

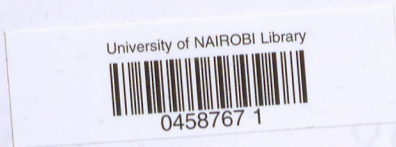
DECLARATION

" A SURVEY OF COMPETITIVE STRATEGIES USED BY
REPRODUCTIVE HEALTH ORGANIZATIONS TO COPE WITH
INCREASED COMPETITION IN THE PRIVATE SECTOR "

Date: 26/10/07

BY

AWITI/MILLICENT AKINYI



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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, The University of Nairobi.

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DECLARARTION

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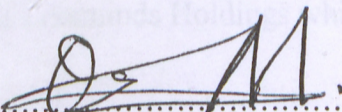
This is my original work and has not been presented for a degree in any other University

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This project has been submitted for examination with my approval as the University supervisor.

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ABSTRACT

Health facilities providing reproductive health services in the private sector in Kenya have witnessed dramatic changes as a result of services being offered by all Ministry of Health hospitals in every district at affordable prices. This has impacted significantly on the state of competition. For enterprises to survive this stiff competition, it has been necessary to develop competitive strategies to enable them achieve a competitive advantage over their competitors.

This study therefore sought to establish and document the various competitive strategies being adopted by reproductive health organization to cope with increased competition in the reproductive health sector. The study also sought to determine the challenges faced by these reproductive health organizations as they apply the competitive strategies. The study focused on 20 health facilities offering reproductive health services in Kenya that had been sampled; only 15 responded positively to the study.

Data was collected through questionnaire method. Questionnaires were administered through personal interviews and drop and pick method. Drop and pick method was used where the target respondents were not easily available. On one hand differentiation strategy was apparent with most of the organizations but some had deliberate attempts to adapt cost leadership strategy.

From the analysis it was established that the reproductive health organizations used generic strategies in an attempt to gain competitive advantage. Differentiation strategy had a mean score of 4.1 and cost leadership had 4.3. These mean scores for these strategies did not vary significantly. It shows that these strategies were uniformly used by most organizations within the reproductive health organizations.

There are several challenges that face the reproductive health organizations in their attempt to apply these generic strategies. Research findings show that the major challenges faced by these organizations are: imitation by other reproductive health organizations offering similar services, high competition especially from individuals opening clinics in residential areas, rapid changes in family planning methods being used, global influences, increase in the number of organizations offering reproductive health services and huge capital outlays were some of the challenges faced by organizations in the sector.

The government needs to put in place a comprehensive research policy through the Ministry of Health. This policy would seek to find out the extent to which the reproductive health organizations adhere to the Ministry of health regulations as the study indicates a large number of local organizations are opening up and imitating the services being provided by other reproductive health organizations. This has implication on the quality of services provided, by reproductive health organizations.

CHAPTER ONE

INTRODUCTION

1.1 Background

Since the introduction of liberalization in Kenya (GOK, 1986) firms in almost all sectors of the economy are faced with competition. Liberalization primarily involves a movement towards less control of factor markets, financial markets and commodity markets. Liberalization has led to stiff competition in many sectors of the economy and this has made firms to change their strategies in order to survive.

By the end of 1994, most sectors of the economy had opened up to market forces and the government had liberalized the domestic market. These changes in the external environment had both positive and negative implications on the existing organizations. (GOK, National Development paper, 1997) Firms are environment dependent on changes in the environment which shape the opportunities facing them. This understanding is important in defining the firm's objectives and developing strategy that will ultimately result in competitive advantage (Theuri, 2003)

Strategy is the management's game plan for the business. Competitive strategy is the part of the business strategy that deals with the management's plan for competing successfully how to build sustainable competitive advantage, how to outmaneuver rivals, how to defend against competitive pressures and how to strengthen a firm's market position (Thompson and Strickland, 1998). Further changes in the economy resulted from the infamous structural adjustment programs and liberalization of the economy. These developments led to retrenchment in both private and public sectors. (National development plan,1996).

Reform process led to stiff competition in key sectors of the economy. Competition became intense after liberalization as firms struggled for the created opportunities

(GOK, 1992). This competition meant that players had to formulate competitive strategies that would differentiate them from the rest of the industry. Therefore only firms that are capable of formulating and implementing effective competitive strategies will be able survive, remain profitable and achieve a level of growth.

Porter (1985) has outlined three generic strategies for achieving competitive advantage.

Health sector reform is usually part of a larger package of development assistance (loans and aid) in support of health sector programs in low- and middle-income countries. Therefore, along with the national government bodies which manage and/or deliver health services (typically the Ministry of Finance and the Ministry of Health), a number of external multi-lateral and national institutions are intimately involved in health sector programs. These global actors include multi-lateral government organizations of the UN system, of which UNICEF and WHO are among the most active in the health sector. Among the international financial institutions, the World Bank is most heavily involved in health sector programs, usually as a lead donor along with a group of bi-lateral donors who include DANIDA (Denmark), DGIS (The Netherlands), SIDA (Sweden), CIDA (Canada), DFID (UK) and USAID (US).

The reproductive health private sector in Kenya represents a resource that is available and used even by the poorest and among lower income groups. For example, the majority of reproductive health related diseases are initially treated by private providers, mainly through the purchase of drugs from shops and peddlers.

1.1.2 The Reproductive Health Industry in Kenya

1.1.2 Competitive Strategies

Kenya is an east African country of approximately 34 million people approximately 38

Johnson and Scholes (2002) describe Competitive Strategy as the basis on which a business unit might achieve competitive advantage in its market. This can be achieved by providing their customers with what they want, or need, better or more effectively than competitors and in ways in which their competitors find difficult to imitate.

Assuming that the products or services of different business are more or less equally available, customers may choose to purchase from one source rather than another

because either the price of the product or service is lower than of the competitor, the product or service is perceived by the customer to provide better “added value” or benefits than that available else where.

Porter (1985) has outlined three generic strategies for achieving competitive advantage, namely; cost advantage, differentiation and focus. Though very useful in providing a framework of understanding how a firm can be positioned in order to be viable in the light of competition, they almost imply that creating competitive advantage is a simple process. On the contrary, the complexities in the business World are increasing by the day making it difficult to apply these strategies. In fact, it is quite difficult to achieve an advantage using these strategies in their primal and generic form.

This has prompted the use of secondary means to achieve competitive advantage. For instance, a firm can create an advantage by exploiting information difference, the use of diversification and so on and so forth.

Many markets and Industries are not stable any longer because the forces at work in the environment are rapidly changing. New technology in particular is reshaping industries and organizations are busily trying to disrupt the status rather than preserve it. Organizations will therefore try to build barriers to preserve advantage in the different ways as will be discussed in this paper.

1.1.3 The Reproductive Health Industry in Kenya

Kenya is an east African country of approximately 34 million people approximately 58 percent of who live on less than a dollar a day. Lack of access to health care, poor nutrition and the effects of HIV/AIDS epidemic have contributed to a low life expectancy for Kenyans: only 47 years. Direct relief has been active in Kenya for over 20 years assisting country health services providers meet the needs of low-income Kenyans.

Reproductive Health (RH) was defined at the International Conference on Population and Development (ICPD), Cairo, 1994, as a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity, in all matters relating to the reproductive system and to its functions and processes. Reproductive health services encompass far more than family planning and the mandate of the International Conference on Population Development (ICPD) requires that governments ensure the provision of expanding of reproductive health services (Tantchan & Wilson 2000). These include safe abortion management, screening for and treating of STI's treatment of other reproductive tract infections, maternity care and a wide range of other services.

The private sector is extensively used in Kenya, even by people in low-income groups. The government is therefore increasingly looking at ways to capitalize on the accessibility and popularity of this sector. There is a perception in Kenya that the private sector does some things better than in the public sector. There is also growing interest in tapping into its perceived efficiencies and resources in order to allow governments to concentrate on policy formulation ensuring the provision of public health goods and regulation.

The number of women requiring family planning services is likely to grow further because populations and therefore the number of women in the reproductive age group, are growing in addition an increasing number of women will want to use the services provided by the reproductive health firms. The United Nations population fund (UNFPA) has estimated that annual resource requirements for family planning in Sub-Saharan Africa will grow from US \$ 1.2 billion in 2000 to US\$ 3 billion in 2015.

1.2 Statement of the Problem

An organization's strategy consists of the moves and approaches devised by management to produce successful organization performance strategy is thus management's game plan for the business (Thomas and Strickland, 1988).

The essence of formulating a competitive strategy is relating a company to its environment (Porter, 1988). Following the opening up of the market and withdrawal of donor funding for reproductive health firms in Kenya, the firms have witnessed fundamental change in the competitive environment. The competition is broadly local. This increase in competition is coming at a time when donor support on reproductive health has been withdrawn and the shift of focus has moved to HIV/AIDS in fact as a result of this many reproductive health firms have been forced to close down.

A large reproductive private health sector exists in Kenya. It consists of a great variety of providers and is used by a wide cross-section of the population. Some of the organizations that are dominant in the reproductive health sector include, Engender Health, Family Health Options, Christian Health Association of Kenya and Marie Stopes Kenya.

Competitive strategies adopted by a firm should result in competitive advantage to the firm. As such a firm should create value for its buyers that exceed the cost of creating it (Porter 1998). The various strategies being pursued by the reproductive health organizations seems to be bearing fruit, if the number of outlets they have opened in the country is an indicator of success.

Porter (1998) argues that there are three generic competitive strategies which firms can employ. There are cost leadership strategies, differentiation and focus strategy.

Studies that have been carried out on competitive strategies like Mulaa (2004), Competitive Strategies adopted by small scale enterprises in exhibition halls in Nairobi, Murage (2001) Competitive Strategies adopted by members of the Kenya Independent Petroleum Dealers Association, Ndubai (2003) Competitive strategies applied by retail sector of the Pharmaceutical Industry in Nairobi . The research studies have all focused on competitive strategies in other industries. Findings of research carried out in a certain environments can be very different in another environment and there is therefore need to find out if these strategies advocated by writers of strategic management can be applied to firms in Kenya's reproductive private health sector.

Haines (1988) contends that the foremost thinking in strategic management reflects business circumstances in developed country contexts little has been written on strategic management practices in less developed countries as a whole and more so on Africa". Some of the challenges in formulating a competitive strategy include financial capability, relationship with government and ability and values of company executives. (Murage 2000) found that investors have to contend with challenges often presented by the norms of the industry they are entering.

Heightened competition has also means that players in any industry have to go flat out for anything that differentiates them from the rest in the industry (Akune, 2000) to contain this; most of the players in the private reproductive health sector are faced with various market challenges emanating from intensified competition. It is necessary for firms to develop competitive strategies to enable them achieve competitive advantage. This study will therefore focus on the kind of competitive strategies that are used by organizations in the reproductive health sector in Kenya to cope with increased competition in the private sector.

1.3 Research Objective

The objectives of the research were:

1. To determine the competitive strategies that Reproductive health organizations in Kenya are using to cope with increased competition in the private sector.
2. To determine the challenges faced by the reproductive health in implementing competitive strategies

1.4 Structure of the study

This study is divided into five chapters. Chapter one gives an introduction of the study and contains a background of the reproductive health sector in Kenya. Chapter two provides a literature review on key study areas of competitive strategies and, competitive challenges.

Chapter three is on research methodology and covers the research design population of interest of the study, data collection and data analysis methods. Chapter four documents the data analysis, research findings and discussion of the results while chapter five gives the summary of research findings conclusion of the study as well as suggestions for further research.

1.5 Importance of the Study

CHAPTER TWO

LITERATURE REVIEW

To stakeholders

The study is useful to manager as it will give them an insight on how diversification and cost advantage has contributed to the performance of their organization.

To the Government

The study is useful as it will highlight the role played by the private reproductive health in provision of reproductive health care in Kenya. It is important as it also points out areas of operational bottlenecks enabling the government to include various support programmes at policy formulation level

To researchers

The study is important as it contributes some existing literature in strategic management and provide a basis for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 The Concept of Strategy

According to Ansoff (1965), the concept of strategy is the firm's business and the common thread which is arrived at through the use of product-market scope. Andrews, (1971) defines strategy in terms of corporate strategy as the pattern of major objectives, purposes, or goals and essential policies and plans for achieving those goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be. Mintzberg(1994) defines strategy as a pattern in a stream of decisions and actions. He defines strategy as a plan, ploy, pattern, perspective and position.

Ansoff and Mc Donnel (1990), define strategy as a set of decision making rules for guidance of organizational behavior such rules, they note, are the of four types. First, they are yardsticks by which present future performance of the firm is measured (goals and objectives). Then there are rules for developing the firm's relationship with its external environment (business strategy) next are rules for establishing the internal relations and processes within the organization.

Organizational explicit strategy occurs when rapid and discontinuous changes occur in the environment of the firm. This may be due to saturation of traditional markets, technological discoveries or a sudden influx of new competitors. With such changes in the environment organizations are no longer able to use their established traditions and experiences to cope with the new opportunities and threats. Thompson and Strickland (2003), consider the essence of good strategy making as that of building a market position strong enough and organizations capable enough to produce successful performance despite unforeseen events, potential competition, and internal difficulties.

The more likely the company will be a solid performer and a competitive success in the market place.

According to Porter (1996), the essence of strategy formulation is coping with competition. He states that competition in an industry is rooted in its underlying economies and will include customers, suppliers, potential entrants and substitute products. Ansoff and McDonnell (1990), note that by stating the strategy is a powerful tool., which offers significant help for coping with turbulence confronted by business firms today. By the concept of strategy, we mean its content substance. Hax and Majluf (1996) have presented strategy as a multidimensional concept that embraces all the critical activities of the firm, providing it with a sense of unity, direction and purposes, as well as facilitating the necessary changes induced by its environment. They provide a unified definition of the concept of strategy as a means of establishing the organizational purpose in terms of its long-term objectives, action programs and resource allocation: a definition of the competitive domain of the firm; a response to external opportunities and threats, and internal strengths and weaknesses, in order to achieve a sustainable competitive advantage; a way to define managerial tasks with corporate, business and functional perspectives; a coherent, unifying and integrative pattern of decisions; a definition of the economic and non-economic contribution the firm intends to make to its stakeholders; an expression of strategic intent: stretching the organization; a means to develop the core competencies of the organization; a means to develop the core competencies of the organization; a means of investing in tangible and intangible resources to develop the capabilities that assure sustainable advantage.

There is no single definition of strategy. What emerges however is that strategy has to do with how a firm relates to its environment. This has to take into account the internal capabilities of the firm in relation to the external opportunities and threats. As an organization's environment changes it is necessary that the firm continuously adapt its activities and internal configurations to reflect the new external situation. Failure to do this endangers the future success of the organization (Aosa, 1998).

According to (Grant 2000), a successful strategy is consistent with the organization's goals and values, external environment, resources and capabilities, and organizational systems. This indicates the fact that the organization depends on the environment for its survival and the responses to the environmental situation will determine its performance. Thus, when there are changes in the environment, the organization's capabilities and strategy would have changed in order to ensure a continued strategic fit. Johnson and Scholes (1999), identify three levels of strategy: corporate strategy, business unit strategy and operational /functional strategy. Corporate strategy is concerned with the overall purpose and scope of the organization to meet the expectations of the owner and/or major stakeholders and add value to the different parts of the enterprise. Business unit strategy is about how to compete successfully in a particular market. Operational/functional strategy is concerned with how the component parts of the organization in terms of resources, processes, people and their skills effectively deliver corporate and business level strategic direction.

2.2 Competitive Strategies

Porter (1998) explains that every firm competing in an industry has competitive strategy whether explicit that is developed through formal planning process or implicit that is, is developed through the various functional planning activities of the firm. The goal of competitive strategy is to find a position in the industry where the company best defend itself against competitive forces or use them in favor. According to Lowes et al (1994), business strategy is concerned with the formulation of long-term plans by a firm to achieve its objectives. The plans enable the firm to develop appropriate policies for dealing with the firm's changing environment especially the changes in the market demand and competition. Business strategy emphasizes improvement in the competitive position of a corporation's products or services in the specific industry served by that division.

Companies pursue competitive strategies to gain competitive advantage that allows them to out perform rivals and achieve above average profitability. Developing a competitive strategy is essentially developing a broad formula of how the business is going to compete, what its goals should be and what policies are needed to carry out these goals. Competitive strategy grows out of an understanding of the rules that guide competition. A business strategy is only powerful if it produces a sizeable and sustainable competitive advantage. The strategy should emphasize an improvement in the competitive position of a firm's product in the industry. Business strategy is essentially concerned with how the firm competes within a particular market or industry; it must establish a competitive advantage over its rival's also known as competitive strategy. It focuses on improving the competitive position of a company's services or products within the specific market segment that the company or its business serves (Wheelen and Hunger, 1996).

Firms in dynamic industries respond to competitive forces in different ways. While some may resort to improving current markets and products, diversification, divesture, others employ techniques that ensure operational effectiveness. However, much as operational effectiveness is necessary, it is not sufficient in achieving sustainable competitive advantage. In order to achieve this, competitive strategy needs to focus on unique activities (Porter, 1996).

Competitive strategy is a key area of strategy and must therefore grow out of sophisticated understanding of the rules of competition that determine an industry's attractiveness. Competitive strategy will ultimately aim at changing the rules of competition to favor a firm (Wheelen and Hunger, 1995). Greenstein (20010, in his study on technological mediation and commercial development in the internet access market, also supports the idea that different firms respond with different strategies to the same opportunities. Some offer similar solutions to different users, others develop expertise to ensure repeat business from complementary services. With the same products and markets, a firm tries to improve its competitiveness by protecting and building its current market position. Using the same competencies, they may decide to

consolidate or penetrate the market further to gain market share, The option of withdrawal from some current activities may be pursued especially where the firm lacks competencies to compete effectively.

2.3 Porter's Generic Strategies

Porter (1998) calls his strategies generic because they are not firm or industry depended. They can be applied to a firm in any industry. These generic strategies are basically three and they are cost leadership strategy, differentiation strategy and focus strategy. They are applied at business unit level.

Table 2.3.1 Porter's generic strategies

TARGET SCOPE	ADVANTAGE	
	LOW COST	PRODUCT UNIQUENESS
BROAD (Industry wide)	Cost leadership strategy	Differentiation strategy
NARROW (Market segment)	Focus strategy (Low cost)	Focus strategy (Differentiaiation)

Source :([http: www.quickmba.com/strategy/generic.shtml](http://www.quickmba.com/strategy/generic.shtml), 6th July 2002)

Cost Leadership Strategy

A cost leadership strategy is one which a firm strives to have the lowest costs in the industry and offers its products and services to a broad market at the lowest prices. Porter (1998) states that characteristics of cost leadership strategy include low level of differentiation, aim for average customer, use of knowledge gained from past experience and the addition of new products only after the market demands them. Thompson and Strickland (1998) agree with Porter's view on cost leadership strategies and state that this strategy calls for being the low cost producer in an industry for a given level of quality.

Firms acquire cost advantages by improving process efficiencies, accessing lower cost materials, making optimal outsourcing vertical integration decisions or avoiding some costs altogether. If competing firms are unable to lower their costs by a similar amount, the firm will be able to sustain competitive advantage based on cost leadership.

Firms sell their products at average industry prices to earn a profit that is higher than that of its rivals or below the average industry prices to gain market share. As industry matures and prices decline firms that can produce more cheaply will remain profitable for a longer period of time ([http: www.quickmba.com/strategy/generic.shtml](http://www.quickmba.com/strategy/generic.shtml), 6th July 2002)

Cost leadership strategy has advantages. Firms that succeed in cost leadership strategy usually have adequate capital, skills experiences and efficient distribution channels. The cost advantage protects a firm from new entrants hence reducing competition. However the risk of cost leadership is that competitors may leapfrog the technology and production capabilities hence eliminating the competitive advantage acquired from cost reduction.

Differentiation Strategy

A differentiation strategy is one in which a firm offers products or services with unique features that customers value (Ndubai, 2003). The value added by the uniqueness commands a premium price. According to Coutler (2002) the key characteristics of differentiation strategy is perceived quality whether real or not. This may be through superior product design, technology, customer service or other dimensions.

Differentiation strategy calls for development of a product or service that offer, unique attributes to the customers. The firm hopes to cover the extra costs by the premium price commanded by the product or service uniqueness. If suppliers increase their prices, the firm may be able to pass along the costs to its customers who cannot find substitute products easily.

([http. www.quickmba.com/strategy/generic.shtml](http://www.quickmba.com/strategy/generic.shtml), 6th July 2002)

The advantage of differentiation strategy is that the perceived quality insulates a company from threats from any of the five forces that determine the state of competition in an industry. Again, firms using differentiation strategy have some internal strength including high research and development capabilities, strong sales team and corporate reputation for quality and innovation.

Brand loyalty protects a firm from threat of substitute products. Rothschild (1984) contends that differentiation is often the secret to extending the life cycle of business and making it more expensive to enter and follow. The risks associated with differentiation strategy include imitation by competitors and changing customer tastes and preferences. The shelf life of differentiation strategy is getting shorter and shorter.

Focus Strategy

Focus strategy involves targeting a particular market segment. This means serving the segment more efficiently and effectively than the competitors. Therefore focus strategy can be of cost leadership or differentiation aimed at narrow market segment.

Porter (1998) states that the advantages of focus strategy include having power over buyers since the firm may be the only source of supply. Buyers do not have a strong bargaining power a firm competitive advantage. Customer loyalty also protects a firm from threat of new entrants and threat of substitute products. The firm adopting focus strategy can easily stay closer to its customers and effectively monitor their needs.

However the risks associated with focus strategy include being at the mercy of powerful suppliers since the firm is only able to buy in small quantities. Small volumes also mean higher production costs. These firms do not enjoy lower costs advantages arising from economies of scale. Changes in customer tastes and preferences may lead to disappearance of the market segment.

It may also be fairly easy for a broad market cost leader to adopt its products in order to compete directly with firms pursuing focus strategy. Finally other focuses may be able to curve out segments that they can serve even well. ([Http: www.quickmba.com/strategy/generic.shtml](http://www.quickmba.com/strategy/generic.shtml), 6th July 2002)

Porter (1998) argues that his generic strategies are not compatible to one another. A firm that attempts to achieve an advantage on all fronts may achieve no advantage at all. For example if a firm differentiates itself by supplying very high quality it risks undermining that quality if it seeks to become a cost leader. Therefore according to Porter to be successful over a long term a firm must select one and only one of the three generic strategies. Otherwise with more than one a firm risks being “stuck in the middle” and may not achieve competitive advantage. Those firms that succeed with multiple generic strategies do so by creating separate business units for each strategy.

2.4 Relationship Marketing

Relationship marketing is an organization's effort to develop a long term, cost effective link with individual customers for mutual benefit. (Berkowitz, Kevin, Hartley and Rudelins, 1994). It is a revolutionary extension of market segmentation. Three elements are needed to implement relationship marketing; building a database to store information about customers and monitoring long term relationships with customers. Relationship marketing starts with the customer understanding needs and wants and how to satisfy requirements and preferences.

According to Payne (1998) relationship marketing provide sustainable competitive advantage in a number of ways; building barriers to entry, increasing switching costs and locking customers into essential information and database. Berkowitz et al (1994) state that relationship marketing has been made possible by breakthrough in information technology that enables electronic data collection, online communication, e-commerce and database management.

Advantages of relationship marketing include promoting customer loyalty hence safeguarding against threat of new entrants. Firms are able to deliver superior customer value by personalizing the interaction between the company and the customer. It also enables firms to achieve effective coordination of complex capabilities with the company around customers. However relationship marketing becomes difficult with changes in customer service personnel especially where employee turnover is high.

2.5 Challenges to Implementation of Competitive Strategies

According to Thompson and Strickland (2003), the most important fits are between strategy and organizational capabilities, between strategy and the reward structures, between strategy and internal support systems, and between strategy and the organization's culture. Fitting the organization's internal practices to what is needed for strategic success helps unite the organization behind the accomplishment of strategy.

The strategic-implementation task is easily the most complicated and time consuming part of strategic management. It cuts across virtually all the facets of managing and must be initiated from many points inside the organization

Besides market and supply factors three other considerations throw light on the ability of the enterprise, to put the strategy into action (Newman et al) These are financial strength of the company, community and government relations and the ability and values of company executives.

Adequate capital is required for every type of expansion and if a firm is to maintain its position it ought to have sufficient financial strength to withstand aggression by competitors for choice markets on community and government relations, it must be noted that companies differ in their ability to work with government.

While it is important to be registered as a good corporate citizen” good community and government relations lead simply to permissive situation but in crisis situation the very right written operating may be at stake (Phatak 1989)

The ability and values on company executives are important into putting strategy into action executives turn potential sales into actual sales, keep costs in line and face unanticipated problems executive may be to entrenched to the current strategy such that they are now able to change which reduces strategic options within the management group there should be individuals with qualities essential to planning, direction and control of the enterprise.

In the reproductive health private sector some of the competitive challenges include competition from non professionals, lack of enough resources to adequately cater for everyone in need of these services, lack of enough qualified personnel and increased generic drugs available widely in the market.

Ansof (1988) refers to competitive strategies as the distinctive approaches that a firm uses or intends to use to succeed. Bennet (1999) calls them critical success factors to any company, it is useful to identify those activities that the organization must undertake at a three fold level of competence to stay in business. However, for the purpose of building a strategy to achieve competitive advantages it is necessary to go beyond this and identify which core competencies exist to provide competitive advantage to which must add value to the buyer and should be difficult for competitors to imitate. They will therefore be rare, complex and tacit.

3.2 Research Design

The survey design was used to find out the competitive strategies that firms in the reproductive private health sector in Kenya are using to cope with increased competition. This design is appropriate when the study is largely descriptive and purposes to sample statistics to make generalization about population parameters. It was successfully used by Omondi (2006) in a similar study.

3.3 Population of Study

The population of study consists of all the health facilities providing reproductive health services in the private sector in Kenya. As at 27 July there were 33 such registered organizations according to the Ministry of Health.

3.4 Sampling Design

A sample of 20 organizations was studied. The sample was determined by systematic random sampling (skip one choose the next in the list). The 20 selected organizations made 50% of the population. This was deemed to be a representative.

3.5 Data Collection

Data was collected by using a semi-structured questionnaire divided into three parts using both open ended and close ended questions. Part one targets the

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research design that was used to meet the objectives of the study as set in Chapter one.

3.2 Research Design

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3.5 Data Collection

Data was collected by using a semi-structured questionnaire divided into three parts using both open ended and close ended questions. Part one targets the

demographic aspects of the firm in the sector. Part two focused on the strategies employed by the firms to gain competitive advantage in the sector. Part three solicited data on the competitive challenges encountered by the firms in applying the competitive strategies. The questionnaires were administered through personal interviews. Respondents targeted were the heads of departments in charge of finance, marketing, and human resource and administration and clinic managers.

Personal interviews were preferred for this study because they have been observed by Parasulman (1986) as having potential to yield the highest quality of data compared to other methods because additional information may be collected in the course of the interview. Cooper and Amory (1985) also argue that the greatest value of personal interviews lies in the depth and details of information that can be secured.

3.6 Data Analysis and Interpretation

Descriptive statistics was used to analyze data Frequency distributions and percentages were used to determine the profile of responding firms. Mean scores and standard deviations were also used to determine the extent to which the reproductive health firms adopt competitive strategies and to determine the challenges faced by the firms.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Descriptive Statistics

This chapter presents analysis and findings of the study as set out in the research methodology. The results are presented in order of objectives that is the analysis of competitive strategies and the challenges faced by the reproductive health organizations in the private sector.

This study achieved a response rate of 75% with 15 out of the targeted 20 organizations responding. This represented a 75% response rate. In part A of the study questionnaire, respondents were asked general information about themselves and their organizations. The results are given below.

The method of data collection was through questionnaire which was developed in line with the study objectives and is divided into three parts. The first part targets the demographic aspects of the organization. This include the title, gender and years of serving in that post by the respondent, the organization's name, years of operating in Kenya, and the number of outlets the organization operates in. The second part focuses on the strategies employed by the reproductive health organizations to gain competitive advantage in the health sector. Lastly, part three solicits data on the competitive challenges encountered by the organizations in applying the competitive strategies. The questionnaire was administered through mail, (Drop, pick and E-mail). E-mail was used to communicate with head office where necessary.

4.1.1 Years of Operation

Data in part A of the questionnaire were analyzed using frequency distributions and percentages to determine the profile of responding airlines. Respondents were asked to indicate number of years the firm has been in operation. The number of years that the

organization has been in operation is important. It will enable us to establish the relationship between strategy and operating period. These will enable us to make a comparison between the number of years in operation and the strategy applied by various organizations in the reproductive health sector. It will also make it possible to establish the similarities and differences between strategies applied by organizations in the sector. The results are summarized in table 4.1.1 below.

Table 4.1.1 Years of Operation

Years of Operation	Frequency	Percentage
1	0	0
2	0	0
3	0	0
4	0	0
5-10	4	26.6%
Over 10	11	73.4%
Total	15	100%

From the above table the mode years of operation are over ten years. No organization has been operating for a period of less than five years. This may be explained by the fact that organizations working in provision of reproductive health care in Kenya have been in existence for more than five years.

4.1.2 Respondents' Position

Table 4.1.2 below gives a summary of the positions held by the respondents within their respective reproductive health organizations.

Table 4.1.2 Respondent's Position in the Organization

Position	Frequency	Percentage
Area Manager	9	60%
Doctor	1	6.6%
Finance and Administration Manager	2	13.4%
Marketing Manager	3	20%
Country Director	0	0
Total	15	100.0%

Source: Research Data

The results of this study show that most respondents (60%) hold the position of area manager. Two respondents hold the positions of finance and administration manager (13.3%), Three respondents held the position of marketing manager (20%) and Doctor (6.6%) within their respective organizations.

4.1.3 Gender

Respondents were asked to indicate their gender. The results of this study are summarized in Table 4.1.3. The results of this study show that most respondents 12 out of 15 (80%) were male with 3 out of 15 (20%) being female.

Table 4.1.3 Gender

<i>Gender</i>	<i>Frequency</i>	Percent
Male	12	80.0
Female	3	20.0
Total	15	100.0

Source: Research Data

4.1.4 Branch Network

This analysis was found necessary in order to establish the market potential for reproductive health organizations in Kenya and the subsequent ability to expand. Analysis showed that most of the firms that had operated for over ten years had branches elsewhere. On the other hand most of the organizations that had operated for less than five years did not have branches elsewhere

4.2 Competitive strategies adopted by Organizations in the reproductive health sector operating in Kenya

The first objective of the study sort to find out the competitive strategies adopted by organizations in the reproductive private health sector. This respondents' were asked to indicate to what extent they used a given competitive strategy using a five point likert

scale ranging “very great” “5”, “great extent” “4”, moderate extent” “3”, “little extent” “2”, “not at all” “1”, the results are presented as the mean of respondents that indicated they used that strategy to a very great extent. A high mean indicates greater use of a given competitive strategy in the private sector. The results are shown in the table 4.2.1

Table 4.2.1 Competitive strategies used by private organizations in the reproductive health sector

No	Practice	Mean	Standard Deviation
1	Wide range of products/services offered	4.3	0.82
2	Fees charged lower than other reproductive health organizations	4.3	0.82
3	Reducing the operation of subsidiaries	3.8	0.95
4	Satisfactory quality of service	4.5	0.77
5	Reasonable package for doctors and other staff	4.1	0.87
6	Adequate facilities like waiting lounges, reading material, etc	3.8	0.95
7	Fees charged slightly higher than other reproductive health organizations	2.8	1.21
8	Security for clients personal effects during a procedure guaranteed	4.2	0.85
9	Provision of special reproductive health services	4.2	0.85
10	Clients take a reasonable time to wait	4.1	0.87
11	Highly skilled, competent and hospitable staff	4.2	0.85
12	Identifying needs for prospective clients	4.0	0.90
13	Services are offered to clients at times and days of the week	4.2	0.85
14	Subsidizing fees for staff and dependents	3.5	1.03
15	Publicity to create and enhance positive image of the organization	4.1	0.87
16	Conducting frequent market and industry research	3.6	1.00
17	Outsourcing support staff	2.2	1.37
18	Focus on services, products not offered by many reproductive health organizations	3.9	0.93
19	Employing doctors on part time basis	3.4	1.06
20	Providing high quality service at lower price than other reproductive health organizations	4.2	0.85

Table 4.2.1 continued

21	Opening new centers	4.1	0.87
22	Forging strategic and tactical alliances and partnerships with key regional and international partners	3.6	1.00
23	Product development	3.4	1.06
24	Aggressive corporate communications	3.3	1.08
25	Enhanced professionalism	3.8	0.95
26	Intensive staff training	3.8	0.95
27	Use of modern recruitment and selection techniques to maintain high caliber professionals	2.8	1.21
28	Continuous upgrading of services with a view of attracting and retaining customers	3.9	0.93
29	Establishing own hub to compete effectively	3.7	0.98
30	Creating strong regional hubs	4.1	0.87

The results in Table 4.2.1 show that offering of satisfactory quality of service (4.5), offering a wide range of products and services(4.3), hiring of highly skilled and competent staff (4.2), provision of special reproductive health services(4.2), offering services to clients throughout the week(4.2) and providing high quality services at low prices (4.2) are some of the widely used strategies by private reproductive health organizations in Kenya. From the findings of the research study outsourcing of staff (2.2) and charging high fees for services offered (2.8) are the strategies least used by the organizations. The results were also categorized according to strategy types as discussed below.

Table 4.2.2: Product Strategies

Product Strategy	Mean	Standard Deviation
Offering wide range of products and services	4.3	0.82
Reasonable timing in between patients	4.1	0.87

Source: Research Data

The results in Table 4.2.2 show that the above strategies were used by the surveyed organizations are offering wide range of products and services 4.3, a mean of 4.1 was also recorded on reasonable timing in between patients.

Table 4.2.3 summarizes respondents' ratings of the extent to which they use different value related strategies in order to remain competitive.

Table 4.2.3: Value Related Strategies

Value Related Strategy	Mean	Standard Deviation
Offering Special reproductive health services	4.1	0.87
Using highly qualified staff	4.2	0.85
Provision of adequate facilities	3.8	0.95

Source: Research Data

The results in Table 4.2.3 show that guaranteeing security of the clients personal effects, offering special reproductive health services and carrying out free medical check ups, using highly skilled staff, and provision of adequate facilities such as a good waiting area with lounge and reading materials are some of the strategies used to a very great extent by slightly most of the surveyed organizations. A mean score of 4.1 showed that the surveyed organizations use offering special reproductive health services, focusing on customer needs are strategies that are used. Finally, A mean score of 3.8 indicated that the surveyed organizations use the strategies providing reading materials as patients wait to see the doctor while a mean of 4.2 was recorded for hiring of highly qualified and competent staff.

Table 4.2.4 below gives a summary of the extent to which the surveyed organizations used pricing related strategies in order to remain competitive in the market.

Table 4.2.4: Pricing and Related Strategies

Pricing and Related strategies	Mean	Standard Deviation
Subsidizing fees for staff and dependants	3.5	1.03
Charging low fees on services provided	4.3	0.82
Offering quality services	4.5	0.77
Publicity	4.1	0.87

Source: Research data

The results summarized in Table 4.2.4 above show that most organizations use strategies such as subsidizing fees for staff and dependants; a mean score of 3.5 shows that the reproductive health organizations use this strategy.

One strategy that appears to be used by many organizations is charging low fees by the reproductive health organizations. A mean score of 4.3 of the reproductive health organizations indicate that they use the strategy. Offering quality services and using publicity to create and enhance a positive image of the organization are strategies as indicated by the mean scores of 4.5 and 4.1 of the reproductive health organizations respectively.

Table 4.2.5 gives a summary of strategies used by the surveyed organizations in relation to networking with organizations such as the Ministry of health, opening up new clinics in other areas, forming of strategic alliances and employing doctors on part time basis. The results are expressed as the a mean of respondents indicating that they used a given strategy to a very great extent.

Table 4.2.5: Networking and Diversification Strategies

Networking and Diversification strategies	Mean	Standard Deviation
Opening up new clinics	4.1	0.87
Forging strategic tactical alliances and partnerships with key regional and international partners	3.6	1.00
Product Development	3.4	1.06

Source: Research Data

The results in Table 4.2.5 indicate that opening new clinics scored a mean of 4.1 and forging strategic and tactical alliances and partnerships with key regional and international partners scored a mean of 3.6.

Finally, Table 4.2.6 below gives a summary of respondents' ratings of their use of strategies related to product development and enhancement.

Table 4.2.6: Product Development Strategies

Product Development Strategies	Mean	Standard Deviation
Creating strong regional hubs	4.1	0.87
Business Automation	2.8	1.21
Aggressive Corporate communications	3.3	0.93
Continuous upgrading of services	3.9	0.93

Source: Research Data

The results in Table 4.2.6 show that establishing an own hub to compete effectively is a strategy that scored 4.3. Three strategies; automation of business process, aggressive corporate communications and continuous upgrading of services, are by more than 60% of the surveyed organizations. Another strategy mentioned by respondents includes relationship marketing.

4.3 Challenge faced by reproductive health organizations in applying the competitive strategies

The Second objective of this study was to find out the challenges faced by the organizations in the reproductive health sector are facing in implementing the strategies in part 4.2. This section gives a summary of organizations rating of the different challenges they currently face in the reproductive health sector. The respondents' were asked to indicate to what extent they faced each challenge using a five point likert scale ranging "very great" "5", "great extent" "4", moderate extent" "3", "little extent" "2", "not at all" "1", the results are presented as the mean of respondents that indicated they faced that challenge to a very great extent. A high mean indicates greater the challenge faced by the reproductive health organization. The results are presented in the table 4.3.1.

Table 4.3.1 Challenges faced by private organizations in the reproductive health sector

No.	Practice	Mean	Standard Deviation
1	Meeting Ministry of health requirements	1.53	0.38
2	Maintaining quality of service	2.13	0.22
3	Attracting and maintaining qualified and competent staff	2.90	0.03
4	Imitation from other reproductive health organizations	4.33	0.33
5	Maintaining reasonable low	3.00	0.00

Table 4.3.1 continued

	charges		
6	Attracting a larger number of clients in the market	2.33	0.17
7	Customers' inability to differentiate your products/services from other reproductive health organizations	1.73	0.32
8	Change of customer needs and tastes	4.3	0.33
9	Increase in number of reproductive health organizations thus increasing competition	4.2	0.31
10	Diverging objectives and priorities of collaboration	3.2	0.05
11	Collaborators becoming rivals- competing for clients	3.9	0.23
12	Huge financial requirements to establish and run a reproductive health firm	4.3	0.33
13	Competition arising from local organizations	4.1	0.28
14	Global influence on quality of service, delivery and sustainability	2.06	0.24
15	Political instability in the region	1.4	0.41

Source: Research Data

The results in Table 4.3.1 show the challenges faced by the private reproductive health organizations in implementing the strategies in table 4.2.1. Increase in the number of private reproductive health organizations (4.2), imitation of products and services from other organizations (4.3) change in customer needs and tastes (4.3) and huge financial requirements needed to start a reproductive health organizations are some of the challenges most faced by the private organizations. Meeting Ministry of Health requirements (1.4), political instability (1.4) and customers inability to differentiate the services offered by different organizations (1.7) are the challenges least faced by the

reproductive health organizations. The results were also discussed according to corporate and sector level challenges as discussed below.

Table 4.3.2 below gives a summary of respondents' ratings of challenges faced by their organizations at corporate level.

Table 4.3.2: Corporate Level Challenges

Corporate challenges	Level	Mean	Standard Deviation
Imitation by other reproductive organizations	health	4.33	0.33
High Competition		4.1	0.28

Source: Research Data

The results in Table 4.3.2 show that one of the most serious challenges is imitation by other reproductive health organizations which had a mean score of 4.3 while high competition is also noted as serious challenge with a mean score of 4.1 as reported by the surveyed organizations.

Table 4.3.3 below gives a summary of respondents' rating of how challenges faced by the sector in general have affected their organizations.

Table 4.3.3: Sector Challenges

Sector Challenges	Mean	Standard Deviation
Rapid change of family planning methods	4.30	0.33
Collaborators becoming rivals competing for clients	3.90	0.23
Global influences	2.06	0.24
Increase in the number of firms in the reproductive health sector	4.20	0.31
Huge capital out lays	4.30	0.33

The most outstanding challenge is rapid change of family planning methods. This scored a mean of 4.3 and huge capital outlays required to operate in the sector (4.3) of the surveyed organizations. Other notable challenges are collaborators becoming rivals competing for clients (3.90), global influences (2.06) and increase in the number of firms in the reproductive health industry (4.2)

Other challenges mentioned by the respondents include attracting and maintaining qualified and competent staff, imitation from other reproductive health organizations which also scored a mean of 4.33, and financier challenges.

CHAPTER FIVE

CONCLUSIONS

5.1 Summary, Discussions and Conclusion

This chapter gives a summary of the findings, discussions and conclusions. The objectives of this study were to establish the competitive strategies adopted by private organizations providing reproductive health care in Kenya to cope with increased competition in the reproductive health sector and to determine the challenges faced by these organizations in applying the competitive strategies. A survey of the organizations providing reproductive health care in Kenya was subsequently carried out and managers within these organizations were asked to complete a questionnaire.

The findings from this study show that there are various similarities among organizations in the reproductive health sector in terms of characteristics like the products and services offered, competitive strategies adopted and factors influencing the competitiveness of the organizations in the sector.

Findings from the fifteen organizations out of the selected twenty completed and returned the study questionnaire representing a 75% response rate. The research study found out that the mode number of years of operation was over ten years in operation. This finding is consistent with the literature review observation that a large number of reproductive health organizations in Kenya have been in operation for a long time.

It was observed that many of the organizations have an extensive network of branches especially those that have been operating for over ten years and this gave them an edge over the ones that have operated for less years. In terms of ownership, it was observed that about 60% were privately foreign owned and 40% were either privately owned or had local ownership. With regard to competition, 100% of the organizations studied cited fairly stiff competition whose contributing factors were presence of various organizations offering the same services to the clients especially from locally owned

clinics which are coming up rapidly providing an imitation of the services already in the market at cheaper prices.

According to the Ansoff's (1990) product/market matrix, organizations that want to grow should use market penetration strategies to sell more of its existing products to its existing customers. The use of market penetration strategies is apparent in the mean score of the organizations that report using wider product range. The use of reasonable time while waiting to be seen by a doctor as a strategy seems like an extension of Bowman's six competitive advantage strategic options: added value at a standard price. According to Porter (1988) a low cost leader is able to use its cost advantage to charge lower prices or to enjoy higher profit margins. The use of low charge in fees for services offered is apparent in organizations in the reproductive health sector.

One of the strategies suggested by Ansoff (1990) in his product/market matrix is the development of new products targeting new customers. Results from the opening of new clinics and network development also indicate the use of market development strategies by almost the entire sector.

Guaranteeing security, provision of special reproductive health services, offering refreshments, using highly skilled staff and attending to customer needs are all examples of value addition while prices remain standard. These strategies capture the essence of differentiation which according to Pearce and Robinson (1997) is unique in ways that are valuable to customers and that are sustainable. However, most of these strategies are not unique and the high number of reproductive health organizations using them suggests that these strategies on their own cannot create competitive advantage for organizations in the reproductive health sector.

The foregoing results show that most of the strategies considered in the study are used by different organizations at one time or the other with different emphasis. However, there are particular strategies that have been found to be in extensive use within

organizations. Based on the results summarized above, it is concluded that reproductive health organizations use the following strategies to remain competitive in the market:, offering a wide range of products and services, offering free medical check ups every once in a while, charging reasonable fees for services provided, guaranteeing security, offering special reproductive health services, hiring highly skilled staff, establishing an own hub to compete effectively. These are some of the most extensively used strategies in the industry.

The reproductive health organizations regarded competitive strategies as an important aspect of survival. Growth development and profitability are achieved through competitive strategies that an organization puts in place. Thus competitive strategies were a means through which the reproductive health organizations achieved competitive advantage. From the study it emerged that offering a wide range of quality reproductive services to their clients and Offering of special reproductive health services were also used as competitive strategies used by the organizations to have an edge over their competitors. This shows that the reproductive health organizations went out of their way to maintain customers.

Porter (1998) states that there are three generic strategies that an organization can use to gain competitive advantage which are not firm or industry depended. Based on the results of the research, it emerged that the private organizations in the reproductive health organizations used differentiation and cost leadership strategies to gain competition in the reproductive health sector.

The reproductive health organizations also faces daunting challenges in applying different competitive strategies. One of the most serious challenges is imitation by other reproductive health organizations. Another common challenge faced by individual organizations is increased competition from locally owned health care centers that are coming up in their different areas of operation. The reproductive health organizations also face challenges that affect the whole sector. Such challenges include

rapid changes in family planning methods being used, collaborators in the sector becoming rivals, global influences, and the increase in the number of organizations in the reproductive health sector.

Each player in the sector faces more external competition from other players as each one of them steps efforts to garner a sizeable market share. This calls for, among other things, strong product and service offerings from each of the players along various frontiers which bring about stiff competition in the sector. To address these developments in the competitive environment and reverse the situation, it becomes imperative and inevitable for threatened reproductive health organizations to be aggressive in their competitive endeavors by grafting appropriate competitive strategies, while those with some competitive advantage stepping up their defensive strategies.

Similar to the strategies, reproductive health organizations are also affected by almost all of the challenges identified prior to the study survey. However, some of these challenges affect the surveyed organizations. Amongst the outstanding challenges are: imitation by clinics offering reproductive health care. The finding relating to imitation means that most organizations cannot have a sustainable competitive advantage in the market. Thompson and Strickland (1998) have noted that the value of a cost leadership strategy is whether rivals find it easy or inexpensive to imitate. This factor alone determines the duration of the advantage.

It is concluded that the reproductive health organizations use market penetration strategies, product development strategies and diversification strategies. It is also concluded that in an industry with high level of competition, a seventh option of Bowman's six strategic options comes into play: added value at standard price.

There are strategies that most of the reproductive health organizations surveyed have failed to use effectively while these could help them gain competitive advantage in the market. Such strategies include: outsourcing staff and diversification. Marketing

research is extensively used in only a third of the organization. However, the reproductive health organizations also indicate that their biggest challenges are the constantly changing customer needs, imitation from other reproductive health organizations and huge financial requirements to establish and run a reproductive health firm. It appears that putting more emphasis on marketing research would solve this problem for some of these organizations.

Besides addressing the objectives of the study, the study also established various factors that affect the competitiveness of the organizations and some of these are offering a variety of reproductive health services and products at reasonable prices while ensuring quality. Another major factor was marketing and image or publicity of the organization. The ability of the organization and the skills of its staff was a major competitive factor because it determined the extent to which the organization was able to establish strong linkages.

5.2 Limitations of the study

This study was constrained by various limitations as outlined below:

1. The findings are based on responses from 15 organizations operating in Kenya. This was so because the study sampled 20 organizations. Out of the 20 sampled only 15 participated because some of organizations were suspicious of the data collected.
2. The limited amount of time also barred some organizations from participating in the study. This is because it restricted both scope and depth of the work.
3. The study also suffered from general problems associated with questionnaire based data collection like misunderstanding of the questions and willfully giving misleading information where suspicion became a major issue.

5.3 Recommendations for further Research

Future studies should attempt to link the performance of a reproductive health organization with the strategies it has adopted. In that way, researchers can be able to determine how certain strategies impact on the bottom line of a reproductive health organization. Future research should also determine if there is a difference in strategies used based on the size of the organization and type of the organization. It is possible that such factors could affect the strategies adopted by a given organization. Research should also focus on determining why some strategies are used more frequently than similar or related strategies which could lead to the same results.

5.4 Implications for Policy and Practice

The study found out that one of the major challenges faced by reproductive health organizations in the private sector is imitation by clinics offering reproductive health services. The government needs to put in place a comprehensive research policy through the Ministry of health. This policy would seek to find out the extent to which the upcoming reproductive health clinics adhere to Ministry of health regulations as the study indicates a mean score of 4.33 for imitation of services by clinics offering reproductive health care. This has implication on the quality of reproductive health services provided.

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APPENDICES

Appendix 1: Letter of Introduction

27 July 2007

Dear Respondent,

RE: RESEARCH DATA COLLECTION

This interview is designed to gather information on Competitive strategies used by firms in the reproductive health industry in Kenya. This study is being carried for a management project paper as a requirement in partial fulfillment for the degree of Masters of Business Administration, School of Business, and University of Nairobi.

The information in this questionnaire will be treated with confidentiality and in no instance will your name be mentioned in this research. Also, the information will not be used for any other purpose than for this research.

Your assistance in facilitating the same will be highly appreciated. A copy of this research paper will be made available to you upon request.

Thanking you in advance.

Yours faithfully,

Awiti Millicent Akinyi

MBA STUDENT

Dr. Martin Ogutu

SUPERVISOR

Appendix 2: Health Facilities Providing Reproductive Health Services In Kenya

1. Marie Stopes Kenya
2. Family Health Options
3. Christian Health Association of Kenya
4. Nairobi Hospital
5. Aga Khan Hospital
6. MP Shah
7. Chogoria Hospital
8. Maua Hospital
9. Nkubu Hospital
10. Gaica Njiru Mission Hospital
11. Kikuyu Hospital
12. Engender Health
13. KIMET
14. Nekeki
15. Pathfinder
16. AMREF
17. CARE International
18. JHPHIEGO
19. RAISE
20. Moi Teaching Referral Hospital
21. St. Luke's Hospital Kaloleni
22. Mombasa Hospital
23. Mater Hospital
24. Guru Nanak Hospital
25. Nairobi Women's Hospital
26. Coptic Hospital
27. Karen Hospital

- 28. Nairobi Equator Hospital
- 29. Nairobi West Hospital
- 30. Metropolitan Hospital
- 31. Jamaa Home and Maternity Hospital
- 32. Masaba Hospital
- 33. St. James Hospital
- 34. St. Mary's Hospital
- 35. Mother and Child Hospital

4. The position you occupy in the organization _____

5. Period for which you have held the position _____

6. Your gender: (Tick) Male [] Female []

7. Ownership structure (Tick)

Privately owned []

Foreign owned []

Locally owned []

State owned []

Private Foreign []

Private Local []

Foreign & Local []

Appendix 3: Questionnaire

Part A: General Reproductive Health Organization Data

1. Name: _____	No. of Clinics _____
Africa	
2. Year of establishment _____	
Europe	
3. Country of incorporation _____	
Others (specify) _____	
4. The position you occupy in the organization _____	
5. Year when your organization started operating in Kenya _____	
6. Period for which you have held the position _____	

Part B: Competitive Strategies used by your organization

6. Your gender (Tick) Male [] Female []

7. Ownership structure (Tick)

No.	Practice	Very great extent	Great extent	Moderate extent	Little extent	Not at all
	Privately owned [<input type="checkbox"/>]					
	Foreign owned [<input type="checkbox"/>]					
1	Locally owned [<input type="checkbox"/>] services offered					
2	State owned [<input type="checkbox"/>] than other reproductive health organizations					
3	Private Foreign [<input type="checkbox"/>]					
	Private Local [<input type="checkbox"/>]					
4	Foreign & Local [<input type="checkbox"/>]					
5	Reasonable package for doctors and other staff					
6	Adequate facilities like waiting					

8. Geographic network coverage served by your organization (Indicate as appropriate)

Region	No. of Cities
Africa	
Middle East	
Europe	
North America	
Others(specify)	

9. Year when your organization started operating in Kenya _____

Part B Competitive Strategies used by your organization

10. Please indicate (tick) the extent to which you have used the following strategies to remain competitive in the market. Use the following scale.

1- Not at all; 2- Little extent; 3- Moderate extent

4- Great extent 5- Very great extent

No.	Practice	Very great extent	Great extent	Moderate extent	Little extent	Not at all
1	Wide range of products/services offered					
2	Fees charged lower than other reproductive health organizations					
3	Reducing the operation of subsidiaries					
4	Satisfactory quality of service					
5	Reasonable package for doctors and other staff					
6	Adequate facilities like waiting					

	lounges, reading material, etc					
7	Fees charged slightly higher than other reproductive health organizations					
8	Security for clients personal effects during a procedure guaranteed					
9	Provision of special reproductive health services					
10	Clients take a reasonable time to wait					
11	Highly skilled, competent and hospitable staff					
12	Identifying needs for prospective clients					
13	Services are offered to clients at all times and days of the week					
14	Subsidizing fees for staff and dependants					
15	Publicity to create and enhance positive image of the organization					
16	Conducting frequent market and industry research					
17	Outsourcing support staff					
18	Focus on services/products not offered by many reproductive health organizations					
19	Employing doctors on part time basis					
20	Providing high quality service at lower price than other reproductive health organization					
21	Opening new centers					
22	Forging strategic and tactical alliances and partnerships with key regional and international partners					
23	Product development					

24	Aggressive corporate communications					
25	Enhanced professionalism					
26	Intensive staff training					
27	Use of modern recruitment and selection techniques to maintain high caliber professionals					
28	Continuous upgrading of the services with a view of attracting and retaining customers					
29	Establishing own hub to compete effectively					
30	Creating strong regional hubs					

Others (specify)

PART C: Challenges faced by your organization

11. The following are some issues identified as challenges. Please indicate (tick) the extent to which they are a challenge to your organization's efforts to implement the strategies above. Use the following scale:

1- Not at all; 2- Little extent; 3- Moderate extent

4- Great extent 5- Very great extent

No.	Practice	Very great extent	Great extent	Moderate extent	Little extent	Not at all
1	Meeting Ministry of health requirements					
2	Maintaining quality of service					
3	Attracting and maintaining qualified and competent staff					
4	Imitation from other reproductive health organizations					
5	Maintaining reasonable low charges					
6	Attracting a larger number of clients in the market					
7	Customers' inability to differentiate your products/services from other reproductive health organizations					
8	Change of customer needs and tastes					
9	Increase in number of reproductive health organizations thus increasing competition					
10	Diverging objectives and priorities of collaboration					
11	Collaborators becoming rivals- competing for clients					
12	Huge financial requirements to establish and run a reproductive health firm					
13	Competition arising from local organizations					

14	Global influence on quality of service, delivery and sustainability					
15	Political instability in the region					

Others (specify)

Thank you for your cooperation.