive strategies that players in the soft drink companies in Kenya adopt. From this knowledge, one should gather that this study is aimed at filling up the gap by examining competitive strategies players in the soft drink industry in Kenya adopt. It therefore intends to answer the question; which competitive strategies have Highlands Mineral Water companies adopted?

1.3 Research Objective

The objective of this study was to determine competitive strategies that have been adopted by Highlands Mineral Water Company in Kenya.

1.4 Value of the Study

The results of this study are supposed to offer a clear understanding of the existing competition as well as provide appropriate information that can enhance the policies of companies in this industry and aid in developing competitive strategies that can ensure they stay ahead the competition.

The competitive entry strategies used in this study will also help policy makers formulate better regulatory action. This is because the recommendations are drawn to guarantee a healthy competition that will be enabled through developing new policies and regulations or improving the ones in existence. The results can, however, be applicable across other industries in the country despite the fact that they were drawn from the context of one Sample Company.

The study will, as well, be of significance to existing research particularly in the field of strategic management. Researchers will benefit from it because of its added value in terms of knowledge in this area. It will also help scholars extend the research on the same topic. The knowledge based on the study has a potential of being utilized as a foundation of planning and a point of reference for further research in the same field.

What is more, for those interested in the soft drinks business within the country, the study will prove valuable in terms of entry strategies that work best and those that are currently adopted. This will further give them an opportunity to engineer their businesses for a competitive advantage.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter looks at what other researchers have studied and what conclusions they have made and a brief view of their findings. It also provides a summary of entire literature review on competitive strategies and incorporates areas that have not been addressed fully in relevance to what the study seeks to address.

2.2 Theoretical Foundations of the Study

Scholars have come up with different theories to explain the phenomena of using strategy to gain competitive advantage. This study was based on the resource based view theory and competence based strategy theory.

2.2.1 Resource based Theory

The resource-based theory defines how effective and efficient use of the resources of a firm is essential towards creating a competitive advantage. According to Porter (1985), the theory places emphasis on the resources of a firm as a determinant on the competitiveness of firms in the industry. The theory has moved through different changes over the past decade by various scholars for instance by use of terms such as resources, capabilities, assets or the competences in description of the factors which have an effect on the competitiveness of a firm. The resources of a firm are placed into human capital, physical capital resources and the firm capital resources.

The theory takes an assumption that resources of a firm are heterogeneous and immobile. Such an assumption provides the basis for resources to create a competitive advantage for firms. Based on the valuable, rare, immitable and organizational (VRIO) model, the resource of a firm requires to possess these values so as to create competitive advantage (Barney, 2012). In particular, the question on whether firm resources fit on the organization have an influence on the extent to which firms exploit their resources and gain sustained competitive advantage. In the present dynamic business environment, the resources of a firm have proved to be quite important. Baron (2010) argued that firms require strategic assets, capabilities as well as resources for it to be able to respond to the industry factors so as to gain competitive advantage.

The major competencies are quite a challenge in copying and easily leveraged in the other markets. Recent developments in this area show that competitive advantage is the result of the dynamic capabilities of a firm. It has been argued that resources make it possible for firms to gain the competitive advantage but this might not be possible in another point in time due to the dynamic nature of the market. In addition, research has shown that firms are lagging in one point can catch up in another time (Booms &Bitner, 2011). The ability of a firm to be able to constantly build their relevant resources as a way to respond to the dynamic nature of the business environment is an advantage to such firms. Porter (2008) noted that firm capabilities undergo a number of stages in the lifecycle. It can be therefore be assumed that a major source of competitive advantage is as a result of anticipation of and the responsiveness towards change. This is important for improved firm performance.

2.2.2 Competence based Strategy Theory

Competence based strategy theory is defined as an approach to managing business in a given way. On this approach, the business is an open system that interacts with the environment to obtain given resources and to improve their outputs. Based on this theory, the capacity of a firm is developed on the core competences which cannot be acquired with ease by the competitors and also create more profits which provide the basis for firm performance (Prescott, 2011).

In the present dynamic business environment, the competitive position of a firm is challenged constantly by the growth of new technologies, products, the markets as well as competitors. On the other hand, flexibility and adaptability have formed major concepts of management in developing sustained competitive advantage (Whetton, 2011). Successful firms make use of them in the new organizational strategies that question a number of tenets in an organization and also their management. Such strategies include decentralized and the responsive work on the organization that relies on the cooperation of the firm with the customers, their suppliers and the competitors. Despite that, firms are resorting towards their traditional mechanism in the market by use of the subcontracting relations.

Competence based strategy theory provides the foundation for firm competitiveness. It is one of the main studied theories pertaining to the influence of the strategies of a firm to improving its performance. This theory, hence has a major role to play on evaluating the competitiveness of a firm and its sales that fit on the perception of the customers to improve their general performance in the market (Lovelock, 2011). Thus this theory aligns to a firm’s ability to examine the dynamic business environment and develop strategies for survival.

2.3 Competitive Strategies

There are various strategies that a firm can adopt in order to achieve competitive advantage. These include the porter's generic strategy, the collaborative approach, the grand as well as the resource based strategies.

2.3.1 Porter's Generic Strategy

A study done by Porter (1980) shows that companies gain a competitive advantage when they implement a combination of various effective strategies. These strategies should, however focus on cost leadership as well as differentiation. While cost leadership strategies focus on providing standardized goods and services at possible low per unit cost for price sensitive customers, differentiation on the other hand, focuses on products that are unique and specifically directed at customers who are price-in sensitive. (David 1997)

Differentiation- when utilizing this approach, a firm needs to focus its strengths on giving a distinct product or service Because of the uniqueness of the product, the strategy gives a high customer loyalty (Hlavacka et al., 2001). Differentiation strategy is well employed when the firm gives a different superior value to its clients using high quality of products, unique features, as well as after-sales support/services. Companies that follow this strategy can charge high prices for their services or products depending on the characteristics of those products, the mode of delivery, the service quality, or the channels of distribution.

Based on the image, brand name or the fashion, the quality might be real or perceived. The strategy appeals to a stylish or informed customer interested in unique products and willing to pay high prices.

Cost leadership-the second generic strategy is cost leadership (Malburg, 2000). The aim of this strategy is to ensure the organization gains a competitive advantage by having the least cost in the industry (Davidson, 2001). An organization should therefore have a low cost manufacturing, leadership strategy as well as a committed workforce in order to achieve the low-cost advantage. The organization should therefore incline towards cost friendly activities and discontinue extravagant ones (Malburg, 2000).

In order to exercise an effective cost leadership strategy, a company must have a relatively large share (Hyatt, 2001). More so, factors like mass distribution, technology, economies of scale, product design, capacity exploitation of resources and access to raw materials, input cost and mass production highly impact on an organizations ability to achieve cost leadership (Malburg, 2000). Only one company in an industry can be the cost leader Porter (1985). Low cost leadership role is the best strategic choice (Venu, 2001). The only factor that differentiates a company from its competitors is becoming the cost leader (Malburg, 2000).

Focus strategy- in this strategy a company aims at a particular market category or segment. The company can either pick a specific customer group, geographical location, a range of products or even a service (McCracken, 2002). For instance, some firms in Europe aim at serving the European market alone (Stone, 1995). The focus is also dependent on the narrow competitive scope within a particular sector. It focuses on a rising market share through the operations of a niche market or in markets which larger competitors do not focus on. Such niches come about due to several factors including characteristics of buyers, geography, product requirements, as specifications. An effective focus strategy (Porter, 1980) is based upon an industry category/ segment that is large enough to have an expanding growth potential but not of major significance to big competitors.

Market development is a crucial focus tool in strategic management. Both mid-sized and giant firms employ the focus-based strategy although only in collaboration with differentiation and cost leadership generic strategies. However, the focus strategy is most operational when consumers have unique preferences as well as when rival firms have not pursed a particular niche (David, 2000).

A mixture of different strategies. A firm can also choose to use two or more generic strategies at the same time. For instance, a company might pick the focused-differentiation strategy. In such a case, an organization possesses a unique product that is availed to a specific market. As well, a firm can adopt the cost-leadership strategy where it can use a cost-leadership strategy, focused to a particular market category/segment. There is much deliberation as to whether a firm can adopt a low-cost leadership strategy along with the differentiation theory at the same time (Helms et al., 1997).

2.3.2 Collaborative Strategy

In this strategy, firms gain competitive advantage by working with each other rather than working against each other (Hunger &Wheelen, 2013). Yoshino and Rangan, (2011) noticed that alliances are portion of the global competition game, they are significant to win on a global basis. Baysinger and Hasskinsson, (1989) noted that merged firms increase their market power. Suppliers collaborate to build close links with customers to jointly design new quality products hence increase selling power.

Organizations are also making arrangements to tie suppliers to their Enterprise Rouse Planning (ERP) system, the result of which is coordinated buying power. (Johnson et al.2008). Through research and development, merges promote industry generic features so as to overcome substitution. Kautz (2010) argued that competitive advantage in merges emanate from getting better prices for goods to seeking business with an aim of minimizing risks and maximizing company leverage. Chaundhuri and Tabrizz, (2012) saw mergers and acquisition as critical tools for growth in a new economy.

Organizations seek to develop beyond their traditional boundaries collaborative to gain entry into new arenas and to reduce operational costs. Channon, (2010) agreed that firms form strategic alliances so as to achieve certain strategic goals. According to Doz and Hamel (2008), alliances make it possible for a firm to reduce investment risks, share resources and improve efficiency. Other types of alliances include joint venture, mutual service consortium, and value chain partnerships. As Kenter (2011) pointed out, strategic alliances are a fact of life in business today irrespective of duration and objective of the business alliance. Successful strategic relationships however require seasoned entrepreneurial skills in order to innovatively develop requisite competitive capabilities from each other and combine them for the advantage of all involved (Barasa 2008).

Collaboration between potential competitors, buyers or sellers is likely to be an advantageous when combined costs are lower as a result of collaborations than the cost of operating alone. Baysinger and Hasskinsson, (1989) noted that merged firms increase their market power. Suppliers collaborate to build close links with customers to jointly design new quality products hence increase selling power. Organizations are also making arrangements to tie suppliers to their Enterprise Rouse Planning (ERP) system, the result of which is coordinated buying power. (Johnson et al.2008). Through research and development, merges promote industry generic features so as to overcome substitution. Kautz (2000) argued that competitive advantage in merges emanate from getting better prices for goods to seeking business with an aim of minimizing risks and maximizing company leverage. Chaundhuri and Tabrizz (1999) saw mergers and acquisition as critical tools for growth in a new economy.

2.3.3 Grand Strategy

Grand strategies are the center of harmonized and continuous efforts which are aimed in achieving long term firm objectives. They are useful for guiding a firm's major action. Combination of numerous grand strategies are usually done by firms which are engaged with several businesses, product lines, industries, or customer groups (Pearce and Robinson, 2010). According to Hunger and Wheelen, (2013), a firm's grand strategies comprise of growth, stability and retrenchment strategies.

Grundy (2011) argued that growth strategies involve exploring business opportunities for both financial and competitive advantage. Concentration, which comprises vertical and horizontal integration, is useful where a company's product lines have real growth potential. "Through vertical growth, a firm a firm is able to develop its unique competence in an industry in order to achieve great competitive advantage through expansion within the industry value chain" (Hunger &Wheelen, 2013). Diversification on the other hand involves directions of development, which take the organization away from its present to new markets and products (Johnson, 2012). The rationale behind diversification is that a firm can gain competitive advantage if it has skills or resources that it can transfer into new markets, (Porter, 1997).

A firm that faces an uncertain future may have no option but to continue with their current operations without any significant change in direction. Useful strategies in such circumstances would be the pause, the no change and the profit strategy. When a company competitive position is weak, it can opt to use retrenchment strategies to stimulate growth and imp\rove performance. This includes turnaround, captive company strategy, divestment and sell out strategies (Hunger &Wheelen, 2013).

2.3.4 Resource Based Strategy

A company's resources generally comprise physical, financial, human and intellectual capital (Johnson et al 2008). A company is positioned to succeed if it has the best and most appropriate stock of the resources relevant for its business and its strategy. According to Thompson et. al (2007), each firm should develop competencies from its resources and when these are developed well, they become the source of the firm's competitive advantage. Hamel and Prahalad (2008) agreed that the distinctive competences of a firm must have customer value, extendibility, and must be competitor unique for them to attain maximum benefits for the firm. Availability of resources however is not enough. A company's competitive advantage is derived from its ability to assemble and exploit its resources and capabilities in synergistic combinations. There is therefore need for a good fit between the external market and the firm's internal capabilities. This view of achieving competitive advantage is grounded on the premise that a firm's internal environment is more critical to determination of strategic actions than is the external environment. Competencies must therefore be rightly matched in order for a firm to reap benefits from its strategic capability. According to Johnson et al (2008), strategic capabilities earn sustainable competitive advantage if they are rare, robust, non- substitutable and dynamic. Operational excellence is a strategic approach to production and delivery of products and services and lead to product innovation and development, which a firm uses to continuously produce state of the art products and services (Pearce & Johnson, 2007).

Embracing research and development, a firm becomes the technological leader hence becomes the pioneer low cost product design and benefits are achieved from the experience curve. The firm also benefits from financial planning which results to a good balance between equity and debt financing. Human resource and attitude adopted towards handling customers determine repeat buys from customers. Customer knowledge is combined with operational excellence and flexibility to create customer loyalty. Employees in customer intimate companies strive to ensure customer satisfaction by continuously customizing products and services as well as customer needs, (Chege, 2008). Superior skills also earn a firm competitive advantage. They comprise staff capability, systems and marketing savvy that are not available to the competition. These result to improved quality and productivity.

2.4 Summary of Literature Review

In recent years there has been an increased focus on identifying the competitive strategies adopted by different firms. Prior studies have found that competition improves the performance in any industry and at the same ensuring quality of services to its customers. Previous research has also widely investigated the relationship between firm's competitiveness and the various strategies employed by those firms (Soininen, 2012). Nevertheless, the findings obtained are indecisive or even ambiguous and thus as a result, several researchers have opined that more research is needed in the area of competitive strategies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The overall methodology used in the study was outlined in this chapter. This entailed the research design, data collection as well as data analysis.

3.2 Research Design

This study was done using a case study design since Highlands Mineral Water Company is a single company. This method assisted in identification of the competitive strategies adopted by the company to cope with competition in the soft drink industry. The design was seen to be good as it looked for in-depth information on the competitive strategies adopted by the organization to cope with competition since it enables the researcher to probe, collect data and explain phenomenon more deeply and exhaustively.

3.3 Data Collection

The study relied on primary information that was collected using an interview guide. In-depth interviews reduced the "distance" between interviewer and interviewee. The interviews were semi-structured so that some questions could be omitted or added if some new and useful information came up during the procedure, which was a "face to face" interview. The order of the questions also varied depending on the flow of the conversation. Some of the interviews were recorded in the case that the interviewee accepted this action. This had advantages like keeping the interviewer concentrated on listening and allowing formulation of questions, but it also distracted the interviewee by “focusing" on the recorder.

The study interviewees consisted of senior selected staff of Highlands Mineral Water Company, specifically, those involved in formulation and implementation of the company's strategies. They included the top managers in charge of strategy and planning, and heads of the following departments: administration, enterprise business solutions, human resource management and development. These interviewees were considered to be key informants for this research. The study targeted about 7 interviewees.

The interview guide was considered to be advantageous because the respondents provided in depth data that was not possible to get through use of a questionnaire and it made it possible to obtain data required to meet specific objectives of the study by using probing questions. Interviews were considered to be more flexible than questionnaires hence were more suitable for this study.

3.4 Data Analysis

Liu and Setiono (2007) defined data analysis as a practice of collecting data as well as analysing the qualitative data that involves three simultaneous sub-process of data reduction, data display, drawing and verifying conclusion. Qualitative methods are used in descriptive study in most cases. Data collected in the study was qualitative hence main tool for data analysis was content analysis.

Content analysis corresponds with three fundamental principles of scientific methods and that is why it is best preferred. These principles include objectivity, generalizability, and systemization. Objectivity means that explicit rules govern the analysis, enabling different researchers to get the same results from messages and same documents. Generalizability means that the obtained results can be used in similar circumstances (Franzosi, 2004).

Systematization means that the exclusion or inclusion of content is in accordance with the consistent rules applied, where the possibility of including only materials which support the researcher’s ideas is disregarded.

CHAPTER FOUR

DATA ANALYSIS, RESULTS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter presents analysis and findings of the study as set out in the research methodology. The purpose of the research was to establish competitive strategies that have been adopted by Highlands Mineral Water Company in Kenya. The study targeted seven top managers in charge of strategy and planning comprising of areas in administration, enterprise business solutions, human resource management and development. Of the seven managers targeted to be interviewed, 50% responded directly whereas 50% delegated to their reportees thereby resulting in a response rate of 100%.

4.2 Demographic Information

Under demographic information, the study sought to establish the position that the respondents held in the company, the department they were working on and the length of period they had been working with the company. On the management levels of the respondents, the study established that 50% were in top management while another 50% were in middle level management. The middle level management was delegated to respond to the interview by their seniors. This was as a result of their tight schedule that could not allow them some time to participate in the study. On the period worked with the company, the findings indicated that all of the respondents had worked at Highlands Mineral Water Company for more than five years which made them conversant with competitive strategies that Highlands Mineral Water Company have adopted in response to the environmental challenges. This number of years of working for the same company gave the interviewer assurance and high level of confidence on the expected outcome.

4.3 Strategies for Achieving Competitive Advantage

The objective of this study was to determine competitive strategies that have been adopted by Highlands Mineral Water Company in Kenya. They are discussed as shown in the sections listed.

The respondents were asked to indicate whether Highlands Mineral Water has adopted formal strategies for achieving its objectives. The responses from respondents showed that Highlands Mineral Water had adopted some strategies for achieving its objectives. The most responses mentioned were branch networks as a formal strategy for achieving firm's objectives, people's pillars, while government backing, firm's goals, customer preference, and through media got lesser margin of responses. The outcomes indicate that Highlands Mineral Water has adopted a wider corporate coverage across the country and beyond, customers, and large manufacturing firm's development enables the achieving of the firm's overall objectives. Therefore it is easy for Highlands Mineral Water Company to extend their products and services to a larger range of clients within their coverage.

In providing feedback on who was responsible in initiation and implementation of strategies at HMWC, interviewees reported that the board of directors and senior management did the formulation and implementation of HMWC's strategies and to a lesser extent, regional business managers, human resource management, and shareholders participated in the formulation and implementation of these strategies.

When asked whether the strategies of HMWC's are geared towards earning competitive advantage, respondents concurred with this idea by revealing that these strategies earned them competitive advantage on market shares and robust strategies, while the rest felt that the strategies were not strong to earn HMWC a competitive advantage.

4.3.1 Porters Generic Strategy

In order to find out the porters generic strategy for Highlands Mineral Water Company the respondents were asked to state some of the companies collaborators, the nature of collaboration strategies used in collaboration and the contribution of these strategies towards competitive advantage.

4.3.1.1 Cost Leadership Strategies adopted Highlands Mineral Water

The interviewees were asked about the cost leadership strategies adopted Highlands Mineral Water. The findings indicated Highlands Mineral Water has the power of using pricing as a competitive tool to spur an increase in demand for soft drink products. As one of the market leadership soft drink industry, HMWC has the capability to lower prices and give discounts as and when necessary to remain competitive. It has the financial ability to play around with pricing which suits the consumers. As a response the firm has different packs for different markets. In addition, respondents were on the view that vigorous pursuit of cost reductions is one of the competitive strategies used by Highlands Mineral Water. Respondents further indicated that Highlands Mineral Water has adopted tight control of overhead costs and minimizing distribution costs as cost leadership strategies

4.3.1.2 Differentiation Leadership Strategies adopted Highlands Mineral Water

Differentiation form of marketing strategy is guided by the principle that any attributes of the offer and any doings of an organization can be made unique as judged against with the competing offers. An organization can differentiate the values of many buyers right away from the plant location, technology, to post sale and service.

Respondents were requested to indicate differentiation strategies that HMWC has adopted. The interviewees indicated that the firm has diversified into sparkling water using Highlands' brand name and Highlands Mineral Water have adopted provision of specialty products/services as one of the strategies in a bid to remain competitive. Respondents further indicated the differentiation strategies at the company to include; training of marketing personnel in an extensive basis, the development of an extensive range of fresh services or products, the refinement of existing services and/or products, the development of a brand identification, the innovation of technology in leadership, nurturing creativity and innovation, and building high market share.

4.3.1.3 Focus Strategies adopted Highlands Mineral Water

Interviewees were asked to indicate whether Highlands Mineral Water has adopted focus strategies. Interviewees indicated that Highlands Mineral Water Focus strategies include provision of improving operational efficiency, controlling the quality of products or services, outstanding customer service, extensive training of front-line personnel, and intensive supervision of front-line personnel. In addition, respondents indicated that Highlands Mineral Water has adopted automated controls and reports, better decision-making and information analytics. The respondents further opined that customer demands and requirements were paramount in strategy selection at all times. The Company carries out annual customer perception surveys to determine the needs of customers, which are then incorporated in the Company’s strategic plans. The decentralization process, setting up of modern offices, opening collection partnerships and automation of customer data were cited as examples of strategies that were adopted out of needs expressed by customers.

4.3.1.4 Porters Generic Strategies Contribution towards Achieving Competitive Advantage

The study sought to establish from the interviewees, how Porters Generic Strategies adopted by Highlands Mineral Water Company have contributed towards achieving competitive advantage. Respondents indicated that the uptake of their brands has honestly surpassed their expectations in that Nielsen Research ranks the company as number two in the one-way segment of club soda.

4.3.1.5 Urge for adoption of Porters Generic strategies

When asked about why was Porters Generic strategies adopted by Highlands Mineral Water, interviewees indicated that the company did an internal research, and established that consumers were in need of a good quality yet affordable soft drink. They were also in urge to democratize consumption of their Drinks in Kenya, and their soft drinks affordable to every Kenyan

4.3.2Collaborative Strategy

In order to find out the collaborative strategy for Highlands Mineral Water Company the respondents were asked to state some of the companies collaborators, the nature of collaboration strategies used in collaboration and the contribution of these strategies towards competitive advantage.

4.3.2.1Highlands Mineral Water Company Collaborators

The study sought to establish some of the partners that Highlands Mineral Water Company collaborates with. The responses indicated that the firm is intensifying production of carbonates and expects to venture into healthier drinks, as well as partnering with established distributors in retail outlets across Kenya to distribute its products.

4.3.2.2Nature of Collaboration

The feedback on the nature of collaboration that Highlands Mineral Water Company have with other associates, the responses given indicated that Highlands Mineral Water Company partners with other partners for efficiency of customer services. The interviewees also indicated that the Highlands Mineral Water made it a priority to involve other collaborators to be able to navigate through the competitive soft drink world.

4.3.2.3Highlands Mineral Water Company Mergers

When asked whether Highlands Mineral Water Company have any mergers, respondents were on the opinion that at the moment there exist no mergers in the company. However, respondents indicated that Highlands Mineral Water Company have a desire of forming a merger with a strategic partner who will aid them in enhancing their operations and ultimately improve on their productivity.

4.3.2.4Highlands Mineral Water Company Strategic Alliances

Respondents were requested to indicate the strategic alliances Highlands Mineral Water Company have adopted. Respondents were on the view that Highlands boasts of a wide portfolio that includes bottled water, Highlands Cordials, CLUB carbonated soft drinks and RIO ready-to drink juices. In a competitive market dominated by international and local brands, Highlands embarked on transforming their business with a vision to grow their product lines and distribution outlets and vetted a number of solutions before finally opting for ACEteK and SAP Business One.

4.3.2.5 Contribution of Collaborative Strategies towards Achieving Competitive

The study sought to ascertain level of contribution that the collaborative strategies have towards competitive advantage. There were some contributions made by the Highlands Mineral Water Company strategies of collaboration and these were found to be; enhanced service delivery, enhancement of Highlands Mineral Water Company brand name through its foundation, facilitation of clients in accessing their products easily, attraction of more customers, lowering operational costs as well as expansion of executive company services.

4.3.3 Grand Strategy

The study found it fit to access strategic actions coordinated to achieve Highlands Mineral Water Company main objectives combined into one purpose. This section highlights the means which can be used to achieve short, medium, and long-term objectives of the Highlands Mineral Water Company as it entails actions and strategies that Highlands Mineral Water Company applies for its operation.

4.3.3.1VerticalIntegration Strategies adopted by Highlands Mineral Water Company

When asked about the Vertical integration strategies adopted by Highlands Mineral Water Company, respondents agreed that vertical integration had taken place in the last five years. They described the merging of divisions and business units as one form of vertical integration. It was carried out with the aim of reducing the high cost of operation.

4.3.3.2 Horizontal Integration Strategies adopted by Highlands Mineral Water Company

On the issue of the horizontal integration strategies taken by Highlands Mineral Water Company, the responses indicated that the company had taken Highlands Mineral Water Company by exploring new opportunities, setting approachable plans, embracing team work, exploring new technologies, expanding to new regions, employing new staffs and growing business. This is an indication that HMWC management has put some acts in place that facilitates the firm to have a healthy competition in the soft drink industry.

4.3.3.3 Multiple Industries Strategies to achieve Competitive Advantage

The study sought to establish the multiple industries strategies that Highlands Mineral Water Company have put in place to achieve competitive advantage. Respondents indicated that the company has made a lot of in the 60 years the company has been in existence. As a mitigation measure, the company watches trends as well as follow successful brands. Also the company takes seriously feedback from their consumers, be it positive or negative. In addition, the interviewees indicated that Highlands Mineral Water Company have diversified into production of soda, in what is set to raise competition in the industry currently dominated by Coca-Cola and Pespi Company. Highlands, one of Kenya's pioneers of bottled water, is now manufacturing four brands of soda: Cola, Lemon and lime, Tangawizi and Orange which are available in 350ml, 500ml and 1.25 litre plastic bottles.

4.3.3.4 Product line Strategies put in place to achieve Competitive Advantage

Interviewees were further probed to indicate the Product line strategies that Highlands Mineral Water Company have put in place to achieve competitive advantage. The study revealed that the firm is intensifying production of carbonates and expects to venture into healthier drinks, as well as partnering with established distributors in retail outlets across Kenya to distribute its Club soda. The Nyeri-based Highlands Mineral Water Company is the second firm to venture into manufacturing soda after Coca-Cola, followed in its wake byBidco and Kevian Kenya.

4.3.3.5Contribution of these Strategies towards achieving a Competitive Advantage

Viable strategies can have greater impact on the operation and performance of any business. The study sought to establish the contribution made by Highlands Mineral

Water Company strategies towards achieving competitive advantage and the responses indicated included, strategies had contributed to an increase in company’s profit margin, had improved employee performance, grown market share through new products to satisfy customer needs, guidance and direction on achievement of the organization, minimized customer complaints.

4.3.4 Resource Based Strategy

Resources are the inputs available to a company that help in performance of its operations to carry out its activities and is a basis for a competitive advantage of a firm lying primarily in the application of the group of valuable resources at the firm's disposal. Therefore this section looks into the resource-based strategy used by Highlands Mineral Water Company in its effort to gain competitive market advantage.

4.3.4.1 Resources and Capabilities owned by Highlands Mineral Water Company

On the subject of resources and capabilities owned by Highlands Mineral Water Company, the respondents showed that the company had resources and capabilities that enabled the firm to compete well in the soft-drink industry. The responses given pointed out that Highlands Mineral Water Company key assets; the firm has financial resources; a strong human resource workforce; advanced technological system, and viable policies and procedures.

4.3.4.2 Nature of Resources and Capabilities

The opinion on the nature of these resources and capabilities owned by Highlands Mineral Water Company, the responses cited showed that Highlands Mineral Water Company had resources and capabilities inform of; housing, well trained resource people, unique brand name, steadfast financial resource where they indicated that Highlands Mineral Water Company had increased profits in the recent past, the company also have shares, innovative products and an advanced technological system.

4.3.4.3 Specific Strategies used Exploit Resources and Capabilities

The study sought to know if there were specific strategies put in place by Highlands Mineral Water Company to exploit its resources and capabilities to its advantage. The responses revealed that the company had automated system to enhance sales delivery, an expansion of more branches across the region, leasing out assets for office spaces and social events, training human resource, Corporate Social Responsibility (CSR) through Highlands Mineral Water Company foundation, promotion, strong vision and mission as well as increasing more product facilities and services.

4.3.4.4 Resource Based Strategy Contribution towards achieving Competitive Advantage

A well-set and viable strategy can contribute more towards the achievement of an organization. The study sought to establish the magnitude of contribution brought about by resource-based strategy that necessitated Highlands Mineral Water Company to achieve its competitive advantage. The answers specified that this strategies had benefited Highlands Mineral Water Company by gaining an improved company systems/good performance, Highlands Mineral Water Company had come up with foundation programmes like community development which enabled them to build its brand name, experiencing an improved customer base, created easy accessibility by having more branches, embracing training and development of staff to reduce staff turnover, created a good working environment, experience good collaboration with other soft drinks, and enabling proper use of technological system which has enhanced good performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

From the scrutiny of data collected, the following discussions, conclusions and recommendations were made. The analysis was based on the objective of the study.

5.2 Summary

The summary was drawn from the results and findings of the study. It is based on objective of the research on the competitive strategies that have been adopted by Highlands Mineral Water Company in Kenya. On the adoption of formal strategies for achieving the firm's objectives, the results indicate that Highlands Mineral Water Company had adopted a wider corporate coverage across the country, customers, and community development enabled the achieving of the firm's overall objectives.

The study findings revealed that Highlands Mineral Water has the power of using pricing as a competitive tool to spur an increase in demand for soft drink products. As a market leader soft drink has the capability to lower prices and give discounts as and when necessary to remain competitive. It has the financial ability to play around with pricing which suits the consumers. It was established that Highlands Mineral Water Focus strategies include providing outstanding customer service, improving operational efficiency, controlling the quality of products or services, extensive training of front-line personnel, and intensive supervision of front-line personnel. In addition, respondents indicated that Highlands Mineral Water has adopted automated controls and reports, better decision making and information analytics.

The study established that Highlands Mineral Water Company partners with other partners for efficiency of customer services. The interviewees also indicated that the Highlands Mineral Water made it a priority to involve other collaborators to be able to navigate through the competitive soft drink world. Highlands boasts of a wide portfolio which includes bottled water, Highlands Cordials, CLUB carbonated soft drinks and RIO ready-to drink juices. In a competitive market dominated by international and local brands, Highlands embarked on transforming their business with a vision to grow their product lines and distribution outlets and vetted a number of solutions before finally opting for ACEteK and SAP Business One.

The grand strategies that have been adopted by HMWC are directed by the organizations' vision and mission. The strategies include exploring new opportunities, setting approachable plans, embracing teamwork, exploring new technologies, expanding to new regions, employing new staff and growing business. These facilitate the firm to have a healthy competition in the soft drink industry. The specific strategies adopted by Highlands Mineral Water include unique human resource recruitment, promoting voluntary retirement, setting good financial plans, having skilled resource people through trainings of their staff, setting accessible customer care centers and improving in information technology systems.

Highlands Mineral Water has asset resources like housing, personnel unique brands among others which it uses to improve its performance and also in coming up with Highlands Mineral Water foundation programme.

5.3 Conclusion

The study concludes that Highlands Mineral Water Company had adopted a wider corporate coverage across the country, customers, and community development enabled the achieving of the company’s overall objectives. The study further concludes that Highlands Mineral Water has the power of using pricing as a competitive tool to spur an increase in demand for soft drink products. As a market leader soft drink has the capability to lower prices and give discounts as and when necessary to remain competitive. It has the financial ability to play around with pricing which suits the consumers. The study also established that the firm has diversified into distilled water using Highlands' brand name and that Highlands Mineral Water have adopted provision of specialty products/ services as one of the strategies in a bid to remain competitive.

The study further concludes that the differentiation strategies at the company include; developing a wide range of innovative products or services, comprehensive training of marketing staffs, upgrading of the existing products or services, building brand identification, innovation in marketing technology and methods, developing on a positive and good relationship within the industry, predicting the existing market growth, enhancing creativity and innovation, as well as developing wide market share.

The study concludes Highlands Mineral Water focus strategies include provision of quality customer service, monitoring the quality of products/services, enhancing operational efficiency, all-embracing training of employees, and serious supervision of the employees. In addition, respondents indicated that Highlands Mineral Water has adopted automated controls and reports, better decision making and information analytics. The grand strategies which Highlands Mineral Water has adopted are directed by the organizations vision and mission. The strategies include exploring new opportunities, setting approachable plans, embracing team work, exploring new technologies, expanding to new regions, employing new staff and growing business.

Based on the findings, the study concludes that Highlands Mineral Water has asset resources like housing, personnel unique brands among others which it uses to improve its performance and also in coming up with Highlands Mineral Water foundation programmes like community development and other Corporate Social Responsibilities

5.4 Recommendations

From the discussions and findings it is quite clear that the issue of strategies is not a new concept in Highlands Mineral Water Company. There is need for Highlands Mineral Water Company to differentiate itself from the competitor if it is to remain relevant in terms of the products which the company offers.

There is also the need to involve the entire team of stakeholder and all other parties concerned in the formulation and implementation of Highlands Mineral Water Company's strategies other than tying this role to the top management. Highlands Mineral Water Company has a number of competitors who are mainly other soft drink firms, therefore, there is need to have strategies geared towards reducing the number of competitors to a few of them, this can be done by having unique products from what the competitors are offering. This can also be achieved by investing in newer technologies which will assist in offering exceptional services to its customers.

The collaboration strategy being used by Highlands Mineral Water Company should be aimed at building relationships with the partners they already have. This will promote sharing of information which can be beneficial to Highlands Mineral Water Company and also help in the development of partnerships. This can assist Highlands Mineral Water Company in its endeavors to gain competitive edge over its opponents.

5.5 Suggestions for Further Research

When operating in a turbulent environment firms usually have difficulty in coming up with the appropriate strategy that will ensure success in their entry mode and operations. A similar study can be done in other companies or the soft drink industry to establish if the finding will be similar. The respondents should also be broadened to cover a larger sample so that the researcher can have confidence in the results.

5.6 Limitations of the Study

The study was based on a case study design focusing on one soft drink Company and cannot be generalized to other soft drink providers. There were some specific factors that may not be applicable in different regions of operations; therefore the findings of this research may have some variation to other soft drink providers.

During the study a number of limitations were encountered which includes in- sufficient time with the respondents to do a deeper inquiry on the issues sought by the study due to their tight time schedule. However this does not degrade the quality of the study as the execution was done with great care to minimize these limitations.

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Appendix I: Interview Guide

Section A: Demographic Information

1. Name of the respondent (Optional)
2. What is your position in the organization
3. In which department are you working?
4. How long have you worked at Highlands Mineral Water Company?

SECTION B: Strategies for Achieving Competitive Advantage

1. Has Highlands Mineral Water Company adopted any formal strategies for achieving competitive advantage?
2. Who is responsible for formulation and implementation of such strategies?
3. Do you think such strategies are geared towards owning competitive advantage?

1. Porters Generic Strategy

(i) Which cost leadership strategies has Highlands Mineral Water adopted?

(ii) Has Highlands Mineral Water Company adopted differentiation strategies? If yes, kindly explain these strategies

(iii) Which focus strategies have Highlands Mineral Water adopted?

(iv) Which combination of different strategies has Highlands Mineral Water adopted?

(v) How have these strategies contributed towards achieving competitive advantage?

(vi) When was Porters Generic strategies adopted in Highlands Mineral Water adopted?

(vii) Why was Porters Generic strategies adopted in Highlands Mineral Water adopted?

2. Collaborative Strategy

(i) With whom does the company collaborate with in the soft drink Industry in Kenya?

(ii) What is the nature of this collaboration?

(iii) Does Highlands Mineral Water Company have any mergers? If yes kindly explain

(iv) Which strategic alliances have Highlands Mineral Water Company?

(v) How have these strategies contributed towards achieving competitive advantage?

(vi) When was collaborative strategies adopted in Highlands Mineral Water adopted?

(vii) Why was collaborative strategies adopted in Highlands Mineral Water adopted?

3. Grand Strategy

(i) Has Highlands Mineral Water Company adopted vertical integration strategies? Kindly explain

(ii) Has Highlands Mineral Water Company adopted horizontal integration strategies? Kindly explain

(iii) Which multiple industries strategies have the Highlands Mineral Water Company put in place to achieve competitive advantage?

(iv) What product line strategies have the Highlands Mineral Water Company put in place to achieve competitive advantage?

(v) How has these strategies contributed towards achieving competitive advantage?

(vi) When was grand strategies adopted in Highlands Mineral Water adopted?

(vii) Why was grand strategies adopted in Highlands Mineral Water adopted?

4. Resource Based Strategy

(i) Does Highlands Mineral Water Company owns any resources and capabilities?

(ii) What is the nature of these resources and capabilities?

(iii) What specific strategies has the company put in place to exploit such resources and capabilities to its advantage?

(iv) How have these strategies contributed towards achieving competitive advantage?

(v) When was resource based strategy adopted in Highlands Mineral Water adopted?

(vi) Why was resource based strategy adopted in Highlands Mineral Water adopted?