

**STRATEGY AND COMPETITIVE ADVANTAGE OF ONLINE
SHOPPING STORES IN KENYA**

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**A RESEARCH PROJECT PROPOSAL IN PARTIAL FULFILMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE
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DECLARATION

This project is my original work and has not been submitted for the award of a degree program in any other institution of higher learning.

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This research project has been submitted with the approval of the university supervisor.

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DEDICATION

I dedicate this work to my late Mother, Joyce Wairimu, father Prof. Gerald Kimani and to my sisters Mercy and Margaret, my son Gerald Kimani for their continued moral and financial support throughout the course of my study. Most appreciated thanks to my father Prof. Gerald Kimani for having taught me the importance of education.

Most appreciated thanks to my prayer community, Margaret, Abel, Joyce, Kimani and Angela. Though their prayer support this research project has come to successful completion.

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LIST OF ABBREVIATIONS

CCK	Communications Commission of Kenya
E-commerce	Electronic Commerce
EFT	Electronic Funds Transfer
M-commerce	Mobile Commerce
M-Pesa	Mobile money by Safaricom
IBM SPSS	Statistical Package for social Scientists

ABSTRACT

The dynamics of the business environment continue to demand for greater strategic planning practices. Strategic planning is an organizational management activity that is used to improve strategic performance while assessing and monitoring effectiveness of the business in its environment. An organization's competitive strength is measured by its competitive advantage within its environment. Competitive advantage is the ability of an organization to develop, acquire and execute a set of attributes that allow it outperforms its competitor. In recent years, Kenya has continued to experience growth its internet penetration more than half the population accessing internet affordably. It is inherent that businesses have gone online to maximize on sales of their products and services to gain competitive advantage, hence the growth of online shopping stores. This as a result has increased customer convenience as well simplified the ease of doing business for online business owners via E-payment platforms? This study therefore, is designed with the objective of establishing the strategies that online shopping stores should adopt to gain competitive advantage in Kenya. This research was done using census survey research design. Data was collected via questionnaires from middle and top level management. Descriptive statistics was used to analyze the data using the statistical package for social sciences (IBM SPSS 26.0).The results of the study indicate that cost leadership strategies and technology acceptance and adoption strategies are highly adopted by online shopping stores to gain and sustain competitive advantage in their environment. This as a result of vital drive to gain customer satisfaction by online shopping stores. Therefore, the research recommends that cost leadership and technology acceptance and adoption strategies are the leading strategies that should be adopted in the online shopping stores strategic plans to gain and sustain competitive advantage. Moreover, increase in customer satisfaction is fundamental for this industry.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Strategic planning is an organizational management activity that is used to improve strategic performance while assessing and monitoring effectiveness of the business in its environment, Alkhafaji (2013). The activity involves setting of priorities, energy focus and balancing of resources. It also involves strengthening operations and making sure that employees and other stakeholders are working to achieve a mutual goal, result and outcome. Thereafter, the organization or business may assess and adjust their direction to counter the changing environment .Strategy is the determination of the basic long-term goals of a business entity, this involves the adoption of courses of action and the allocation of resources necessary for carrying out these goals. According to Kotha & Vadlami, (1995), strategic management involves the process of defining organizational performance, variables of strategic choices and competitive advantage. Competitive advantage is only achieved when an organization develops or acquires a set of attributes and executes actions that allow it to outperform its competitors, Wang (2014). This definitions show the link between strategy and competitive advantage concepts forming substance of the study.

The purpose of this study is analyze strategies that online shopping stores use to gain competitive advantage. The study will be guided by two theories, namely; technology acceptance and adoption and Porter's theory of Competitive Advantage. The

technology acceptance and adoption theory explains how advancements in technology have brought about changes in the business environment. This particular theory is significant to this study as it will guide in explaining how the business environment has evolved due to the adoption and effects of advancements in technology. Secondly this study intends to rely on Porter's theory of competitive advantage that proposes that for a business to remain profitable it has to be placed with its competitive environment. To competitive advantage a firm will require to achieve above average profitability. These two theories will guide this study in to understanding the strategies that will enable online shopping stores gain competitive advantage.

Online shopping stores in Kenya have been proliferated by internet penetration that has continued to propagate to colossal depths with over 30 million people of Kenya's 48.31 million population able to access internet through smart phones among other devices, hence enhancing the E-commerce industry according to Jumia (2017). Moreover, internet speeds and costs have progressively improved leading to further accessibility and affordability, Therefore, plenty of businesses have gone online to maximize on sales of their products and services, hence the growth of online shopping stores in Kenya. The dynamics of this business environment demand for greater strategic planning practices to sustain competitive advantage among online shopping stores.

1.1.1 Concept of Strategy

Strategy may be defined as a high level plan that involves achieving one or more goals under conditions of uncertainty. Strategy is the setting goals, determining actions to

achieve the goals and mobilization of resources to execute the actions and how to ensure that the ends (goals) are achieved by the available means of resources. Strategy involves a pattern of activity that a business entity adapts to so as to emerge as competitive in its environment, Freedman (2015). Strategy typically involves two major processes: formulation and implementation. The process of formulation involves performing an analysis of the environment or situation, making diagnosis, and developing guiding policies. It includes such activities as strategic planning and strategic thinking. The process of implementation refers to the action plans that are taken to achieve the goals established by the guiding policy, Mitzberg (1978).

Shnaars (1991) indicated that strategy was historically linked to the anticipation of different scenarios and generating action plans to encounter them. In a business environment this meaning implies that strategies are formulated with the changing business scenarios. Hult & Ketchen (2001) refer to strategy as the ability to organize and utilize resources and capabilities in order to create and maintain time and maintain a supply of products while offering more service value to customers than its competitors. In measuring strategy a firm needs to establish whether they are quantifiable by making sure they are objective and understandable to the organization or firm. They need to be actionable so that they can create impact and influence employees to certain projections. They also need to be repeatable to track progress and for critically analyzing trends and as well timely.

1.1.2 Competitive Advantage

Competitive advantage is the attribute of a business entity, that allows an organization to outperform its competitors. Competitive advantage is the capability to maintain the lead of the current or potential competition. This is guaranteed by carrying out an evaluation of the strengths and weaknesses of competitors and filling the gaps or stepping-up to improve. A business entity may gain competitive advantage when it produces characteristics that allow it to outperform its competitors, BusinessforBusiness (2016). A firm's position in an industrial environment may be measured by their choice of competitive advantage and their choice of competitive scope.

There are three determinants to competitive advantage namely benefit you products provides, target market and competition. The business entity has to ask themselves questions such as, what the real benefit their product provides, who their target customers are and who the competition are and what they offer. To measure competitive advantage one has to benchmark on product (that cost is reasonably lower than the competitors, quality is high and less time is taken to market); on technology (which means the speed of offering business); process (which refers to cost, productivity, speed, quality of processes); experience (that is how does customer experience measure up against competition); market (visibility in terms of brand awareness); culture (what is the businesses' corporate culture); financial (financial indicators such as profits, sales turnover and cost efficiency), change (time to market

for programs, project and initiative), sustainability (in relation to energy, efficiency, waste and emission), Amadeo (2019).

1.1.3 Online Shopping Stores in Kenya

Online shopping is a practice of electronic commerce and it is an intermediary that allows clients to buy goods and services from a seller over the internet via web browsers and from already developed shopping websites. According to Jumia (2017) internet speeds and costs have progressively improved leading to further accessibility and affordability. Therefore, plenty of businesses have gone online to maximize on sales of their products and services, hence the growth of online shopping stores. These online shopping stores have further put in additional effort into sales to further increase customer convenience with easier and simpler terms of online payment and delivery or cash on delivery for their clients. Easier methods payment have been enabled by especially safaricom's MPESA services (The Economist, 2015), Airtel Money, Telkom Cash and other bank applications enabling direct money transfers.

E-commerce is described as an action of buying or selling of products and services over the web generating technologies such as mobile commerce (M-commerce), electronic funds transfer (EFT), processing of transactions online, internet marketing, enhancement of electronic data exchange, development of inventory management systems and data collection systems. These online shopping stores are hence faced with various challenges emanating from the competitors in the market, the industry and the macro-environment. This demands that these online shopping malls adopt better

strategies to cope with these business dynamics based on the challenges emanating from the business.

1.2 The Research Problem

Online shopping stores have been running from as early as 2010 with some of them failing due to lack of understanding of the business environment and the strategies that need to be adopted to cope with the competition. This is brought about by lack of understanding of the complexity of the business, operational decisions, strategy integration, lack of relationship networks and change management systems that enhance the business success. It is inherent that a major cause of online shopping stores failure is the competitive factors that outperform one online shopping store from another. The relative position of an online shopping store, it is determined by their choice of competitive advantage (which involves their choice of use of either cost leadership or differentiation) strategies employed. Moreover, the competitive scope adopted is mainly used to distinguish between firms that target broad industry segments and firms that focus on narrow segment.

Online shopping is a practice that is continuously being embraced in Kenya with it ranking third in terms of the volume of goods being shopped online, after Nigeria and South Africa, Kahongeh (2019). This has been enabled by technology like E-commerce, mobile platforms and availability of cashless payment systems which has improved customer online shopping experience, Karuga (2017). This has been enabled further by the fact that a customer does not have to own a credit card to shop online.

Occasionally searching for product prices, quality specifications on the web to influence purchasing decisions online classifies a consumer as a digital shopper. Indeed technology has opened up the business space for both sellers and buyers as consumers as they no longer have to walk in to business premises to make purchases and sellers can interact with consumers remotely to sell their items widening their reach. The practice of online shopping encourages arbitrary spending as customers are always looking for the best deals online a practice that was not easily carried out when a customer has to visit physical business premises. This demonstrates the way the technology acceptance and adoption theory has indeed generated threats to the already established business models affecting competitive advantage. This therefore, attracts much interest on the substance forming competitive advantage thus drawing the research question, which strategies adopted by online shopping stores help them gain competitive advantage?

There are no other comparative studies carried out on strategies to adopt for online shopping store in Kenya to gain competitive advantage. However, there are other previous studies that have been carried out on competitive advantage;

Kabuba (2014) studied the E-commerce commerce and performance of online business in Kenya. The study revealed of the 19 online companies that responded 63.2 % of the companies were in existence for less than 5 years of age since being incorporated and most of the business were considered small as a majority of 89.5% had less than 50 employees. The study also illustrated that there was domination of foreign ownership for online businesses. The study also revealed that a majority of the online businesses

drew few visitors each month considering the Kenyan population therefore performance of Kenyan online companies was pale compared to other companies in developed economies.

Njoroge (2016) carried out a study on the strategies adopted by shopping malls in Nairobi City County to gain competitive advantage. The study revealed that levels of competitiveness in shopping malls was greatly influenced by PESTEL factors and Industry forces. The study found out that shopping malls had competitive advantage which was described by respondents as producing unique products/services and having an elevated position compared to competitors (differentiation strategies). The strategies adopted to gain competitive advantage was through branding through aggressive marketing and advertisement. The differentiation strategies adopted were by offering products/services that meet customer satisfaction, and offering products different from competitors; focus strategies by targeting particular market segment, targeting a particular line of customers (niche marketing) and offering products to customers not targeted by competitors; cost leadership by lowering rental levels and reducing prices below competitors; tenant mix, diversification and innovation.

Omollo (2016) studied the evolving online ecosystem in Africa and how it is impacting shopping behavior. The study revealed that, the upper class shoppers have embraced this convenient and affordable way of purchasing and innovations in transport to make deliveries have catapulted the experience. The study also showed shoppers required 'web rooming' a key component of shoppers journey replacing show rooming. It was

evident that shoppers would walk into retail shops with more information on what they are purchasing reducing interaction levels with the retailer which they initially had, therefore creating a presence of an online platform would tap on to the shoppers that sought webrooming.

1.3 Research Objectives

The principal aim of this study is to ascertain strategies adopted by different online shopping stores in Kenya to achieve competitive advantage.

1.4 Value of the Study

The findings of this study will be important to current and subsequent online shopping stores business entities as it will help them achieve unique strategic mix to differentiate them from others. It may single out the challenges on online stores and assist current and upcoming online stores evade such challenges for their better good.

The academia will indeed benefit from this study as it will broaden their knowledge on current trends in business for them device better recent and new strategies that will enable a business grow. It will open up areas of research on technology based improvements. Scholars will strive to continuously improve on sustainable competitive advantage through research.

Business and marketing practitioners it help them understand the strategies for competitive advantage for online shopping stores. Online shopping is very recent in Kenya and it comes with technology and ease of doing business goals promoting trade.

The study will benefit the government-policy makers in terms of improved skill in understanding technology based business transacting to enable them make policy on ease of doing business and continued improvement of technology. The government will also be able to ensure quality standards of goods are distributed with known sources. The telecommunications regulators will be able to know the challenges experienced by the online shopping stores in terms of internet accessibility.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter review literature on two theories supporting the study as well as types of strategies for competitive advantage. It will give the relationship between strategies and competitive advantage.

2.2 Theoretical Foundation of the study

The theoretical framework guides the research and it is based on existing theories on a particular field of enquiry. It is also a reflection of the hypothesis of study. It also contains of theoretical principles, concepts tenants of theory .This section benefits the research work by providing structure to illustrate how the researcher defines their study philosophically, systematically, methodologically and analytically as described by Grant & Osanloo (2014). In addition, Ravitch and Carl (2016) reiterate that it helps the researcher in establishing and setting background of formal theories to guide their study. Moreover, it serves as the focus for the research that is linked to the research problem and therefore guiding the researcher's choice of research design and data analysis.

2.2.1 Technology Acceptance and Adoption Theory

The model is a theory that is based on two factors: how useful the technology appears and how easy it is to use. The usefulness of use is the value brought by technology adoption. Ease of use the minimum effort that a user requires to appreciate new technology (Apulu, 2012). The TAM model has been updated over time to include

other factors such as perceived risk, experience, social influence and cognitive processes (Park, 2009). The TAM has been used by several researchers in the study of adoption of ICT. Xiong, Qureshi and Najjar (2013) used the TAM to study how factors such as expected value of ICT, attitude and effort in usage affected ICT adoption in China.

There are a number of theories previously proposed to explain consumers' acceptance of new technology with the very initial being the Theory of Diffusions of Innovation, which began in 1960, Rogers (1995). This theory began the ground work for carrying out research on innovation and technology adoption. Other various theories and models were later developed in attempt to explain acceptance of the consumer of technology.

This theory is of importance to this research as it explains the effect of technology changes and adoption to the business environment. Technology acceptance in Kenya has led to acceptance of single platform- E-payment systems. This has greatly influenced the performance among Online Shopping Stores in Kenya therefore reflecting much on their positioning in the competitive environment. Computer applications have enabled real time transitioning promoting the E-Commerce Industry as E-payment is enabled real time using various online payment platforms and mobile money transfers, completed with payment and arrangement for deliveries also are handled over computer applications. Companies and organizations or business entities have continued to use technology inventions to enhance their competitive edge over their counterparts in business. For instance mobile applications have been invented to

increase accessibility of online shopping malls also used in real time for real time transactions, Kenyaweb (2017)

2.2.2 Porter's Theory of Competitive Advantage

Theory Competition's extent and nature in the industry is determined by five forces namely: threat of substitute products, threat of new entries, the buyers' bargaining power, the jockeying among existing contestants and the supplier's bargaining power. Collectively, these forces determine any industry's profit potential (Pearce & Robinson, 2011). Rivalry is brought about when key players compete on the basis of price, new advertising methods, product innovations and an increase in the warranties provided to customers as part of service to customers. Competition draws from the fact that one or more players feel the need to improve their position in the industry. Pressure arising from substitutability of products is greatest since they limit potential of returns in the market through putting caps on prices charged by firms in the industry (Porter,1998)

Suppliers have an effect on the participants' power to bargain by either increasing prices or decreasing the quality of the products. They have the effect of limiting the profitability of an industry. New entry by other firms in the industry drive the need to have a significant share of the market and also come with additional resources that are bound to increase prices or drive them down. Buyers on the other hand have a powerful effect on pricing since they can bargain for it to be driven down or demand superior quality, more range of services, or pin competitors against one another at the expense of profitability in the industry (Tanwar, 2013). The emergence of game theory which

discusses competition in a market came about as a criticism of Porter's model that had limitations in trying to explain the generic interactions among organizations (Hansen, et al., 2015).

2.3 Strategies for Competitive Advantage

In every market scenario an organization's performance greatly influenced by the competition it faces in the industry it operates. Strategy is a plan to seek an action to develop and adjust to a particular scenario. Competitive advantage is the leverage a business has over its competitors which is gained by offering clients better and greater value. In this section we shall discuss the various strategies employed by firms in a competitive market.

2.3.1 Cost Leadership Strategy.

The cost leadership strategy intends to give a customer or clients' value for their money having achieved an objective to deliver superior value to buyers satisfying their expectations on key quality, features, performance or service attributes and beating their expectations on price. A firm may achieve competitive advantage over others in the same industry when it up scales its attributes to match a lower cost than rivals whose products have comparable attributes. A business' ability to produce a product or service that will be at a lower cost than other competitors is what constitutes cost leadership. If the business is able to produce the same quality product but sell it for less, this gives them a competitive advantage over other businesses. Therefore, this provides a price value to the customers. Porter, suggested lower costs will result in higher profits as businesses are still making a reasonable profit on each good or service sold. If businesses are not making a large enough profit, Porter recommends finding a lower-cost base such as labor, materials, and facilities. This gives businesses a lower manufacturing cost over those of other competitors, Mindtools (2016).

A company can add value to the customer via transfer of the cost benefit to them. As a result cost leaders are able to earn prohibitive returns on investment. The firm must be able to: incorporate attractive features at a lower cost than rivals whose products have similar features, manufacture good-to-excellent quality products at a lower cost than rivals with good-to-excellent quality products at a lower cost, develop a product that delivers good-to-excellent performance at a lower cost than rivals whose products also entail good-to-excellent performance and provide attractive customer service at a lower cost than rivals also provide comparably attractive customer service. The benefits of cost leadership strategy to firms is it to elevate profits for the team and the firm especially where low cost operations are used. It causes an increase in the teams market share as higher profit margins are realized indicating also that customers are aware of budget balance and the need for cost to be simultaneous with the value of commodity. Cost leadership also improves sustainability of the business as fewer financial threats are realized especially in harsh economic times. Capital may be created for growth thereby reducing competition in the market place.

2.3.2 Differentiation Strategy

In differentiation strategy, a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers. It selects one or more attributes that many buyers in an industry perceives as important and uniquely positions it to meet those needs. It is rewarded for its uniqueness with a premium price. Differentiation may be based on the product's unique taste giving variation to what other products are readily available, multiple features, wide selection and one-stop shopping, spare part availability, engineering design and performance, prestige and distinctiveness, product reliability, quality manufacture, technological leadership; the delivery system by which it is sold, the marketing approach, and a broad range of other factors. The most appealing approaches to differentiation are those that are complicated and expensive for rivals to duplicate. A firm that is able to achieve and sustain differentiation termed as an above-average performer in its industry if its price premiums exceed the extra costs incurred in bringing uniqueness. Differential advantage is gained when a business's products or services are different from its competitors. Porter recommended making those goods or services attractive to stand out from their competitors. The business will need strong research, development and design thinking to create innovative ideas. These improvements to the goods or service could include delivering high quality to customers. If customers see a product or service as being different from other products, consumers are willing to pay more to receive these benefits, Reference for Business (2016).

A differentiator, therefore, always seeks ways of differentiation that lead to a price premiums greater than the cost of differentiating and will not ignore cost positioning, because the premium price may be nullified by a markedly inferior cost position. Successful differentiation allows a firm to control a premium price for its products, increase unit sales and gaining buyer loyalty therefore, creating a perceived worth among customers and potential customers as the strategy focuses on value highlighting the cost saving and durability aspect of a product in comparison to other products. This creates a non-price competition leading to a perceived no substitute perception.

2.3.3 Focus Strategy

Focus strategy redirects businesses to target a few specific target markets or market segments rather than all. This strategy is often used for smaller businesses since they may not have the appropriate resources or ability to target the whole market segment. It is evident that businesses that use this method usually focus on the needs of the customer and how their products or services could improve their daily lives; Reference for Business (2016). This strategy is different from the others as it rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment or a group of segments in the industry and tailors its strategy to serving them to the exclusion of others and optimizing its strategy for the target segments. The focuser further seeks to achieve a competitive advantage even if the segment does not possess a competitive advantage. The focus strategy has two alternatives which relate to cost and differentiation, namely, the cost focus seeking for cost advantage and the differentiation focus seeking for differentiation in target segments.

The benefits of the focus strategy are that it helps to strengthen relationships with each target market thus creating customer loyalty over a period time. It also aids in improving the pricing structure for the business especially because customer loyalty is already created, this often creates a power brand. Focus strategy brings some expertise into the product or services for a targeted demographic and allows for future customers with specificity. This strategy limits competition due to particular nature and niche of production that creates customer loyalty.

2.4 Empirical Review of Research

A firm's competitive strategy is only effective when it helps in overcoming challenges brought about by the competition. A firm can overcome its challenges by critically

analyzing its environment and formulating strategies that best suit them in its operating environment.

There are some studies that have been carried out in relation to strategies and competitive advantage; Nyatichi (2009) studied competitive strategies adopted by Multinational Banks in Kenya and her research revealed that with differentiation broad focus strategy, banks remained profitable in the market. The strategies applied included those that focus on customers such as maintaining strong relationship with customers, improved service, identifying needs of prospective customers, wide coverage of the organization, offering professional service to customers, diversity of organization culture to accommodate customer needs while the strategies that don't impact on customer so much were not greatly applied.

The study by Amuti (2017) was a critical literature review on the problems facing the implementation of strategy at the constitutional commissions in Kenya. The observations made by Richards (2006) found that at least 60 percent of the firms were unsuccessful in the implementation of a strategic plan because of inadequate supportive culture to guide the employees' behavior and action to affect their support of the current strategy to enable its execution. Sharma (2007) argues that the managers are highly involved in establishing strategic plans; it is their duty and responsibility to align the organizational culture with the strategy in place. There are also methodological gaps. Nartisa, Putans and Muravska (2012) study was both a descriptive survey and comparative.

In their study, Hill and Jones (2010) explain that organizations are unable to implement a strategic plan because of failure by management to integrate their culture with their

strategic plans. They insist that organizational culture should support the implementation of strategic plans. Pearce & Robinson (2005) note that organizations fail to succeed in the implementation of strategic plans because of failure by their leaders to promote an innovative culture that allows them to engage and show interest in the employees by expressing support and giving feedback as well as collaborating with the employees rather than controlling them. This is in line with the citation made by Sharma (2007) further argue that unsupportive culture limits interaction, communication this discourages exploratory and learning behavior which contributes negatively towards successful strategy implementation.

Brennan (1991), on the study of decisions made by small retailers as a strategy against discounters showed that offering customized services, delivering high quality products and services were most successful strategies applicable in the market. However, it is not possible for a firm to practice all these strategies. Moreover, no strategy can succeed under all prevailing business circumstances. For these reasons therefore, that this study evaluates these strategies adopted by firms so as to identify the one with greatest returns. A study by Awino (2013) on strategic planning practices undertaken by ICT SMEs in Kenya found out that a large number of the SMEs practice strategic planning activities and in fact they have formally written plans. Earlier researchers had found out that organizations with formal plans about their strategies perform better than those that have no plans (Allison 2005; Akinyele 2007). Drawing a formal plan implies that a firm has a guideline from which it is able to measure, evaluate, direct and control its performance and operations

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section gives a discourse of the blueprint of the study methodology that was utilized as a part of the research. It centers on the design of the study, techniques for the data analysis and arrives at a conclusion with the collection and data presentation strategies that will be utilized as a part of this study.

3.2 Research Design

The study used the cross-sectional survey as it describes the data and the varied characteristics of the population and the phenomenon being studied. Kothari (2014) defines research design as structured conditions suitable for both collection and data analysis. Kothari (2014) added that a research design a research study is economical as well as aligned with the research purpose. This design used because large samples are realistic and give statistically significant results even when analyzed using several variables. Surveys are important since they give a good description of a large population. The design was able to answer questions such as when, who, where and how enabling the respondents to respondent freely.

This research problem will be studied through the use of descriptive survey research design. Descriptive research describes the characteristics of the population or phenomenon being studies. Descriptive research consists of a survey and fact finding investigation with the main purpose of giving explanation of the set of circumstances as

they are at present, Mishra and Alok (2019). The main feature about this design is that, it will not give the researcher direct control over the variables.

3.3 Population of the research

According to Kumar (2005), population is the group, families dwelling in the city or electorates from which you pick a small number of families, students, electors to question to respond to your investigation question. The survey will target a population of 60 online shopping stores in Kenya with official head offices in Nairobi, according to the Ministry of Industry, Trade and Cooperatives Kenya. A census study will be carried out because the population research is small. The list of online shopping malls is attached in Appendix I from the Ministry of Industry, Trade and Cooperatives as at January 2019.

3.4 Data Collection

This research will collect primary using semi-structured questionnaires, as they help with gathering large amounts of data within very short periods of time rendering them cost effective. Moreover, they are free from interviewer bias and easy to quantify results. Appendix II, contains the questionnaire that will be used. It contains four sections where; Section A, the personal profile information, Section B, the profile of the organization, Section C, the strategy adopted by online shopping stores and in Section D, of competitive advantage.

For this research data will be collected from one middle level managers or top level managers at the head offices of the online shopping firms whom are involved in

strategy or the equivalent .The questionnaires will administered by dropping and pick later method. This will allow the respondents provide information honestly without personal interview bias.

3.5 Data Analysis

Data analysis is the process involving inspecting, cleansing, converting and modeling data so that one discovers any useful information, informing conclusions and supporting decision making (Xia and Gong, 2015). Data will be analyzed using descriptive statistics, such as means, scores, frequency and standard deviation. To describe the data the research will use frequency tables, pie charts, and trend charts. The research will also use regression analysis to establish the effect of strategies on competitive advantage among online shopping stores in Kenya. The research will use SPSS as an analyzing tool for the research.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

In this chapter data was collected and analyzed and presented. The analysis is divided into three parts. Part one covers the demographic statistics of the Online Shopping malls, located in Nairobi area which is the targeted population of research. Part two, contains the results of the objective of research, the strategies adopted by online shopping stores and the competitive advantage measure of strength of the online shopping stores.

4.2 Response Rate

A total of 60 questionnaires were administered to the target population within Nairobi County, targeting either middle level or top level managers. This is because as they were more likely to be involved and knowledgeable about strategy and competitive advantage. A 100% response rate was realized with all the respondents able to submit their questionnaires.

4.3 Background Information

To capture the background information the study requested for individual years of operation, the number of branches or offices and the number of employees in the company. This information is likely to influence the strategies and competitive advantage as used by the organizations.

4.3.1 Years of Business Operation

The findings illustrated in Table 4.1 show the number of years of operation of online shopping stores helps in understanding the period in which they have been operating in Kenya. We find that majority of the online shopping stores in Kenya have been operating for the last 1-3 years at 36.7 % followed by those operating above 3-5 years at 35%. We also found that 15% of online shopping stores have been operating for more than 3 years while the start-up rate is at 13.3% as indicated by the online stores operating less than one year. This shows that most online shopping stores are start-ups and more in the formative stages a characteristic expected in Kenya as a developing country.

Table 4.1: Demographic Profile of the Organization

Years of Operation	Frequency	Percentage
Less than 1 Year	8	13.3%
1-3 Years	22	36.7%
3-5 Years	21	35%
Above 5 Years	9	15%
TOTAL	60	100.00%

Source: Research findings, 2019

4.3.2 Number of Branches of Online shopping Stores.

The findings illustrated in Table 4.2 show the number of branches or offices established by online shopping stores indicating their geographical distribution of online shopping stores in Kenya. Table 2 shows that majority of 50 % of online shopping stores operate 1-5 Offices countrywide followed by those operating 6-10 Offices at a percentage of 21.7%. Due to the rate in startups, online shopping stores

operating for less one year have essentially established one office with the findings in Table 4.2 indicating that at 20%.

Table 4.2: Number of Offices

No. Of Offices	Frequency	Percentage
1 Office	12	20%
1-5 Offices	30	50%
6-10 Offices	13	21.7%
Above 10 Offices	5	8.3%
Total	60	100%

Source: Research findings, 2019

4.3.3 Number of Employees in the Online Shopping Stores

The table below indicates that most online shopping stores are what is considering small as majority of them had less than 40 employees with those less than 20 Employees at 33% and those above 21 to 40 employees at 58%. Those online shopping stores with over 100 employees considered large are a meagre 5 % indicating that most have not gone large scale.

Table 4.3 Number of Employees

No. of Employees	Frequency	Percentage
Less than 20	20	33%
21- 40 Employees	35	58%
41-60 Employees	18	30%
61-80 Employees	14	23%
81-100 Employees	10	17%
Above 100 Employees	3	5%
Total	60	100%

Source: Research findings, 2019

4.4 Strategies Adopted by Online Shopping Stores in Kenya

The study sought to establish the strategies adopted by Online Shopping Stores in Kenya to gain competitive advantage. Data was collected using 5 point Likert scale where “5= very great extent, 4=great extent, 3=moderate extent, 2=little extent and 1=not at all.” The data collected was analyzed using mean scores and standard deviation where the higher the mean score the greater the extent of usage of the particular strategy and the lower the mean the little the extent of use of the strategy. The findings are contained in Table 4.4. Data was analyzed and categorized into Porter’s Generic Strategies of cost leadership, differentiation and focus strategies and as well according to the technology acceptance and Innovation strategy. This was of importance so as to give specific detail to each strategy applied.

Table 4.4: Strategies Adopted by Online Shopping Stores.

Strategy	Application of Competitive Advantage Strategy	Mean	Standard Deviation
Cost Leadership Strategy	Reducing Prices below the Competitor	3.8	1.1
	Offering quality products/ Services at Competitive prices	4.5	0.9
	Lowering Rental Level	3.6	1.2
	Reducing Operational Costs to increase profitability	4.6	0.7
	GRAND	4.1	
Differentiation	Offering Products/services different from the competitor	3.2	1.35
	Offering superior products/services to meet customer satisfaction	3.8	0.8
	Offering Customer Loyalty Advantages	4.2	1.35
	Offering Delivery of Products and Services at convenience of the customer.	4.5	0.95
	Ensuring that resources are rare and superior not easily substituted and difficult to imitate	3.2	1.67
	Innovating new products and services	2.5	1.8
	Branding and Aggressive Marketing	4.2	1.1
	GRAND	3.7	

Focus strategy	Target of Particular Market Segment	2.8	1.5
	Target Specific Customers (Niche Marketing)	3.4	1.3
	Offering customers products/ Services not targeted by competitors	2.6	0.97
	GRAND	2.9	
Technology Acceptance and Innovation	Ensuring that complex systems are in place to ensure real time transaction are effectively completed.	4.1	1.4
	Increasing payment platforms to simplify customer payment modes (simplified E-Commerce)	4.2	0.6
	Ensuring orders are made Real time based on availability of product or service	4	1.3
	Ensuring accessibility of the online platform is easened to the customer (e.g employment of use of mobile application)	3.6	1.5
	GRAND	4	

N=60

Source: Research findings, 2019

From the above table, it is evident that the online shopping stores apply the Cost Leadership strategy more, this described by the mean of 4.1. This strategy has ensured that they maximize on profits through reducing operating costs while offering the

customer quality products and services at costs lower than the competitor. This strategy is further supported the technology acceptance and innovation strategy at mean of 4, indicating that for online shopping store success transactions have to be carried out real time with real time update of products and services offered. Also making the online business accessible especially through use of mobile platforms has greatly contributed to their success. Differentiation and focus strategies are being used less currently at mean of 3.66 and 2.9 respectively. This is because at this instance these online shopping stores aim at competing on how best to satisfy the customer and efficiently and effectively deliver on transactions rather than on diversifying on the products which they have probably sold over years in walk in stores, while focus strategy is of least meaning as online businesses have the intention to increase reachability rather than focus on particular market niche.

4.5 Competitive Advantage Strategies adopted by Online Shopping Stores in

Kenya

The study also sought to measure competitive advantage of Online Shopping Stores in Kenya so as to measure their level of success. Data was collected using 5 point Likert scale where “5= very great extent, 4=great extent, 3=moderate extent, 2=little extent and 1=not at all.” The data collected was analyzed using mean scores and standard deviation where the higher the mean score the greater the extent of usage of the particular strategy and the lower the mean the little the extent of use of the strategy. Data was analyzed and measured using six indicators namely financial, technology, product, process customer experience and corporate culture. This was of importance so as to give specific detail of what is the substance of success of on line shopping stores in Kenya.

Table 4.5: Measures of Competitive Strategies

Measure	Statement	Mean
Financial Indicators	Profits	4.5
	Market Share	4.2
	Sales turnover	4.6
	Returns	4.6
	GRAND	4.5
Technology Indicators	Fast transacting	4.9
	Easy and accessible platforms (e.g. Android Application)	3.5
	GRAND	4.2
Product	Products lower in cost that competitors	4.3
	High quality of products and services	4.0
	Less marketing time	4
	GRAND	4.1
Process	Low cost of transacting	4.2
	Productive	3.7
	GRAND	4
Customer Experience	After sales services	4
	Customer Loyalty	4.5

	Supplier Loyalty	4.2
	Location of Establishment	4.1
	GRAND	4.2
Corporate Culture	Employee Professional know-how	4
	Employee Commitment	4
	Firm's Reputation	3.8
	GRAND	3.9

N=60

Source: Research findings, 2019

From the above table, it is illustrated that the online shopping stores are successful because of financial status which is indicated at a mean of 4.5. Financial success equal competitive advantage. Financial success is enabled by the application of technology at a mean of 4.2, this in turn improves customer experience indicated at a mean of 4.2. The product indicators then follow at mean of 4.1, process indicators at mean of 4 and corporate culture at 3.9. This means product, process and corporate culture indicators are not strong indicators of strong competitive advantage for online shopping stores

4.6 Regression Analysis

The research sought to examine the influence of strategy and competitive advantage among online stores in Kenya. The results of Model Summary, ANOVA and regression coefficients areas shown in succeeding sections.

4.6.1 Correlation Analysis

The outcome of the analysis is highlighted in Table 4.6

Table 4.6 Correlation Analysis

	Cost leadership	Differentiation	Focus	Technology	Competitive advantage
Cost leadership	1				
Differentiation	.301**	1			
Focus	.199*	.340**	1		
Technology	.267**	.612**	.533**	1	
Competitive advantage	.255**	.054*	.290**	.230**	1

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

From the above table 4.5.1, there is positive correlation between focus and firm competitive advantage at pearson's correlation coefficient of $r=0.290$ and significance level of 0.000. On the other hand, cost leadership has positive relationship between cost leadership and competitive advantage at $r=0.255$ and significance level of 0.000. Similarly, technology has positive relationship with competitive advantage at pearson's correlation coefficient of 0.230 and level of coefficient being 0.000. Finally, Differentiation has no relationship with competitive advantage at a pearson's correlation p-value of 0.54 hence not significant.

4.6.2 Model Summary

The competitive advantage of online stores in Nairobi County, Kenya was regressed against strategies (cost leadership, differentiation, focus and technology). Table 4.5.2 shows the model summary.

Table 4.7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.817 ^a	.668	.663	1.19346

a. Predictors: (Constant), cost leadership, differentiation, focus and technology

From the findings in Table 4.6.2, coefficients of correlation R was 0.817 a sign of positive correlation between variables, coefficient of determination R² is 0.668 which translates to 66.8%. This mean that 66.8% variations in dependent variables can be traced by; cost leadership, differentiation, focus and technology. The residual of 33.2% can be explained by other factors beyond the scope of the current study.

4.6.3 Analysis of Variance

On whether the regression model used was fit for the data collated, the researcher performed Analysis of Variance (ANOVA). See the results in Table 4.5.3.

Table 4.8 Analysis of Variance (ANOVA^a)

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Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	11.236	4	3.745	11.583	.000 ^b
1 Residual	21.341	55	.323		
Total	32.577	59			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), cost leadership, differentiation, focus and technology

The computation yielded an F-ratio of 11.583 and a p-value of 0% indicating that the study's regression model had goodness of fit and therefore appropriate for predicting the influence strategies (cost leadership, differentiation, focus and technology) on the competitive advantage of online stores Nairobi County, Kenya.

4.6.4 Regression Coefficient

The researcher calculated the regression co-efficients at 95% confidence level to test the nature of relationship between competitive advantage and strategies (cost leadership, differentiation, focus and technology). The results are as shown in Table 4.5.4

Table 4.9 Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B (β)	Std. Error	Beta (β)		
(Constant)	.179	.756		.236	.817
1 Cost leadership	.149	.239	.165	.623	.543
Differentiation	.247	.159	.272	1.554	.012
Focus	.239	.125	.305	1.906	.037
Technology	.200	.273	.126	.733	.476

a. Dependent Variable: Competitive advantage

From Table 4.6.3, all the variables carried positive predictive power although there was variation in significance level. The results also show that cost leadership had a positive and significant effect on competitive advantage ($\beta = 0.165$, $p=0.543$). However, differentiation had a positive and significant effect on competitive advantage ($\beta = 0.272$, $p=0.012$). Similarly, focus had a positive and significant effect on competitive advantage ($\beta = 0.305$, $p=0.037$). Technology had a positive and significant competitive advantage ($\beta = 0.126$, $p=0.476$). From regression equation, it means that when other variables are controlled, a unit change in the technology would result to performance change insignificantly by 0.126 units in the same direction. The regression equation was as follows:

$$Y = 0.179 + 0.165X_1 + 0.272X_2 + 0.305X_3 + 0.126X_4$$

Where:

Y =Competitive advantage

β_0 = model's constant

X₁=Cost leadership

X₂=Differentiation

X₃ = Joint venture

X₄ = Focus

The overall model show that strategies influence competitive advantage with a p-value of <0.005 except the cost leadership which is at 0.543 and each variable positively predicated competitive advantage. However, only differentiation and focus were significant in predicting competitive advantage.

4.7 Discussion of the study

The general objective of the study was to examine strategies adopted by different online shopping stores in Kenya to achieve competitive advantage. It was revealed more than half of the online stores in Kenya have being in operation more than three years. This shows that most online shopping stores are start-ups and more in the formative stages a characteristic expected in Kenya as a developing country. This finding agree with the work of Mwangi (2012) who found out that most online stores in Kenya have being in Operation more than 4 years in Kenyan market. Similarly, most of the online stores in Kenya have more than five offices. This is disagreeing with Olouch who asserted that most of the online stores have more than 15 branches in Kenyan market. Lastly, most online shopping stores have more than 100 employees.

The study found that strategy has ensured that they maximize on profits through reducing operating costs while offering the customer quality products and services at costs lower than the competitor. Also making the online business accessible especially through use of mobile platforms has greatly contributed to their success. Differentiation and focus strategies are being used less currently. This findings agree with Nyatichi (2009) revealed that with differentiation broad focus strategy, banks remained profitable in the market. The strategies applied included those that focus on customers such as maintaining strong relationship with customers, improved service, identifying needs of prospective customers, wide coverage of the organization, offering professional service to customers, diversity of organization culture to accommodate customer needs while the strategies that don't impact on customer so much were not greatly applied.

The revealed that online shopping stores are successful because of financial status. Financial success is enabled by the application of technology this in turn improves customer experience. Most online stores consider cost leadership and technology adaptation at moderate extent. This finding agree with Mindtool (2016) that a business' ability to produce a product or service that will be at a lower cost than other competitors is what constitutes cost leadership. On the other hand, it disagrees with Grant (2014) that focusing a firm's entire competitive effort on a single market niche benefits it considerably, especially for small and medium sized firms because they sometimes lack the necessary resources to go after a large customer cluster with a something for all customers' attribute.

This study agrees with the theories of porter model and technology acceptance model. Porter model explains that a firm can possess two types of competitive advantage, low cost or differentiation. These two types of competitive advantage may be combined with the scope of activities that w a firm seeks to achieve which leads to a 3rd generic strategy namely focus strategy. The focus strategy has two variants, cost focus and differentiation focus. He also suggested that the key challenge for most businesses is in finding a way of achieving a sustainable competitive advantage over the competing products and firms in a market. On the other hand, technology acceptance model seeks to shape evolving technological applications to their own interests. The advancement and dynamic growth of technologies and how fast consumers accept this technology depends on factors such as the availability of technology, consumers' needs and security.

CHAPTER FIVE

SUMMARY, DISCUSSIONS AND CONCLUSION

5.1 Introduction

This is the final chapter of the project with sections on; summary of the findings of the research, conclusion to the findings and recommendations of the research. This chapter also contains suggestions for further research to conclude this project.

5.2 Summary of the findings.

A total of 60 questionnaires were administered to the target population within Nairobi County, targeting either the top management or middle level management. A 100 % response rate was realized with all the respondents returning their questionnaires. A majority of the online shopping stores in Kenya have been operating for the last 1-3 years at 36.7 % followed by those operating above 3-5 years at 35%. We also found that 15% of online shopping stores have been operating for more than 3 years while the start-up rate is at 13.3% as indicated by the online stores operating less than one year.

First, the study indicated that the cost leadership strategy was more of use. This strategy has ensured that they maximize on profits through reducing operating costs while offering the customer quality products and services at costs lower than the competitor.

Secondly, this strategy is further supported the technology acceptance and innovation strategy, indicating that for online shopping store success transactions have to be carried out real time with real time update of products and services offered. Also

making the online business accessible especially through use of mobile platforms has greatly contributed to their success.

Thirdly, differentiation and focus strategies are being used less. This is because at this instance these online shopping stores aim at competing on how best to satisfy the customer and efficiently and effectively deliver on transactions rather than on diversifying on the products which they have probably sold over years in walk in stores, while focus strategy is of least meaning as online businesses have the intention to increase reachability rather than focus on particular market niche.

5.3 Recommendation of the study

Cost leadership strategy was found to be greatly highly adopted by online stores to enhance competitive advantage. This study therefore recommends Online stores in Kenya should adopt cost leadership strategy so that to be competitive in the dynamic market. Online stores can add value to the customer via transfer of the cost benefit to them. As a result cost leaders are able to earn prohibitive returns on investment.

The study also recommends for adoption of Technology strategy by online stores. Technology strategy improves effectiveness, efficiency, accountability and transparency of daily administration of the online stores. Technology strategy can be achieved through various departments by adopting various technology tools such as digital marketing which implies that the online stores offers its services through electronic means across its customers through the use of new technology.

Finally, the study recommends that online stores should adopt differentiation strategy so that to remain competitive. Online stores that are able to achieve and sustain differentiation termed as an above-average performer in its industry if its price premiums exceed the extra costs incurred in bringing uniqueness. Differential advantage is gained when a business's products or services are different from its competitors.

5.4 Conclusion of the study

It was concluded that more than half of the online stores in Kenya have being in operation more than three years. Similarly, most of the online stores in Kenya have more than five offices. Lastly, most online shopping stores have more than 100 employees.

The study conclude further that strategy has ensured that maximize on profits through reducing operating costs while offering the customer quality products and services at costs lower than the competitor. On the other hand, differentiation and focus strategies are being used less currently. Online stores need to focus on on customers such as maintaining strong relationship with customers, improved service, identifying needs of prospective customers, wide coverage of the organization, offering professional service to customers, diversity of organization culture to accommodate customer needs.

Lastly, it was concluded that technology and cost leadership affect online stores at moderate extent. Technology strategy ensures effectiveness, efficiency, accountability and transparency of daily administration of the online stores. On the other hand, online stores invest on line stores so that ability to produce a product or service that will be at a lower cost than other competitors is what constitutes cost leadership. If the business is able to produce the same quality product but sell it for less, this gives them a competitive advantage over other businesses.

5.5 Limitations

The most significant limitation for this study was the quality of the data. It cannot be concluded with accuracy from this study that the findings are a true representation of the situation at hand. An assumption has been made that the data used in the study is accurate. Additionally, a lot of inconsistency in the measurement of the data was experienced due to the prevailing conditions. The study utilized primary data contrast to secondary information. It took into of manufacturing and allied firms and not all factors because of the limit imposed by data availability.

Getting the right target respondents to take in the survey. The researcher targeted the 60 top and middle managers to fill the questionnaires. Given the technique employed for administering the questionnaire was drop and pick, some questionnaires got filled by unintended respondents. Frequent follow ups were done to ensure that the right respondents provided the responses to the study.

Time aspect of carrying out the data collection was another challenge. The researcher had to complete the research in a specific time frame and sometimes this was not

favorable to the availability of the respondents. Given this challenge the researcher created time to ensure that follow ups were done to ensure that the questionnaires were returned back within the acceptable time frame.

Some of the employees felt as if they were being investigated and hence were hesitant to fill the questionnaires. The researcher however worked at winning their confidence by ensuring the participants that their confidentiality would be upheld. The letter of authorization to collect data that was provided by the learning institution also helped to ease some of this fear.

5.6 Suggestion for Further Research

The study was limited in its capacity to sample respondents from other regions of the country due to time and financial constraints. Therefore, it is recommended that the study be carried out in other counties to be able to capture elements that may be unique to certain consumers in the varied contexts that are represented by different geographical regions.

The study was limited in its capacity to sample respondents from other regions of the country due to time and financial constraints. Therefore, it is recommended that the study be carried out in other counties to be able to capture elements that may be unique to certain respondents in the varied contexts that are represented by different geographical regions.

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APPENDICES

APPENDIX I: LIST OF ONLINE SHOPPING MALLS IN KENYA

1. Armaco Kenya – <http://www.armcokenya.com>
2. Aspira Kenya – <http://www.aspira.co.ke>
3. Auto Parts – <http://www.autoparts.co.ke>
4. Baby Mama – <http://www.babymama.co.ke>
5. Beauty Click – <http://www.beautyclick.co.ke>
6. Bright Technologies – <http://www.bright.co.ke>
7. Brioche Africa – <http://www.briocheafrica.com>
8. BuyRentKenya- <https://www.buyrentkenya.com>
9. Cake City – <http://www.cakecity.co.ke>
10. Cheki- <https://www.cheki.co.ke/>
11. CRM Kenya – <http://www.crmkenya.com>
12. Dashcam Center – <http://dashcamcenter.co.ke>
13. Decathlon Sports Kenya – <http://www.decathlon.co.ke>
14. Devsons Industries – <http://www.devsons.co.ke>
15. Dial a Delivery – <http://www.dialadeliverykenya.co.ke>
16. Dial Up Liquor Store – <http://www.dialupliquor.co.ke>
17. DukaTech – <http://www.dukatech.co.ke>
18. Elegance Furniture – <http://www.elegance.co.ke>
19. E-Mart Kenya – <http://www.e-mart.co.ke>
20. Epepea Kenya – <http://www.epepea.com>
21. Furniture Palace – <http://www.furniturepalacekenya.com>

22. Glovo – <http://www.glovoapp.com>
23. Goodlife Pharma – <http://www.goodlifepharma.com>
24. Gran Tech Kenya- <http://www.grantech.co.ke>
25. Healthy U – <http://www.healthyu.co.ke>
26. Hot Point –<http://www.hotpoint.co.ke>
27. Insure Afrika – <http://www.insureafrika.com>
28. Jabali Furniture – <http://www.jabalifurniture.com>
29. Jumia – www.jumia.co.ke
30. Kalimoni Greens – <http://www.kalimonigreens.com>
31. Kazuri – <http://www.kazuri.com>
32. Kensoko-<http://www.kensoko.com>
33. Kilimall – www.kilimall.co.ke
34. Kraft Kenya – <http://kraftkenya.com>
35. M&E Sportswear – <http://www.mesportswear.co.ke>
36. Mackphilisa Computer Systems – <http://www.mcs.co.ke>
37. Malibu Pharm – <http://www.malibupharmacy.co.ke>
38. Mamamikes- <https://mamamikes.co.ke/>
39. Market Power – <http://www.marketpower.co.ke>
40. Masoko by Safaricom – <http://www.masoko.com>
41. Mika Appliances –<http://www.mikaappliances.com>
42. Mula by Cellulant- <http://www.mula.co.ke>
43. My Parts – <http://www.myparts.co.ke>
44. Nairobi Sports House – <http://www.nairobisportshouse.com>

45. Naivas – <http://www.naivas.co.ke>
46. Office Mart – <http://www.officemart.co.ke>
47. Optica – <http://www.optica.africa>
48. Orion Online Mall – <http://www.oriononlinemall.co.ke>
49. Oxfarm – <http://www.oxfarm.co.ke>
50. Pethouse Kenya – <http://www.pethousekenya.com>
51. Phonelink – <http://www.phonelink.co.ke>
52. Pigiame- <https://www.pigiame.co.ke/>
53. Ramtons – <http://www.ramtons.com>
54. Royal Foods Kenya – <http://www.royalfoods.co.ke>
55. Safari Center – <http://www.safari-center.com>
56. Shop Nanjala- <http://www.shopnanjala.com>
57. Subaru – <http://parts.subarukenya.com>
58. Superfoam Ltd- <http://www.superfoam.co.ke>
59. The Health Cart – <http://www.healthcart.co.ke>
60. Tuskys – <http://www.tuskys.com>
61. Sources:
 - a) <https://ca.go.ke/industry/ecommerce-development/>
(The Communications Authority-Industry Subsection on E-Commerce Development Archives)
 - b) <https://industrialization.go.ke/internal-trade/>
(Ministry of Industry, Trade and Cooperatives, Department of Internal Trade, Archive)

APPENDIX II: RESEARCH QUESTIONNAIRE

This study seeks to point out the competitive strategies adopted by Online Shopping Malls in Kenya to gain competitive advantage. Information is intended for collection from middle level managers and above. Kindly provide information as truthful as possible. All information received will be treated with confidence and used for academic purposes only.

SECTION A: PROFILE OF THE RESPONDENT

Complete this section by filling in the spaces provided.

1. Name of the Online Shopping Mall.....
2. Location of the Shopping Mall.....
3. Name of the Respondent.....(Optional).
4. What is the Management Position of the respondent...(Tick where Appropriate)
 - a. Top Level Management { }
 - b. Middle Level Management { }
5. For how long have you been in the current position.....(Tick where Appropriate)
 - a. Less than 1 Year { }
 - b. 1-3 Years { }
 - c. 3-5 Years { }
 - d. Above 5 Years { }

SECTION B: PROFILE OF THE ORGANIZATION

6. For how long has your online shopping mall been operating.....(Tick where Appropriate)
- a. For Less than 1 Year { }
 - b. 1-3 Years { }
 - c. 3-5 Years { }
 - d. Above 5 Years { }
7. How large do you consider your organization to be.....(Tick where Appropriate)
- a. For Less than 20 Employees { }
 - b. 21-40 Employees { }
 - c. 41-60 Employees { }
 - d. 61-80 Employees { }
 - e. 81-100 Employees { }
 - f. Above 100 Employees { }
8. How many branch offices do you have countrywide?(Tick where Appropriate)
- a. 1 Office { }
 - b. 1 -5 Offices { }
 - c. 5 -10 Offices { }
 - d. Above 10 Offices { }
9. What type of ownership does your online shopping mall represent in ownership.....(Tick where Appropriate)

- a. Single Owner Business { }
 - b. Partnership Business { }
 - c. Franchise { }
 - d. Distributorship { }
10. What sector is your online business.....(Tick where Appropriate)
- a. Building, Mining and Construction { }
 - b. Chemical and allied { }
 - c. Energy, Electrical and Electronics { }
 - d. Food and Beverages { }
 - e. Leather and Footwear { }
 - f. Metal and Allied { }
 - g. Automotive { }
 - h. Paper and Board { }
 - i. Pharmaceutical and Medical Equipment { }
 - j. Plastics and Rubber { }
 - k. Services and Consultancy { }
 - l. Textiles, Wood and Furniture { }
 - m. Agriculture /Fresh Produce { }

SECTION C: STRATEGIES.

11. Indicate your level of application of competitive strategy using the 5 point Likert Scale where;
- (Tick where Appropriate).

(1)	(2)	(3)	(4)	(5)
Not at all	Little Extent	Moderate Extent	Great Extent	Very Great Extent

Application of Competitive Advantage Strategy	(1)	(2)	(3)	(4)	(5)
Cost Leadership Strategy					
Reducing Prices below the Competitor					
Offering quality products/ Services at Competitive prices					
Lowering Rental Level					
Reducing Operational Costs to increase profitability					
Differentiation					
Offering Products/services different from the competitor					
Offering superior products/services to meet customer satisfaction					
Offering Customer Loyalty Advantages					
Offering Delivery of Products and Services at convenience of the					

customer.					
Ensuring that resources are rare and superior not easily substituted and difficult to imitate					
Innovating new products and services					
Branding and Aggressive Marketing					
Focus strategy					
Target of Particular Market Segment					
Target Specific Customers (Niche Marketing)					
Offering customers products/ Services not targeted by competitors					
Technology Acceptance and Adoption					
Ensuring that complex systems are in place to ensure real time transaction are effectively completed.					
Increasing payment platforms to					

simplify customer payment modes (simplified E-Commerce)					
Ensuring orders are made Real time based on availability of product or service					
Ensuring accessibility of the online platform is eased to the customer (e.g employment of use of mobile application)					

If any other, please specify.

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SECTION D: COMPETITIVE ADVANTAGE.

12. This section is concerned with determining the main indicators for measuring competitive advantage in online shopping stores. Please tick where appropriate which indicator best describes your level of success using the 5 point Likert Scale where:

(1)	(2)	(3)	(4)	(5)
Not at all	Little Extent	Moderate Extent	Great Extent	Very Great Extent

Statement	(1)	(2)	(3)	(4)	(5)
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Financial Indicators					
1. Profits					
2. Market Share					
3. Sales turnover					
4. Returns					
Technology Indicators					
5. Fast transacting					
6. Easy and accessible platforms (e.g. Android Application)					
Product					
7. Products lower in cost that competitors					
8. High quality of products and services					
9. Less marketing time					
Process					
10. Low cost of transacting					
11. Productive					
Customer Experience					
12. After sales services					
13. Customer Loyalty					
14. Supplier Loyalty					
15. Location of Establishment					
Corporate Culture					
16. Employee Professional know-how					

17. Employee Commitment					
18. Firm's Reputation					

If any other, please specify.

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THANK YOU FOR YOUR RESPONSE.