

**COMPETITIVE STRATEGIES ADOPTED BY  
KENYA BROADCASTING CORPORATION  
IN RESPONSE TO ENVIRONMENTAL CHALLENGES**

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**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE  
DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA), SCHOOL  
OF BUSINESS, UNIVERSITY OF NAIROBI**

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## DECLARATION

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

Signed David Sereti Date 17. 11, 2010

**David Sereti**

**D61/8250/2006**

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

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## **DEDICATION**

I dedicate this project research to my wife Callen Onura and all my children Felix, Festus and Brian whose love, support and encouragement inspired this research to make my course completion a success.

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## ABSTRACT

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The data was analyzed using content analysis.

The study found that key challenges affecting departmental operations at KBC were: Political factors such as the hiring of chief executives by government and political interference. In the same; legal environmental constraints, which include liberalization of airwaves and its effect; Economic environmental constraints like the consumers' spending patterns, downturn in the economy, energy crisis in the country and recessions in the economy; Technological factors encompassing the emergency of substitutes, which render existing products obsolete, untapped opportunities as a result of new entrants and resistance of technological change by the employees.

The strategic responses applied by departments to cope with environmental challenges at KBC were: Turnaround strategy which involve reduced work force to cut down on operating cost; Embracing New Technology such as elimination of manual operations and better customer service through handling of customer queries; Strategic planning where senior management provided leadership in strategic plan and developed strategic

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plan; Customer Focus Strategy involving meeting agreed delivery schedules compared to competitors and provide adequate after sale service, and Marketing policies such as introduced new produce and improving on existing products.



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## **CHAPTER ONE: INTRODUCTION**

### **1.1: Background of study**

Virtually all organizations across the globe currently experience increasing pressure from their external environment. Consumers are now more informed and demanding and for firms to survive, they must adopt the conditions prevailing in their operating environment. In the recent past, these environmental forces have increased the rate at which organization need to alter their strategies in order to continue existing. Kotler (2000) explains that products and services regardless of how good they are do not sell themselves. The days when firms would wait for clients are gone.

#### **1.1.1: Environmental Influence**

Today's business environment is dynamic, complex and continuously changing. For organization to survive, they must adapt to the changing conditions in the environment. All companies operate in a macro-environment which is shaped by influence emanating from the economy at large. These include economic conditions, technological, population and demographics, social values, legislative and regulations and, ecological. These forces are outside the company's boundaries and therefore have an impact on the decision the company makes about its situation that is objective, strategy and business model. Therefore companies must craft strategies which are responsive to the environmental changes so as to survive in that environment. Electronic media industry has not been spared from the forces of external environment. This media industry has cut throat competition which has made the media firms continuously come up with competitive strategies so as to remain relevant and survive in the turbulent conditions. This calls for a proactive approach to business in the environment (Pearson and Robinson, 1997).



### **1.1.2 Overview of competitive strategy**

Competitive strategy is concerned with the basis on which a business unit might achieve a competitive advantage in its market (Johnson and Scholes, 2006). An effective competitive strategy takes away offensive or defensive actions in order to create a defensible position in an industry with purpose of successfully coping with the five forces of competition, thereby yielding superior return as an investment of the firm (Porter, 1980). A company's competitive strategy deals exclusively with specifics of management game plans for competing successfully and securing competitive advantage over rivals. Its objective is to knock off rival companies by doing a better job of satisfying buyers' needs and preferences (Thomson and Strickland, 2007). According to Ansoff (1985) competitive strategy specifies distinctive approaches which a firm intends to do in order to succeed in each of the business strategic areas. It gives a firm an advantage over its rivals in attracting customers or defending against the forces. A firm pursues competitive strategy when they seek to improve or maintain their performance through independent actions in a specific market or industry. Since liberalization of airwaves in 1990's KBC has witnessed the stiffest competition from emerging broadcasting stations. This has triggered the application competitive strategies so as to survive. The main goal of competitive strategy is to focus on gaining competitive advantage.

### **1.1.3 Overview of Broadcasting Media Industry in Kenya**

Globally, very few industries remain in which competition has not intruded and broadcasting media industry has not been spared from competition either. Liberalization of broadcasting media industry in Kenya ushered in new broadcasting stations that have impacted in the industry leading to turbulence in broadcasting environment. Apart from competition, the Kenya broadcasting Media industry's landscape has undergone drastic changes in political, social, economic and technological spheres. As per Kenya Communication Act 2, section 88 part I of 1998, the dominance and monopoly of Kenya Broadcasting Corporation (KBC) ended with the liberalization of airwaves in the media industry. As a result, several public and private Television and Radio stations emerged as a source of information, education and entertainment in the Kenyan market and these took away the audiences and revenues hitherto controlled by the corporation. The new television stations which emerged include Kenya Television Network (KTN), Nation Media, Citizen, STV, K24, Family and Metro while the new radio stations include Nation, Kiss, Capital FM plus other local FM stations such as Kameme, Coro, Egesa, Ramogi and Kass. However, despite the increase in the number of players, the level of development of Kenya Media industry is incomparable to those of developed countries such as British Broadcasting Corporation (BBC).

### **1.1.4: Kenya Broadcasting Corporation (KBC)**

The Kenya Broadcasting Corporation is a state corporation established under companies Act, Cap 221. It provides unique programmes that are for information, education and entertainment (Steadman Media report, 2007). In Kenya, the media industry dates back to 1928 when we had the first English Radio Broadcasting which

was targeting the white settlers who monitored news from their homes while the first radio broadcasting targeting Africans emerged during the first world war to inform Africans on what was happening in the war front .

In 1953, the first African Broadcasting Services were created for Africans to cover programmes in Kiswahili, Dholuo, Kikuyu, Kinandi, Kikamba and Arabic. In 1954, the Kenya Broadcasting Services (KBS) was established for regional stations in Mombasa, Nyeri and Kisumu. In 1961, The Kenya Broadcasting Corporation (KBC) took over from the government controlled Kenya Broadcasting Services (KBS). And, On 1<sup>st</sup> July 1963 the Kenya Broadcasting Corporation was nationalized into Voice of Kenya (VOK) while in 1989 the Voice of Kenya reverted back to Kenya Broadcasting Corporation. KBC has got two national services namely Kiswahili and English, and nineteen (19) Local languages. It has two television channels and entertainment Metro television and thirty one transmission channels which transmit over a radius of 85 km from Limuru.

## **1.2: Statement of the Problem**

Organizations are environmental dependent as no one firm exists in a vacuum. The essence of formulating competitive strategies is to relate to environment and the key aspect of the firm's environment is the industry in which it operates (Porter, 1980). Environment is what gives the organizations their means of survival such as satisfied customer and inputs for existence while on the other hand, it is a source of threats such as hostile shift in market demand, new regulatory requirements, revolutionary technology and entry of new competitors. It is vital that managers scan and analyse the environment carefully in order to anticipate it and if possible influence environmental change. (Johnson, Scholes and Whillington, 2008 ).

A number of studies have been done on competitive strategy. They include: Competitive strategies by members of Kenya Petroleum Dealers Association (Murage,2001); Competitive strategies employed by commercial banks (Warucu,2001); A survey of competitive strategies used by the NGOs micro finance institutions in Nairobi (Lengewa,2003); Strategic responses by Kenya Broadcasting Corporation to increased competition (Migunde,2003); competitive strategies adopted by branded fast food chain in Nairobi (Theuri,2003); competitive strategies adopted by the universities in Kenya (Kitoto,2005); competitive strategies employed by the sugar manufacturing firms in Kenya (Obado,2005); Competitive strategies adopted by the mainstream Daily print Media firms in Kenya (Mugua,2006) and competitive strategies adopted by the Nation Media Group (Migunda,2007).

However, these studies have been done under totally different contexts which calls for different strategies. A part from Migunde, all other studies were carried outside electronic media industry. Migunde's study on the responses to competition by KBC was done in 2003. A period of seven years have passed and with consistent complexities in the environment, so many changes have taken place while respective strategies have also been put in place which include strategic plan (2007-2010), introduction of performance contracting and the recent adoption of Digital technology which offer diversified products to the viewers. Equally, KBC continue to be challenged by multiple external forces. As a result of the liberalization, KBC has consistently lost its market share to greater depth due to its low reach and low-ear share, leading to negative growth in revenue coupled with high exodus of its experienced and trained staff to other media houses which promises better pay . The media industry advertising spend is growing while that of KBC is declining hence

existence of a problem which need to be addressed (KARF, 1st Quarter, 2009). This therefore necessitates for a further study on the external forces impacting on KBC with a view to crafting of more diversified strategies to enable it survive

### **1.3: Research questions**

This study was guided by the following research questions.

1. What are the environmental challenges facing KBC?
2. What competitive strategies have been adopted by KBC in response to environmental challenges?

### **1.4: Objective of the study**

- i. To identify environmental challenges in the media industry that has affected KBC.
- ii. To determine competitive strategies adopted by KBC to cope with environmental challenges.

### **1.5: Significance of the study**

The study was of value in the following ways: First, it would assist KBC to know the effectiveness of its competitive strategies in response to environmental challenges, second it would assist the government to know the challenges facing KBC for effective policy making ; third it would add value to researchers interested to champion their interests in the electronic media and finally, assist investors wishing to finance the corporation to know the position of KBC and the extent of their investment.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1. Introduction**

This chapter reviews existing Literature, both theoretical and empirical on the environmental challenges and the competitive strategies adopted by organizations, similar to this study. It summarizes information from other researches earlier undertaken in the same field of study thus giving the reader an account of the theoretical and empirical ground to understanding the research problem in-depth.

### **2.2. Conceptual Discussion**

#### **2.2.1 Concepts external environment and strategic response**

A company's external environment consist all the conditions and forces that affect its strategic options and define its competitive situation. The remote environment thus comprise of factors which originate beyond and usually irrespective of any single firm's operating situation. These are economic, social, political, legal, technological and ecological factors. These environmental variables are dynamic and keep on representing both opportunities and challenges to organizations that operate in them. Steers (1997) observed that the primary function of effective management is to organize and use available resources in ways which minimizes threats while maximizing on the opportunities.

There is need to adopt strategies which match the challenges presented by external environment for continuous sustainability (Pearson and Robinson, 2002). Barnes (1998) found out that unstable and unpredictable conditions pressure managers to think strategically to ensure sustainability.

### 2.2.2 Concepts of Strategy and strategy execution

To survive and therefore be relevant in that environment, organization must craft strategies whose purpose is to establish a strategic fit with that environment. A constantly changing environment creates new challenges and opportunities for executives in a wide range of businesses. The market turbulence is the consequence of demanding buyers, fast moving technologies, intense global competition, deregulation and social change. Managers are drastically altering their business strategies to strengthen competitive advantage and developing strategies in an environment of constantly changing environment is a key corporate requirement (Cravens, 1991). Thomson and Strickland (2007) defined company strategy as company's action plan for running business and conducting operations, where crafting a strategy represents a managerial commitment to pursue a particular set of action in growing business, attracting and pleasing customers, competing successfully, conducting operations and improving the company's financial and market performance.

Walker (2004) defines strategy execution as building resources and capabilities that lead to competitive advantage through critical value and cost drivers. Without effective execution, strategy is just an idea waiting to happen. Successful competition therefore not only has superior market positions but also execute effectively within these market positions over time. The success of a firm is pegged on how it implements its strategy

### **2.2.3 Concept of globalization**

The world has become a global village, leading to universal demand for commodities and, profits tend to be standardized as competitors through industries reach a world wide scale. Globalization therefore embraces cultural, economic, technological and legal, making the world a single market served with global brands. This leads to facilitation in global clients, suppliers, competitors, financiers and even employees (John et al, 2002). These external forces have opportunities to be maximized by the organizations and threats to be minimize.

### **2.3 Competitive strategy and the Five Forces model**

The goal of competitive strategy for a firm is to find a position in an industry where the firm can best defend itself against the forces in the environment namely easy of entry, threat of substitutes, bargaining power of buyers and suppliers and, rivalry among existing competitors (Porter,1985). The five forces framework determines the industry profitability as they influences the prices, cost and required investment of a firm in the industry. The buyer power influences the prices that a firm can charge as does the threat of substitution and also, it influences the cost and investment because powerful buyers demand costly services. The bargaining power of suppliers determines the cost of raw materials and other inputs. On the other hand, intensity of rivalry influences prices and cost of competing while the threat of entry places a limit on the prices and shapes the investments required to deter the entrants. Firms through their successful strategies can influence industry's attractiveness by shifting the rules of competition to their favour. The five forces framework allows a firm to see through the complexity and pinpoint on those factors which are critical to competition in the industry as well as identifying those strategic positions that would most improve



industry's profitability. A firm's competitive strategy consists of the business approaches and initiatives it undertakes to attract customers and fulfill their expectations, withstand competitive pressure and strengthen its market position. They provide a framework for the firm to respond to various changes within the firm's operating environment. The ultimate goal is sustainability against competitors.

## 2.4.0 Theories or Models of competitive Strategy

### 2.4.1 Generic strategy

A firm pursues which competitive strategy seeks to improve or maintain their performance through independent actions in a specific market or industry. Positioning which is one of the concerns of competitive strategy determines whether a firm is above or below the industry average- its ultimate aim is to sustain competitive advantage. Porter (1985) propelled three different generic strategies by which an organization could achieve competitive advantage. These are overall cost leadership, differentiation and focus. They are based on the principle that competitive advantage is achieved by providing customers with what they want, better or more effectively than the competitors.

**Figure 1: Generic Strategies**

	Competitive Advantage	
	Lower Cost	Differentiation
Broad Target	1. Cost leadership	2. Differentiation
Narrow Target	3 A. Cost Focus	3B. Differentiation Focus

Source : Porter (Competitive advantage, 1985)

Generic strategies implies that competitive advantage is at the heart of any strategy and achieving competitive advantage requires a firm to make a choice about the type of competitive advantage the firm seeks to attain and the scope within which it will attain it (Porter, 1985).

### **Cost Leadership Strategy**

The proponents of this strategy attempts to become low cost producers in the industry. The cost advantage is attributable to economies of scale, proprietary technology and preferential access to the raw materials. Achieving and sustaining overall cost leadership translates to above average performer in the industry with lower prices than its rivals which also leads to higher returns. The strategy is applicable to larger scale organizations with clearly different products from their competitors who equally may secure larger customers. Some of the ways in which a firm acquires cost leadership includes improving process efficiencies, gaining unique access to large source of lower cost advantage, making optimal outsourcing and avoiding some costs altogether. Cost leadership however is vulnerable to some risks such as technological changes which nullifies past investment and inability to see required products.

### **Differentiation Strategy**

In this strategy, a firm seeks to be unique in the industry in some dimensions valued by the buyers. It selects a segment in the industry perceived to be important and uniquely position itself to meet those needs. The firm is thus rewarded for its uniqueness with premium prices. A differentiator must always seek ways of differentiating – he aims to reduce costs in all areas which do not affect differentiation. A firm succeeding in differentiating strategy exhibits some internal

strength which includes high research and development capability, strong sales team, corporate reputation, quality and innovation. Its risks include; buyers becoming sophisticated and so their needs for differentiating factor falls and, imitation narrows perceived differentiation.

### **Focus Strategy**

This strategy rests on the choice of narrow competitive scope within an industry. It is a blend of cost leadership and differentiation strategies. It selects a segment in the industry and tailors its strategies to serving them to the exclusion of others. It is able to serve narrow segment more effectively and efficiently than its competitors who are competing more broadly. As a result, the firm achieves either differentiation from better meeting needs of a particular target or lower cost in serving these targets or both. Focus strategy may also be used to select targets least vulnerable to the substitutes or where competitors are weakest. The strategy is based on meeting specialized needs of customers, stocking only their narrow product lines. Its limitations include; trade off between profitability and sales volume.

#### **2.4.2 Value chain approach**

With globalization and intensifying competition, firms are employing a variety of unique competitive strategy including effective value chain strategy so as to gain competitive advantage in markets by configuring and managing value chain operations. The strategy entails customization, outsourcing, developing innovation and just in time. The idea behind the strategy is to apply a total system approach to managing entire flow of information, materials with the ultimate goal of creating and delivering value to the customer and shareholder. Porter (2000) defined value chain as a management process of being able to offer customers product or services they

require and when they require them both efficiently and effectively. A good value chain strategy strips away time and cost from the product and services delivery cycle to increasing cost effectiveness and customer satisfaction. This is achieved by ensuring and excelling in getting right commodity from right supplier, right place, right quantity and right quality, right price, at the right time and finally to the right customers.

Thomson, Strickland and Gamble (2007) explains that efforts to reinvent the industry value chain can be a fourfold payoff which includes lower cost, better product or service quality, greater capability to turnout multiple or customized product versions and shorter design to market cycles. It may also call for redesigning production lines to improve labour efficiency, build flexibility into assembly processes so that customized product versions can be easily produced and incase use advanced technology. There are various ways in which a company can achieve cost advantage by configuring their value chains. These are: Cutting out the dealers by selling directly to the customer; replacing certain value chain activities with faster and cheaper online technology; streamlining operations by eliminating low-value added or unnecessary work steps and activities; relocating facilities so as to curb needs for handling activities; incorporating fewer performance and quality features into product and finally, offering a limited product lines as opposed to a full product line.

### **2.5.0 Strategic Responses**

Strategic responses have been defined by Pearson and Robinson (1991) as set of actions that result in formulation and implementation of plans designed to achieve firm's actions. It is through strategic management that a firm will be able to position itself and relate well with the environment to ensure its continued success and also secure itself from the surprises brought about by the changing environment. This can

be done by positioning of the firm through strategy and capability planning in its competitiveness, real time response and finally through systematic management of resistance during strategic implementation Strategic choices are supplementary strategies which are concerned with a decision about an organization's future and the ways in which it needs to respond to many pressures and influences. They assist to translate strategy into action which in turn can be a significant constraint on strategic choice and also review ways of thinking about competitive strategy, the bases on which a business unit might achieve competitive advantage in the market (Pearson and Robinson, 1997). Thomson (1997) argues that strategic adaptations are changes which take place over time. The strategic options include: turnaround strategy, website, outsourcing, strategic planning, performance contracting, product development, innovation, collaboration and customer focus strategy.

Some firms have survived by adopting turnaround strategy. A firm can find itself with declining profits due to product inefficiencies and innovative breakthrough by competitor. Such a firm can survive by adopting turnaround strategy which may be in the form of retrenchments. The purpose is cost and asset reduction which includes decrease in workforce, lease than buy equipments, lay off employees and decrease low margin customers. (Pearson and Robinson, 1997). KBC laid off its staff in 1996 and 2004 aiming to cut down its costs. It subsequently moved away from the rented premises in the districts and reverted back to the ministry offices where rent is not paid.

One of the biggest strategic issues facing the company executives across the world is just what role the company's website should play in a company's competitive strategy (Thomson, Strickland and Gamble, 2007). Companies use internet as distributor

channels for accessing buyers and disseminate product information. KBC recently recruited a manager in Information Technology to computerize its operations and this has revolutionized the services of the corporation which includes online purchasing, online sales, payroll recording and news gathering.

Some firms have used outsourcing strategy. They constantly decide to abandon to perform certain value chain activities internally and instead farm them out to outside specialists and strategic alliances. The outsourced activities are performed better and cheaper by outside specialists. The strategy also allows the company to concentrate with core business thereby reducing the company's risk exposure to the changing technology and it improves the company's ability to innovate. (Thomson and Gamble, 2007) .KBC has resorted to outsourcing of cleaning and security services.

Strategic planning strategy is critical in organizations as it forces line management to evaluate investments in terms of their contribution to financial goals which in turn are set in the context of the industry trends and behaviours of competition. It constitutes acceptability which contributes to economic performance. Firms that are more able to plan, make investment decisions that are better aligned with both current and future market conditions than firms whose resource allocation decisions are ad hoc (Walker,2004).Strategic planning provides data and arguments in support of particular strategies for the whole organization over substantial period of time usually three years . KBC has developed its own five year strategic plan 2007-2010 which comprises of Mission, goal, objective, environmental analysis, organizational analysis proposed strategy and resources.

Recently adopted reforms are likely to improve accuracy of financial reporting and will also improve contribution of corporate governance to shareholders' value is performance contracting. The board characteristics have been found to influence the firm's performance. Performing directors and managers who fail to safeguard shareholders' interests are fired. Equally the chief Executives and senior managers play a critical role in the firm's strategy. Their remunerations are pegged on the performance targeting (Walker, 2004). Since the NARC government came to power, the corporation has been recruiting its Chief Executives and senior managers on performance contracts contrary to the direct appointments earlier made during the one party system.

Firms employ development strategies substantially modify their existing products or creation of new but related products which can be marketed to the current customers through established channels. The idea behind this strategy is to attract satisfied customers to new products as a result of their positive experience with the firm's initial offerings. KBC recently installed Digital Technology to enhance its services in readiness to switch from the old fashioned analogue broadcast to Digital broadcast by the year 2012 for vision 2030 achievement. The digital technology has got more product base and diversified than the analogue.

It is becoming increasingly risk not to innovate. The purpose of innovation strategy is to reap initially high profits associated with customer acceptance of new or greatly improved products rather than face stiff competition, continuous search for novel ideas. Its rationale is to create new life cycle and thereby making similar existing products obsolete. Chandler (1990) observed that some innovations are built on existing products, services or procedures and are incremental in nature while

Liebermann and Montgomery (1988) found out that companies which attempt to invent stand to gain.

Companies all over the world have elected to form strategic alliances and partnerships to complement their own strategic initiatives and strengthen their competitiveness. Thomson and Gamble (2007) defined strategic alliances as a formal agreement between two or more separate companies in which there is strategically relevant collaborations, joint contribution of resources, shared risk, control and mutual dependency. The strategy also helps to build and sustain or enhance competitive advantage thereby helping to block competitive threat; assist open up important new market opportunities; mitigating company's a significant risk to company's business.

Focus on customer satisfaction causes managers to realize importance of providing quality customer service. Strong customer service initiatives have led to some firms to gaining competitive advantage in the market place hence many corporations today have made the customer service initiative a key component of their corporate mission. Companies exceeding in customer intimacy respond quickly to any need from customizing a product to fulfilling special request to create customer loyalty (Pearso and Robinson ,1997).

A company's social responsibility strategy is defined by the defined by the specific combinations of socially beneficial activities it seeks to support with its contributions of time, money and other resources. Companies have obligations to foster social betterment. Therefore, corporate executives should balance interest of all stakeholders (shareholders, employees, customers, communities) in which they operate and the society at large. The shareholder must have a good return but the legitimate concern of other constituents (customer, employees, communities and society at large).



Recruiting and retaining capable employees is one of the internal strengths. Staffing the organization with the right kind of staff must go much deeper than managerial jobs in order for the value chains activities to be performed competently. The quality of a firm's people is always an ingredient of successful strategy execution. Engaged employees are a company's best source of creative ideas for nuts-and-bolts operating in improvements that lead to operating excellence (Thomson, Strickland and Gamble, 2007).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter discussed and highlighted the methods and instruments used in terms of research design, data collection and data analysis.

### **3.2 Research Design**

This research was a case study of Kenya Broadcasting Corporation's competitive strategies to environmental challenges. Management of KBC needs to appreciate of the challenges facing the corporation so as to take steps to addressing them. Previous researchers who have used the same study include Mbugua (2006) and Adoyo (Competitive strategy daily media, 2001). The case study was appropriate to this research as it allowed for a detailed and focused examination providing valuable insight for problem solving, evaluation and strategy.

### **3.3 Sample Size**

The Kenya Broadcasting Corporation has number of employees totaling to one thousand and seventy five (1075). For accuracy, relevance and reliability, the study targeted departmental heads since they are involved in strategic decisions for the organization. It was for that reason that the eight (8) heads of department were given questionnaires to fill. They are Finance and Administration, Human Resource, Technical, News Room, Marketing, Directorate, Television Programmes and Radio Programmes.

### **3.4 Data Collection**

Two main forms of data collection used were primary and secondary data collection. Secondary data was collected from existing records in the corporation which included the Act and strategic plan. Questionnaire was used in primary data collection. Questionnaire were sent to the heads of departments and picked later for analysis.

### **3.5 Data analysis**

Data was analyzed using content analysis. Being a case study, most of the responses were qualitative which necessitated the use of content analysis. Where applicable, figures were presented in tabular form, percentages and mean.

## **CHAPTER FOUR: DATA ANALYSIS AND FINDINGS**

### **4.1 Introduction**

This chapter presents the results of the analysis of the data collected. It provides information about a summary of the general information as well as information on the identification of environmental challenges in the media industry that have affected KBC and determination of competitive strategies adopted by KBC to cope with environmental challenges.

### **4.2 General Information**

A total of 8 completed questionnaires were obtained from the respondents. The general information considered in the study was; Department, position held and length of service at KBC.

#### **4.2.1: Respondents' distribution by department**

The respondents were asked to state their departments. The results were as given in table 4.1

**Table 4.1: Respondents distribution by department**

Frequency	Frequency	Percent	Cumulative Percent
Finance and Administration	1	12.5	12.5
Television Programme	1	12.5	25.0
Technical	1	12.5	37.5
News room	1	12.5	50.0
Human resources	1	12.5	62.5
Radio Programmes	1	12.5	75.0
Directorate	1	12.5	87.5
Marketing	1	12.5	100.0
Total	8	100.0	

The findings in table 4.1 indicated that all the departments were presented in the study, that is, one respondent was picked from the eight departments forming KBC.

#### **4.2.2 Respondents distribution by current position held**

The respondents were asked to state their current position in the department. The results are given in table 4.2.

**Table 4.2: Respondents distribution by current position held**

	Frequency	Percent	Cumulative Percent
Manager	2	25.0	25.0
Assistant manager	6	75.0	100.0
Total	8	100.0	

As shown in the table above, the respondents current position were 75 percent assistant manager and 25 percent manager, thus the information given by the respondents would be reliable.

#### 4.2.3: Respondents distribution by length of service

Length of service in the organization determined the rate at which staff changes jobs as well as the reliability of the information given by the respondents. The respondents were asked to state the length of service in their organization. The results were as shown in table 4.3

**Table 4.3: Length of service by employees**

	Frequency	Percent	Cumulative Percent
5-10 years	3	37.5	37.5
10-15 years	1	12.5	50.0
Over 15 years	4	50.0	100.0
Total	8	100.0	

The result in table 4.3 shows that the respondents have worked in the organization for a period ranging from 5 years to over 15 years. Specifically, 50 percent of the respondents had worked in the organization for over 15 years, 12.5 percent had worked for a period of 10 to 15 years and 37.5 percent had worked for 5 to 10 years. Majority of the respondents have worked in the organization for over 10 years, thus there is high level of understanding of the organization.

### 4.3: Challenges that have affected operation of departments at KBC

This section covers findings from the specific questions posed to the respondents\* to determine the challenges affected operation department at KBC in a likert scale of 1 to 5. The range was 'Very Large extent (1)' to 'not at all' (5). The scores of very large extent and large extent have been taken to present a variable which had an impact to a large extent (L.E) (equivalent to mean score of 3.5 to 5.0 on the continuous likert scale ; (  $3.5 \leq L.E < 5.0$ ). The scores of 'moderate extent have been taken to represent a variable that had an impact to a moderate extent (M.E.) (equivalent to a mean score of 2.5 to 3.4 pm the continuous likert scale ( $2.5 \leq M.E. < 3.4$ ). The score of both little extent and not at all have been taken to represent a variable which had an impact to a small extent (S.E.) (equivalent to a mean score of 0 to 2.5 on a continuous likert scale;  $0 \leq L.E. < 2.5$ ). A standard deviation of  $>0.9$  implies a significant difference on the impact of the variable among respondents. Measure of central tendency (mean) and a measure of variation (standard deviation) was used to analyze the data.

#### 4.3.1: Political factor

The respondents were asked to rate political factors posing challenges on operation of KBC. The results are given in table 4.4.

**Table 4.4: Political factor**

	Mean	Std. Dev
Political interference	2.1250	1.12599
Emergency of political parties and their ideologies	3.2500	.88641
Governments' policy on resource allocation	2.5000	1.06904
Hiring of chief executives by government	1.3750	.51755
Policies by the government to help cushion against cheap products	3.2500	1.28174

The study found that the following political factors affected the operation of KBC to a large extent; hiring of chief executives by government (mean of 1.3750) and political interference (mean of 2.1250). The study also found that some of the political factors only affects the operation of KBC to a moderate extent. These are governments' policy on resource allocation (mean of 2.5000), policies by the government to help cushion against cheap products (mean of 3.2500) and the emergency of political parties and their ideologies (mean of 3.2500).

**4.3.2: Legal environmental constraints**

The respondents were asked to rate legal environmental constraints posing challenges on operation of KBC. The results were as given in table 4.5

**Table 4.5: Legal environmental constraints**

	Mean	Std. Dev
Liberalization of airwaves and its effect	1.5000	1.06904
Increase in cost as a result safety and health regulation	3.0000	1.06904
Laws regulating working conditions and minimum wage	2.7500	1.38873
New laws on paternity leave	3.2500	1.48805
Policy on the retirement age bracket	2.3750	1.59799

From the findings to a large extent; liberalization of airwaves and its effect (mean of 1.5000) and policy retirement age bracket (mean of 2.3750). On a moderate extent; laws regulating working conditions and minimum wage (mean of 2.7500), increase in



cost as a result safety and health regulation (mean of 3.0000) and new laws on paternity leave (mean of 3.2500).

#### 4.3.3: Economic environmental constraints

The respondents were asked to rate economic environmental constraints posing challenges on operation of KBC. The results are given in table 4.6.

**Table 4.6: Economic environmental constraints**

	Mean	Std. Dev
Consumers' spending patterns	1.6250	.74402
Recessions in the economy	2.1250	.64087
Energy crisis in the country	2.1250	1.12599
Effect in tax rate on the prices of commodities	2.7500	1.03510
Downturn in the economy	2.0000	1.06904
Unavailability of capital and loans frequent price changes	2.6250	1.06066
Frequent price changes	2.8750	.99103
Cost of raw materials	2.8750	.99103
Government donors imposed on economic policies	2.6250	1.06066

The study found that the following economic environmental constraints affected the operation of KBC to a large extent; consumers' spending patterns (mean of 1.6250), downturn in the economy (mean of 2.0000), energy crisis in the country (mean of 2.1250), recessions in the economy (mean of 2.1250) and political interference (mean of 2.1250). The study also found that some of the economic environmental constraints only affects the operation of KBC to a moderate extent for instance; unavailability of capital and loans frequent price changes (mean of 2.6250), government donors imposed on economic policies such as structural adjustment program (mean of

2.6250), effect in tax rate on the prices of commodities (mean of 2.7500), frequent price changes (mean of 2.8750) and cost of raw materials (mean of 2.8750).

#### 4.3.4: Technological factors

The respondents were asked to rate technological factors posing challenges on operation of KBC. The results are given in table 4.7.

**Table 4.7: Technological factors**

	Mean	Std. Dev
Consumers' technological awareness	2.7500	1.28174
Untapped opportunities as a result of new entrants	2.2500	1.03510
Rapid technological changes and their effect on the existing systems	2.1250	.99103
Emergency of substitutes rendering existing products and obsolete equipments	1.8750	1.12599
High displacement rate of employees	2.5000	1.41421
Resistance of technological change by the employees	2.3750	1.40789
Amount of capital required to improve on new technology	2.5000	1.19523

From the findings , technological factors affected departmental operations, to a large extent; emergency of substitutes rendering existing products obsolete (mean of 1.8750), rapid technological changes and their effect on existing systems (mean of 2.1250), untapped opportunities as a result of new entrants (mean of 2.2500) and resistance of technological change by the employees (mean of 2.3750). On a moderate extent; high displacement rate of employees (mean of 2.5000), amount of capital required to improve on new technology (mean of 2.5000) and consumers' technological awareness (mean of 2.7500).

#### 4.3.5: Social cultural factors

The respondents were asked to rate social cultural factors posing challenges on the operations of KBC. The results were as given in table 4.8 shown below

**Table 4.8: Social cultural factors**

	Mean	Std. Dev
Increased number of women working class and the policies to carter for their needs	1.7500	1.38873
The shift away from 8 working hours to flexible time or 24 working hours	3.2500	.88641
Policies on hiring, training and motivation	3.2500	.70711
Lifestyles of the persons in the environment	2.1250	1.45774
Advancement in the education levels	2.7500	.88641
Accelerating interest of consumers and employees in the quality life issues such as contract negotiations	2.0000	.53452

From the findings, social cultural factors impact on KBC to a large extent; increased number of women working class and the policies to carter for their needs (mean of 1.7500), lifestyles of the persons in the environment (mean of 2.1250) and accelerating interest of consumers and employees in quality life issues such as contract negotiation (mean of 2.0000). On a moderate extent; advancement in the education levels (mean of 2.7500), policies on hiring, training and motivation (mean of 3.2500) and the shift away from 8 working hours to flexible time or 24 working hours (mean of 3.2500).

#### 4.3.6: Demographic Factors

The respondents were asked to rate demographic factors posing challenges on operation of KBC. The results are given in table 4.9.

**Table 4.9: Demographic Factors**

	Mean	Std. Dev
Changes in demographic patterns causing changes in customer needs	2.2500	.46291
Continuous demand for training and education	2.0000	1.06904
Presence of middle level class of customers with different needs	1.7500	.70711
Increased demand for salary reviews	2.8750	1.64208
Demand for leisure time	2.8750	1.45774

The study found that the following demographic factors affected the operation of KBC to a large extent; presence of middle level class of customers with different needs (mean of 1.7500), continuous demand for training and education (mean of 2.0000) and changes in demographic patterns causing changes in customer needs (mean of 2.2500). The study also found that some of the demographic constraints only affected the operation of KBC to a moderate extent for instance; increased demand for salary reviews (mean of 2.8750) and demand for leisure time (mean of 2.8750).

#### 4.3.7: Competitor's Influence

The respondents were asked to rate Competitor's Influence posing challenges on operation of KBC. The results are given in table 4.4.

**Table 4.10: Competitor's Influence**

	<b>Mean</b>	<b>Std. Deviation</b>
Entrants of many players in the industry	3.3750	1.18773
Competitors' tactics such as drastic cut of prices of substitutes	1.3750	1.06066
Better remuneration of employees by the competitors	1.5000	1.06904

From the findings the following factors on the competitor affected KBC' operations to a large extent; competitors tactics such as drastic cut of prices of substitutes (mean of 1.3750) and better remuneration of employees by the competitors (mean of 1.5000) while on the other hand a moderate extent; entrants of many players in the industry (mean of 3.3750).

**4.4: Strategic responses applied by the department to cope with environmental challenges**

This section covers findings from the specific questions posed to the respondent's to determine Strategic responses applied by department to cope with environmental challenges at KBC in a likert scale of 1 to 5. The range was 'Very Large extent (1)' to 'not at all' (5). The scores of very large extent and large extent have been taken to present a variable which had an impact to a large extent (L.E) (equivalent to mean score of 3.5 to 5.0 on the continuous likert scale ;(  $3.5 \leq L.E < 5.0$ ). The scores of 'moderate extent have been taken to represent a variable that had an impact to a moderate extent (M.E.) (equivalent to a mean score of 2.5 to 3.4 pm the continuous likert scale ( $2.5 \leq M.E. < 3.4$ ). The score of both little extent and not at all have been taken to represent a variable which had an impact to a small extent (S.E.) (equivalent to a mean score of 0 to 2.5 on a continuous likert scale;  $0 \leq L.E. < 2.5$ ). A standard

deviation of  $>0.9$  implies a significant difference on the impact of the variable among respondents. Measure of central tendency (mean) and a measure of variation (standard deviation) was used to analyze the data.

#### 4.4.1: Turnaround Strategy

The respondents were asked to rate turnaround strategy responses applied by department to cope with environmental challenges. The results are given in table 4.11.

**Table 4.11: Turnaround Strategy**

	Mean	Std. Dev
reduced work force to cut down on operating cost	1.6250	1.06066
lease equipment than buy to avoid cost of maintenance	2.6250	1.50594

It was apparent that most departments used reduced work force to cut down on operating cost (mean of 1.6250) as turnaround strategy while lease equipment than buy to avoid cost of maintenance (mean of 2.6250) was used to a moderate extent.

#### 4.4.2: Embracing New Technology

The respondents were asked to rate Embracing New Technology responses applied by department to cope with environmental challenges. The results are given in table 4.12.

**Table 4.12: Embracing New Technology**

	Mean	Std. Dev
Install digital technology which has variety of products to analog	3.2500	1.03510
Eliminate manual operations	1.5000	.75593
Better customer service through handling of customer queries	2.1250	.83452

The findings indicated that elimination of manual operations (mean of 1.5000) and better customer service through handling of customer queries (mean of 2.150) were the key new technology used by departments at KBC to cope with environmental challenges

#### 4.4.3: Strategic Planning

The respondents were asked to rate strategic planning responses applied by department to cope with environmental challenges. The results were given in table

**4.13 Table 4.13: Strategic Planning**

	Mean	Std. Dev
Developed strategic plan	2.1250	.99103
Senior management provided leadership in strategic plan	1.6250	.74402
New organization structure to support strategies	2.5000	.75593
Continuous monitoring of strategy implementation to ensure it is in tandem with corporate plan	2.5000	1.06904

As shown above, strategic planning used to large extent were senior management provided leadership in strategic plan (mean of 1.6250) and developed strategic plan (mean of 2.1250)

#### 4.4.4: Customer Focus Strategy

The respondents were asked to rate Customer Focus Strategy responses applied by department to cope with environmental challenges. The results are given in table 4.14.

**Table 4.14: Customer Focus Strategy**

	<b>Mean</b>	<b>Std. Dev</b>
Provide product of acceptable quality	2.6250	1.18773
Meet agreed delivery schedules compared to competitors	1.8750	1.12599
Provide adequate after sales service	2.3750	1.06066

The findings indicated that to a large extent, meet agreed delivery schedules compared to competitors (mean of 1.8750) and provide adequate after sales service (mean of 2.3750).

#### **4.4.5: Supplier**

The respondents were asked to rate supplier response applied by department to cope with environmental challenges. The results are given in table 4.15.

#### **Supplier**

	<b>Mean</b>	<b>Std. Dev</b>
Use ethical behaviour standards	3.0000	1.30931
Maintain loyalty to supplier in return for agreed delivery and quality schedules	2.6250	1.06066

The respondents rate both maintain loyalty to supplier in return for agreed delivery and quality schedules (mean of 2.6250) and use ethical behaviour standards (mean of 3.000) as moderate extent of using supplier to cope with environmental challenges



#### 4.4.6: Social Responsibility

The respondents were asked to rate social responsibility responses applied by department to cope with environmental challenges. The results are given in table 4.16.

**Table 4.16: Social Responsibility**

	Mean	Std. Dev
Minimize pollution, noise and smell to avoid damage of environment	3.0000	1.19523
Conserve energy	2.7500	.88641
Encourage staff to support local charities and community activities to gain community support	3.0000	1.06904
Maintain ethical standards in advertising and promotional matters	2.6250	.91613

The respondents unanimously rate all social responsibility to moderate extent in cope with environmental challenges, that is, maintain ethical standards in advertising and promotional matters (mean of 2.6250), conserve energy (mean of 2.7500), minimize pollution, noise and smell to avoid damage of environment (mean of 3.0000) and encourage staff to support local charities and community activities to gain community support (mean of 3.000).

#### 4.4.7: Marketing Policies

The respondents were asked to rate marketing policies responses applied by department to cope with environmental challenges. The results are given in table 4.16.

**Table 4.16: Marketing Policies**

	Mean	Std. Dev
Strengthened product range	2.2500	1.16496
Introduced new produce and improve on existing products and services	2.2500	1.03510
Spread of market	2.3750	.91613

All marketing policies have been rated as large extent for coping with environmental challenges. Specifically; introduced new produce and improve on existing products and services (mean of 2.2500), strengthened product range (mean of 2.2500) and spread of market (mean of 2.3750).

#### **4.4.8: Competitor's Strategy**

The respondents were asked to rate competitor's strategy responses applied by department to cope with environmental challenges. The results are given in table 4.17.

**Table 4.17: Competitor's Strategy**

	Mean	Std. Dev
Adopted strategic used by competitors to gain competitive advantage	2.7500	1.28174
Work with competitors	2.6250	.91613

The study found that competitors strategy were used to a moderate extent in coping with environmental challenges, that is, work with competitors (mean of 2.6250) and

adopted strategic used by competitors to gain competitive advantage (mean of 2.7500).

#### 4.4.9: Value Chain Strategy

The respondents were asked to rate value chain strategy responses applied by department to cope with environmental challenges. The results are given in table 4.18.

**Table 4.18: Value Chain Strategy**

	Mean	Std. Deviation
Undertake cost benefit analyses of all activities	2.7500	1.38873
Abandon activities which do not add value	3.1250	.83452

The study found that value chain strategy were used by departments to a moderate extent in coping with environmental challenges for instance undertake cost benefit analyses of all activities (mean of 2.7500) and abandon activities which do not add value (mean of 3.1250).

#### 4.4.10: Training and Development

The respondents were asked to rate training and development responses applied by department to cope with environmental challenges. The results are given in table 4.19.

**Table 4.19: Training and Development**

	Mean	Std. Dev
Training on strategy implementation have been conducted	2.6250	.74402
Build awareness on the need for change to reduce resistance	2.3750	.51755

To a large extent departments used building awareness on the need for change to reduce resistance (mean of 2.3750) while to a moderate extent department used training on strategy implementation have been conducted (mean of 2.6250) as training and development strategy in coping with environmental challenges

**4.4.11: Leadership Management**

The respondents were asked to rate Leadership Management responses applied by department to cope with environmental challenges. The results are given in table 4.20.

**Table 4.20: Leadership Management**

	Mean	Std. Dev
Provide leadership free from political interference	2.3750	.91613
Recruited highly qualified personnel to re-engineer organization	3.0000	1.19523
Make managers better prepared to increased modern business challenges	3.6250	1.06066

To a large extent departments used to provide leadership free from political interference (mean of 2.3750) while to a moderate extent department used recruited highly qualified personnel to re-engineer organization (mean of 2.6250) and make managers better prepared to increased modern business challenges (mean of 3.6250) as Leadership Management strategy in coping with environmental challenges.

**4.4.12: Outsourcing**

The respondents were asked to rate outsourcing strategy responses applied by department to cope with environmental challenges. The results are given in table 4.21.

**Table 4.21: Outsourcing**

	<b>Mean</b>	<b>Std. Dev</b>
abandon activities performed dismally	3.3750	.91613
concentrate on the core business	2.7500	.70711

All outsourcing strategies were rated as moderate extent in coping with environmental challenges for instance, concentrate on the core business (mean of 2.7500) and abandon activities performed dismally (mean of 3.3750).

#### **4.4.13: Performance Contracting**

The respondents were asked to rate Performance Contracting responses applied by department to cope with environmental challenges. The results are given in table 4.22.

**Table 4.22: Performance Contracting**

	<b>Mean</b>	<b>Std. Dev</b>
top managers hired based on performance contracting	2.6250	1.06066
reward system used and tied to best performing staff	3.5000	.92582
individuals encouraged setting their own goal	3.3750	1.06066

All Performance Contracting strategies were rated as moderate extent in coping with environmental challenges for instance, top managers hired based on performance contracting (mean of 2.6250), individuals encouraged setting their own goal (mean of 3.3750) and reward system used and tied to best performing staff (mean of 3.5000).

#### 4.4.14: Organizational Structure

The respondents were asked to rate Organizational Structure responses applied by the departments to cope with environmental challenges. The results are given in table 4.23.

**Table 4.23: Organizational Structure**

	<b>Mean</b>	<b>Std. Dev</b>
developed lean management to steer organization	3.1250	.83452
structure established to support strategies	3.3750	.91613

To a moderate extent departments used Organizational Structure to developed lean management to steer organization (mean of 3.12500) and structure established to support strategies (mean of 3.3750)

## **CHAPTER FIVE: SUMMARY, CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS**

### **5.1 Summary**

The objectives of the study were to identify environmental challenges in the media industry that have affected KBC and to determine competitive strategies adopted by KBC to cope with environmental challenges.

The study found that key challenges affecting departmental operations at KBC were as follows: First, political factors such as hiring of chief executives by government and political interference; Second, legal environmental constraints which include liberalization of airwaves and its effect and policy retirement age bracket; Thirdly, economic environmental constraints comprising consumers' spending patterns, downturn in the economy, energy crisis in the country, recessions in the economy and political interference; Fourth, technological factors like emergency of substitutes rendering existing products obsolete, rapid technological changes and their effect on existing of systems, untapped opportunities as a result of new entrants and resistance of technological change by the employees; Fifth, social cultural factors which includes increased number of women working class which call for the policies to cater for their needs, lifestyles of the persons in the environment and accelerating interest of consumers and employees in quality life issues such as contract negotiation; Sixth demographic factors such as presence of middle level class of customers with different needs, continuous demand for training and education and, changes in demographic patterns causing changes in customer needs and finally

competitor's factors like competitors tactics such as drastic cut of prices of substitutes and better remuneration of employees by the competitors.

On the other hand, the main Strategic responses (large extent) applied by department to cope with environmental challenges at KBC were: Turnaround strategy which include reduced work force to cut down on operating cost; Embracing new technology such as elimination of manual operations and better customer service through handling of customer queries; Strategic planning where senior management provided leadership in strategic plan by developing a strategic plan 2007 -2010; Customer Focus Strategy including meet agreed delivery schedules as compared to competitors and provision of adequate after sales service; Marketing policies such as introduction of new produce and improvement of on existing products and services, strengthened product range and spread of market; Training and development which comprise building awareness on the need for change to reduce resistance and; Leadership Management which include provision of leadership free from political interferences.

## **5.2 Conclusion**

From the findings of the study, it can be concluded that there exist challenges in the media industry which affects operation virtually at all departments of KBC even though the organization has been in existence for long. These challenges cut across major environmental factors as shown in the rating of the predetermined factors.

The study also found that departments are aware of ways on how to deal with the challenges they face.

## **5.3 Limitation of study**

This was a case study where the research findings can not be used to make generalization for the whole industry. Secondly, the researcher took a lot of time looking for managers who were busy in management meetings. That is how he



resorted to collecting data from assistant managers who are equally involved in strategic decisions for their respective departments.

#### **5.4 Recommendations**

From the findings of the study, the following recommendations have been proposed. First, there is need to continue tapping the opportunities in the market such as embracing digitalization technology at KBC which offer diversified services. Second, the government to reduce its influence in the hiring of board members and the chief executives while on the other hand KBC being a state corporation to get financial support to enable it adopt modern competitive strategies and finally, recommend that the future researchers to undertake detailed studies on top management and middle level management in relation to operational strategies.

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## APPENDICES

### Appendix I: Introduction letter

University of Nairobi,  
School of Business,  
P.O. Box 30197,  
Nairobi.

Dear Sir/Madam

#### *Reference: COLLECTION OF RESEARCH DATA*

I am a postgraduate student at the University of Nairobi undertaking a Management Research Project on “Competitive Strategies adopted by KBC in Coping with environmental challenges”: A case study of Kenya broadcasting corporation”

You have been selected to form part of this study. You are kindly requested to assist in data collection by responding to the questions in this interview. The information provided will exclusively be used for academic purposes only and will be treated with utmost confidence.

You will also be provided with a copy of the final report upon your request.

Your cooperation is highly appreciated.

Yours faithfully,

Sereti David

MBA Student

Researcher School of Business

Dr. Gakuru

University Supervisor

## Appendix II: Questionnaire

### Part (A) Personal background

1. Name (Optional) .....

2. Department (please tick where appropriate)

Finance and Administration  Human Resources

Television Programs  Radio Programs

Technical  Directorate

News Room  Marketing

3. What position do you hold?

Manager  Assistant Manager

4. How long have you worked in KBC?

Below 5yrs  5 – 10 yrs

10 – 15 yrs  over 15 yrs

**Part (B) To what extent have the following challenges affected operation in your department (Please tick where appropriate using scores: 1- Very Large extent 2 - Large extent 3 - Moderate 4 - Less extent 5 - Not at all)**

**1. Political Factors**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Political interference on operations					
2. Emergency of political parties and their ideologies					
3. Government's policy on resource allocation					
4. Hiring of chief executives by government					
5. Policies by the government to help cushion against cheap products					

**2. Legal environmental constraints**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
(a) Liberalization of airwaves and its effect					
(b) Increase in cost as a result safety and health regulations					
(c) Laws regulating working conditions and minimum wage					
(d) New laws on paternity leave					
(e) Policy retirement age bracket					

### 3. Economic environmental constraints

	1	2	3	4	5
(a) Consumers' spending patterns					
(b) Recession in the economy					
(c) Energy crisis in the country					
(d) Effect in tax rate on the prices of commodities					
(e) Downturn in the economy					
(f) Unavailability of capital and loans					
(g) Frequent price changes					
(h) Cost of raw materials					
(i) Government donors imposed on economic policies such as structural adjustment program					



4. Technological factors

	1	2	3	4	5
(a) Consumers' technological awareness					
(b) Untapped opportunities as a result of new entrants					
(c) Rapid technological changes and their effect on existing systems					
(d) Emergency of substitutes rendering existing products obsolete					
(e) High displacement rate of employees					
(f) Resistance of technological change by the employees					
(g) Amount of capital required to improve on new technology					

**5. Social cultural factors**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
(a) Increased number of women working class and the policies to cater for their needs					
(b) The shift away from eight(8) working hours to flexible time or 24 working hours					
(c) Policies on hiring, training and motivation					
(c) Lifestyles of the persons in the environment					
(d) Advancement in the education levels					
(e) Accelerating interest of consumers and employees in quality life issues such as contract negotiations					

**6. Demographic Factors**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
(a) Changes in demographic patterns causing changes in customer needs					
(b) Continuous demand for training and education					
(c) Presence of middle level class of customers with different needs					
(d) Increased demand for salary reviews					
(e) Demand for leisure time					

**7. Competitor's Influence**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
(a) Entrants of many players in the industry					
(b) Competitors' tactics such as drastic cut of prices of substitutes					
(c) Better remuneration of employees by the competitors					

**Part (C) To what extent have the following strategic responses been applied by the department to cope with environmental challenges**

**1. Turnaround Strategy**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
(a) Reduced work force to cut down on operating cost.					
(b) Lease equipment than buy to avoid cost of maintenance					

**2. Embracing New Technology**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
(a) Install digital technology which has variety of products to analog					
(b) Eliminate manual operations					
(c) Better customer service through handling of customer queries					

### 3. Strategic Planning

	1	2	3	4	5
(a) Developed strategic plan					
(b) Senior management provided leadership in strategic plan					
(c) New organization structure to support strategies					
(d) continuous monitoring of strategy implementation to ensure it is in tandem with corporate plan					

### 4. Customer Focus Strategy

	1	2	3	4	5
(a) Provide product of acceptable quality					
(b) Meet agreed delivery schedules compared to competitors					
(c) Provide adequate after sale service					

**5. Supplier**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
(a) Use ethical behavioral standards					
(b) Maintain loyalty to supplier in return for agreed delivery and quality schedules					

**6. Social Responsibility**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
(a) Minimize pollution, noise and smell to avoid damage of environment					
(b) Conserve energy					
(c) Encourage staff to support local charities and community activities to gain community support					
(c) Maintain ethical standards in advertising and promotional matters					

## 7. Marketing Policies

	1	2	3	4	5
(a) Strengthened product range					
(b) Introduced new produce and improve on existing products and services					
(c) Spread of market					

## 8. Competitor's Strategy

	1	2	3	4	5
(a) Adopted strategies used by competitors to gain competitive advantage					
(b) Work with competitors					

## 9. Value Chain Strategy

	1	2	3	4	5
(a) Undertake cost benefit analyses of all activities					
(b) Abandon activities which do not add value					

## 10. Training and Development

	1	2	3	4	5
(a) Training on strategy implementation have been conducted					
(b) Build awareness on the need for change to reduce resistance					

## 11. Leadership Management

	1	2	3	4	5
(a) Provide leadership free from political interference					
(b) Recruited highly qualified personnel to re-engineer organization					
(c) Make managers better prepared to increased modern business challenges					

## 12. Outsourcing

	1	2	3	4	5
(a) Abandon activities performed dimally					
(b) Concentrate on the core business					



### 13. Performance Contracting

	1	2	3	4	5
(a) Top managers hired based on performance contracting					
(b) Reward system used and tied to best performing staff					
(c) Individuals encouraged setting their own goal					

### 14. Organizational Structure

	1	2	3	4	5
(a) Developed lean management to steer organization					
(b) Structure established to support strategies					