

Abstract:

The purpose of this study is to establish strategic responses employed by DT Dobie towards the challenges of liberalization. Since the liberalization of the automotive industry in Kenya, a lot has happened to the industry. There is intense competition in the distribution and marketing of motor vehicles and parts. Some concerns have been raised about the implications of the deregulation of the industry and there is need to find out the effects and how firms in the industry have responded to the challenges of liberalization. The market structure has become more competitive and there are many players, all competing for the same consumers. The study was a case study and the informants were senior staff of DT Dobie. The researcher chose DT Dobie since it has remained competitive and vibrant even after liberalization meaning that it has employed successful strategic responses to competition and other challenges brought about by liberalization. The study used primary data which was collected using interview guides and the data analyzed using content analysis. The study found out that DT Dobie and Company Ltd has responded to challenges of liberalization by turning to massive advertisement of products and services, introducing, developing and pricing their products competitively, beefing up the companies standards both managerial and physical standards, undertaking cost minimization by outsourcing non-core business, pricing the products based on foreign currency to contain foreign currency fluctuation, diversifying into sales of parts accessories to augment sales revenue and establishment of field sale. The study, however, recommends that DT Dobie should also target the lower market niche with their products and use pricing techniques that will favor the same.