COMPETITIVE STRATEGIES ADOPTED BY PETROLEUM RETAIL STATIONS IN KENYA: A CASE STUDY OF MOMBASA CITY

BY:

AMIR AWADH SWALEH

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University of Nairobi

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DECLARATION

This management project is my original work and has not been submitted for any degree in any other university.

Signed: ____________________ Date: 18th october, 2007

Amir Awadh Swaleh

D61/P/8515/2001

This management research project has been submitted for examination with my approval as University supervisor

Signed____________________ Date 19th/10/2007

Dr. Martin Ogutu, Ph.D

Senior Lecturer,

School of Business,

University of Nairobi.

DEDICATION

To my dear wife, Saada.

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ABSTRACT

The objectives of this study were two; to identify the competitive strategies being applied by the petroleum service stations in Mombasa by using Porter's Generic Model of cost leadership, differentiation and focus strategies. The second objective was to establish the challenges these stations face when applying the competitive strategies.

The study covered all the 75 service stations in Mombasa and the data was collected through questionnaires. 65 stations responded and 10 stations did not. The data was analyzed by using descriptive statistics which involved frequency tables and percentages.

The findings showed that most of the stations are owned by multinationals with a moderate size owned by local companies and a small section by individuals. The findings also showed that all stations are applying some strategies for competition but most of them combine both the cost leadership and differentiation strategies at the same time, most of which are the multinationals due to their favorable financial capabilities. A few local companies and the independent owners mainly focus on price strategy and sell at lower prices.

The findings also showed that challenges are mainly lack of financial capabilities for growth and marketing promotions, also the challenge of recruiting and maintaining highly skilled personnel who are innovative and creative. Other major challenges are the cost of safety procedures & regulations and the lack of proper systems & controls. Multinationals do not find these as major challenges but they are found to be major challenges to the local stations and those independently owned. However, the independently owned and local stations give high competition to the major stations by selling at very low prices, due to their lower overheads.

CHAPTER ONE

INTRODUCTION

1.1 Background

1.1.1 Concept of Competitive Strategies

A strategy is what an organization does and how it actually positions itself commercially and conducts that competitive battle. It is concerned with the long term direction of an organization and the scope of its activities. Strategic decisions are normally about trying to achieve some advantage for the organization over competition (Johnson & Scholes, 2002).

Due to globalization and liberalization of markets, competition has become very stiff in all sectors globally and organizations are compelled to employ various relevant strategies for them to compete and stay in business.
Central to the concept of strategic management is the concept of strategy. According to Ansoff and McDonnell (1990), the concept of strategy entered business vocabulary from the 1950's, when response to environmental discontinuities became important.

There are a number of definitions of strategy, however, Johnson and Scholes (1997) have given a very enriching one as follows:

> "Strategy is the direction and scope of an organization over the long term: which achieves advantage for the organization through its configuration of resources within a changing environment, to meet the needs of markets and fulfil stakeholder expectations".

According to Porter (1998), competition is at the core of the success or failure of firms. Competition determines the appropriateness of a firm's activities that can contribute to its performance, such as innovations, a cohesive culture, or good implementation. Competitive strategy is the search for a favourable competitive position in an industry, the fundamental arena in which competition occurs. Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition.

With recent developments into regionalization and globalization, many firms have found themselves in very vulnerable situations as competition intensifies. This has led to some firms being faced with the risk of losing their hard won market shares and therefore not being able to satisfy their firm's objective of profitability. In the face of such developments many have sought to move from the one business to multiple business concentrations.

Every firm competing in an industry has a competitive strategy, whether explicit or implicit. This strategy may have been developed explicitly through a planning process or it may have been evolved implicitly through the activities of the various functional departments of the firm. Developing competitive strategies is developing a broad formula for how a business is going to compete, what its goals should be and what policies will be needed to carry out those goals. The essence of formulating competitive strategy is relating a company to its environment. Although a relevant environment is very broad, encompassing social as well as economic forces, the key aspect of the firm's environment is the industry or industries in which it competes. Industry has a strong influence in determining the competitive rules of the game as well as the strategies potentially available to the firm (Porter, 1998).

1.1.2 Overview of the Petroleum Industry in Kenya

Before oil was found, coal was the main source of fuel all over the world but the bulky character of coal and its negative effects on the environment motivated the industrialists to search for a cheaper and more efficient alternative source of energy. The first oil well was drilled in Pennsylvania, USA in 1873. Miners were in their routine work in the coal deposits when they discovered methane gas (LPG; Liquefied petroleum Gas) which is a by-product of crude oil (Sampson, 1976).

Oil was better and a more efficient source of energy compared to coal and from that time, the search for more oil deposits was intensified worldwide. Large deposits exist in the Middle East, Russia, the Balkans, Eastern Europe and the United States of America. Wealthy business people found corporations to capture the new found line of business, bringing to existence of the major oil companies including Exxon, Mobil, Royal Dutch, Shell, BP, Agip, Total, Fina, Elf, Amoco Arco, Chevron, Texaco, among others. The level of competition increased forcing most of the merge forming Exxon Mobil, Royal Dutch Shell, Total Fina Elf, BP Amoco Arco and Chevron Texaco (Sampson, 1976).

In Kenya, the first oil company was Royal Dutch Shell in 1899 (Government of Kenya, 1994) selling only Kerosene. Later on other major oil companies started coming and by mid 90's all the major multinational corporations had an affiliate in Kenya and have a large network of retail stations. A few local companies have also have come up and are competing at the same level with the Multinational corporations, they include Kenol/Kobil, National Oil Company (NOCK) and SomKen Petroleum which bought a large part of Shell/BP Kenya network when the latter divested some of its sites in western Kenya and the Coast.

The fast growing powerful western economies have a higher demand for petroleum for their industries than they actually produce thereby relying on imports from other distant countries in the Americas, Middle East and Eastern Europe. However, due to political differences and ideologies between the capitalist western nations and both the communist eastern nations and the Islamic Middle East where the oil reserves are plenty, oil has been heavily politicized and has been volatile issue and major cause of conflict between the differing ideologies, for example the gulf war 1 in 1991 and also the gulf war 2 which started in 2003 to date and also the strained relations between the United States of America and both Iran and Venezuela in the recent past, leading to Iran and Venezuela threatening to cut supplies to the United States of America (Economist, 2006).

Retail station refers to the establishment where fuel is sold to motorists and other users in small quantities, in cash. They have underground tanks for fuel storage and pumps for dispensing the fuel to the customers. Some are branded and others are not, some have canopies covering the pumps and the fuelling section while others have only pumps without canopies. The main products sold in the stations are refined motor vehicle fuel including super, diesel, regular and a small percentage of Kerosene mainly for household use, either for cooking or lighting, motor vehicle engine oils and lubricants, liquified petroleum gas (LPG) which is commonly known as cooking gas.

Branded stations are those which operate using a certain registered name and have a chain network chain of stations spread in various locations and towns while others are referred to as independent stations which are mainly not branded with any name on the site, are single establishment (not part of a network chain) and are mainly owned by individual proprietors.

There is very stiff competition in this retail sector, both among the expensively invested branded stations which are mainly owned and supported by large petroleum companies both foreign Multinationals and locally owned companies and the other angle of the competition is between the branded stations and the independent stations which are low cost investments.
Like other cities in Kenya and Africa at large, Multinational retail stations are dominant in Mombasa and although there are almost 75 stations (Economic survey 2007), the Multinationals constitute of almost 80% making the industry a cartel-like formation

1.2 Statement of the Research Problem

Strategy can be viewed as building defences against the competitive forces and finding positions in the industry where the forces are weakest. Knowledge of the companies' capabilities and of the causes of the competitive forces will highlight the areas where the company should confront competition and where it should avoid (Porter, 1979). According to Thomson and Stickland (1998) strategy is management's game plan for the business. The essence of formulating a competitive strategy is relating a company to its environment. Although the relevant environment is broad, the key aspect of the firms environment is the industry in which it operates. Competitive strategies adopted by firms should result in competitive advantage (Porter, 1998).

The petroleum industry is a very key industry in Kenya. Petroleum is used by all motor vehicles including the small household vehicles, public passenger vehicles and also the heavy commercial transporters operating within the country and between the port of Mombasa and the land locked eastern and central African countries. Marine vessels, large ships and small boats also use petroleum as fuel. Petroleum products are used for running machines and equipment in industries.

Petroleum sector is a major revenue earner to the government in Kenya. The industry accounts for over 20% of the GNP (Government of Kenya, 2000).

Petroleum sector contributes taxes to the government and have also created huge employment in Kenya as managers at their corporate offices and depots installations and also pump attendant at their stations. They have created investment opportunities for Kenyans to operate as dealers, whereas the company rents the site to a dealer to operate as a tenant but on condition that the dealer will only get his stock supplies of fuel and the other items from the company.

However, despite the cost of the importing being more or less the same or with a very slight difference since the source is mainly the same and the petroleum tanker binging the oil normally carries oil for all or several importing companies as one shipment, there is very stiff competition among the branded retail stations to win motorists and other commercial users to buy from their stations.

Studies done in the petroleum industry are numerous. Chepkwony (2001), studied "strategic responses of petroleum firms in Kenya to challenges of increased competition I the Industry" and concluded that firms have generally made substantial adjustments in order to survive in the competitive environment. Some of other studies in the industry are those by Murage (2001) who studied competitive strategies adopted by members of the Kenya Independent Petroleum Dealers Association, Lena (2003) who studied customer's perceptions of the differentiating features of the fuel cards offered by firms in the Kenyan oil industry and also Mwindi (2003) whose study was based on the diversification strategy by major oil companies in Kenya.

Similar study, but in the food industry, was done by Theuri (2002) on Competitive strategies adopted by branded fast food chains in Nairobi and all the mentioned studies found that competitive strategies as being critically important in order to survive in the market, maximise market share, differentiate their products and also for the purpose of market share growth. It was clear from all the studies that had been done that different industries have different strategies to use in order to stay ahead of competition however no study had looked into the strategies that are used by petroleum retail stations in Mombasa to overcome competition and therefore the area of interest of my study was mainly to look into that.

My research questions were therefore:

i. What were the competitive strategies applied by petroleum retail stations in Mombasa.

ii What challenges were faced in applying those competitive strategies.

1.3 Research objective

The objectives of the study were to:

i. Identify the strategies being used by petroleum retail stations in Mombasa

ii. Establish the challenges they faced in dealing with competition

1.4 Significance of the study

The research findings will help in the following ways:

The petroleum retail stations will be able to identify which strategies are commonly applied in the petroleum retail business and this will help to guide the existing station managers and also those interested in investing and running petroleum stations. This is so because some local and independently owned stations do not have any particular strategies in place.

The study will also help to identify the competitive strategies that are more effective than others in the petroleum retail business and which are likely to give the stations competitive edge over the competition in the industry. Once the effective strategies are identified, this will help the stations' management to save time and cost by implementing only the effective strategies instead of doing trial and errors.

The findings of the study will also guide any potential investors interested in investing in a retail network of any industry on the effective strategies to use. The study will be a good guide to the potential investors on which strategies to use to give the business a competitive edge. The study will also suggest some recommendations for further scholarly research in the area of business strategies and this will help in closing the knowledge gap.

CHAPTER 2

LITERATURE REVIEW

2.1 Concept of Strategy

Johnson and Scholes (1997) note that strategy is the long term direction and scope of an organization that facilitates the achievement of an advantage, for the organization, through the mode of arrangement of resources within a changing environment. Thus, strategy is viewed as the matching of the activities of an organization to the environment in which it operates.

According to Pearce and Robinson (1997) strategy is seen as building defences against competition and finding positions in the industry where competition is weak. Hill and Jones (2001) conclude that the strategies an organization pursues have a major impact on its performance relative to its peers. Quinn (1980) identifies strategy as a plan that puts together an organization's major goals, policies and action sequences. Well formulated strategies enable organizations marshal and allocate resources in a unique way on the basis of relative internal competencies and limitations, expected changes in the environment, and contingent action by competitors.

According to Porter (1998) strategies can be said to be in three main levels that is corporate strategies, business strategies and functional strategies. Corporate strategies cover the overall purpose and scope of organization. They state the overall business domain and define the extent of diversification. They are formulated at the head office level and principal focus is effectiveness of the business.

Business strategies are long term planning and focus on the strategic business units and how to compete within the industry. These strategies mainly strive to achieve competitive advantage in the market. Distinct markets will require distinct strategies. Like Corporate strategies, business strategies' principal focus is also effectiveness of the business.

Functional strategies are the strategies which cover short-term or rather day-to-day activities of an organization. They are flexible and keep changing as the environment changes. They are mainly formulated at the functional level and the principal focus is to provide efficiency and smooth running of the organization's operations.

The reason why it is important to formulate and implement strategies is because they help to give a clear guide and focus to all levels of the organizations in terms of direction and also the scope of the business activities. Market environment is not static but is very dynamic and keeps changing regularly making it necessary for the organizations to employ *strategic fit* i.e. developing strategy by identifying opportunities in the business environment and adapting resources and competences so as to take advantage of the opportunities. After close monitoring of what happens in the environment very closely and therefore the need to review their strategies to fit the changing market and seizing the emerging opportunities. By doing this, the organization is said to be developing strategic fit (Porter, 1998).

2.2 Competition and its Challenges

According to Porter (1998), Competition is on the rise in all industries as more and more companies come up in the market. Globalization has caused the competition to be more intense as more experienced firms cross borders to compete in a foreign land with other foreign companies and with the local firms.

However, competition offers a huge deal of challenges. Firms are forced to improve on their cost of production to be able to have lower price performance which reduces profitability. It's also a big challenge to know the competitor activities hence the need for an effective competitor intelligence system. Competition has enabled the consumer to have more information and variety of choice and thereby making it difficult to create customer loyalty. The firms are also compelled to change their strategies and to review their internal resources and capabilities regularly to match with the changing competitive environment for them to survive. In general, competition has raised the standards of effectiveness and efficiency in firms operations but at a higher cost and faster pace than the firms' plans.

According to Peterson and Lewis 1999, there are different types of market structures and can be characterized on the basis of four characteristics: (1) number and size distribution of sellers, (2) number and size distribution of buyers, (3) product differentiation and (4) ease of entry and exit. The model of perfect competition assumes a large number of small buyers and sellers, undifferentiated products and ease of entry and exit. The monopolistic is a single seller of a differentiated product, entry to the market is difficult or prohibited, therefore the monopolist has power over price. The petroleum retail companies in Mombasa are not monopolistic as such but exhibit characteristics of a cartel, since they are few companies operating and it looks like their pricing and marketing is almost always similar among the players or following similar trends, making the public suspect that these players sit and agree on their pricing.

2.3 Porter's 5-Force Model of Industry Competition

Porter's five forces of competition give an insight into competitive dynamics in an industry. The degree of competition in an industry is influenced by five forces: the threat of new entrants, the bargaining power of customers, the bargaining power of suppliers, the threat of substitute products or services (where applicable), and the jockeying among current contestants. To establish a strategic agenda for dealing with these contending currents to grow despite them, a company must understand how they work in its industry and how they affect the company in its particular situation (Porter, 1980).

Chepkwony (2001) found that for competitive strategy to be applicable to the Kenyan context, other strategic forces must be included as opposed to similar models put forward in the developed world context. These new models had the following forces; customers, suppliers, competitors, logistics, power play and the Government. The essence of strategy formulation is coping with competition. Moreover, in the fight for market share, competition is not manifested only in the other players. Rather, competition in an industry is rooted in its underlying economics, and competitive forces exists that go well beyond the established combatants in a particular industry. Customers, suppliers, potential entrants and substitute products are all competitors that may be more or less prominent or active depending on the industry.

According to Porter (1998), the state of competition in an industry depends on five forces. The collective strength of these forces determines the ultimate profit potential of an industry. Suppliers can exert bargaining power on participants in an industry by raising prices or reducing the quality of purchased goods and services. Powerful suppliers, thereby, can influence profitability of an industry and thus an industry may be unable to recover cost increases in its own prices. The power of each important supplier group depends on a number of characteristics of its market situation and on the relative importance of its sales or purchases to the industry compared with its overall business.

Customers on the other hand can influence the prices by forcing prices to go down, demanding higher quality products and services. Customers can also ensure that competitors play against one another. A buyer group is considered to be large if it influences the purchases from an industry. The power of each industry's important buyer groups depends on a number of characteristics of it's market situation and on the relative importance of its purchase from the industry compared with its overall business (Porter, 1980).

All firms in an industry are competing, in a broad sense, with industries producing substitute products. Substitute products influence the prices that can be charged on the original products and therefore limit the potential of industry. The higher the rate of substitution in an industry, the lower the potential for growth. Substitutes limit the potential returns of an industry by placing a ceiling on the prices firms in the industry can profitably charge. The more attractive the price-performance alternative offered by substitutes, the firmer the lid on industry profits (Porter, 1990).

According to Porter (1998), substitute products that deserve the most attention are those that are subject to trends improving their price-performance trade-off with the industry's products or are produced by industries earning high profits. In the latter case, substitutes often come into play if some development increases competition in their industries and cause price reduction or performance improvement.

Rivalry among existing competitors is mostly brought about so as to be able to attain the highest market share in the market by using tactics like prices manipulation, new product introduction and advertisements. Competition in the petroleum industry is intense due to the presence of numerous competitors in the market from the multinational companies with their branded stations to local companies who own independent stations. Industry growth in the petroleum industry is very slow due to the size of the existing market. The products that offered by petroleum companies are standard products and therefore lack the possibility of using differentiation as one of the strategy of differentiation. Fixed costs on the other hand form a hindrance to the expansion of these companies as setting up stations and importation of the petroleum products require a high capital investment and therefore mostly favouring companies with huge muscles and *therefore killing the small competitors.*

Entry into an industry is brought about by the desire to gain market share in the industry. The seriousness of the threat is reduced by the barriers that are present to deter the new entrant. According to Porter (1980), there are six major sources of barriers to entry. These are switching costs, access to distribution channels, costs disadvantages, Government policies, economies of scale and set up costs.

Murage (2000) in her study of the strategies used by the Kenyan Independent Petroleum Dealers Association (KIPEDA) found that Kenyan oil industry is very competitive, these findings are supported by Abeka (1996). Murage (2000) also established that lower prices, discounts and strategic locations were among the reasons luring prospective customers to visit their outlets. This is likely to put more pressure on the major oil companies. Kenya's oil industry is at a crossroads as it is trying to adjust to the new competitive business environment.

2.4 Porter's Generic Competitive Strategies

A firm positions itself by leveraging its strengths. Porter (1998) has argued that a firm's strengths ultimately fall into one of two headings that is; cost advantage and differentiation. By applying these strengths in either broad or narrow scope, three generic strategies develop that is cost leadership, differentiation and focus. These strategies are applied at the business unit level. These generic strategies are not firm or industry dependent.

Cost Leadership strategy calls for being the low cost producer in an industry for given level of quality (Thomson and Strickland, 1998). Some of the ways that firms acquire cost advantage is by improving process efficiencies, gaining unique access to a large source of lower cost materials, making optimal outsourcing and vertical integration decisions, or avoiding some costs altogether.

Firms that succeed in cost leadership normally have strengths in capital, skills and efficient distribution channels. However, competing firms may be unable to lower their costs. If a firm can achieve and sustain overall cost-leadership, then it will be an above-average performer in its industry provided it can command at or near the industry average. At equivalent or lower cost than its rivals, a cost leader's low-cost position translates into higher returns. (Porter 1998). Achieving Low cost position often requires a high relative market share or other advantages such as favourable access to raw materials and maintaining a wide line of related products. It may also require heavy up-front capital investment in state-of-the-art equipment, aggressive pricing, low-cost distribution system and start up losses to build market share (Porter, 1990). In Mombasa, service stations try to gain cost leadership by reducing pump price to their customers, having their own tankers to transport fuel from the depot to the stations, paying their staff small salaries and also by not conducting any promotions as they find promotions to be costly.

Differentiation strategy calls for development of a product or service that differs uniquely in its attributes from other products and that the difference is one that is valued by customers and that they perceive the product to be better than that of a competitor. Firms that succeed in a differentiation strategy often have some internal strength including high research and development capabilities, strong sales team and corporate reputation for quality and innovation. A differentiator, therefore, must always seek ways of differentiating that lead to a price premium greater than the cost of differentiating.

Achieving differentiation may sometimes preclude gaining a high market share. It often requires a perception of exclusivity, which is compatible with high market share, product engineering, corporate reputation and strong co-operation from channels. More commonly, however achieving differentiation will imply a trade-off with cost positioning and require extensive research, product design, high quality and intensive customer service. Mombasa stations mainly try to achieve differentiation by choosing strategic locations, suerior customer service, high quality product, giving priority on safety regulations, branding their stations with attractive colours, having numerous pumps and several pump attendants.

Focus strategy concentrates on a narrow segment and within that segment attempts to achieve either cost advantage or differentiation. The premise is that the needs of the group can be better serviced by focusing entirely on it. A firm using this strategy can enjoy high degree of customer loyalty. The focus strategy has two variants. In cost focus a firm seeks a cost advantage in its target market, while in differentiation focus a firm seeks differentiation in its target segment. Both variants of the focus strategy rest on differences between a focuser's target segment and other segments in the industry. Some stations in Mombasa prefer to combine both cost leadership and differentiation focus, meaning they take cost cutting measures without compromising good quality and superior customer service, while other stations prefer to concentrate either on cost leadership strategies including lowering pump prices, reducing expenses and looking for cheaper source of fuel, or may concentrate only on differentiation measures including good station location, good appearance, superior customer service and good product quality.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Research Design

According to Aaker 2000, a research design is a detailed blueprint used to guide a research study towards its objectives. The process of designing a research study involved many interrelated decisions, the most significant being the choice of research approach because it determined how the information was to be obtained.

A census survey was used in this study. A similar research design was used by Theuri (2001) in his study on Competitive strategies adopted by branded fast food chains in Nairobi. Census survey as a research design was also used by Murage (2001) on Competitive strategies adopted by members of the Kenya Independent Petroleum Dealers.

3.2 Population

The population of study consisted of all petroleum service stations in Mombasa. According to Central Bureau of Statistics (2006), there are 75 stations currently operating in Mombasa district.

3.3 Data Collection Methods

The data collected was primary data and was collected through personal face to face interviews and by filling a questionnaire that was self administered. Just like Parasuraman (1986) advocated that Personal interviews have the potential to yield the highest quantity of data compared to other modes, I also found that to be true as I obtained more detailed information that I would not have gotten if I left the respondents to fill on their own. The questionnaire was in A, B, C, D and E sections covering general information, cost leadership, differentiation, focus and implementation challenges questions respectively. They helped me to identify and also to analyse the extent of application of the three Porter's Generic strategies (Cost leadership, Differentiation and Focus) by the service station to maintain competitive advantage in Mombasa. The data collected through the questionnaires also helped me to compare how the competitive strategies were combined in their application and also guided me to establish the relationships among the various strategies.

3.4 Data Analysis

Data analysis is conducted using descriptive statistics and content analysis. The data was presented in frequency tables and analysed through frequency counts, percentages and mean scores. Section A of the questionnaire is analysed by percentages, Sections B, C and E are analysed by mean scores and standard deviation while Section D with open-ended questions is analysed by content analysis. These analytical techniques had been applied in related studies in the past by Bett (1995) and Chepkwony (2001).

CHAPTER FOUR

DATA ANALYSIS AND INTEPRETATION

4.1 Introduction

This Chapter contains data analysis and the research findings. The data was collected from all the petroleum companies operating in Mombasa; Multinationals, local companies and also the small individually-owned independent service stations. I had targeted all the 75 stations but I managed to get responses from 65 stations, which is 87% response rate. The objective was to identify the competitive strategies commonly used by the petroleum service stations in Mombasa in terms of cost cutting measures, differentiation measures and focus, also how much emphasis each station gives to these different strategies. The analysis was also to establish the challenges faced in applying these competitive strategies and the level of impact of these challenges to different service stations.

4.2 Service Stations' Profile

This section sought to establish the basic profile of the service stations; the nature of ownership of the stations, monthly sales volume performance, product sales composition and customer base composition for all the stations covered in this study.

Table 4.2.1: Nature of Ownership

OWNERSHIP	MULTINATIONAL	LOCAL COMPANY	INDEPENDENT	TOTAL
NO. OF FIRMS	48	10	7	65
% OF STATIONS	74%	15%	11%	100%

From Table 4.2.1 above, the Multinational companies are dominant (74%) while the independent stations constitute a small fraction (11%). This shows the high level of influence of the Multinational oil companies in the oil industry in Mombasa.

Table 4.2.2: Monthly Sales Volume (in Litres)

VOLUME (in Lts)	0-100,000 litres	100,001-200,000 lts	Over 200,000 lts	TOTAL
NO. OF FIRMS	15	44	6	65
% OF STATIONS	23%	68%	9%	100%

Table 4.2.2 above, majority of the stations (68%) sell between 100,000 to 200,000 litres a month, with only 9% selling very large volumes of over 200,000 litres a month all of which are located on the highways.

Table 4.2.3: Sales of Super Grade in Total Station's Volume

% OF SUPER SALES	1-10%	11-30%	31-50%	ABOVE 50%	TOTAL
NO. OF STATIONS	15	24	18	8	65
% OF STATIONS	23%	37%	27%	13%	100%

From Table 4.2.3 above, only 13% of the stations in Mombasa sell Super more than 50% of their volumes, while majority of the stations (37%) sell between 11% to 30% of their volumes as Super, meaning that Super is not the leading selling product in the city. 100% of the service stations that sell more than 50% their volumes as super, are located in up-market residential areas.

Table 4.2.4: Sales of Diesel Grade in Total Station's Volume

% OF DIESEL SALES	1-10%	11-30%	31-50%	ABOVE 50%	TOTAL
NO. OF STATIONS	8	12	11	34	65
% OF STATIONS	12%	18%	17%	53%	100%

From Table 4.2.4 above, more than half the service stations (53%) in Mombasa sell diesel higher than 50% of their total volumes, confirming the previous table's position that super is not the leading selling product in the city, but diesel. This is explained by the fact that the Mombasa being the major seaport and a gateway to east and central Africa, there is a huge traffic flow of heavy commercial trucks on the city roads to and from the port, therefore more sales of diesel.

Table 4.2.5: Stations Selling LPG (Cooking Gas)

LPG STATIONS	SELLING LPG	NOT SELLING LPG	TOTAL
NO. OF STATIONS	55	10	65
%	85%	15%	100%

Table 4.2.5 above shows that majority of the service stations (85%) sell LPG to attract more customers, while only 15% do not sell LPG. 97% of those selling LPG are major companies, either multinationals or locals, while only (3%) of the independents sell LPG which are not their brands but of the major companies.

Table 4.2.6: Customer Composition

% OF STATIONS	SALOON CARS %	MATATUS %	TRUCKS %	BUSES %	TOTAL
19%	7%	24%	65%	4%	100%
30%	22%	61%	15%	2%	100%
51%	61%	30%	6%	3%	100%
100%					

From Table 4.2.6 above, the customers are not uniformly distributed among the service stations but there are two extremes; a small percentage of the stations (19%) have big trucks/lorries as majority of their customer which constitute an average of 65%, while almost half the number of stations in Mombasa (51%) have saloon cars as majority of their customers constituting an average of (61%). On the other hand, a third (30%) of the city stations' customers are Matatus, constituting 61%.

Table 4.2.7: Intensity of Competition

INTENSITY OF COMPETITION	Very Intense	Fairly Intense	Normal	Almost None	TOTAL
NO. OF STATIONS	65	0	0	0	65
%	100%	0%	0%	0%	100%

Table 4.2.7 above shows that all (100%) of the service stations in Mombasa face an intense competition. For a small city, the size of Mombasa, the large number of service stations operating in the area warrants the stiff competition that exists as each station is striving to attract the customers, who now have a very wide choice of stations to fuel from.

4.3 Strategies of Petroleum Stations

The first objective of this study was to establish the cost leadership, differentiation and focus strategies applied by service stations in Mombasa in competition and also to analyse the level of emphasis that the stations give to the identified strategies. The second objective was to establish the challenges faced by the stations in applying the competitive strategies. The data was collected by using of questionnaires with close ended and open ended questions. The close ended questions were scored using 5-point rating on the Likert-type scale (for cost leadership strategies and differentiation strategies sections) and 3-point rating (for challenges section), where 5 and 3 were the highest scores respectively and 1 the lowest in all the sections. For the 5-point scale, 5 means critically important, 4 means moderately important, 3 means neither important nor unimportant, 2 means less important and 1 means least important.

Therefore, critically important is given a score of 5, moderately important a score of 4, neither important nor unimportant a score of 3, less important a score of 2 and the least important a score of 5. While for the 3-point rating scale, 3 means critical challenges, 2 means moderate challenges and 1 means low impact challenges. Therefore the very critical challenges are given a score of 3, moderate challenges a score of 2 and the low impact challenges a score of 1.

The analyses are given by mean score of between 1 and 5 (for strategies) and 1 and 3 (for challenges). For strategies, 1 is the lowest and 5 the highest, the higher the mean score means the higher the degree of application of the strategy while the lower the mean score means the lower the degree of application of the strategy by the stations. For challenges 1 being the low impact challenges and 3 being the critical challenges, therefore, the higher the mean score means the more critical the challenges while the lower the mean score the lower the challenges. The results of the analyses are provided in the tables.

4.3.1 Cost Leadership Strategies

These are the strategies that the service stations apply to become the cost leader in Mombasa. These strategies lead to low cost of the product and therefore giving the stations capability to sell at competitive prices, increasing sales and profitability. The respondents were asked what strategies they use in achieving cost leadership and their responses are analysed in Table 4.3.1 below.

Table 4.3.1: Cost leadership strategies

COST LEADERSHIP STRATEGIES	MEAN SCORE	STANDARD DEVIATION
Purchase Cost	4.95	0.21
Station's Pump Price	4.85	0.36
Competitor Price	4.85	0.36
Discount offers	3.82	1.25
Transport Costs	4.32	1.37
Staff Salaries	4.18	1.24
Storage Capacity	4.74	0.59
Promotions	3.15	0.51
Supply Reliability	4.94	0.24
Credit Facility by supplier	4.45	1.26

Table 4.3.1 above shows that the Cost leadership strategies most commonly used and considered to be most critical to the success of the service stations are the lower purchase cost (4.95), competitive pump prices (4.85), monitoring competitor prices (4.85), supply reliability (4.94), storage capacity (4.74) credit facility by suppliers (4.45) and transport costs savings (4.32).

4.95 consider the purchase cost the most critical to their success and would always prefer o have the cost as low as possible for them to be competitive. However, a unique limitation in this industry is that all the major stations which include multinationals and local companies are obliged to purchase solely from their companies and not from any other supplier, regardless of the price.

The analysis in the table 4.3.1 also shows that a mean score of 4.85 is given to the pump price as another most critical strategy for their success and that the lower the pump prices the higher the volumes and therefore the profitability. However, the pump prices are mainly a translation of the purchase cost and therefore the stations prefer purchase cost has to be favourable and lower for the pump prices to be reduced and the station to be competitive.

Another observation in Table 4.3.1 shows that a mean score of 4.85 again is given to the strategy of monitoring competitor prices as critically important strategy to their success, this is so because the stations always prefer to set their pump price by matching the closest competitors or pricing lower than them. This makes the dealers monitoring the neighbouring stations' pump prices very closely by regular price surveys.

Supply reliability and storage capacity have scored 4.94 and 4.74 respectively as critically important strategies for success. These two strategies go hand in hand since for the reliable supplies to be effective there has to be enough storage capacity to keep the delivered supplies. This is more favourable when the market prices go up and the station is well stocked due to large storage and supplies.

Credit facility got a mean score of 4.45 and is therefore considered an important strategy for the station's success. The petroleum is a very expensive commodity and therefore requires huge working capital. Most stations are required to buy cash and they have to take facility from the bank or elsewhere at a fee. The stations therefore believe that for them to be cost competitive, the suppliers could help them cut cost by providing credit facility and ease the cash flow burden. The analysis of Table 4.3.1 also observes that the strategy of reducing transport costs is given a mean score of 4.32 making it an important cost leadership strategy because the transport costs for delivery of petroleum products constitute the price build up of the product, since the transport cost vary from one company to another, this translates to the difference in final pump prices. The stations therefore, prefer to choose the lowest transport cost or even have their own delivery trucks for them to reduce the ultimate cost of the product delivered at the station, thus gaining a price advantage over competition.

On the other hand, discount offers and promotions strategies scored a moderate 3.82 and 3.15 respectively, meaning discounts are important but promotions neither important nor unimportant. These stations are mainly in the city centre with matatus as their main customer category and they prefer discounts.

4.3.2 Differentiation Strategies

These are the strategies that the service stations apply to differentiate themselves from other stations in Mombasa. These strategies make the stations to be perceived as higher class than other stations in Mombasa therefore giving the stations a superior image and therefore capability to attract certain targets customers and develop a niche in the market. The respondents were asked what strategies they use in achieving differentiation and their responses are analysed in Table 4.3.2 below.

Table 4.3.2: Differentiation strategies

DIFFERENTIATION STRATEGIES	MEAN SCORE	STANDARD DEVIATION
Station location	5.00	0.00
Customer service	5.00	0.00
Staff training	4.35	1.34
Product quality	5.00	0.00
Speed of service	4.92	0.27
No. of pumps	4.48	1.47
No. of attendants	4.32	1.26
Safety concern	4.83	0.42
Lube bay service	4.11	1.33
Hrs of operation	3.00	1.35
Mode of payment by customer	3.12	1.38

The Table 4.3.2 above shows all location, customer service and product quality have a mean score of 5.00 meaning that these three strategies are considered by al the stations in Mombasa as critically important strategy for the success of the stations. Speed of service as critically important and was given a mean score of 4.92. The high speed of serving customers give room to more customers to be served and therefore more volumes. This is followed by safety which was sccred 4.83, this was found to be a key strategy for most of the major companies but not for the independent stations who do not view safety as important since it is costly to adhere to the safety regulations and because the procedures cause delays. However, hours of operations and Customers' mode of payment had the least scores of 3.00 and 3.12 respectively meaning that they are neither important nor unimportant strategies. The stations believe that sales are normally good during the day and early part of the night.

4.4 Focus Strategies

These are the strategies that the service stations apply to gain either narrow or broad focus in cost leadership or differentiation. These strategies help to give the stations a certain focus on how to operate. Stations may focus may have a narrow focus on differentiation strategies meaning they concentrate only on certain items of differentiation while on the other hand they may have a broader focus on cost leadership meaning they are applying numerous measures of cost cutting. The respondents were asked how they implement focus strategies in their stations and their responses are analysed in Tables 4.4.1 and 4.4.2 below.

Table 4.4.1: Cost Leadership and Competitive Scope

FOCUS	NARROW	BROAD	BOTH	TOTAL
NO. OF STATIONS	15	9	41	65
%	23%	14%	63%	100%

Table 4.4.1 above shows that majority of the stations (63%) prefer to combine the cost leadership strategies instead of focussing on some specific strategies, however 23% of the stations choose to focus on a few cost leadership strategies. Most of these stations include the independent and other small stations.

Table 4.4.2: Differentiation and Competitive Scope

FOCUS	NARROW	BROAD	BOTH	TOTAL
NO. OF STATIONS	8	25	32	65
%	12%	38%	49%	100%

Table 4.4.2 shows that majority of the service stations in Mombasa (49%) prefer to combine broad and narrow focus when applying differentiation strategies. However, a small section (8%) prefers to focus on specific differentiation

strategies. Another small section of the stations (14%) prefer to apply differentiation strategies.

4.5 Challenges Faced in Applying the Competitive Strategies

Application of any strategies is bound to be faced with some challenges and trade-offs. This section analyses the challenges and the limitations that the service station in Mombasa stations face in applying the Porter's Generic strategies of Cost Leadership, Differentiation and Focus. The respondents were asked what challenges they face and their magnitude and their responses are analyses in Table 4.5 below.

Table 4.5: Challenges Faced in Strategy Application

CHALLENGES	MEAN SCORE	STANDARD DEVIATION
Investment capital	1.22	0.63
Access to capital	3.00	0.00
Organizational structure	2.65	0.72
Controls & procedures	2.86	0.49
Volume targets	2.82	0.58
Marketing strengths	1.46	0.73
Creativity & innovation	1.42	0.77
Image & reputation	1.22	0.62
Staff training	1.98	0.48

From Table 4.5 above, access to capital has a maximum mean score of 3 meaning that all the stations face the heavy challenge of getting access to capital for day, this is so because petroleum is a very expensive trading commodity. This is followed by the challenges of controls & procedures and the volume targets with mean score of 2.86 and 2.82 respectively. Most companies have strict controls and procedures of placing orders, payment for the products, loading and off-loading as a great challenge, causing delays and impacts very negatively on the stations' performance. On the other hand, multinationals and local companies and a few independents, consider meeting of volumes targets, given by their head offices, as a great challenge and that impacts heavily on the stations performance as they have to sacrifice their margins and sell on credit in an effort to sell more and achieve the set volume targets which are mainly stretched.

From Table 4.5 above, a mean score of 2.65 was given to organizational structure as a challenge that impacts negatively on their performance due to the complex organizational structures and various levels of authority and decision making. However, the smaller stations and the independents are enjoying their simple structures and do not find it to be a challenge in running their stations.

Table 4.5 also shows that image and reputation is rated the lowest as a challenge with a mean score of 1.22. This means that most of the stations do not find this a challenge at all. This is due to the fact that most of the stations are multinationals and they enjoy the very popular brand names and global reputation, while a minority of the stations which include the independent service stations find image and reputation to be a great challenge in the competition.

CHAPTER FIVE

SUMMARY, DISCUSSIONS AND CONCLUSIONS

5.1 Summary, Discussions and Conclusions

The first objective of this study was to establish the competitive strategies used by petroleum service stations in Mombasa. Data was collected using questionnaire which were filled by interviewing the respondents face to face to obtain more accurate answers and good understanding of the answers and also to increase generate a high response rate.

Findings of the study indicate that the petroleum retail has three categories of players; the influential and powerful multinationals which are the vast majority, the local companies and which are a middle size but significant group and finally the small but aggressive independent category mainly owned by individual entrepreneurs. The findings show that the industry in Mombasa is experiencing an intense competition and all the service stations operating in the city have some strategies to help them survive and compete. Multinationals and the local companies have some similarities to some degree in the strategies they use but multinationals are said to have a better financial power and have a higher budget to do promotions and advertising and also to train and develop their staff, while the smaller independents are slightly different.

For cost leadership, the study reveals that every station is trying hard to cut cost. However, the main cost leadership strategies being applied by majority of the stations including lower purchase cost which means the stations source for a supplier with the lowest possible price but for multinationals this is impossible as they are forced to buy solely from their companies and not from the competitors even if the price is unfavourable, the independent stations are free to buy from anywhere, this gives them an opportunity to sell cheaper and therefore become highly competitive especially on the pump price.,

The study also reveals that matatus prefer discount offers in return for volume while the truck fleets prefer to be given credit facility. It is also discovered in this study that consistent supply and large storage capacity are important strategies used mainly by high volumes stations to ensure consistent supplies and to avoid product running out at the stations. Another strategy used by the stations in cost cutting is to reduce the transport costs by using their own trucks to deliver product from the depot to the stations, since the suppliers charge a premium and this forces the pump price to go up.

As for differentiation strategies, the findings show that the stations also use these strategies to win in the competition. The findings of this study show that location is a strong factor for the success of the stations and it has been found out that stations located on major and busy roads normally sell more volumes than those located on the minor streets. Stations located in the city centre and in the up market neighbour hoods recorded higher sales than those located outside the city centre and those located in low income areas. The study further shows that multinationals have better more favourable and prime locations than the local companies, while the independent stations have the most unfavourable locations.

It is also well observed in this study that strategies of good customer service, staff training and safety concerns are adopted more by multinationals as they create customer loyalty and long term benefits and on the other hand, the local companies and the independents do not give much emphasis to these strategies as these strategies are costly and cause delays in getting quick returns. The study finds most of the stations find the hours of operations as less important strategy and most of them do not see it as a key success factor.

The findings also show that most of the stations prefer to combine both narrow and broad focus in both cost leadership and differentiation strategies in competition. This is because most of the stations are multinationals with strong financial capabilities and can afford to cut cost and reduce the pump prices without compromising on safety, customer services, staff development and attractiveness of the stations. While the few independent stations, due to their weaker financial capabilities, prefer to focus on the cost leadership strategies and mainly on pump price reduction and they can always afford to sell much lower than the industry as they disregard most of the other costs including customer service, staff training and particularly bypass safety procedures.

Further findings of this study show that the Kenyan oil industry is very competitive. Similar findings were made by Murage (2000) who researched on the strategies used by independent petroleum dealers in the Kenyan oil industry. Isaboke (2001) who studied the strategic responses by major oil companies in Kenya to threat of new entrants.

From the foregoing discussions, the petroleum retail industry in Mombasa is very competitive all over the country. Mombasa being a small and congested city with fewer roads, the large number of service stations in the city increase the intensity of the competition. This compels the stations to come up with various strategies, these include both cost leadership strategies to reduce their product cost and therefore lower their pump prices, and also differentiation strategies so as to differentiate their stations by non-price factors including customers, appearance and safety concerns.

The industry in Mombasa is dominated by multinationals with a moderate section of local companies and a small section of independent stations. The multinationals are wealthy and can afford to apply both cost leadership (which include issues of price, discount, transport, expenses and storage) and also

differentiation strategies (which include location, customer service, product quality and safety issues) to attract customers, while the smaller players can only focus mainly on price strategies. The smaller players focus so much on price at an expense of safety, product quality and customer service.
With the competition getting more intense, the pump prices become competitive and lower, making the customers benefit while the stations' margins become narrower.

The second objective of this study was to establish the challenges faced by the Mombasa service stations in applying the competitive strategies. Data was collected using questionnaire which were filled by interviewing the respondents face to face to obtain more accurate answers. The findings show that in implementing the competitive strategies, the stations face a lot of challenges. These include access to capital for growth of volumes and operations and these affect all the stations as the payment is only cash and petroleum is an expensive trading commodity. However, although the cost of building a station is very high, majority of the stations are not affected by this challenge as they found the stations ready and were just given dealership by the companies, only the independent stations face this challenge heavily as they have to build their stations from scratch.

The findings of the study further shows that the companies face a lot of challenges mainly related to financial capabilities, personnel skills, systems & controls and the brand image. The multinationals enjoy almost all the three; they have huge working capital, employ highly skilled personnel, effective controls and enjoy a popular brand image. While the smaller stations mostly lack all of these capabilities and can therefore not compete effectively, leaving the multinationals to dominate.

The study also reveals that the majority of the stations are given strict volume targets and at times they sacrifice their margins and also compelled to give credit facility to their customers for them to meet the volume targets, this affects their profitability and cash flow. Equally, all the major petroleum companies have a more sophisticated organizational structure and high degree of controls and bureaucracy and therefore, delays in decision making even on urgent matters and the inconvenience of periodic reports, not mentioning regular reconciliation procedures by territory managers from the head office.

It is further observed in the study that the required marketing strengths, innovativeness and brand image are a great challenge to the independent and some local stations due to their cost implication, lack of qualified personnel and lack of brand respectively. While for the major companies, they above are never a challenge at all as they have bigger budgets for marketing campaigns, highly qualified personnel and enjoy popular brand image.

Competitive strategies are a key success factor in competition and some related studies have been done by other researchers in other industries. Bett (1995) made similar findings in his study of the strategic marketing of dairy products in Kenya and established that the all players were intense challenges in applying the competitive strategies. Abeka (1996) also made similar findings in his study of major oil companies and concluded that as part of their competitive strategies to counter the challenges, the oil majors were becoming more flexible and made competitive decisions faster than in the past.

5.2 Limitations of the Study

The main focus of this study was on the competitive strategies and the challenges in their application. There are other important environmental factors that were not considered, such as economic factors which influence the performance of the stations in competition.

Not all respondents were interviewed, 10 of the targeted respondents did not want to be interviewed and did not fill in the questionnaires as they were not ready to give any information about their stations. If all the stations had been interviewed, it would have given more accurate results of the study.

Time was also a limiting factor. This restricted both the scope and the depth of the study. More time was required to access and review more literature on the petroleum industry and competition.

5.3 Recommendations for Further Research

The study focused on the competitive strategies applied by the service stations in Mombasa and the challenges faced in their application. A similar study could be carried out in another Kenyan city or any city of a 3rd world country.

A similar study could also be carried out to determine the competitive strategies used by firms in other industries and the challenges they face.

5.4 Recommendations for Policy and Practice

From the findings of the study, I can recommend to the multinationals to give more support to their dealers by giving them some credit facilities so that the stations can improve their cash flow and offer discounts and compete effectively and also to enable them stock more products to avoid running dry.

Since the multinationals and local companies compel their stations to buy exclusively from their companies, I can recommend that the companies ensure they are always priced competitively so that their stations can compete effectively in the market.

I would also recommend to the Government to protect the local companies and independent stations from unfair competition from the multinationals and to ensure they are given level playing ground. This is important because most of the authorized loading depots are owned by multinationals and tend to give priority of loadings for their stations over the local companies and independent stations.

Finally, since petroleum is a extremely dangerous product in its own nature, the government should be ensure the safety standards and regulations required in operating a station are strictly adhered to avoid loss of lives through fires which are very destructive and also oil spills which may contaminate the waters and soil.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

September, 2007

Dear respondent,

<u>MBA RESEARCH PROJECT</u>

As part of the requirement for the degree of Master of Business Administration (MBA) of the School of Business, University of Nairobi, the undersigned is a student in the school of business at the University is required to undertake a management research study on the petroleum service stations in Mombasa.

The questionnaire is designed to gather information on the business strategies applied by the management of the retail station to win in the competitive environment.

Your responses will be treated with strict confidence and in no circumstance will your name of that of your company be mentioned in the report findings. Further confidentiality will be ensured through the necessary coding of the survey findings.

Your co-operation will be highly appreciated.

Yours faithfully,

....

Amir Awadh Swaleh Dr. Martin Ogutu

MBA Student **Supervisor**

APPENDIX II: QUESTIONNAIRE

SECTION A:

1. Name of the service station..

2. Number of pump attendants..

3. Is the station owned by a multinational, local company or an individual?...

4. Which of the following petroleum products, do you sell at your station?

□ Super

□ Regular

□ Diesel

□ Kerosene

□ LPGas

5. Which of the following non-fuel products and services do you offer at your station?

□ Tyres

□ Cafeteria

□ Convenience store

□ Car wash

Others, specify...

6. Among the fuel products mentioned in Q.1 above, what is the average composition of your sales per product, choose the options below:

	1-10%	11-30%	31-50%	Above 50%
Super	□	□	□	□
Regular	□	□	□	□
Diesel	□	□	□	□
Kerosene	□	□	□	□

7. What is the average composition of your customers? Please fill spaces below:

	%
Saloon cars	....
Matatus	....
Trucks/Lorries	....
Buses	....

8. How many stations in the neighbourhood pose direct competition?

☐ 1 - 5

☐ 6 - 10

☐ 11 - 15

☐ None

9. How would you describe the competition that you station is facing (tick one)

☐ Very intense

☐ Fairly intense

☐ Normal

☐ Almost none

10. Which stations give you more competition between branded and independent stations? (tick one)

☐ Branded

☐ Independent

☐ Equally

SECTION B:

Cost Leadership

Q. How is each of the following cost cutting measures important to the success of your station? Tick as appropriate.

	Critically important	Moderately important	Neither important nor un-important	Less important	Least important
Purchase cost	☐	☐	☐	☐	☐
Your pump price	☐	☐	☐	☐	☐
Competitor price	☐	☐	☐	☐	☐
Discount offers	☐	☐	☐	☐	☐
Transport charges	☐	☐	☐	☐	☐
Staff salaries	☐	☐	☐	☐	☐
Storage capacity	☐	☐	☐	☐	☐
Advertising	☐	☐	☐	☐	☐
Supply reliability	☐	☐	☐	☐	☐
Credit facility by supplier	☐	☐	☐	☐	☐

SECTION C:

Differentiation

Q. How is each of the following differentiation measures important to the success of your station? Tick as appropriate.

	Critically important	Moderately important	Neither important nor un-important	Less important	Least important
Station location	☐	☐	☐	☐	☐
Customer service	☐	☐	☐	☐	☐
Staff training	☐	☐	☐	☐	☐
Product quality	☐	☐	☐	☐	☐
Speed of service	☐	☐	☐	☐	☐
No. of pumps	☐	☐	☐	☐	☐
No. of attendants	☐	☐	☐	☐	☐
Safety concern	☐	☐	☐	☐	☐
Lube bay service	☐	☐	☐	☐	☐
Hrs of operations	☐	☐	☐	☐	☐
Mode of payment	☐	☐	☐	☐	☐

SECTION D:

Focus

1. Do you prefer to sell equally all grades of fuel or do you prefer to sell more of a particular grade of fuel? Please give a short explanation for your answer.

....

....

....

....

2. Do you prefer to have all kinds of motorists to come and fuel at your station or would you like to serve only a certain class of motorists? Please give a short explanation for your answer.

....

....

....

....

3. What would you do to create customer loyalty?

....

....

....

....

SECTION E:

Implementation Challenges:

Q. Which of the challenges below are you facing in implementation of your strategies? , Select and tick the appropriate impact level.

	Heavy impact	Moderate impact	Low impact
Huge Capital Requirement	☐	☐	☐
Access to Capital	☐	☐	☐
Organizational structure	☐	☐	☐
Effective systems and controls	☐	☐	☐
Meeting quantitative targets	☐	☐	☐
Distribution costs	☐	☐	☐
Strong marketing abilities	☐	☐	☐
Creativity and Innovation	☐	☐	☐
Corporate reputation	☐	☐	☐
Staff training costs	☐	☐	☐

Thank you very much for your time and participation