STATEGIES ADOPTED BY KNIGHT FRANK KENYA TO INCREASE MARKET SHARE

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DECLARATION

I hereby declare that this research project is my unique original work and has not been submitted as a research project in any other University

Signature……………………………….. Date……………………

Laura Musimbi Esolyo

D61/85814/2019

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

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DEDICATION

This research project is dedicated to my family members for their support and encouragement in my education and in undertaking this research.

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I acknowledge that this project would have not been accomplished without the mercies and grace of the Almighty God and all people who assisted me in undertaking this research project.

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ABSTRACT

Organization success is measured by its profitability, its increase and retention of market share and achievement predetermined goals of the organization. Increasing market share is not only associated with increased financial return of any organization but also increase clientele base, the growth of brand and visibility in the market. It is an objective that organization have to aspire and establish strategies of how to increase and sustain market share. The real estate firm environment is dynamic and an organization operating in this environment with an objective of increasing market share has to adopt strategies to support this objective. This study sort to establish which strategies has Knight Frank Kenya adopted to increase market share in the real estate market in Kenya. The researcher collected primary data through personal interviews of employees of Knight Frank Kenya at a corporate level. Ten members of the management team were interviewed and content analysis was used to analyze data collected. The finding indicated that the real estate market is dynamic and adoption of strategies to achieve organization goals and objectives is key. The study indicated that Knight Frank Kenya had adopted strategies that has enabled the organization to increase their market share in the real estate market. The findings of the study indicated that environmental scanning was critical in determination of the target market the organization would focus on and which strategies to adopt increase market share of target market selected. The environment scanning by the organization was in-depth evaluation of the internal and external environmental. Internal evaluation was primarily on the resources that the organization has which was a critical component that ensured increase of market share. The study established that the technological and human resource have enabled the organization deliver unique, real time and professional real estate management services. The automation of all the activities in the organization ensured seamlessness and transparency of activities in the value chain. The external evaluation enabled Knight Frank establish its market niche considering its resources. It also enabled Knight Frank establish the risk associated with increasing market share in the target market. The case study demonstrates that increase of market share has to be intentional and an objective for an organization in order to achieve it. Evaluation of the environment is key for selection of target market and strategies to increase market share in the real estate market in Kenya. Increase of market share has risks that have to be counted through constant evaluation of the market to ensure strategy continuity. The study recommends that further studies should be carried out on other real estate organization that have a different target market, to establish strategies adopted considering their resources in order to increase market share.

CHAPTER ONE : INTRODUCTION

1.1 Background of the study

Organizations that achieve their long term goals have to focus on key strategies that enable them have competitive edge in a business environment (Porter, 1988). The current business environment is dynamic and have unprecedented turbulent that without strategies an organization would not survive. Organization have a greater task of adopting strategies that will not only enable them to increase their market share but also sustain it.

In the development of strategy (Porter,1988) starts by observing the position of a firm in its industry. Considering, the environment of the firm and assessing which strategy can maximize the performance of the firm. Resource based theory is in contrast to this preposition and indicates that the strategy is established from an inside- outside approach. The firm evaluates its resources and establishes a strategy (Wernerfelt, 1984). This theory advocates on assessing the potential to generate value of an organization. This enables the organization develop strategies that maximize its resources within its reach. This theory is relatively relevant to most of the emerging firm. Emerging firm have limited resources in which their strategies have to be developed based on the resources available for an organization to increase market share (Grant, 1991).

Organizations are constantly interacting with the environment as the open system theory suggests. Open system theory is based on the assumptions that organizations operate in a system where they constantly and continually interact with the environment. The environment is also continually changing and the organizations have to continually change and adapt to the changing environment. Organizations that do not adopt to the environment will be eventually die in the long run as they are unable to compete adequately to sustain market share (Katz and Kahn, 1978).

The real estate market as an industry is a key contributor to any economy as many investors invest their wealth in real estate. This is attributed from the appreciation aspect of property and non-liquidity aspect of real estate. Real estate market has been one of the fast growing and dynamic sectors in different economies. In this real estate management firms, including Knight Frank Kenya the case study, have increasingly become popular as they have good market (American Journal, R.E 1986). This is due to the increase of demand of real estate professional consultancy services as the industry is growing. Firms that thrive in such a dynamic environment require strategic management aspects in their organizations. In the aggressive business environment, strategic alignment of goals in to the operations is key to ensure success of the organization. The market has absorbed emerging firms in the industry that have thrived and gained strong market share.

1.1.1 Concept of Strategy

Strategy is the adoption of a competitive advantageous position that enables an organization achieve its long-term goal. Strategy is described as a radar that steers an organization towards a particular direction (Porter, 1988). Competitive advantage is achieved through resource configuration in turbulent environment to meet the need of the clients and achieve stake holders' wants.

Strategy is a concept that was borrowed from the military after the Second World War and adopted to be used in the business entity. It is about competition; it involves competing to be the best by being unique. Strategy is about how organization achieves its long-term goals by being ahead of its competitors while considering its available resources (Johnson, Whittington & Scholes, 1989). This can be achieved by doing particular activities in an organization value chain with a difference in order to achieve a unique product which has value to the customer. (Porter, 1988) focuses on making the product different in the eye of the consumer in order to achieve competitive advantage. He also focuses on strategy as an action, aspiration and as a vision.

Strategy can be viewed as an action that can be executed by an organization. The action that an organization can execute as its long-term goal in order to achieve competitive advantage. In organizations, strategic management can be termed as actions taken by managers on behalf of the stakeholders of how to utilize resources in a way that enhances performance (Concerto & Paul, 1995). Strategy can be aspirations of an organization, what an organization intends to be in the future. Strategy can be derived from the vision of that a company. Strategies can be divided into two main categories generic strategies and the grand strategies of an organization. Generic strategies enable an organization have competitive edge against other competitors establishing sustainable competitive advantage. The grand strategies are dependent on the generic strategy. Grand strategies relates to the departments in the organizations.

1.1.2 Market share

Market share is the portion of business that an organization has in the market it operates, in a given period of time. It is therefore an indicator of the competiveness in the market and the organization performance (Farris, 2010). The underlying process that drive an increase in the share of market is relative to the external environment of the organization.

The organization therefore has to evaluate the competition that it faces to increase market share (Buzzel and Gale, 1975).

High profits can be equated from high market share. Higher market share has positive benefits such as brand recognition, being differentiated from other organization and advantages of economies of scale thus achieving low cost strategies (Farris, 2010). High market share therefore equals to more business with less effort.

The biggest pitfall of the market share concept is engulfed in the consequences of increasing market share without evaluation the market (Majaro and Allen, 1997). Organization with an increasing market share indicates the measure of how well an organization has been able to evaluate the market dynamics and predict it. This also involves the evaluation of the needs of the targeted market (Vargo and Lusch, 2004). In order to improve the standing of an organization in the market, it has to develop strategies in order to increase and sustain its market share (Ong'ong'a 2014).

1.1.3 Real Estate Firms in Kenya

The term real estate is defined as land including the air and the ground below it. It is also known as realty. Real Estate as an industry consists of two broad categories, these is home building and income production. Home building is the manufacturing consultancy process that involves construction of buildings, using raw material to covert to homes and other finished products such as facilities. Income producing category are the after-construction consultancy, this category is divided in to three major categories these include Property management, Estate agency and brokerage and Property valuation and analysis. The three are different broad fields of real estate that most real estate firms focus on as high-income generating avenues. The researcher in the project will focus on the income producing aspect of real estate. (American Journal, R.E 1986)

Property management is the art and science of overseeing activities that occur on a day to day basis of a building. This involves acting on behalf of a landlord in terms of rent collection, facilitating repairs and maintenance of the property and all other activities occurring in a building. Property valuation is the art and science ascertainment of worth of real estate. There are various traditional methods and techniques that have been established and are used by valuers to establish the worth of the property. Valuers are assigned different value analysis assignments which include the mortgage value, insurance value and forced sale value for properties (D. Butler, 1995). This field is sensitive as it supports different financial institution in terms of financing and limitation of lending. Estate Agency and brokerage involves the process of engaging a real estate broker or agent to assist an individual to buy or sell a house on behalf of a principle. The agent / broker ensures that a buyer locates the best house at the lowest price in the shortest possible time. In terms of selling, an agent ensure that a seller sells their property at the highest price in the shortest period of time (H. Bakers and P. Chinloy, 2014).

Real estate comprises of the most world wealth, as most institutional investors plug resources in large real estate portfolios. The annual cash flows and revenue generating portfolios presents lucrative investment opportunities. The appreciation values of real estate in Kenya is at a growth rate of 25%. In Kenya, real estate as investment instrument has greatly evolved and the property appreciation rates are astonishing (Njaramba, 2017).The industry contributed 13.8% to the GDP of Kenya in 2016. Property owners are building rental houses for monthly income as opposed to owner occupancy. This is due to the increased population from the rural areas to the urban areas. Rural urban migration increased the demand of housing as from 1963 when there was independence; this caused an influx of population in the urban areas (Awour and Mbatia, 2008). Increase in properties and property investments have increased business for real estate consultancy firms. This has aided the evolution of consultancy as demand for these services have increased.

The Real estate industry in Kenya has been a sensitive industry this has been attributed to quacks and fraudster in the market. This has contributed to fraudulent land cases which have occurred in real estate transactions. Market share growth for most firms in the past has been attributed from referrals and trust of the company's brand. The market has however had some small real estate firm that are less than 25 years in the market that have strong market share despite of the tough business environment. Real estate consultancy in Kenya was started in the early 1900 by the British colonialist. One of the earliest firms started by the British in Kenya is known as Tysons Ltd which was established in 1923, 96 years in the real estate market. Real estate consultancy evolved from valuation to the inclusion estate agency and to the inclusion property management. Three real estate management firms were established by previous employees of Tysons Ltd these include but are not limited, Knight Frank Kenya, Cystral Valuers and Lyod Masika. These organizations are less than 25 years in the real estate market but have flourished. The researcher will use Knight Frank Kenya as the case study to establish which strategies it used to increase and retained its market share in the real estate industry in Kenya.

1.1.4 Knight Frank Kenya

Knight Frank Kenya established in March 1998, as subsidiary company of Knight Frank LLP. Knight Frank LLP was founded in 1898 by John Knight, Howard Frank and Willam Rutley. The headquarters of the founding organization is in London, England. The organization provides both residential and commercial property consultancy services. The current Senior partner and chairman is Alistair Elliott. Knight Frank Kenya (KFK) works closely with Knight Frank Tanzania and Knight Frank Uganda to complete a regional network that cements the Knight Frank group's expanding Central and South African interests.

The organization currently advises both national and international, commercial and residential developers, investors, owners and occupiers. Knight Frank Kenya fulfills a wide range of real estate needs, including: property management, agency, valuation, project management, feasibility and research-led consultancy. The organization has been known for expert knowledge on factors affecting national and international property markets. The goal of the organization is to improve maximize returns on real estate investment.

In a span of 20 years in the Kenyan market, Knight Frank Kenya has been able to gain and retain national and international clientele who include but are not limited to; The British High Commission, Mobil Oil Pension Fund, Shell, Embassy of Switzerland, Embassy of France, Iber Africa, Red Cross, Safaricom (Vodafone), Embassy of Korea, PricewaterhouseCoopers, Plan International, Barclays Bank, Embassy of Japan, CDC, Embassy of the United Stated of America, CARE International, Aventis, Toyota East Africa and Rockefeller Foundation. This indicates strong market share in real estate market.

1.2 Research Problem

Market share is not only attributed with the highest profits but also with dominance in brand image and clientele portfolio of an organization (Hemme, 2018). Achievement of constant increasing market share requires strategy for the acquiring and retention of an organizations' share in the market. This is the alignment of the activities in an organization such as to achieve a position of sustainable competitive advantage which has a long term aspect (M. Porter 1985). Research indicates that the real estate industry in Kenya especially in the towns settings and cities such as Nairobi have been estimated to have a growth percentage of 20 – 25 %. This growth of the industry is likened to cities in the USA such a Miami. This indicates that the real estate industry is key in the economy of Kenya. Continuous growth in the industry indicates that there will be more opportunities for investment and business for real estate firms. Long term strategies have to be established by real estate organization to ensure increase and retention of market share in such an evolving environment.

Panteha and Hassir (2017) evaluated the influence of strategies on increase market share and concluded a large number of organizations applied the porter generic strategy of differentiation to increase market share. Differentiation strategy encompassed having products or services that are extraordinary and have an incomparable aspect to competitors. This infringes the perspective to clientele that the value attained is worth more than the cost paid. In the pursuit of establishing strategies that enable real estate organization gain competitive advantage, (Bochere, 2015) established that real estate organization have been able to increase market share through market segmentation strategies. Market segmentation enables the classification of the target market, thus addressing the various needs to the different classified target market.

Strategies adopted by high market share organization was a research tackled by (Bloom and Keter, 1975). The research encompassed strategies required for the increase and retention of market share and the cost and risks involved with increase of market share. The researchers segmented the research into share building strategies and share maintenance strategies. In share building strategies the researchers concluded most organization employed differentiation through innovation and market segmentation to increasing market share. In share maintenance the researchers concluded that organization achieve this through the constant re-evaluation of the internal and external environment of the organization. This process involved the evaluation of the expected cost and risk considered with the expected increase of market share by an organization. The researchers concluded that infusion of the share building and maintenance strategies enabled increase and retention of market.

Considering the research work that has been done on strategy and increasing market share, it's concluded that porter's generic strategies and market segmentation are dominant strategies for increasing market share. The pursuit of the researcher in this project is to evaluate strategy and market share through a case study. The researcher will establish which strategies Knight Frank Kenya, as the case study, applied in the real estate market to increase its market share. The study will also establish which that strategies has the organization implemented to counter threats arising from the increase of its market share. A research on the evaluation of the strategies adopted by Knight Frank Kenya to increase market share has not been explored thus presenting a first-hand environmental research context.

1.3 Research Objective

The objective of the study is to establish strategies adopted by Knight Frank Kenya to increase market share.

1.4 Values of the study

Considering that the real estate market is growing, the study will benefit other upcoming real estate firms in Kenya to adopt strategies that have enabled Knight Frank Kenya to increase market share. The conclusions and recommendations given will assist other real estate organization in long term decision making and goal setting while reviewing their strategies to implement.

The study will be an addition to the pool of knowledge on the researched area of real estate firms and the adopted strategies to increase market share. It can be used as a reference point by researchers in the future to gather information which contribute to understanding on the competition in real estate market as well as contributing to subsequent studies.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews existing knowledge around the strategies adopted by organizations to increase market share. It is based on previously done research, books and reports. It covers the Theoretical Foundation, Strategy and Increasing Market Share and Increasing Market Share Risk and Strategies.

2.2 Theoretical Foundation

This research is grounded on two theories namely the open system theory and the resource based theory. This section will outline the discussion with the theories and the principles behind them.

2.2.1 Resource Based Theory

Resource is fundamental in the production process or supply chain as it is termed as the input. Resources can be classified in different categories these include, human, financial, technological, reputational and organizational. Resource are therefore key in determining the strategies the organization adopt (Wernerfelt, 1984). The pivotal emergency of the theory was through Jay Barney's article in 1991 on Firm Resources and Sustained Competitive Advantage.

There are five steps to strategy analysis of the resourced based approach as proposed by the theory. The first step focus is on the resource of an organization. This includes the identifying and classifying the resources of the organization. This step involves an appraisal of the resources in terms of the strengths and weaknesses as compared to the competitors. Identifying opportunities for better utilization of available resource is also part of the first step. The second step is on the capability of the organization. This involves identifying the firm's capability. Establishing what the firm can do effectively that its rivals considering the resources available (R. Grant 1991). This step enables identifying the extent potential of each resource of the organization.

Creating competitive advantage is the third step. This entails generating constant income from the potential resource and capability. This entails appraisal of consistent income generation activities thus creating sustainable competitive advantage and return ability. Selection of strategy is the fourth step which entails a strategy that supports the firms in terms of the resources capability and competitive advantage ascribed by the organization. The final step is identifying the gaps in the process that need to be thoroughly evaluated. This step also involves reinvesting, replenishing the resources and upgrading the firms resource base.

Resources determine the capability of an organization. The input available determines what tasks that the organization can execute. Resources in any organization thus determine the activities in the supply chain in which these activities should uniquely crafted to gain competitive advantage over rivalry (Wernerfelt, 1984). The firms operating an industry whose environment is fast growing and dynamic in nature have to utilize their resources efficiently and effectively to maximize profit for companies to grow. The success of an organization depends on its resources, sustainable competitive advantage and strategy. Sustainability of competitive advantage it's the aspect of positioning of organization whose strategy cannot be replicate, transferred and can stand the test of time, durability. Any organization to increase market share should focus on the effective utilization of its resources. Competitive advantage over rivalry leads to the increase of market share through the right strategies.

2.2.2 Open System Theory

The main concept in the open system theory is that firms are influenced by environments. It was developed by a biologist Ludwig von Bertanlanffy in 1956 and was applicable in all disciplines. The open system is utilized by all modern theories. Environments consist opportunities that sustains an organization success if evaluated. Society values and beliefs have to be embedded in an organization culture and structure for the organization to succeed (Katz and Kahn, 1978).

Institutional leaders have benefited from open system theory by understanding environmental demands by the society. This also applies to real estate firms, whose industries serve the elite in the society, have to uphold and subscribe to the societal expectations. The ability of organizations to tap in the societal demands equates to the success of any organization (Pfeffer and Salancik, 1978).

2.3 Strategies and Increasing Market Share

There different strategies that the organization can use, depending on the objectives of the organization which can be divided in to two categories, business strategy and the fundamental unit strategy. The business strategy is the strategy applies to the entire organization thus the overall strategy. All strategies across the departments in the organization should derive their strategy from the business strategy. Functional unit strategies are also called the departmental strategies, these are strategies in an organization that focus on specific departments that the organization has (Robison, 2011).

The three main economic goals that define a company's performance and guide its strategic behavior include its survival in the market, increase of market share and profitability (Pearson and Robison 2007). The ability for a firm to outperform its competition as an emerging company and take advantage of the markets involve the ability to capture and protect unfair share market that has been established. This is the ability to capture premium pricing innovation and introduction of modified service tailor made to the customers need in relation to real estate. Long competitive advantage is achieved through the generic strategies. They include the market focus, cost leadership and product and service differentiation strategies (Porter, 1988). These strategies encompass the core idea of the organization. They form the basis for the grand strategies selected by the organization.

Cost leadership is the strategy of having the lowest prices in the market as compared to competitors. This is mostly achieved through efficiency of the value chain. The value chain is a series of activities that involves the inputs which are the resources an organization needs to be processed in order to transform them to outputs that is going to be consumed by the consumer. The process is mainly for creation of value of the output to the consumer. Supply value chain however includes the supplier and the consumer of the product in to the process.

Operation strategies are key in the supply chain management activities, this is because cost leadership strategy mainly depends on operations strategy. The less the organization uses in each activity in the value chain it contributes to the total cost of producing the product.

This trend therefore leads to low cost prices thus contributing to the cost leadership strategy.

Superiority of products/ Differentiation is the strategy where an organization endeavors to produce high end and quality products that are unique as compared to the competitors.. The company has superior quality products and they have a particular target market for their goods (Mintzberg, H.1987). Focus strategy combines both cost leadership and superior products. In achieving the focus strategy there are given trade off points that the organization has to apply. High end products are contributed by high price and therefore the trade-off of high pricing is through economies of scale(Joseph, Ghosai and James, 1988).

Selection of strategies by an organization for fundamental units is determined by the goal the organization wants to achieve, the area of focus for this project is increasing market share and also the environment the organization. In this, an organizations fundamental units' strategies selection can be established through the BCG Matrix. This model is also known as the Boston Consulting Group Model. It was developed in the early1970s by Bruce Henderson of Boston Consutling Grouping. The strategy selection model focuses on two variables the market share and market growth. The market share in the model represents the organization share of the target market with regards to its competitors while the market growth represents the projected revenue increase of the organization has on its target market. The model divides the business units into four categories. It is a strategy analysis tool that assist an organization in decision making of the strategy to adopt while evaluating its strengths and weakness in the various business units.

The high market growth with high market competition represents one of the business units' categories. It represents well grown markets in which the organization has a large market share. These business units in the organization represent long term opportunities. These units should be included in the core strategy to enable the prosperity of the organization. They require substantial reinvestment as they return high revenues. Reinvention, growth and expansion strategies should be involved in the business unit (Kumar, 2018).

Low market growth with high market competition position is another business unit in the model. The business units in this category in an organization have to establish stability and have less reinvestment strategies. Business departments that have low market share growth with low competition position are the weak points of the organization. If these business units are well managed, they have potential of becoming successful (Debrecht and Levas, 2014). High market growth business units with low market competition have high potential of increasing market share. The organization should take opportunities in these business units and take up growth strategies such as innovation and expansion strategies in order for these units to thrive and make the organization successful.

The objectives of the organization should direct and enable the selection of its core strategies. The organization through BCG Matrix can select its grand strategies for its business units. The strategy selected has to enable an organization have a unique position that is valuable in the environment as compared to other organizations. A good strategy has to create room for strategic continuity; in this the strategy changes as the environment changes. Maintaining of continuity in the value chain while continuously improving strategy should be enforced simultaneous as the environment continuously changes. The proper selection of strategy and ensuring strategic continuity of an organization is a key contributor to its ability to increase and sustain its market share.

2.4 Increasing Market share Risk and Strategy

Most companies profit by increasing market share however in some cases expected risk outweighs expected gains. This is because market share is linked with profitability and profitability is linked with risk. An organization than adopts strategy for increasing market share has to have capacity to accommodate the risks required to sustain the market share (Bloom and Kotler, 1975). In order to establish the risk associated an organization has to evaluate the sources of threat in any strategy adopted. Porter five forces model is a model that outlays five threats that Micheal Porter established that exists in the environment of an organization. These threats are risks that an organization can encounter after or while implement a strategy include; threat of rivalry, the threat of the bargaining power of customers and suppliers, the threat of new entry and the threat of substitutes (Porter, 2008).

The threat of rivalry is the threat of competitors in the market selling the same product or providing the same services. This is a threat because the organization is competing to have a larger market share considering they have the same target market (Kabeya, 2018). They counter strategy an organization can establish in this occurrence include: low priced products and services, high quality products, stronger brand images, different features of products and services, better performance products, wider selection of products, higher level of advertising, lower interest while financing and stronger production innovation .

The threat of the customer bargain power is a threat that is established when the product the organization or the service its offering has a limited number of its target market. This therefore enables the customer to have stronger bargaining power as they are few customers (Porter, 2008). This threat can also be contributed by the threat of the rivalry. If there are many organizations producing a given product, the customers will have a wider variety of options thus creating bargaining power. The main focus of the threat is posed when the consumer has ability to negotiate the prices downwards.

The threat of new entrance in the market is established through the ability of any other organization being capable to produce the same product or give the service and the ease of entering in to the venture as an organization. If there are barriers to the entry of the industry, then there is less threat. The easier it is for an organization to enter in the venture the higher the threat (Kabeya, 2018).

Threats in the environment can be suppliers bargaining power. Suppliers who provide the organization with the resources that are utilized as inputs by the organization. If there are few suppliers, the suppliers then have higher bargaining power however if their many they tend to have low bargaining power. The organization should constantly evaluate the number of suppliers in the environment to determine its strategy whether it can start focusing on being its own supplier. Another threat as mentioned by Porter is the threat of other organization producing substitute products of the products the organization is producing. A substitute is a product that can be used instead of the product being produced by a company. (Mintzberg, 1987)

These threats as posed by Porter (2008) should be evaluated to establish their nature and strength and how they can be altered through strategy in order to profit the organization. These forces are in the environment and therefore an organization has to develop abilities to counter these threats as they pose as risk that could hinder its increase of market share. The goal of strategy is to enable the company have a position in which the company can defend itself tactically.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter involves the process that the researcher selected to obtain useful information that facilitated data analysis. This process also involves the selection of the target population, the determination of the sample population, through sampling and the data collection methods to be used to collect data from the sample. The data was used in chapter four in data analysis.

3.2 Research Design

This involved the interpretation of the problem being studied which was the relationship behind the variables. There are different types of research design which include observations, sources, experiments, quasi experiments, cross sectional studies, case studies and many others.

The research design for this particular research was a case study. A case study links the topic being discussed to a particular researchable example (Mugenda & Mugenda, 1999). A case study research was preferred by the researcher as it focused on life examples and the research had no control over the outcome. The purpose of the project was to collect data that determined the strategies used by Knight Frank Kenya to increase its market share.

3.3 Data Collection

Data collection is a systematic process of gathering and measuring information from various sources which enables researchers to answer relevant questions and evaluate outcomes. Data collection can be classified into two, primary and secondary source. Primary source is firsthand information about an event being researched on while secondary source is documented information.

In this project the researcher used interviewing, a primary source data collection method. The interviews enabled face to face encounters with respondents. This research method was selected by the researcher as it facilitated the collection of more accurate data from the respondents. It bridged the gap between misunderstanding during interpretation of questions by the respondents and the correct representation of facts to the research (Mugenda & Mugenda, 1999).

This gave an opportunity to capture verbal and non-verbal ques by the respondent's body language that indicated discomfort. Data was collected from the population of the study, the employees of Knight Frank Kenya. The sample was selected by the researcher from population through random sampling of the top and middle managers of the organization.

3.4 Data analysis

Data analysis, categorized into two classifications; the quantitative method and the qualitative method. The quantitative method involves the numerical analysis of data while the qualitative involves the content analysis of data collected by the researcher (Mugenda & Mugenda, 1999). The researcher in this project used qualitative data analysis.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

The objective of the study is to establish the strategies Knight Frank Kenya adopted to increase market share in the real estate market in Kenya. To achieve this objective the researcher collected data through personal interviews. The total number of correspondences were ten members of the management team.

The researcher captured the information required by writing the responses during the interviews. After which the information was analyzed using content analysis. In this chapter the researcher presents analysis of the data collected pertaining responses from Knight Frank Kenya employees with regards to strategies adopted to increase its market share.

4.2 The Organizational Review

The study established that Knight Frank Kenya has a stable organizational structure with clear reporting chain of command. This facilitates strategy continuity as the organization has seamless communication policy that enables strategy positioning. The organization can rapidly adjust strategies with change of market to attend to the needs of the clientele.

The respondents indicated the parent organizations name which the organization franchised strategically positioned Knight Frank Kenya. The parent organization is international recognized for its renowned professional real estate management services. This facilitated the ease of penetration to render real estate management services to the Kenyan market. Increase in market share has been partly attributed from the franchise strategy due to the recognition of the brand.

Knight Frank Kenya independently operates its day to day management from its mother organization. The standard policies and procedures have however been adopted from the parent organization that have been adjusted in accordance to the Kenyan laws and regulations. The organization has also created an open door policy which has enabled cohesiveness amongst the employees of the organization. It was established that the job positions in the organization are highly specialized and are developed with clear job descriptions. This contributes to the employees' high productivity and motivation in the organization.

4.3 Description of the Real Estate Market Environment in Kenya

In order to achieve the objectives of the study, the researcher asked the respondents to describe the organizations position in the market in terms of competition and increasing market share. Most of the respondents recognized that Knight Frank Kenya faces stiff competitive environment in the real estate market. Knight Frank Kenya has however adopted strategies that have enabled the organization gain a competitive edge in the market and the respondents observed that this has enabled the firm to increase and sustain its market share.

4.4 Strategy and Increasing Market Share

Respondents were asked which strategies had the organization has adopted as its business and departmental strategy to increase and sustain market share.

4.4.1 Business Strategy

It was established that the organization adopted the differentiation strategy as its business strategy. This is because of their target market, which was the commercial and high end residential real estate market. The strategy positioned them to specialize in offering real estate management services which are unique in the market. This facilitates their growth of their clientele portfolio through referrals on the superiority of the services rendered thus increasing their market share.

The responded reported that the organization required resources that enabled the execution of the differentiation strategy. It was established that the major resources that facilitates the excursion of this strategy is the human and technological resource. Highly specialized human resource was key to facilitate the differential strategy as the organization employed well vast experienced professionals in the market. It was reported that the employees were motivated through good working environment and appreciation of exemplary work through rewards. Knight Frank Kenya information technology support segment adopted a real estate management software system that enabled all activities in the supply chain to be operated online. The automation of all activities in the system enables seamless communication across the department thus facilitates execution of activities in real time.

Specialized human resource and automation of activities through information technology has enable Knight Frank Kenya to offer unique real estate management services. It was established that this has resulted to its differential strategy and thus increasing market share.

4.4.2 Departmental Strategies

The core departments in Knight Frank Kenya include Valuation and Research, Property Management and Agency department. The valuation department deals with the ascertaining of the worth of various property assets. The property management core business is overseeing the day to day on going activities involved in maintaining a property while acting as agent on behalf of a landlord. Agency is the department that deals with selling and leasing properties to clients. The respondents were asked to group the departments in accordance to BCG Matrix groups.

The property management and the agency department were classified in the high market share in a market with high growth rate by the respondents. It was established that Knight Frank Kenya continues increase its market share of these departments through pleased clientele referrals of exemplary professional real estate management services. The respondent mentioned that Knight Frank is continually building a strong market share as most malls in the country are managed by the organization. The organization business strategy has also supported these departments as the organization has been able to focus on the management of the commercial and high end residential property. It was reported that these departments enables Knight Frank Kenya to be assured of constant enormous monthly cash flows as professional fees. This is attributed from a percentage of the rental income collected from the properties under its management portfolio.

It was established that Knight Frank Kenya adopted the concentrated growth for the property management and agency department. Concentration growth is the strategy that aims to focus on a target market as they produce particular tailored product and service. This strategy has enabled Knight Frank Kenya establish superior performance in the real estate industry through the focus on a particular target market however this strategy establishes high risk.

The valuation department was classified in a market with having high growth rate and the company has relative a low market share. The company has been renowned for offering international valuation services in the real estate industry. It was established that this has enabled the company to increase its market share in this department. Due to unfair competition in the market the department has however not attained its full potential. The respondents mentioned that many up-coming real estate valuation companies are offering the services at a lower rate than the company. Considering the public image of the organization, it has to adhere to the laws and regulation that govern valuation in the country whose scale fees have been predetermined. Knight Frank Kenya has a high growth rate with a low but promising and increasing valuation provision market share. It was reported that horizontal integration strategy was adopted by the department that focuses on the elimination of competition. This is through offering their products and services to new markets, this is an expansion strategy.

The BCG Matrix has enabled Knight Frank to classify its department into the two categories. This has enables them to increase market in the real estate market through different strategies adopted depending on the category of the department. The departmental strategies have supported and support the business strategy of Knight Frank Kenya in the increase and retention of market share.

4.5 Risk from Increasing Market Share

Respondents were asked which threats have become risks through the organizations adopting strategies to increase and sustain its market share.

Most of the respondents reported that the threat of new entry and rivalry had become a risk to the increase and maintaining of the organization market share. It was established that the more real estate organization were offering real estate management services and were establishing avenues to tap into the target market of the organization. The respondents reported that this risk has been countered through Market development strategy. This strategy is based on the modification of product and services cosmetically rendered by Knight Frank Kenya, it involves the marketing of the products. The organization does this through advertising of the product and services. It was reported this has enabled the organization counter the threat of rivalry and new entry as its target market is appealed through this strategy and desired to be associated with the renowned brand.

The respondents mentioned that increase of share market has been accompanied with high publicity and a leadership role in the real estate industry in Kenya. High publicity is a risk to the organization as any false or corrupt report would tarnish the reputation of the organization. The organization has countered this threat though public relations and corporate social responsibility. Knight Frank Kenya, is involved in corporate social responsibility through donating laptops to universities and offering internship opportunities to best performing students during their long holidays. It was established that this has enabled the organization build its reputation in the market as reports on the organization are notable.

4.6 Discussions of Findings

According to Hemme (2018) the increase in market share not only entails an increase in profits of an organization however it also entails the increase in dominance, power and eventually leadership in the market. From the study it is evident that increasing market share as an objective of an organization ascertains dominance in the market. The findings indicate that strategy is key in increasing and sustaining market share.

As noted by Majaro and Allen (1997) there are consequences of increasing market share without evaluating the market, as this is the pitfall of the market share concept. The study findings has established that environmental scanning is key in increasing market share. Environmental scanning involves the internal and external evaluation of the organization's environment. Internal evaluation with focus of increasing market share entails the evaluation of adequacy in resources and potential to serve the desired increase of market share while external involves the niche in the market and target market of the same. The findings have established that evaluation of environment enables the selection of market target and strategy considering the niche in the market. This confirm that the findings are in agreement with Resources Based Theory which advocates for strategy being established from an inside –outside approach. The theory advocates for evaluation of resource available prior to establishment of strategy.

Indicated by Buzzell and Gale, (1975), the underlying process that drives an increase in share of market is relative to the environment of the organization. The findings indicate the external environment of real estate market is dynamic and strategic continuity is key in order to increase and sustain market share through constant evaluation of the environment. This indicates that the findings are in agreement with the Open System Theory which states that organization have to continually change and adapt to the changing environment in order to survive.

CHAPTER FIVE SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study indicates that a firm operating in the real estate market in Kenya has to adopt strategies in order to increase its market share.

5.2 Summary

This section is a summary of the research after data analysis of the findings. This entails the summary on the relation between strategy and increasing market and the risk of increasing market share.

5.2.1 Strategy and Increasing Market Share

The findings indicate that the real estate market is dynamic and has high competition as the respondents mentioned constant evaluation of the market through the valuation and research department is continually done by the organization. The available opportunities for the organization to turn into cash flow have to be scouted to increase market share. The study indicates that increase of market share is through the proper selection of the business strategy and the departmental strategies. The overall strategies are cascaded down to the departmental strategies, this enables alignment of the organization strategies and the organization achieve the objective of increasing market share.

The study also established that evaluation of the environment is key for strategic positioning of the organization in the market. Evaluation of the market enables an organization understand the opportunities and challenges in the market. Evaluation of the market also enables the selection of the target market that facilitates the selection of appropriate strategies for that an organization should adopt to increase its market share. The research also indicates that real estate market in Kenya is tough to penetrate and therefore a strong brand enables ease of penetration into the market which translates to increase of market share.

Adoption the differentiation as an overall strategy with high end clientele as the target market to increase market share is effective and yields dominance in the real estate market in Kenya. Resources are however crucial to ensure the success of the differentiation strategy, having key resources as the human and technology resources. Information technology has enable the creation of real estate management software's that enable an organization to execute exemplary service thus supporting the differentiation strategy. Technology enables an organization to work smart as systems are seamless and thus the organization can manage enormous portfolios simultaneously. Human resources is key to ensure increase of market share as the real estate is a service industry. The industry is mainly deemed as a service industry that requires highly trained and professional work force that support the strategy of the organization.

The understanding of the market enable an organization to categorize its departments in accordance to the BCG matrix thus enables the creation of departmental strategies. In a high growth rate market and high market share categorized departments increasing market share for these departments has been attributed from the rendering of professional management services and adoption of the concentration strategy. In a high growth rate market and low market share categorized departments increasing market share for these departments has been attributed from the rendering of professional management services and adoption of the horizontal integration strategy.

5.2.2 Risk Management of Increase of Market Share

The study established that the real estate industry in Kenya is dynamic and the threat of new entrance and rivalry is an underlying potential risk of an organizations ability to increase and maintain its market share. Market development is key strategy in publicizing the unique products and services of an organization. This enables an organization show case its dominance in market. These facilities the organizations increase of market share and retention of market position in the midst of new entrance and rivalry.

The findings indicate that increase in market share not only entails increase in profitability of an organization but also increase dominance in the market and establishes a leadership role in the market. Increasing dominance and a leadership role in the market has a risk of high publicity. The study has established high publicity is a threat that can be a risk to the organizations success. This threat can be countered through public relation and corporate social responsilibility.

5.3 Conclusion

Real Estate market environment in Kenya is dynamic and fast evolving in nature. An organization whose objective is increasing market share has to keenly evaluate the market and select favorable strategies to enable penetration in to the market. Resource is key to facilitate the achievement of the objectives of the organization. The organization is greatly affected by the environment as it operates in an open system. The organization thus has to select strategies that position the organization to increase market share.

Evaluation of environment, selection of target market and strategies is key to ensure increase in market share. Environment scanning with an objective of increasing market share entails evaluation both the internal and external environment of the organization. Internal evaluation involves the evaluation the organization resources while the external evaluation involves scanning of the niche in the market and exploration of the threat that could be risk to the organization while considering the opportunity provided by the niche. Selection of the target market depend on the resources available for the organization, the market niche and the risks considering the threats in the environment.

5.4 Recommendations

The study recommends that real estate organization in the Kenyan market should have increasing and sustaining their market share as an objective for their organizations. This is because this objective ensures profitability, dominance and leadership in the market. These are key to the success of an organization in the turbulent environment of the real estate market in Kenya. This research recommends that increasing and sustain market share as an objective requires strategy.

Environment scanning of both the external and internal environment of an organization is recommended by the study as this enables the selection of the target market and strategies to be adopted. The study recommends that real estate organizations should select business and departmental strategies whereas the departmental strategies should align with the business strategy so as to increase market share. The study recommends the evaluation of the threats in the environment that can be a risk to increasing market share. This enables an organization to prevent this threat becoming a risk through counter strategies.

The study finally recommends that real estate organization in the Kenyan market should continuously conduct evaluations of the market and be flexible to adopt to the changing environment to ensure their survival in a turbulent market. This ensure strategic continuity thus increasing and sustaining market share of the organization.

5.5 Limitations

The study relied its conclusion from the case study; employees of Knight Frank Kenya to establish the strategies that facilitate increase of market share. Employees would portray the organization to have success in the industry. Some senior employees would have been in the organization for a short period and therefore would not understand the strategic concept during the initiation of the organization.

The environmental of real estate market is dynamic thus strategic continuity is been applied as the environment changes. The strategy that the organization has currently adopted is as result of the various environment changes, so as to adapt to the market the organization continuously adjust their strategies.

5.6 Suggestions for Further Research

Further studies on real estate organizations as case studies should be done on home building and other income producing real estate firms on increase of market share and strategy. This will enable evaluation of various strategies deployed by real estate firms with different target market as opposed to Knight Frank Kenya whose focus is on the high end market. These studies will enable the evaluation strategies adopted by organization whose target market is the low and middle class clientele.

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APPENDICES

Appendix i : Interview Guide

Appendix ii: Research Letter