STRATEGIC RESPONSES ADOPTED BY SAMEER AFRICA LIMITED IN COPING UP WITH THE CHALLENGES OF FOREIGN TYRES ENTRY IN KENYA.

BY

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DECLARATION

This research project is my original work and has not been submitted anywhere for examination in any other university or institute of higher learning.

Signature…………………… Date…………………

Robinson Kapkoi

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

Signature…………………. Date………………….

Dr. Mary Kinoti

DEDICATION

I dedicate this project to my beloved father ***James Kapkoi*** and beloved mother **Beatrice Kigen** who have always loved me unconditionally and whose good examples have taught me to work hard for the things that I aspire to achieve. To the almighty God for the gift of life and good health.

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ABSTRACT

The alignment between strategy and environment lies at the centre of strategic management. Organizations are faced with turbulence and stiff competition in their external environment. There is need to be conscious of the changes in the environment in which they operate and respond to various factors in the environment in order to remain relevant. Increased competition has created fundamental shift in the economic environment where organizations have to come up with proper strategic responses to stay afloat. This study sought to establish the strategic responses adopted by Sameer Africa Limited in coping with the challenges foreign tyres entry in Kenya. The study used a case study as its research design. The researcher used primary data for the purpose of this study. The primary data was collected using an interview guide with open-ended questions which were administered to top management of Sameer Africa Limited as the respondents. The qualitative data collected was analyzed using content analysis technique. The study found that Sameer Africa Limited uses different respond strategies like; market and product development, vertical integration, research and development, price fluctuations among others to respond to turbulent business environment. The study found that advances in technology has led to a drastic improvement in productivity and reduction in costs. Sameer Africa Limited has engaged itself in information technology where the technology has become indispensable ingredient in the company in several strategies that has enabled it to meet challenges of change. The study concludes that market and product development highly helps Sameer Africa to respond to turbulent business environment. The study recommends the management of Sameer Africa Limited to implement market and product development strategy as it would help the company to prolong the life cycle of current product or take advantage of a favorite reputation.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Research

The alignment between strategy and environment lies at the centre of strategic management. Organization is faced with turbulence and stiff competition in their external environment. Hence need to be conscious of the alterations in the surroundings in which they maneuver and respond to various factors in the environment in order to remain relevant (Pearce & Robinson, 2003). Mitchell (2014) states that organizations are facing growing business competition that calls for development of new strategies. In the globalized trade, firms must have strategic reasoning and only through the use of high-quality strategies will they be strategically competitive. Thomas and Wheelen(2002) defined tactic as the route and span of a firm over the long period in which it gets a benefit for the company through its alignment of assets within a changing environ and to accomplish stakeholder anticipations. According to Hills and Jones (2004), business of all dimensions performs certain strategic management activities. Businesses utilize strategy to devise as well as put into practice strategy to compete successfully. Strategy management is applied for the purposes of moulding, directing and relating an organization effectively to its environment. Strategic decision making is at the heart of the organization- environment (Dau, Ayyagari& Spencer, 2015). According to Lee and Jay (2015), strategic management procedure lets a business take advantage of critical chances to reduce the shock of risks, to profit from internal muscles and overcome weakness.

Many research findings have concluded that firm's that use strategic management are more likely to be gainful and triumphant than those that avoid (Hills & Jones, 2004).

Ansoff and McDonnell (2000) state that in order for organizations to achieve their goals and objectives, it is necessary for them to adjust to their environment. Further they postulated that organizations should constantly change their strategies in order to remain competitive. According to Lee and Jay (2015), organizations should continuously learn, adapt and re-orient themselves to the changing environment. Where an organization fails to effectively adapt to its environment, it leads to a strategic problem (Pearce & Robinson, 2003). It is through strategic response that a firm will be able to associate itself to the surroundings to ensure its victory. Ansoff and McDonnell (2000) state that strategic responses takes different forms, initiatives, interventions and ways. Strategic responses depend on the nature of challenge the organization is facing in its operating environment and the desired change sough. The responses could take the nature of downsizing, retrenchments, outsourcing of non-core activities, margin improvement, new product development, divesting and investing, specialization and diversification (Dau, Ayyagari& Spencer, 2015).

The study will be grounded on Porter's Strategy model. According to Porter (1985) and the Miles and Snow generic strategy typology. The goal of a Porter's strategy model is to find the spot in the industry that the company can guard its self against all the five forces of competition; threat by the new firms entering the market, suppliers, customers, alternative commodities, and contention among the competitors. As per him, a firm can exploit its performance by striving to be a stumpy outlay producer in the target industry or through differentiating its products from the other companies; any of the two modes can be accompanied by a focusing all of efforts on a certain section of the market (Azadi & Rahimzadeh,2012). The Miles and Snow generic strategy typology put ahead four patterns of firms strategies as solutions to the challenges of the adaptive sequence, this are defender strategies, prospector strategies, analyzer strategies and reactor strategies. According to Miles and Snow (1978), every company has a leading trait that is the outcome of acts done by the crucial decision-makers. Defender companies gets competitive lead by becoming further successful in the current markets with existing commodities. Prospector companies gets a competitive gain by entering the markets with a new product, using innovation and embracing new and emerging technologies. Analyzer companies adopt both the defender and prospector strategies. Reactor companies do not attain a competitive benefit because of lack of a apparent and to the point connection among the structure and the strategy (Wronka-Pośpiech & Frączkiewicz-Wronka, 2016).

The liberalization of Kenyan market caused the deregulation and elimination of government controls. This has seen a sharp rise in the entry of foreign cheap tyres (Lewa & Makaya, 2008). This has adversely affected the demand for locally manufactured tyres as people opt for cheaper tyres. There are over 30 tyre brands in Kenya today and the biggest chunk is dominated by the Chinese and Indian tyres. This takes over 40% of the market share while those produced locally take about 35% (Shoreward E.A., 2015). Sameer Africa Limited have been faced by a decline in its sales due to the entry of foreign tyres. According to Gitonga (2016), in the year 2015 the firm produced tyres worth Sh2.4 billion down from Sh3 billion in the previous year. This highlights the turmoil the firm is facing. The firm had been forced to take a relook at its manufacturing business in the face of dwindling sales at home and all the regional markets of Burundi, Tanzania and Uganda (Lewa & Makaya, 2008).

1.1.1 Strategic Responses

Mitchell (2014) observed that strategic reactions involve amends in the firm‘s strategic conducts to guarantee achievement in transforming the upcoming environment. Lee and Jay (2015) state that organizations are open systems that cannot exist and sustain themselves on their own. They must continually interact with the environment and hence a relationship exists. The linkage of the firm and the surroundings is the strategy (Powell & Baker, 2014). According to David (2001), strategic responses is the set of resolutions and accomplishments that results in formalization and execution of maps designed to realize a firm‘s goals. Pearce and Robinson (2003) concludes that when a business do not react to a threat, the damages that results keep on accumulating. The strategic retort process is started when the rational set off point is attained. This is the peak at which accumulated data shows that there is serious decline in performance which cannot be reversed and that special counter measures are required. Reactive management occurs if the start of the response is delayed past the trigger point. The start of response is delayed past the rational trigger point due to four factors; systems delay, verification delay, political delay and unfamiliarity delay (Grant, 2000).

Hills and Jones (2004) identify three analytical steps that influence strategic response. The first analytical step is to diagnose the industry environment and the firm’s competitive standing in the industry. The second step is to choose which of the three generic competitive approaches to build the firm’s strategy around, that is, low cost producer becoming a cost leader, differentiation or focus on selected market segments. The final step is to customer tailor the chosen generic approaches to fit both the industry and the firm’s standing vis-a-vis competitors. According to Ansoff and McDonnell

(2000), three organizational aspects offer the fundamental, long-standing way of institutionalizing the company's strategy; makeup, leadership and the culture.

1.1.2 Tyre Industry in Kenya

The formal Tyre industry in Kenya has been in existence for around forty years. The pioneer company was Firestone East Africa Limited (now Sameer Africa Limited) which enjoyed nearly twenty years monopoly with its flagship brand 'Firestone'. Later, upon liberalization of the market in the 1990's, other players joined the industry for instance, Tread setters Tyres Limited, Auto press Kenya Limited (formerly Nyanza petroleum Limited), Kingsway Tyres among others. Currently, there are around ten major formal players in the market, some very modest to large multinational business groups and numerous informal dealers some of whom import different tyre brands with no particular loyalty to any brand. Most firms are owned by indigenous Kenyans (Lewa & Makaya, 2008).

A significant development in the local tyre industry occurred after 1992, when the liberalization of the Kenyan economy took place. Entry barriers exemplified by difficulties in importation of finished products and governments' support for local manufactures, then Firestone East Africa Limited had slowed the pace of new entrants. The liberalization of the economy resulted into removal of these entry barriers and the rate of new entrants accelerated with the number of industry players increasing to the current estimate of about ten formal players and numerous informal players. There has been a sharp rise in the importation of cheap tyres in this industry. This has adversely affected the demand for locally manufactured tyres as people opt for cheaper tyres (Shoreward E. A, 2015).

1.1.3 Sameer Africa Limited

Sameer Africa Limited was incorporated in Kenya in 1969 under the name Firestone East Africa as a tyres manufacturing company under a joint project with Firestone Tyres and Rubber Company and the Kenya Government. In 1985, Firestone Tyre and Rubber Company issued out 40.2% of its shares in Firestone East Africa Limited to Sameer Investments Limited, which is a Kenyan company. In 1988 when Bridgestone Corporation bought Firestone Tyre and Rubber Company all over the world then to form Bridgestone/ Firestone Corporation (Japan), Sameer Investments preserved its shareholding in the home outfit. In 1995 the business was made public after issuing 20.2% of its shares to the external people (Sameer Africa Limited, 2016).

The commercial distinctiveness changed to Sameer Africa Limited in April 2005 after a fruitful negotiation of all the procedural and management agreement with Bridgestone Company (Japan). This transformation developed an independent tyre manufacturer in Kenya whose aim is to provide the East African and the COMESA regions. The present focal point is on expanding the export trade to benefit from the complimentary tariffs within the area. Sameer Africa Limited has a production capacity of about 2500 tyres a day. It has over 800 direct employees and over 10,000 indirect employees. A survey conducted in 2007 by Shoreward East Africa, indicates that Sameer Africa Limited market share stands at 50% in the total tyre market in Kenya. The company produces a all-inclusive variety of tyres such as passenger car tyres, light and medium commercial vehicle tyres, heavy truck and bus tyres, off-the-road tyres, under the brand name Yana Tyres (Sameer Africa Limited, 2016).

1.2 Statement of the Problem

Increased competition has formed major swings in the economic environment where organizations have to develop apt strategic responses to stay ahead (Ansoff & McDonnell, 2000), Firms has to study, embrace and reposition itself to the shifting environment. When a incoherence begins to distress a firm in an unsettled environment facilitated by globalization and trade liberalization its effect stay concealed within customary variations in performance (Mitchell, 2014).Where an business fails to successfully adjust to its environment, it pointers to a strategic problem. It is through tactical response that a firm will be able to associate itself to the environment to safeguard its success (Thomas & Wheelen, 2002)). The test confronted by organization defines the nature responses to be embraced. Different organizations take on dissimilar strategic responses to the variations in their business setting (Pearce & Robinson, 2003).

The entry of imported tyres in the Kenyan marketplace has been harshly felt by Sameer Africa Limited. It has effected on its operational budgets leading to weakening sales volumes which interprets to lessening profits (Lewa & Makaya, 2008).The firm recounted Sh15 million net loss in 2015 paralleled to Sh66 million loss in 2014.Sameer Africa Limited is contemplating on the shutting of its Nairobi tyre workshop owing to the rising competition from low-cost car tyres from Asian fair markets, which has seen the company record two yearly successive loss (Shoreward E A, 2015). Tyre trades plunged by a tenth to Sh3.3 billion owing to rivalry from an inflow of cheaper tyres brought in from fairs such as China. Kenya and other African marketplaces are thus far from carrying out initiatives such as countervailing and anti-dumping levies to counter influx of subsidized tyres and other merchandises from the East (Lewa & Makaya, 2008).

Shoreward E.A (2015) observed that the high rate of power and a bargain in EAC Common External Tariff (CET) for truck and bus tyres to 10 per cent from 35 per cent consequently encourages imports and rendering indigenous manufactures are also other headaches facing Sameer Africa Limited.

Studies done on strategic responses have concentrated on competitive advantage and external setting. Njarua (2009) conducted out a study on responses of Sameer Africa Limited to changes in the external environment and exposed that numerous environmental fluctuations that have affected the actions of the corporation. These encompassed globalization, liberalization, and competition. Njau (2000) carried out a study on strategic responses used by EABL and he determined that an alteration in the competitive position would necessitate the company to choose on strategies to implement. Chepkiyeng (2005) investigated inquiry of tactical responses of commercial banks towards achieving competitive advantage in Kenya and determined that liberalization to be the task that is a risk to the industry. Okello (2014) conducted a study on strategic responses adopted by commercial banks to enhance market penetration of the unbanked population in Kenya and established that commercial banks adopted strategic responses like, Market segmentation, mobile banking, agency banking and micro finance to reach the unbanked population in the country.

From the above, it is clear that there has been no study focusing on the strategic responses adopted by Sameer Africa Limited in coping with the challenges foreign tyres entry in Kenya. The proposed study therefore seek to fill this breach by providing answers to the following research question, What are the strategic responses embraced by Sameer Africa Limited in coping with the challenges foreign tyres entry in Kenya?

1.3 Objective of the study

To establish the strategic responses adopted by Sameer Africa Limited in coping with the challenges foreign tyres entry in Kenya.

1.4 Value of the study

The information of this study was of importance to Sameer Africa Limited. It helped them in understanding different challenges that have come about as a result of entry of foreign tyres. The findings from this study had an impact on the company's marketing strategy to improve on the sale of their products. The findings also assisted the management of the company create and execute their strategies and attend to customer needs and wants.

The findings benefited other firms in the tyre industry as it gave guidelines of what strategies to adopt to cope with the entry of foreign tyres. It helped them in establishing the strategies that had the most effect and how to apply those strategies. The study also established efforts that Sameer Africa Limited provides it with better products and services through adoption of proper strategies. From this study, customers got to know the extent to which the company is focused on customer orientation and whether they should continue being royal customers to the company.

The research provided valuable information regarding strategic responses adopted by Tyre Industry and specifically Sameer Africa Limited to cope with the entry of foreign tyres. Since no adequate study has been done in regard to how Sameer Africa responds to the entry of foreign tyres, this study contributed to the overall body of knowledge plus creates a base for additional research.

CHAPTER TWO: LITERATURE REVIEW.

2.1 Introduction

This segment is based on the literature in the vicinity of strategic response adopted. Secondary material like books and articles with previous study work on the topic are analyzed. The substance is of significance to this paper as it makes a basis for scrutiny to be made during the research in line with all the aims and goals of the study.

2.2 Theoretical Foundation

This section examined the various theories that were used to inform the study on strategic responses adopted. The study was guided by the following theories; Porter's strategy model and Miles and Snow generic strategy typology

2.2.1 Porter's Strategy Model

Michael Porter's (1985) generic strategies of minimal expenditure, demarcation, focal point, and combination strategies are generally allowed as strategic typologies for businesses. As per Porter (1985), a company build ups its strategies to attain a competitive benefit over its challengers. It does this through reacting to the five primary powers that is the risk of new entrants, rivalry of the existing businesses in the industry, the danger of substitute commodities, the bargaining ability of suppliers and the buyers. A business weighs these five aggressive forces in a certain industry, then works towards the development of the market at those spots where the impacts are minimal (Ormanidhi & Stringa, 2008). Koo, Koh and Nam (2004) says that if a firm is a small-outlay manufacturer, it may prefer commanding customers and vend them the goods that are not vulnerable from substitutes. The business strategizes to be slightest vulnerable to aggressive effects while taking advantage of its exclusive nature. A firm can get competitive gain by changing the competitive strengths. For example, businesses depicts obstacles to prevent new entrants from entering the industry by refining exceptional or capital-intensive resources that upcoming firms can't reproduce with ease. Busineses also enlarge bargaining influence over their buyers and suppliers by multiplying their consumers' switching expenses and lowering the own cost of switching suppliers (Ali Mahdi, Abbas, Mazar & George, 2015).

Porter (1985) says that to be a prosperous a firm that need to accept one or more of three broad competitive policies; cost leadership, demarcation, or market focus and that the company's strategic preference determines its productivity and competitiveness. Using a cost-based plan, a business can progress its competitive position by reducing its manufacturing and selling expenses. A minimal fee structure can advance profitability and market distribute. As per Ormanidhi and Stringa (2008), cost headship is focused on gaining spirited lead by having the minimal cost in the sector. To attain a low-cost benefit, a business should have a minimal-cost leadership strategy. Azadi and Rahimzadeh (2012) started a low-cost leadership approach is well set when the firm designs, produces, and markets an equivalent commodity and with efficiently than its challengers.

As per Porter (1985), a business may trail a strategic improvement by differentiating its commodity from those of the rivals. Exceptional and innovative commodities with inspired marketing, a business can craft and look after the well-built product gratitude and the buyer loyalty (Ali Mahdi et.al, 2015). According to Azadi and Rahimzadeh (2012), when utilizing the differentiation plan a business focuses its strengths on availing an exceptional commodity. Since, the commodity is exclusive; this strategy gives high consumer loyalty. Product separation meets a buyer want and encompasses tailoring the commodity to the buyer. The differentiation policy is effectively settled when the company provides differentiated or superior worth to the buyer via the product superiority, operations, or after-sale hold up. Businesses using the differentiation model than can cost a high price for their goods based on the product traits, the liberation system, eminence of service, or the distribution media. The asserts may be real or be viewed based on fashion or image

A firm may get a strategic benefit by specialization and focus on the market and avoiding broad market competition (Porter, 1985). Ormanidhi and Stringa (2008) state that businesses can select to focus on a certain customer group, range of products, geographical region, or service line. Spotlight is based on taking on a narrow cutthroat scope in the industry. Focus tries to develop the market split via operating in a place market or in the markets either not smart to, or overlooked by the bigger rivals. These niches comes from many aspects such as geography, customer traits, and service requirements. A winning focus strategy is attached to an industry section huge enough to have superior enlargement latent but not of critical need to other big competitors. Market infiltration or the market advancement can be a need focus strategy (Ali Mahdi et.al, 2015).

2.2.2 Miles and Snow Generic Strategy Typology

Advanced by Raymond Miles and Charles Snow (1978), generic strategy typology explains why and to the extent firms within the similar industry vary in their strategies. Miles and Snow (1978) came up with four configurations of the firm strategic deeds as the answers to the problem of adaptive phase. The classification of businesses is done in according to the critical strategic elements as the level to which the firm is trying to come up with changes in its goods and markets (or both), that is as per the way in that companies are laboring to produce their environment through a sequence of choices that are connected to the markets, commodities, technologies, point of process and others (Kazaz, Er, Ulubeyli & Ozdemir, 2015). Miles and Snow's plan suggests that each firm has a central feature which is the effect of actions undertaken by the main decision-makers and their thinking of the operational environ and which determines whether a company will be proactive or reactive (Wronka-Pośpiech & Frączkiewicz-Wronka, 2016). As per Miles and Snow (1978), the businesses with time will develop a certain internal consistency, trying to bring about their strategies.

Miles and Snow (1978) states that defender companies wins competitive benefit through becoming more prosperous in existing markets with the current commodities, with the minimal rank of uncertainty as per other strategic types. Defenders excel in a certain, limited size of markets and production ways, and are sluggish to accept the major operational alterations. Managers in these companies favor the highly focused competencies in some, specific areas, and puts minimal priority on the new strategic invetments (Kazaz, Er, Ulubeyli & Ozdemir, 2015). According to Wronka-Pośpiech and Frączkiewicz-Wronka (2016), the firm retains the internal focus by putting concentrations on a minute set product-market area with a corresponding loss of compliance to changes in the surroundings.

Miles and Snow(1978) argued that prospector companies gets a competitive benefit through the company taking into the markets with innovative products and by quickly accepting new technologies. The business has external focus on regularly adapting to the market alterations, but with a likely loss in operational efficiency (Gnjidić, 2014).Most often, prospector leaders' take innovation as the firms's key competitive benefit. Kazaz, Er, Ulubeyli and Ozdemir (2015) establishes that prospector businesses are characterized by a muscular and reliable investigation of new markets, technological utilization, product designs, and company operations.

According to Miles and Snow (1978), analyzer businesses combines both the defender strategies and prospector strategies. Analyzer companies tend to move towards vigilant activism, expecting the advantages of latest operational formula to be evident before taking the new ways in. Leaders in analyzer companies most probably grip a look prior to leaping decision-making approach in its place of a prospector's first mover benefit policy. While these leaders know that their companies may overlook some opportunities via caution, they also see these probable damages as insurance against the expensive and nonproductive operations (Kazaz, Er, Ulubeyli & Ozdemir, 2015).

Reactor companies do not get a competitive gain since they lack apparent and short association among the configuration and strategy (Miles & Snow, 1978). These firms fluctuate between the other three strategies, replicate competitor strategies, simply react to occurrences and crises in the business operational environment, or take on any and all of the preceding non-strategies in a figure of combinations (Gnjidić, 2014). According to Kazaz, Er, Ulubeyli and Ozdemir (2015), these strategies would stay steady across the era of a company in the most of cases.

2.3 Strategic Responses

Mitchell (2014) establishes that strategic responses are based on an interactive process where the existing market environment is analyzed to forecast possible challenges that the firm might face in future as well as any future opportunities. According to Hills and Jones (2014), when a business fails to react to a threat, the damages that arise continue to build up. The strategic reply process is started once the rational prompt point is reached. This is the point at which accumulated data shows that there is serious decline in performance which cannot be reversed and that special counter measures are required. Reactive management occurs if the start of the response is delayed past the trigger point. The start of response is delayed past the rational trigger point due to four factors; systems setback, verification wait, political delay and unfamiliarity delay (Ansoff and McDonnell, 2000).

The organization will incur double costs due to delayed reply to discontinuous alterations. These are the increasing the returns and the cost incurred in reversing the failure (Powell & Baker, 2014). David (2001) posits that in order for organizations to thrive in a self-motivated and highly competitive business environ, they must engage in various strategic responses. Effective strategic responses may enable a business to influence the environment in its favour and even defend itself against competition. Given the existing focus in business, there is necessity to understand competitor strengths in the marketplace and then ranks one‘s own offerings to take benefit of weaknesses and avoid head on clashes against strengths (Lee &Jay, 2015)

Total Quality Management (TQM), is one of the strategies a firm may use to respond to entry of new rivals (Ansoff & McDonnell, 2003). TQM focuses on finding out meeting and exceeding consumer wants and expectations via total involvement of everybody in the firm and through a continuous improvement. The method of TQM implementation needs exception abilities and team work that call for continuous employee training and development (Pearce & Robinson, 2003). This strategy can best be used to learn from the best players in the Industry and adopt the strategies.

Hills and Jones (2014) establishes restructuring can be used by a firm as its strategy. Restructuring means redesigning an organisation's arrangement with the aim of emphasizing and enabling actions most critical to a firm's strategy to function at maximum effectiveness (Grant, 2000). It encompasses fundamental reasoning and radical changes to the business process so that an organization can create worth for the buyers by cutting down barriers among staffs and customers through a process of reengineering. Powell and Baker (2014) posit that downsizing and self-management are also reengineering processes used to structure organization to help in strategy implementation.

Ansoff and McDonnell (2000) establishes that most organizations adopts differentiation, product development, market segmentation, low cost strategies to cope with the challenges of stiff competition. David (2001) establishes that companies adopt different strategies in different directions. According to Pearce and Robinson (2003), differentiation is the key strategy that is used by most organizations, it aims to build up competitive advantage by offering unique products which are characterized by valuable features, such as quality, innovation, and customer service. Strategies that dependent on differentiation are designed to appeal to customers with a special sensitivity for a particular product attribute. Grant (2000) states that differentiation fulfils a customer need and involves tailoring the product or service to the customer.

2.4 Empirical Literature

A number of empirical studies have been conducted in relation to strategic responses. Esterhazy (2014), did a study on strategic responses to the German Excellence Initiative.

Data was collected using document analysis and qualitative interviews. Target population was strategic managers. The findings revealed that several organizational changes took place that can be considered strategic responses to the Excellence Initiative. A large part of the strategic behavior was deliberately triggered by the organizational leadership but several changes also emerged from within the organizations.

Narteh (2016), did a research on strategies used in response to environmental changes in Barclays bank of Ghana ltd. The research problem was solved through the use of a survey design. Responses were sought from Managers or executive committee members who had been in the organization for at least three years. Primary data was collected through questionnaires. The data collected was analyzed through descriptive statistics. The major challenges that had greatly affected the growth of the banks included; employment laws, political instability, interest rates, low economic growth rates, increase in automation and high rate of technological change. The main response strategies which enabled these banks to remain in business was opening new branches

Njau (2000) investigated strategic responses by firms facing changed competitive conditions, the case of East Africa Breweries Limited. Primary data was collected using open and closed-ended questionnaires from executives of East African Breweries Limited. The study revealed that EABL has made various changes in its principal brewing and bottling technologies by investing in new equipment so as to make competitive products. The company has also changed the basic products by adding new features. The study also revealed initiatives to penetrate new market niches. The study established that EABL's philosophies are now more specific and are directed towards enhancing excellence in customer service. EABL has made changes in the ranking of their goals. Survival now ranks as the most important goal, while before liberalization, profitability was the most important. The various policies have also been changed. The marketing policy currently advocates for more aggressive approach. The strategic variables have also been adjusted either moderately or significantly. The most adjusted strategies are those of product and promotion. The products have been significantly improved in quality, features and variety. Advertising expenditures have been dramatically increased. In market research the firm has significantly increased information gathering on competitors and customer needs. The other strategies such as pricing and distribution have been moderately adjusted. By undertaking various strategic responses, EABL was able to not only defend its market share but also to increase its profitability and efficiency.

Chepkiyeng (2005) carried out a study on an analysis of strategic responses of commercial banks towards attaining competitive advantage in Kenya. The study employed a descriptive research design. A self-administered questionnaire was used as major tools of data collection. data was collected from thirty three selected commercial banks in Nairobi and from each bank two managers in general managers department and human resource or marketing department were targeted as the principal respondents. The study established that commercial banks are faced with many challenges and liberalization was taken to be the challenge that is a threat to the industry. In this study, Information Technology appears to be a strategic move by the banks to lay a basis for offering services geared towards facilitating emerging trends in trade such as E-commerce. The study also revealed that a number of strategic marketing variables are manipulated by commercial banks to respond to a competitive intensity in the banking sector. These include; developing new products, and market development and market focus. Further the study revealed that branding of corporate building and nature of internal communication are most notable changes relating to corporate culture most effected in commercial banks.

Okello (2014) conducted a study on strategic responses adopted by commercial banks to enhance market penetration of the unbanked population in Kenya. Descriptive research design was used. The population of the study was drawn from the heads of strategy or their equivalent in 43 commercial banks. The study concluded that Commercial banks employed strategic responses like, Market Segmentation, Mobile Banking, Agency Banking and Microfinance to reach the unbanked population in the country. The study also established that organizational strategy is one of the broadest and most complex concepts used in studying organizations.

2.5 Summary of the Literature

Many scholars have done wide-ranging studies on the strategies used in other industries, like manufacturing, telecommunication, power and banking (Hills &Jones, 2014), but none has looked at strategies adopted Sameer Africa to cope with entry of foreign tyres in Kenya. Due to the increased antagonism in this region, there is a necessity to consider the strategies utilized by Sameer Africa in the competitive economy, policies that have enabled room to survive the ever-increasing competition challenge from the foreign cheap tyres. An information gap is evident. This research will give insight to the local companies on the ever-rising problem of competition in the Kenyan industry. International firms and strategy researchers may find the paper useful for further study on strategies and rivalry in other regions or within some specified parts of the Kenyan market.

CHAPTER THREE: RESEARCH METHEDOLOGY

3.1 Introduction

This chapter detailed the methodology that was used in the research. It discussed the research design, data collection and analysis and why they are the most preferred for the study.

3.2 Research Design

A research design confers to the method the study is premeditated, that is, the process used to perform a research (Creswell, 2006). The study used a case study as its research design. This design enabled the researcher to carry out an in-depth investigation of the organizations. According to Kothari(2004), a case study is a system of qualitative examination that comprises a cautious and comprehensive observation of a societal entities e.g. people, families, institutions or the entire community. The research design will be used to give an in depth account of strategic responses adopted by Sameer Africa Limited in coping with the challenges foreign tyres entry.According to Greener (2008), a good research design must produce all-out information and offer a chance for seeing several diverse facets of the problem. A study design is overseen by the idea of “fitness” for the tenacity and consequently the resolve of the research defines the approach and the strategy of the research.

3.3 Data Collection

The researcher used primary data for the purpose of this study. The primary data was collected by an interview guide with open-ended questions which were administered to General Manager sales and marketing, General Manager Operations, Human Resource Manager, Information and Technology Manager, Import and Clearing Manager, Audit and Risk Manager and Strategic Manager of Sameer Africa Limited as the respondents. This involved in-depth discussion through individual meetings with the managers of SAL. With unstructured queries, a respondent's account may provide a comprehension to his state of mind, background, enthusiasm, wellbeing and judgments and contribute as much evidence as possible devoid of holding back (Greener, 2008). Copper and Schindler (2006), emphasize the value of personal interview when they stated that it enables in depth and detailed information to be obtained.

3.4 Data Analysis

The qualitative data was scrutinized using content analysis method. According to Mugenda and Mugenda (2003) the core drive of content scrutiny is to study the current information in order to decide dynamics that describe a particular occurrence. According to Kothari (2004), content breakdown uses an agreed upon classification for constructing usable and replicable conclusions from statistics to their setting. The answers from different respondents will be matched and summarized according to the aims of the study. Content analysis is the best technique of exploring the open-ended answers because of its flexibility and permits for unbiased, methodical and measureable account of the content of statement.

CHAPTER FOUR: DATA ANALYSIS RESULTS AND DISCUSSION

4.1 Introduction

This chapter presented data analysis and discussions. The study objective was to determine the strategic responses adopted by Sameer Africa Limited in coping up with the challenges of foreign tyres entry in Kenya. Primary data was collected through in-depth interviews which were administered to top management of Sameer Africa Limited. The data was thereafter analyzed based on the objectives of the study and the findings are as presented as per the different classes underlined below.

4.2 Major Changes that have Affected Sameer Africa Limited in the Last 5 Years in the External Environment

The interviewees indicated that the firm has been making losses for the last five years, reporting Sh15 million net loss in 2012 compared to Sh66 million loss in 2014. Its best performance in the last five years was in 2013 when it announced Sh401 million net profit.

In 2015, for instance, the firm produced tyres worth Sh2.4 billion down from Sh3 billion in the previous year. This highlights the turmoil the firm has been facing. The interviewees said that the firm had been forced to take a relook at its manufacturing business in the face of dwindling sales at home and all the regional markets of Burundi, Tanzania and Uganda.

This losses have been as a result of external environment changes such as political changes, technological changes natural, geographical changes and legal changes. The interviewees also established other environmental changes that affected the operations of Sameer Africa Limited were new legislative and government policies. In addition the interviewees indicated that higher rental income from the existing Sameer Business Park, which generates about Sh180 million a year has largely affected the business.

4.3 Strategies Employed by Sameer Africa Limited in Responding to the Challenges

Organizations must formulate strategic plans that are consistent with the use of manufacturing technology to be successful in the globally competitive and rapidly changing environment. The interviewees indicated that Sameer Africa Limited has employed a high level of technology which impacts the overall strategic planning process. Sameer Africa Limited has embarked on a diversification strategy where it diversified its portfolio into assets, that is, property and into distribution via retail shops set up in the major towns of the country. The property includes Sameer Investment Park, Sameer Export Processing Zones, Sameer Business Park and the retail shops including the Yana Tyre Centres. In addition, the interviewees indicated that the firm has expanded its product portfolio by importing other brands such as Bridgestone, Hankook, Dunlop and other Chinese tyres. This is to supplement the local production so as to keep abreast with the changing technology.

4.3.1 Effect of Total Quality Management in Solving Challenges at Sameer Africa Limited

Under this question, the interviewees indicated that Total quality management (TQM) has helped the company in solving challenges in a wide range. They stated that it has helped in improving the eminence of the firm’s commodities by focusing on the buyers’ wants and expectations that has helped them improve consumer contentment and business’s performance. Through TQM, the company is giving training to all their staffs to develop their proficiencies in their activities. The respondents said that efficient training in management and advancement in worth brings triumph for the companies. Employees' effective awareness and learning ability will offer sustainability management in the company.

4.3.2 Business Re-Engineering Process in Solving Challenges at Sameer Africa Limited

Under business re-engineering process, the interviewees indicated that global competition, economic pressures and the potential offered by the emerging technologies are pushing the firm to fundamentally change its way of operating and rethink its organization processes. Many organizations have agreed that effective business process re-engineering is one effective way of gaining competitive advantage. The interviewees indicated that Sameer Africa Limited has adapted stronger links with enabling technologies which has helped in solving challenges of foreign tyres entry. According to the interviewees, the company has been able to re-invent the means it works to please its buyers, to be aggressive, to cure systemic procedure and behavioral challenges, to improve potential to enlarge to other industries, to hold an era of change, to please its consumers, staffs, and other stakeholders who want them to be different and to generate different outcomes, to endure and be successful in the long-standing and to devise the regulations of the game.

4.3.3 Downsizing and Self-Management in Solving Challenges at Sameer Africa Limited

Under this question, the interviewees indicated that downsizing is at present one of the major strategies used in the firm in an attempt to survive and battle in the existing business environment. Sameer Africa Limited has implemented downsizing since its benefits persists. The interviewees stated that downsizing eliminates redundancies and reduces employment costs. This practice has helped the company compete efficiently and improve profitability. Downsizing strategy has offered the best option for long-term, sustainable performance. Successful downsizing goes well beyond simply reducing total staff numbers and changes to the company's structures. Downsizing have positive impact on the company's employees, which has led to improved organization loyalty, better quality and service provision.

4.3.4 Tyre Differentiation in Solving Challenges in Kenya by Sameer Africa Limited

The interviewees indicated that Sameer Africa Limited purchases high quality tyres. They stated that a wide range of tyre products is an important factor for achieving brand loyalty. This gives Sameer Africa an opportunity to enhance and sustain its distinctiveness among competitors. The reliability and durability of Sameer Africa products allows unique synergies for the brand to be developed and represented. The uniqueness of Sameer Africa brands are the overall impression of the company. Sameer brand has enabled the company to differentiate itself from the competitors. This has attracted customers because of the company's strong corporate brand recognition and trust. This involves differentiating it from competitors' products as well as a firm's own products.

4.3.5 Competitive Advantage Used by Sameer to Respond to Turbulent Business Environment

The interviewees stated that Sameer Africa Limited uses competitive advantages to respond to turbulent business environment. Sameer Africa Limited uses different respond strategies like; market and product development, vertical integration, research and development, price fluctuations among others to respond to turbulent business environment. The interviewees indicated that market and product development highly helps Sameer Africa to respond to turbulent business environment. When for instance there is high competition in the market, Sameer Africa Limited would develop a market or product to counter the completion. Research and development helps the company in discovering new products and new ways of offering services to the customers hence enhancing the competitive edge of the company.

4.4 Financial Resources Challenges in Implementation of Strategic Responses at Sameer Africa Limited

The interviewees said that it is well demonstrated that resources are important when they facilitate a company to implement strategies that get better its competence and effectiveness. This is done through proper resource allocation. They stated that resource allotment is a critical matter in providing efficient utilization of resources in the business process execution. The interviewees also indicated that the cost element has been a huge challenge to Sameer Africa Limited due the rising costs of raw materials and energy. The raw materials used at the plant are mostly oil based and due to the continued rise in crude oil prices over the past ten years, there has been a marked increase in prices of the raw materials. Energy costs in Kenya have almost tripled in the past ten years and consequently increasing production costs.

4.5 Review Rate of Strategies Responses Adopted by Sameer Africa Limited

Response strategies plan must be an element of a wider business continuity plan that includes policies for responding to and recovering from occurrences when they happen. Ensuring the company continuity map is dependable and update will help the company resume operations quickly after an incident and reduce the impact to the business. Regular reviewing response strategies is essential for identifying new factors and monitoring the effectiveness of the company’s risk and benefits treatment of response strategies. The interviewees indicated that Sameer Africa Limited reviews its strategic responses frequently. They indicated that there is always the need to test, evaluate and update the response strategies in the company as they can change the business, the industry and the environment it operates in change.

4.6 Factors That Influence the Adoption of Strategies in Sameer Africa Limited to Cope With the Challenges of Foreign Tyre Entry

The interviewees indicated that the entry of new players in the industry made the company adapt to new strategic responses. They said that the adaptation of the strategies would help the company curb competition. Another factor stated was globalization. They stated that the company has sought new ways to obtain strategic advantages and sustain competitiveness. The changing technology is another factor. The computer and developments in telecommunication are the aspects of Information Technology (IT) that have made Sameer Africa Limited transform its business environment and processes. The interviewees stated that the advances in technology has led to a drastic improvement in productivity and reduction in costs. Telecommunications has improved the speed with which information is transmitted thus facilitating speedy decision making. Sameer Africa Limited has engaged itself in information technology where the technology has become indispensable ingredient in the company in several strategies that has enabled it to meet challenges of change.

4.7 Factors that have Affected Sameer Africa Limited

4.7.1 Effects of Liberalization of Tyre Industry at Sameer Africa Limited

According to the interviewees, the introduction of liberalization in 1992 led to the deregulation and removal of government controls. Sameer Africa Limited was operating as a monopoly therefore the removal of the controls meant that the monopoly era had come to an end. Liberalization led to opening up the Kenyan market to other players and consequently there was a sharp rise in the importation of cheap tyres.

The interviewees indicated that liberalization of the tyre industry created a huge market for grey products imported tyres that entered the market without paying import duty and tax thereby making them cheaper. This challenged the firm in a way it had never been challenged before. The market was flooded by second hand tyres and tubes, as well as by new tyres and tubes that were dumped into the market by importers who avoided paying duty. Many of the importers were former distributors of Sameer Africa Limited tyres and tubes. This meant a marked reduction in Sameer Africa Limited profits and increased competition from cheap imports.

4.7.2 Rapid Advances in Importation of Cheap Asian Tyre Counterfeit Tyres

Under this question, the interviewees stated that Sameer Africa has been importing tyres from China to meet a strong demand for low priced products in the Kenyan market. This led to a low importation Asian tyres. The company also installed a light truck tyre assembly machine recently and also increased capacity. The interviewees said that they started importing tyres from China since they were not making enough money from their tyre production unit and so they borrowed to finance the importation of tyres that they did not make. The Chinese brands imported by Sameer Africa include Dyna and Triangle. The tyres are affordable but very durable.

4.7.3 Impact of Entry of Foreign Tyre

The interviewees said that the entry of foreign tyres in Kenya affected the company’s business. The imports especially from China and India are cheap and affordable and due to these Sameer Africa once loyal customers are shifting from the locally manufactured tyres to the more affordable tyres. This has had an effect on the market share which is slowly dwindling and its profits are slowly declining.

4.7.4 Effect of Rapid Advances in Technology

Companies rely on technology from the decision of a solo entrepreneur to purchase a new laptop to a growing company's roll out of time-management software. According to the interviewees, newer technologies are being adopted by major tyre manufacturers in the world. This has led to the shifting of customer preferences from bias to radial tyres and tube type to tubeless. The adoption of this technology is extremely capital intensive. There is also a shift to newer types of tyres such as the super single, low profile and the run flat tyres. Production of these types of tyres involves acquisition of new and modern equipment and therefore becomes a very expensive venture. The return on investment has been difficult to achieve due to the company’s low volume of production.

4.7.5 Effect of Government policy in Adoption of Strategic Responses

The interviewees responded on the question about government policy by stating that government policies have affected pricing strategies in the industry. The introduction and implementation of the East African Community Common External Tariff (CET) in 2005 by the government affected the company. This led to lowering of the import duty rates on all tyres leading to an influx of imports into the Kenyan market. The production of tyres involves a substantial use of oil based raw materials. Therefore the increase in international oil prices has caused the prices of these oil based raw materials to go up. The cost of these raw materials in the major categories has increased by between 4% and 5% in the past five years translating into higher production costs leading to higher tyre prices. They also stated that the Government has had an influence on the pricing of the tyres though monetary policy. This has led to uncertainty in value of the shilling in relation to other currencies in term of export market.

4.7.6 Effect of Organizational Changes in Sameer Africa to Strategic Responses

The interviewees indicated that the company uses structural and cultural changes. They indicated that organizational culture has consistently emerged as a pivotal variable in determining the success of efforts to implement change in Sameer Africa Limited. The respondents stated that culture is an intangible yet ever present theme that provides meaning, direction and the basis of action in the company. Culture helps them nurture key themes or dominant values within the company. It also helps them reinforce the competitive advantages they seek, such as quality, differentiation, cost and speed. Organizational structure is another pertinent factor that influences the adoption and implementation of strategy. Organizational structure inhibits or enhances the adoption and implementation of business strategy as well as manager’s knowledge and attitude and industry competition which sometimes tends to push the company to act in certain ways to remain competitive.

4.7.7 Impact of Strategic Responses adopted by Sameer Africa Limited

The interviewees indicated that Sameer Africa Limited strategic responses have been positive. Market and product development has helped the company in responding to turbulent business environment. Organizational culture has helped bring effectiveness and competitive advantage to the organization. Cultural perspective has been useful for understanding innovation process in the organization. Business re-engineering, downsizing and tyre differentiation are critical to the survival of many firm. Scanning the business environment is very important and it helped in identifying early signals of environmental changes and trends. The firm has been assessing the business environment in the determining the timing and importance of environmental changes and trend for firm’s strategies and their management.

4.8 If Sameer Africa have Appropriate and Adequate Management to Implement the Strategies

Under this question the interviewees indicated that Sameer Africa has a very strong and educated management team. They frequently carry out strategic planning process which is an annual event that is highly formalized, rational and analytical so that to come up with ideas of how to progress the company. The group-managing director of Sameer Africa plays a dominant role in strategic planning and is a very influential figure in providing the right culture. Strategic plans are developed by top management, functional and operational staff. Sameer Africa's planning management team integrates business experience and intuition with rigorous analysis. Factors such as organizational size, complexity, degree of competition, the need for internal consistency and comprehensiveness help them determine how formal or informal the planning system will affect the company.

The marketing function plays a key role in strategic planning. However, much emphasis is placed on marketing research and financial analysis tools. The management meet for strategic planning at both corporate and business levels. However strategies at both levels are interrelated. All the parts of the business work to accomplish the over-riding Sameer Africa's corporate mission. Implementation of results is routinely and rigorously measured and creative methods for encouraging breakthrough thinking are used to collect data to feed on to strategy response development.

4.9 How Sameer Africa has Managed to Maintain Customer Loyalty during the Period of Rapid Importation of Cheap Foreign Tyre

A reliable brand enhances and sustains the company's competitive advantage among the customers. Under this question, the interviewees indicated that the company managed to maintain brand loyalty by adapting brand differentiation is a conviction for customer brand preference. The interviewees revealed that customers were influenced to purchase Sameer Africa brands because the company offered a wide range of tyre products. In addition, the company had different types of Sameer brands available in any shop. Providing a wide range of tyre products is an important factor for the company branding decision and management. Brand differentiation is one of the most critical factors that has led to customer brand loyalty. This shows that Sameer Africa has an opportunity to enhance and sustain its distinctiveness among competitors.

4.10 Reason why Sameer Africa Considers Importing Tyres instead of Manufacturing to Combat the Stiff Competition from Foreign Tyres

Under this question, the interviewees indicated that they considered importing tyres rather than manufacturing. This is because customers are opting to purchase the cheap imported tyres and consequently the effect on the business is a decline in tyre sales. The overall economic performance has been fluctuating and the economy has been on a downturn with inflation rates going up and the continued weakening of the shilling. Due to these changes, the market has become price sensitive and is opting to purchase lesser priced tyre.

4.11 Discussion of the Findings

The study sought to establish the major changes that have affected Sameer Africa limited in the last 5 years in the external environment. The study findings indicated that the firm has been making losses for the last five years, reporting Sh15 million net loss in 2012 compared to Sh66 million loss in 2014. Its best performance in the last five years was in 2013 when it announced Sh401 million net profit. In 2015, the firm produced tyres worth Sh2.4 billion down from Sh3 billion in the previous year. This highlights the turmoil the firm has been facing. The study found that the firm had been forced to take a relook at its manufacturing business in the face of dwindling sales at home and all the regional markets of Burundi, Tanzania and Uganda. The findings are in line with Burnaby and Hass (2012) who found that organizations increasingly face a multitude of risks that, if not identified and integrated into an overall business strategy, may result in lost revenues or business failure.

The study found the effect of rapid advances in technology in Sameer Africa Limited. It indicated that aspects of Information Technology (IT) have transformed business environment and processes. It was also found that that the advances in technology has led to a drastic improvement in productivity and reduction in costs. Telecommunications have improved the speed with which information is transmitted thus facilitating speedy decision making. Sameer Africa Limited has engaged itself in information Technology where the technology has become indispensable ingredient in the company in several strategies that has enabled it to meet challenges of change. This findings are in line with Gilley (2006) findings who stated that technology has been in response to the need for a streamlined system, enhanced accountability, robust internal controls and provision of real time data for decision making in every business.

The study also found how Sameer Africa Limited survive during a period of rapid business competition. It stated that management has already built up its market over time where decision on the overall entry strategy differ in aggressiveness, risk and the amount of control that the firm is able to maintain. Many strategies existed with differing levels of company’s involvement where the level of involvement and decision making are positively related to the level of risk and control the company wished to undertake. The strategic decision on entry is made and it fundamentally benefits the firm, including its operations and its management. The decision to stay in the market and compete remains an important innovation. This concurred with Andexer (2008) who stated that if nobody is competing in your business space, there's a very good chance the market you're going into is too small.

The study found that downsizing is currently one of the most popular strategies being used in the firm in an effort to survive and compete in the current business environment. Sameer Africa Limited has implemented downsizing since its benefits persists. The study found that downsizing eliminates redundancies and reduces employment costs. This practice has helped the company compete efficiently and improve profitability. Downsizing strategy has offered the best option for long-term, sustainable performance. The findings are in line with Lee (2009) who stated that successful downsizing goes well beyond simply reducing total staff numbers and changes to the company's structures. Downsizing has a positive impact on the company's employees since it leads to improved organization loyalty, better quality and service provision.

The study found that government policies have affected pricing strategies in the industry. The introduction and implementation of the East African Community Common External Tariff (CET) in 2005 by the government affected the company. This led to lowering of the import duty rates on all tyres leading to an influx of imports into the Kenyan market. The production of tyres involves a substantial use of oil based raw materials. Therefore the increase in international oil prices has caused the prices of these oil based raw materials to go up. This is in line with Wagner (2009), who stated that Government influence affects many businesses in a country. He stated that imposition of heavy tax affects businesses negatively.

The study found the competitive advantage used by Sameer Africa Limited. It found that Sameer Africa Limited uses different respond strategies like; market and product development, vertical integration, research and development, price fluctuations among others to respond to turbulent business environment. The study found that market and product development highly helps Sameer Africa to respond to turbulent business environment. When for instance there is high competition in the market, the firm would develop a market or product to counter the completion. The findings concur with Zhang (2011) who asserts that firms adopt market/product development strategy to prolong the life cycle of current products or to take advantage of a favorite reputation or band name.

The study found factors that influence the adoption of strategies in Sameer Africa Limited. The study found that the entry of new players in the industry made the company adapt to new strategic responses. The findings indicated that the adaptation of the strategies would help the company curb competition. Other factors stated were globalization and changing technology. The study found that advances in technology has led to a drastic improvement in productivity and reduction in costs. Sameer Africa Limited has engaged itself in information technology where the technology has become indispensable ingredient in the company in several strategies that has enabled it to meet challenges of change. The findings concur with Timmons and Spinelli (2014) who argued that technology has been taken into more and more connections with operations strategies. The authors found that organizations must formulate strategic responses that are consistent with the use of technology to be successful in the globally competitive and rapidly changing environment.

The study found factors that have affected Sameer Africa Limited. It stated that the introduction of liberalization in 1992 led to the deregulation and removal of government controls. Liberalization led to opening up the Kenyan market to other players and consequently there was a sharp rise in the importation of cheap tyres. Liberalization of the tyre industry created a huge market for grey products imported tyres that entered the market without paying import duty and tax thereby making them cheaper. The market was flooded by second hand tyres and tubes, as well as by new tyres and tubes that were dumped into the market by importers who avoided paying duty. The findings concur with Mwangi (2016), who stated that factors like reduction in custom duties for tyre importation, high cost of electricity and underutilization of factory capacity have impact businesses adversely and this leads to loss of jobs in the factory.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary, conclusions and recommendations of the study. This study focused on strategic responses adopted by Sameer Africa Limited in coping with the challenges foreign tyres entry in Kenya.

5.2 Summary of the Findings

From the findings, Sameer Africa Limited has engaged itself in Information Technology where the technology has become indispensable ingredient in the company in several strategies that has enabled it to meet challenges of change. Advances in technology has led to a drastic improvement in productivity and reduction in costs. Telecommunications have improved the speed with which information is transmitted thus facilitating speedy decision making.

The study found that the management of Sameer Africa Limited has already built up its market over time where decision on the overall entry strategy differ in aggressiveness, risk and the amount of control that the firm is able to maintain. Many strategies existed with differing levels of company's involvement where the level of involvement and decision making are positively related to the level of risk and control the company wished to undertake. The strategic decision on entry is made and it fundamentally benefits the firm, including its operations and its management.

From the findings, downsizing is currently one of the most popular strategies being used in the firm in an effort to survive and compete in the current business environment. Sameer Africa Limited has implemented downsizing since its benefits persists. The study found that downsizing eliminates redundancies and reduces employment costs. This practice has helped the company compete efficiently and improve profitability.

The findings established that government policies have affected pricing strategies in the industry. The introduction and implementation of the East African Community Common External Tariff (CET) in 2005 by the government affected the company. This led to lowering of the import duty rates on all tyres leading to an influx of imports into the Kenyan market. The production of tyres involves a substantial use of oil based raw materials. Therefore the increase in international oil prices has caused the prices of these oil based raw materials to go up.

From the findings, Sameer Africa Limited uses different respond strategies like; market and product development, vertical integration, research and development, price fluctuations among others to respond to turbulent business environment. The study found that market and product development highly helps Sameer Africa to respond to turbulent business environment. When for instance there is high competition in the market, the firm would develop a market or product to counter the completion.

The study findings indicated that entry of new players in the industry made the company adapt to new strategic responses. The adaptation of the strategies would help the company curb competition. The study found that advances in technology has led to a drastic improvement in productivity and reduction in costs. Sameer Africa Limited has engaged itself in information technology where the technology has become indispensable ingredient in the company in several strategies that has enabled it to meet challenges of change.

5.3 Conclusion

The study concludes that advances in technology has led to a drastic improvement in productivity and reduction of costs in Sameer Africa Limited. It also concludes that the management of Sameer Africa Limited has already built up its market over time where decision on the overall entry strategy differ in aggressiveness, risk and the amount of control that the firm is able to maintain. Sameer Africa Limited has implemented downsizing since its benefits persists. The study found that downsizing eliminates redundancies and reduces employment costs. This practice has helped the company compete efficiently and improve profitability.

The study concludes that the level of technology deployed in an organization impacts the overall strategic response. The study found that advances in technology has led to a drastic improvement in productivity and reduction in costs. The study concludes that market and product development highly helps Sameer Africa to respond to turbulent business environment. It is concluded from the study that strategic responses contribute to the long-term competitiveness and performance of the business.

5.4 Recommendations

The study recommends technological enhancement in the company because it was found in the study that the level of technology deployed in an organization impacts the overall competitiveness and performance. The study found that organizational culture helps bring effectiveness and competitive advantage to organizations hence it recommends Sameer Africa to consider cultural perspectives in their company as it is an important determinant of innovation.

The study found that market and product development is very important for Sameer Africa in responding to turbulent business environment. The study recommends the management of Sameer Africa Limited to implement this strategy as it would help the company to prolong the life cycle of current product or take advantage of a favorite reputation.

The study found diversification as changes in products, markets or functions that can be done internally or externally, horizontally or vertically; and it can involve related and unrelated changes. Due to this, the study recommends the management to adopt this strategy as it will help the firm to diversify into new markets and new products by exploring the current competencies, creation of genuinely new markets and development of new competence for new market opportunities.

5.5 Implication on Policy and Practice

Some of the findings in this study call for a review in some of the policies and practices that are undertaken on strategic response by Sameer Africa Limited in coping with the challenges foreign tyres entry in Kenya. This study is important to policymakers because it will help them provide a framework upon which more efficient and effective strategic responses can be built on. Policy makers at various levels of management will be able to gain value added information on adapting business strategies in response to challenges of foreign tyres entry in Kenya. For instance, the managers responsible for strategy may use the findings to formulate effective monitoring and control systems to mitigate against the challenges while formulating and adopting business strategies.

5.6 Limitations of the Study

Several challenges that tended to hinder access to information sought by the study were encountered. The findings of this research were limited due to some factors arising in the course of the study. The biggest challenge in conducting the study was due to the fact that the company keeps its strategies confidential because they would use them to gain competitive advantage. Therefore, the respondents were not very willing to disclose their strategies in some cases or give details of how they have implemented their response strategies.

The time available for this study was also limited and especially in data collection considering the interview method of data collection. The other challenge was on accessing all top management of Sameer Africa Limited since at the time of the study, most of them were busy in meetings. Lastly, this study focused on top management only while the other stakeholders were omitted. The findings of this study are therefore limited to the views from top management.

5.7 Suggestion for Further Research

The study focused on strategic responses adopted by Sameer Africa Limited in coping with the challenges foreign tyres entry in Kenya. Competition affects all companies within a given location. This is because every company seems to be a threat to the other. A further study should be carried out to understand the various strategic responses adopted by different companies that are affected by foreign entry of similar products.

Different companies respond to challenges of foreign entry in different ways. Sameer Africa Limited has applied the strategic responses identified in this study. In order to gain a full understanding of why Sameer Africa Limited has chosen to use these strategies, a further study should be carried out. This would focus on the strategic responses available and why Sameer Africa Limited has chosen to use the responses it has adopted.

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APPENDICES

Appendix I: Interview Guide

1. Could you please explain the major changes in the external environment that have affected Sameer Africa Limited in the last 5 years?
2. Describe how the liberalization of tyre industry have affected Sameer Africa Limited?
3. Is financial resources a challenge in implementation of strategic responses at Sameer Africa Limited?
4. What strategies have Sameer Africa Limited employed in responding to the challenges arising as a result of foreign entry tyre?
5. Does Total Quality Management help in solving challenges of foreign tyres entry in Kenya by Sameer Africa Limited?
6. Does business Re-engineering process help in solving challenges of foreign tyres entry in Kenya by Sameer Africa Limited?
7. How has downsizing and self-management influence the adoption of strategic responses by Sameer Africa Limited in solving the challenges of foreign tyres entry?
8. How often do you review the strategies responses adopted by your organization?

9. Does tyre differentiation help in solving challenges of foreign tyres entry in Kenya by Sameer Africa Limited?

10. What major factors influence the adoption of strategies in Sameer Africa Limited to cope with the challenges of foreign tyre entry?

11. Can you explain how the Sameer Africa has been affected by the rapid advances in importation of cheap Asian tyre counterfeit tyres?

12. How has the entry of foreign tyre impacted on Sameer Africa's financial performance?

13. What is the influence of government policy in adoption of strategic responses by Sameer Africa Limited? Explain

14. Do you consider organizational changes in Sameer Africa to be strategic responses?

15. Does Sameer Africa have appropriate and adequate management to implement the strategies?

16. Could you please explain how you have managed to maintain customer loyalty during the period of rapid importation of cheap foreign tyre?

17. Do you consider importing tyres instead of manufacturing to combat the stiff competition from foreign tyres?

18. Can you explain how Sameer Africa Limited has been affected by the rapid advances in technology?

19. What competitive advantage doe Sameer use to respond to turbulent business environment in Kenya?

20. In your view do you think the strategic responses that are adopted by Sameer Africa Limited have a positive impact on the organization? Explain.