RELATIONSHIP BETWEEN COMPETITIVE STRATEGIES AND PERFORMANCE: A CASE STUDY OF BAMBURI CEMENT LIMITED

BY

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DECLARATION

I Priscilla Muthoni Nderitu hereby declare that this research project is my original work and has not been submitted to any other university or college for examination.

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SUPERVISOR'S APPROVAL

This research project has been submitted for examination with my approval as the University of Nairobi Supervisor

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DEDICATION

This study is dedicated to my family. Their prayers, support, encouragement and patience during the entire period of my study contributed to the successful completion of this project.

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ABBREVIATIONS AND ACRONYMS

BMBC: Bamburi Cement Limited

EAPC: East African Portland Cement Company Limited

ARML: Athi River Mining Limited

NCC: National Cement Company Limited

MCL: Mombasa Cement Limited

SCC: Savannah Cement Company

KNBS: Kenya National Bureau of Statistics

ROI: Return on Investment

ABSTRACT

Strategy is the sum of actions an organization intends to take to achieve long-term goals. It is important for the business to monitor their environment with a view to creating strategies that will set them apart from their competitors or will cause them expand their capacity and capability. There are important dimensions that support the strength of strategies adopted by a firm that can lead to superior performance levels in the present competitive market conditions. A firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential player. Products differentiation, cost controls and market focus strategies has become a key source of competitive advantage for the firm and have over the years enabled them to cope with increasing organizational and technological complexities as well as new entrants into the market. The study reviewed the relationship between competitive strategies and performance of Bamburi Cement Limited. The study employed a case study research design. Data was collected using questionnaires which were administered to all the heads of departments and managers in the three branches; Mombasa, Athi River and corporate headquarters in Nairobi. Qualitative data collected was analyzed using descriptive statistics. This enabled the researcher to make general statements in terms of the several attributes and conceptualization of the study. The study established that Bamburi cement measures customer focus and satisfaction, profit after tax and return on investment and rates the performance. The company has adopted targeting a specific market niche/segment competitive strategy which is highly utilized. It also adopted improving operational efficiency strategy and controlling the quality of products. Metrics based on this perspective allow the managers to know how well their business is running, and whether its products and services conform to customer requirements that is, the mission. The study findings revealed that vigorous pursuit of cost reductions and identification is a competitive strategy adopted by the company. The company provides outstanding customer services so as to keep the customers. It has developed brand or company name as a competitive strategy. The company measures learning and growth perspectives where employees go through training, mentorship and tutorials within the organization. The study concludes that the success of a company is mostly embodied in performance and competitive strategies enabling it to meet stakeholder obligations and survive competitive market forces. It is therefore imperative that companies proactively apply effective control systems in strategy management so as to ensure intended results are realized and any deviations corrected. The study recommends the management of Bamburi Cement Limited to implement corporate strategies from an informed position. It is important for the company to enhance and entrench the field team feedback process by integrating related competitive strategies in the performance of the company.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategy is the sum of actions an organization intends to take to achieve long-term goals. It is important for the business to monitor their environment with a view to creating strategies that will set them apart from their competitors or will cause them expand their capacity and capability. There are important dimensions that support the strength of strategies adopted by different organizations that can lead to superior performance levels in the present competitive market conditions. Products differentiation, cost controls and market focus strategies has become a key source of competitive advantage (Malburg, 2007). Organizations have over the years have adopted these strategies that have enabled them to cope with increasing internal and external environmental complexities. According to Barney (2007) a firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential player.

According to Porter (1985), theory of competitive advantage is a business concept describing attributes that allow an organization to outperform its competitors. These attributes may include access to natural resources, highly skilled personnel, geographic location, new technology and entry barrier. Porter (1985) defined the two types of competitive advantage an organization can achieve relative to its rival: low cost or differentiation. This advantage derives from attributes that allow an organization to outperform its competitors. The theory also looks at business strategy as the tool that manipulates the resources and creates competitive advantage hence viable business strategy may not be adequate unless it possess control over unique resources that has ability to create such a unique advantage. The resource based theory as a basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal. To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile Makadok (2001). The industrial economic theory provides overview of industrial organization This aspects is the relationship between firm behavior and market structure that has been a central focus of study in the field of industrial organization which brings the emphasis on firms behavior and market structure through structure conduct performance. The application of those strengths in wide or narrow scope results in generic strategies or growth matrix (William, 2007).

In Kenya, Cement manufacturing companies are located in different regions due to the proximity of raw materials, cheap labour and market. Bamburi Cement Limited is second oldest cement manufacturer in Kenya and was the first to build a plant. The company has access to large natural resources and labour due to the fact that it’s the only one located in Mombasa (Kiarie & Njehia, 2014). The company has a subsidiary, Bamburi Special Products Limited that provides concrete paving locks and ready mix concrete. Bamburi is one of the most technologically advanced cement producer in Africa and through its innovation, the company has reached a wide clientele base as well as satisfying customer’s evolving needs. This study therefore seeks to provide information for other organizations to use in selection of the strategies to adopt in enhancing their performance.

1.1.1 Concept of Strategy

Strategy is a multi-dimensional concept and various authors have defined strategy in different ways. It is a match between an organization's resources, skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish (Thompson and Strickland, 2008). Ansoff (2007) looked at strategy in terms of market and product choices. According to his research, strategy is the "common thread" among an organization's activities and the market. Jonson and Scholes (2012) define strategy as the direction and scope of an organization that ideally matches the results of its changing environment and in particular its markets and customers so as to meet stakeholder expectations.

Pearce and Robison (2007) recognized the three levels of strategy: Corporate, Business and Functional also known as operational level. The corporate level strategies define Vision, corporate goals and philosophy and culture of the firm. They include decisions on: overall goals of the firm, the types of business the firm is involved in, the way in which business will be integrated and managed (Porter 1985). The business level strategies bridges corporate and functional strategies with decisions including plant location, market segmentation, geographical coverage and distribution channels, thus broadly it covers the mission, business goals and competencies. The functional level strategies are concerned with the implementation thus are short term, low risk and quantifiable. Business and functional strategies is where resources are mobilized and strategy is implanted by converting broad plans into the concrete, incremental actions and results of specific units and individuals (Pearce and Robinson, 2007).

1.1.2 Competitive Strategies

Porter (1983) argued that every company has a competitive strategy, either formal or informal. Porter considered that in the long-term the extent to which the firm is able to create a defensible position in an industry is a major determinant of the success with which it will out-perform its competitors. Porter (1985) argued that by adeptly pursuing the cost leadership, differentiation, or focus as generic strategies, business can attain significant and enduring competitive advantage over their rivals. A firm that engages in each generic strategy but fails to achieve any of them is "stuck in the middle". A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost, thus a competitive advantage enables the firm to create superior products, and thus, a competitive advantage enables the firm to create superior value for its customers and superior profits for itself.

Milles and Snow cited by (Akan et al. 2006) link success in performance of organization to type of adaptive strategies that management choose to engage, since each has its own competitive strategy for responding to the environment, and each has a particular configuration of technology, structure and processes that is consistent with its strategy. According to Ghemawat (2002), the ability of a company to outperform its competitors depends on ability to take advantage of market activity trends, ability to capture and protect 'unfair share' of markets; ability to capture premium pricing; prudent creation and introduction of new products. Hence, Breene and Nunes (2005), in their research and experience with clients, could demonstrate that what distinguishes high performers from their competitors is the consistent way they construct and maintain this competitive essence.

1.1.3 Relationship between Competitive Strategies and Performance

Powers and Hahn (2004) looked into whether or not there are any links between competitive methods, generic strategies and firm performance. Their article showed that in financial businesses a cost leadership strategy did perform better than differentiation and focus. However, those, which have chosen differentiation and focus, performed better that the company that was stuck-in-the middle. Reeves and Routledge's (2013) also say that choosing a strategy based on the positional advantage is the market will make a firm successful, because it is dependent upon which resources are available to them.

Wensley (2009) argues that Porter gives little evidence to support the U-shaped relationship between return on investment and market share, which is used by Porter to illustrate the danger of being stuck in the middle. Hamermesh et al. (2010) illustrated with surveys of successful low market companies that concentration on market share was dangerously over prescriptive. Woo and Cooper (2004) outlined the differences in the strategies followed by successful and unsuccessful low market share companies operating in the same environment and concluded that "absence of a clear focus" was a major problem with unsuccessful companies.

Strategic management ensures organizational performance by creating and shaping effective strategy to outwit competition. The primary objective of every firm is to maximize the performance overtime leading to profitability.

Superior performance can be achieved in a competitive industry through pursuit of generic strategies. Following the changes in the environment, firms have been forced to come up with competitive strategies that will deal with forces in the environment in order to gain a superior advantage in terms of performance (Barney 2007).

The focus of this study is to look into what strategies Bamburi Cement Limited; a Kenyan cement producing company is implementing to enhance firm performance. The study seek to investigate if competitive strategies, among them; the generic strategies which Porter developed and Ansoff growth strategies are applicable in such an industry. The analysis of the study will be based on work done by other researchers who can help get a broader picture of the theories on the subject to complement Porter and also criticize his strategies. For this study the dependent variable is firm's performance while the independent variables are as cost leadership strategies, market focus strategies and differentiation strategies.

1.1.4 Cement Production Industry in Kenya

The sector is characterized by six companies namely; Bamburi Cement Limited (BMBC), East African Portland Cement Company Limited (EAPC), Athi River Mining Limited (ARML), National Cement Company Limited (NCC), Mombasa Cement Limited (MCL) and Savannah Cement Company (SCC). Cement production expanded at an average rate of 11.6% for the period 2006 to 2011 from 2.41mT to 4.09mT. This rise in production was driven by entry of new cement producers and extensive capacity expansion by existing players in response to increasing competition. According to Kenya National Bureau of Statistics (KNBS) data places Kenyan cement production at 5.8MT in 2014, an increase of 16.3% from 5.1Mt in

2013. By the end of 2013, Kenya had an installed cement capacity of 7.25Mt. Cemweek estimates that production capacity in Kenya will grow to 11.1Mt by 2017. Consumption has risen by 21.8% year-on-year to 5.2Mt in 2014. Cemweek estimates the consumption to grow by 10% on average, hitting 6.3Mt by 2017 (Kiarie & Njehia, 2014).

Bamburi Cement associated with *Nguvu* brand. It is the largest cement manufacturer in Kenya, enjoying local dominance both in terms of production and market share. Bamburi controls 40.5% market share with an estimated 33% production capacity equivalent to 2.3Mt (Kiarie & Njehia, 2014). The second largest cement manufacturer is East Africa Portland Cement Company Ltd (EAPC) which produces *Blue Triangle* cement. It is the oldest cement manufacturer in Kenya with its first factory in Athi River. It controls 24% market share with an estimated 20% production capacity equivalent to 1.3Mt. The third largest cement company is ARM Africa Ltd (formerly Athi River Mining Limited) with a 15.5% market share. Their flagship brand is *Rhino* cement (Kiarie & Njehia, 2014).

Mombasa Cement Limited is the fourth largest producer controlling 13% of the cement market. Its annual production capacity in 2011 was 0.35Mt which later increased to 0.8Mt in 2013 after construction of 1.65Mt plant in 2013. It produces *Nyumba* cement and its market share was estimated to be 20% largely due to price competitiveness. National Cement Company takes fifth position and is the producer of *Simba* cement. Its annual capacity in 2011 was 1.0mT with a 7% market share In 2013 the production capacity had increased to 2mT. Savanna Cement is the youngest cement company based in Athi River. It is associated with *Savannah* brand. It began its production in 2012 with an annual capacity of 1.5mT. The company is exclusively focused on export markets such as Uganda, Tanzania, Burundi, Rwanda, DRC, Somali and South Sudan (Dyer & Blair, 2012).

1.1.5 Bamburi Cement Limited

Bamburi headed by a Chief Executive Officer, has adopted a divisional structure having 6 divisions; Sales, Corporate affairs and Communication, Finance, Bamburi Special Products, Human Resource, Supply Chain, with a director as the head of each division (Dyer & Blair, 2014). Through its Information technology division, Bamburi is one of the most technologically advanced yet environmentally responsible cement producers in Africa. The company is committed to providing innovative products that meet customer’s evolving needs. It is also the only cement manufacturer located in Mombasa thus enjoying vast natural resources from mines as well as skilled labor and large market.

Bamburi offer an unparalleled choice and range of packed and bulk products that are readily available with attributes and performance characteristics that fulfill the requirements of many different types of applications. These products include Nguvu CEM IV (P) 32,N (Pozzolanic Cement), Powercrete which is the first 52.5 grade cement in the region ideal for high strength applications such as skyscrapers foundations, PowerPLUS 42,5N cement that is utilized very efficiently in medium to large construction projects, PowerMAX 42,5 is a premium cement combines excellent strength performance at all ages with versatility and enhanced durability benefits. The company also produces special products through its wholly owned subsidiary Bamburi Special Products Ltd. These include; BamburiBloxs which are used in paving and Bamburi Ready Mix Concrete which is weight-Batched using a highly controlled and computerized process and then delivered to site in a transit mixer ready for use. These products have been seen to largely act as a counter strategy to rising competition and have also played a major role in acceleration its growth ((Dyer & Blair, 2014).

The company was the pioneer in the development of concrete paving solution and commercial Ready Mix business in Kenya. As part of their innovation, the Bamburi have widened their range of Precast moulded products to include Drainage& Edge Restraints products, fencing and walling products. Bamburi has established distribution centers in all major towns in Kenya to provide quality products to customers and ensure availability upon demand. The company has also established customer care center which provide customers with technical advices and give opportunity for feedback from customers (Dyer & Blair, 2014). This has enhanced its competitive edge.

1.2 Research Problem

Increased competition in the market has necessitated players to seek ways to gain and sustain competitive advantage. This has necessitated organizations to come up with strategies and make strategic choices for them to be able to survive in the dynamic environment. According to Johnson and Scholes (2010) an effective strategic choice positions an organization to making sustainable strategic decisions, these choices may be about choosing when , where and how to compete and win against the competition in the industry. In order to achieve the desired objectives, organizations should not duplicate strategies without considering strategic fit. This expresses the degree to which an organization is matching its resources and capabilities with the opportunities in the external environment. A unique combination of resources and capabilities can eventually be developed into a competitive advantage which the company will profit from. With clear choice of strategy and strategic fit consideration, there is need to set target levels of the overall performance. Grant (2012) observed that, it is the potential for differentiation strategy which exist on the demand side that influence the action to be taken by the supply side.

Customer needs have been a key driver to a strong competitive advantage thus Bamburi Cement Ltd have adopted differentiation strategy through development of products that offer unique attributes that are valued buy customers and which they perceive to be better than and different from competitors. Cement manufacturers main business is to produce cement but the Bamburi has diversified its operations by producing special products through its subsidiary Bamburi Special Products limited that has enabled the company to achieve a competitive advantage over other. With unique products such as PowerMAX premium cement, Precast moulded products, Ready Mix Concrete which is weight-Batched and BamburiBloxs used in paving the company is determined to win new customers as well as retain the existing ones(Dyer & Blair, 2012).

There are numerous research studies conducted to test the validity of Porter’s generic strategies (Galbraith and Schendel, 1983). Researchers Gunasekaran and Mavondo (1999), conducted an empirical analysis on the relationship between generic strategies and competitive advantage. Miller and Friesen (1996) derived an empirical taxonomy of business level strategies to determine is Porter’s (1980) very popular generic strategies would emerge in consumer durable industries. Other studies related to competitive strategies have been done in Kenya. These studies include but not limited to: Murage (2011) focused on the competitive strategies in petroleum industry. Gathogo (2011) focused on competitive strategies by commercial banks in Kenya. Karanja (2009) studied competitive strategies within the real estate's firms in the perspective of Porter's generic model. (Arasa and Githinji, 2014) focused on the competitive strategies and firms performance in telecommunication industry. These studies indicated the implementation of various competitive strategies, among them cost-leadership and differentiation to improve on performance. They did not cover competitive strategies adopted by Cement manufacturing industry and how those strategies help in improving firms' performance.

Companies in the today's world cannot survive without choosing the right strategies to adopt and implementing them in order to achieve competitive advantage that will improve on their performance and help to outperform the other players in the same industry. It is evident from other studies that competitive strategies are aimed at bettering performance but there is need to bring out the effect of various competitive strategies on firm performance. This study focuses on the relationship between competitive strategies and firm performance, more so in the cement productions sector in Kenya and in particular Bamburi Cement. It attempts to bridge the existing gap by answering question on what is the relationship between competitive strategies used by Bamburi Cement Limited and the firm's performance?

1.3 Research Objectives

The objective of this study is to assess the relationship between the competitive strategies used by Bamburi Cement Limited and its performance.

1.4 Value of the Study

This study seek to raise ideas and issues in the hope that the various stakeholders and persons directly addressing issued related to competitive strategies and performance on various organizations will continue with the discussion. It is expected to add value to the literatures and existing knowledge.

The findings of the study will help the management of Bamburi Cement Limited implement corporate strategies from an informed position. This is after gaining a better understanding of the competitive strategies adopted, the relationship between strategies used by the firm and its performance, and the challenges faced by the firm in implementing those strategies.

To the Government, the cement production industry is vital to the economic growth of the country especially in providing raw materials in the construction of the mega infrastructure projects. It is also a source of revenue through taxation as well as offering employment opportunities to the citizens. The findings of the study will help the government in formulating policies to protect the industry players and citizens.

Researchers may use findings of this study as source of reference for further research as well as stimulate further research in this area. The study will make a significant contribution to the growing body of research on competitive strategies through the understanding of the symbiotic relationship between adopted strategies and organizational performance.

1.5 Chapter Summary

Chapter one gives a general introduction to the study. It provides the background of the study with several sub-headings which are the concept of the strategy where strategy is defined as a match between an organization's resources, skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish. It discusses competitive strategies, relationship between competitive strategies and performance, cement production industry in Kenya and Bamburi Cement Limited, the research problem and research objectives in relation to the relationship between competitive strategies and performance of Bamburi Cement Limited.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter seeks to provide an in depth review on the relationship between competitive strategies and firms performance. It will provide the theoretical framework and empirical review upon which this study is based and scholarly writing on the concept of strategy, competitive strategy and its relationship to performance.

2.2 Theoretical Foundation

The core idea behind the theory of competitive advantage is that the firms that manipulate the various resources over which it has direct control over and those resources have the ability to generate competitive advantages achieve superior performance. Porter emphasizes productivity growth as focus of national strategies. Competitive advantage rests on the notion that cheap labor is ubiquitous and natural resources are not necessary for a good economy (Porter, 1985).Successfully implemented strategies will lift a firm to superior performance by facilitating the firm with competitive advantage to outperform current or potential players in any industry. Superior performance outcomes and superiority in production resources reflects competitive advantage (Day and Wesley, 1988).

The industrial economic theory provides overview of industrial organization, it is a field that builds on the theory of the firm by examining the structure of (and, therefore, the boundaries between) firms and markets. Industrial organization adds real-world complications to the perfectly competitive model, complications such as transaction costs, limited information, and barriers to entryof new firms that may be associated with imperfect competition. It analyzes determinants of firm and market organization and behavior as between competition and monopoly including from government actions (Avinash, 2008). There are different approaches to the subject. One approach providing an overview of industrial organization, such as measures of competition and the size- concentration of firms in an industry. A second approach uses microeconomics models to explain internal firm organization and market strategy, which includes internal research and development along with issues of internal reorganization. A third aspect is oriented to public policy as to economic regulation, and more generally, the economic governance of law in defining property rights, enforcing contracts, and providing organizational infrastructure. The three aspects is the relationship between firm behavior and market structure that has been a central focus of study in the field of industrial organization which brings the emphasis on firms behavior and market structure through structure conduct performance. The application of those strengths in wide or narrow scope results in generic strategies or growth matrix (William, 2007).

The resource based theory as a basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal. To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile. Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great. If these conditions hold, the bundle of resources can sustain the firm's above average returns. There is strong evidence that supports the resource based theory. Resources can be divided into resource and capabilities. Makadok (2001) emphasizes the distinction between capabilities and resources by defining resources as tradable and non-specific to the firm, while capabilities are firm-specific and are used to engage the resources within the firm, such as implicit processes to transfer knowledge within the firm. “Resources are stocks of available factors that are owned or controlled by the organization, and capabilities are an organization’s capacity to deploy resources”

A competitive advantage can be attained if the current strategy is value-creating, and not currently being implemented by present or possible future competitors. Although a competitive advantage has the ability to become sustained, this is not necessarily the case. A competing firm can enter the market with a resource that has the ability to invalidate the prior firm's competitive advantage, which results in reduced rents (Barney, 2007). Sustainability in the context of a sustainable competitive advantage is independent with regard to the time frame. Rather, a competitive advantage is sustainable when the efforts by competitors to render the competitive advantage redundant have ceased. When the imitative actions have come to an end without disrupting the firm’s competitive advantage, the firm’s strategy can be called sustainable. This is in contrast to views of other authors like Porter that a competitive advantage is sustained when it provides above-average returns in the long run (Rumelt, 2006).

2.2.1 Porter’s Generic Competitive Strategies

Porter, 1980 wrote that strategy target either cost leadership, differentiation or focus. Porter claimed that a company must only choose one of the three or risk that the business would waste precious resources. However, other researchers feel a combination of these strategies may offer a company the best chance to achieve a competitive advantage (White 1996; Hill, 2001; Miller and Friesen, 2001; Karnani, 2004). Whichever strategy a firm chooses to adopt must be aligned with its goals and objectives in order to gain a competitive advantage (Parker and Helms, 1992; Ross, 1999; Surowiecki, 1999 cited by Radas 2005)

In cost leadership strategy, a firm sets out to become the low cost producer in the industry in order to gain competitive advantage (Davidson, 2008). The source of cost advantage depend on the structure of the industry which include pursuit of economies of scale, advanced technology, preferential access to raw materials among others. In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low cost manufacturing, and the core competencies (Malburg, 2007). Firms that succeed in cost leadership often have internal strength which include; Access to the capital required to make significant investment in production assets which represent a barrier to entry. Skills in designing product for efficient manufacturing, high level of expertise in manufacturing process engineering and efficient distribution channels. If a firm can achieve and sustain overall cost leadership, then it will be an above average performer in its industry, provided it can command prices at near the industry average (Hyatt, 2008).

Differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceived to be better than or different from the products of the competition. The value added by the uniqueness of the product may allow the firm to charge a premium price for it (Kiechel, 2010). Firms that succeed in differentiation strategy often have internal strength that include; Access to leading scientific research, highly skilled and creative product development team, strong sales team and corporate reputation for quality and innovation (Kiechel, 2010).

Focus strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly. Because of their narrow market focus, firms pursuing a focus strategy have lower volumes and therefore less bargaining power with their suppliers. However, firms pursuing a differentiation-focus strategy may be able to pass higher costs on to customers since close substitute products do not exist. Firms that succeed in a focus strategy are able to tailor abroad range of product development strength to relatively narrow market segment that they know very well (Grant 2012)

2.2.2 Ansoff Growth Strategies: Product/Market Matrix

The Ansoff Matrix was developed by Igor Ansoff and published in his articles “strategies for Diversification” in Harvard Business Review. The Matrix focused on the firm’s present and potential products and markets. Ansoff suggested that business owners’ ability to grow their businesses comes down to how they market new or existing products in new or existing markets. The matrix has given generations of marketers and business leaders a quick and simple way to think about the risks of growth. Using matrix business owners can evaluate each of growth strategies in turn to assess which is likely to result in the best possible return (Ansoff, 2007). The matrix consists of four strategies:

Market Penetration strategy involves existing markets and existing product whereby the organization tries to increase its market share using existing offerings in existing market. This involves increasing market share within existing market segments. This can be achieved by selling more products to established customers or by finding new customers within existing markets. The company seeks increased sales for its present products in its present markets through more aggressive promotion and distribution. This can be accomplished through price reduction, increase in promotion and distribution support, acquisition of rival in the same market and modest product refinements (Ansoff, 2007).

Market development strategy involves new market and existing products. In this strategy, a firm tries to expand into new markets using its existing offerings. This can be accomplished by; different customer segments; industrial buyers for a good that was previously sold to the households; new regions and foreign markets. This strategy is more likely to be successful where the firm has unique product technology it can leverage in the new market. It benefits from economies of scale if it increases output (Ansoff, 2007).

Product development strategy involves existing markets with new products. In this strategy, a company tries to create new products and services targeted at its existing markets to achieve growth. This involves extending the products range available in existing markets. These products may be obtained by: investment in research and development of additional products; acquisition of rights to produce someone else's product; buying in the product and branding it; joint development with ownership of another product that need access to the firm's distribution channels (Ansoff, 2007).
Diversification involves new market and new products. In diversification an organization tries to grow their market share by introducing new offering in new markets. It is the most risky strategy because both product and market development is

required. The business is expanding into areas outside its core activities and experience as well as targeting a new audience. It also has to bear the costs of new products development (Ansoff, 2007).

2.3 Competitive Strategies and Firm Performance

A number of empirical studies have been conducted to investigate the impact of Porter's generic strategies on the performance of companies. Dess and Davis (2009) support Porter in his assertion that an organization has to choose one of the generic strategies and devote total commitment of resources. They found that those firms can be classified into four clusters based on the strategies they adopt: cost leadership, stuck in the middle, focus, and differentiation. In terms of sales growth, the four groups were found to be significantly different from one another.

Powers and Hahn (2004) examined the performance impact of generic strategies in banking. Their study indicated that banks fall into five clusters based on the type of strategy they used: general differentiation strategy, focus strategy, stuck in the middle, cost leadership strategy, and customer service differentiation strategy. They found that, overall firms employing a strategy perform better (in terms of return on assets) than ones that are stuck in the middle. The performance of cost leadership followers was significantly higher than that of stuck in the middle firms. However, other strategy followers could not gain significant performance advantage over the stuck in the middle group.

2.4 Firms Performance Measures

While researchers may not always agree on the best strategy, or strategy combination, most if not all, support the long-term benefits of strategic planning for the successful performance of a firm or business unit. However, measuring the performance of a company is challenging. Researchers have in many occasions disagreed about how to best define and operationalize performance (Upadhaya; Munir & Blount (2014).

Proponents of financial measures argue that they are necessary because of the primary objectives of companies. Researchers employ financial measures such as rate of return which is a profit on an investment over a period of time, expressed as a proportion of the original investment. The time period is typically a year, in which case the rate of return is referred to as annual return, return on investment (ROI) is return per dollar invested. It is a measure of investment performance, as opposed to size (Richard; Stewart and Franklin 2006). According to Richard et al. (2009) organizational financial performance also encompasses profits, return on assets, capital employed and inventory turnover.

Benchmarking is the process of comparing one's business processes and performance metrics to industry bests or best practices from other companies. Dimensions typically measured are quality, time and cost. Benchmarking is most used to measure performance using a specific indicator which includes cost per unit of measure, productivity per unit of measure and cycle time of x per unit of measure or defects per unit of measure, resulting in a metric of performance that is then compared to others.

In the process of best practice benchmarking management identifies the best firms in their industry and compares the results and processes of those studied. The targets perform and, more importantly, the business processes that explain why these firms are successful (Nambiar et al. 2009).

The Balance Score Card: In Harvard Business Review article (Kaplan and Norton, 2010) the balance scorecard approach provides a clear prescription as to what companies should measure in order to ‘balance’ the financial prescriptive. It is a management system that enables organizations to clarify their vision and strategy and translate then into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. The balance scorecard suggests that we view the organization from four perspectives namely learning & growth perspective, business process perspective, customer perspective and financial perspective and to develop metrics, collect data and analyze it relative to each of these perspectives:

The Learning & Growth Perspective includes employees training and corporate cultural attitudes related to both individual and corporate self-improvement. Kaplan and Norton (2010), emphasize that ‘learning’ is more that ‘training’; it also includes things like mentors and tutors within the organization, as well as that ease of communication among workers that allows them to readily get help on a problem when it is needed. The Business Process Perspective refers to internal business. Metrics based on this perspective allow the managers to know how well their business is running, and whether its products and services conform to customer requirements that is, the mission. The Customers Perspectives focus on customer needs and satisfaction. If customers are not satisfied, they will eventually find other suppliers that will meet their needs. The Financial Perspective focuses on providing timely and accurate funding data. This will always be a priority, and managers will do whatever necessary to provide it. But the point is that the current emphasis on financials leads to the "unbalanced" situation with regards to other perspectives (Kaplan & Norton, 2010).

2. 5 Empirical Review and Research Gap

A number of empirical studies have been conducted to test the validity of Porter's generic strategies (Galbraith and Schendel, 1983). Gunasekaran and Mavondo (1999), conducted an empirical analysis on the relationship between generic strategies, competitive advantage and organizational performance. Arasa and Gathinji (2014), focused on the competitive strategies and firms performance in telecommunication industry. Murage (2008) focused on the competitive strategies in the petroleum industry, and found that service stations used differentiation as a method of obtaining sustainable competitive advantage over other service stations. Gathogo (2011) in his study, focused on competitive strategies by commercial banks on Kenya. Studies concluded that there was no clear systematic relationship between competitive strategy and firm's performance. Jonsson and Devonish (2009) recognized that firms that have properly planned and applied competitive strategies have tendency to have higher performance than those that do not. Competitive strategies can lead to high organizational performance, customer satisfaction and increased competitiveness in the face of competitors. These studies are analyzed in Table 2.1.

Table 2.1: Summary of Knowledge Gap

STUDY	FOCUS	METHODOLOGY	FINDINGS	KNOWLEDGE GAP ADDRESSED
Arasa and Gathinji (2014)	Competitive strategies and firms performance in telecommunication industry	Descriptive survey design, population 4 companies, sample size of 72. used semi-structured questionnaire, data analyzed using descriptive & inferential statistics	In telecommunication industry, product differentiation and low cost leadership were the most commonly used strategies	The study concluded that the strategies adopted improved the overall firm performance.
Gathogo (2011)	competitive strategies by commercial banks on Kenya	Case study design, used closed and open questionnaire, data was analyzed in bar charts, pie charts and graphs	banks in Kenya use cost leadership, differentiation and focus in order to remain competitive	Different firms in different industries adopt different strategies which are unique in each context
Murage	Competitive	Case study design,	Service stations	Supported

(2008)	strategies in the petroleum industry.	used structured questionnaire, data was analyzed in bar charts, pie charts and graphs	use differentiation as a method of obtaining competitive advantage.	Porters single strategy as way of achieving competitive advantage and discredited other authors suggestion of combination of strategies
Gunasekaran and Mavondo (1999)	Relationship between generic strategies, competitive advantage and organizational performance.	Survey design, Target population was 237 companies in the Australian Best Practice Program, Sample of 214 companies, Questionnaire was used, Data analyzed using graphs and pie charts	There were significant differences in the configuration of variables by organizations adopting different generic strategies.	The results did not support Porter since it suggested that those combination strategies certain circumstances are more successful than single strategy

Source: (Researcher, 2015)

2.6 Chapter Summary

This chapter presents a review of the literature on the topic the relationship of competitive strategies and performance from previous studies. It discusses theoretical foundation with a review of two aspects in relation to the study. These aspects are Porter's generic competitive strategies and Ansoff growth strategies. Porter's generic competitive strategies stipulate that a strategy target either cost leadership, differentiation or focus company. It states that a company must only choose one of the three or risk that the business would waste precious resources.

Ansoff growth strategies suggested that business owners' ability to grow their businesses comes down to how they market new or existing products in new or existing markets. The matrix has given generations of marketers and business leaders a quick and simple way to think about the risks of growth. It discusses competitive strategy and firm performance and firms performance measures. It also discusses empirical review and research gap. The empirical studies discuss both local and international studies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a discussion of the outline of the research methodology that will be used in this study. It focuses on the research design, data collection methods and come to a conclusion with data analysis and data presentation methods to be used in this study.

3.2 Research Design

A case study design was used to undertake the study. A case study generally aims to provide insight into a particular situation and often stresses the experiences and interpretations of those involved. It is also able to accommodate both qualitative and quantitative information. Yin (2004) describes a case study as an empirical inquiry of a modern phenomenon looking into real-life situation, especially in the event that the divide between the two are obvious and there exist multiple sources of evidence.

A case study allowed in depth understanding of the relationship between the strategies adopted by Bamburi cement to achieve higher performance in the face of competition. Case studies also place more emphasis on a full contextual analysis of fewer events or conditions and their interrelations (Fisher, 2010). It provides rich detail about those cases of a predominantly qualitative nature.

3.3 Data Collection

This study relied on primary data collected through administering structure questionnaire. The structured qualitative data was divided into two parts where part A covered general demographic date of the respondents, part B focused on the competitive strategies adopted by Bamburi Cement Limited to improve on performance.

The questionnaire was emailed to respondents then followed up with a phone call to assist the respondent in areas that needed clarification. The respondents included all the heads of departments and managers in the three branches; Mombasa, Athi River and corporate headquarters in Nairobi.

3.4 Data Analysis

Data Analysis is the process of bringing order, structure and meaning to the mass of information collected. It involves examining what has been collected and making deductions and inferences (Kombo and Tromp 2006).This study employed descriptive statistics to analyze the data obtained. Descriptive statistics involves the collection, organization and analysis of data.

In order to determine the relationship between Porter’s Generic Strategies and firm performance, correlation and regression analysis were undertaken. According to Breakwell (2006), descriptive research design is commonly represented by use of frequency charts, graphs and pie charts to tabulate mean frequencies, standard deviation and percentages.

3.5 Chapter Summary

This chapter has presented the methodology that was used to conduct the study. The various subthemes discussed in this chapter included; research design, data collection and data analysis. It has implied that the research was conducted through a case study. It has discussed data collection method where primary data was collected through administering structure questionnaire to the heads of departments and managers in the three branches; Mombasa, Athi River and corporate headquarters in Nairobi. It has stated that data analysis was analyzed using descriptive statistics and represented using tabulate mean frequencies, standard deviation and percentages.

CHAPTER FOUR

DATA ANALYSIS RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and interpretation of the data collected pertaining to the study's research objectives. It explains how the data was analyzed and findings and interpretations of the same. The study employed descriptive statistics to analyze the data obtained. The findings were summarized and presented in their respective sections covering respondent profile. The study's objective was to establish the relationship between competitive strategies and performance of Bamburi Cement Limited. Primary data was collected from all the heads of departments and managers in the three branches; Mombasa, Athi River and corporate headquarters in Nairobi.

4.2: Demographic Information

The study sought to establish the general information about the respondent. This information include the gender distribution, age of the respondent, the level of education, the number of years the respondent have worked in the Cement industry and the period of time they have worked specifically for Bamburi Cement. This information will help in establishing the credibility as well as reliability of the information obtained.

4.2.1 Gender Distribution

The study sought to establish the gender distribution of the respondents. The results are as shown in Table 4.1

Table 4. 1: Gender Distribution

Gender	Frequency	Percentage
Male	13	65
Female	7	35
Total	**20**	**100**

Source: (Field data, 2015)

The study sought to establish the gender distribution of the respondents, from the research findings the study revealed that majority of the respondents as shown by 65% were male whereas 35% of the respondents were female. This this implies that respondents were fairly distributed in terms of their gender.

4.2.2 Age Distribution

The study sought to establish the respondents age. The results are as shown in Table 4.2

Table 4. 2 : Age Distribution

Age	Frequency	Percentage
21-30 years	3	15
31-40 years	4	20
41-50 years	6	30
50 and above	7	35
Total	**20**	**100**

Source: (Field data, 2015)

The research sought to establish the age of the respondents. The findings showed that majority of the respondents as shown by 35% were above 50 years, 30% of the respondents were between 41-50 years, 20% of the respondents were between the ages of 31-40 years while 15% of the respondents were between 21-30 years. This implies that the respondents were well experienced and that they would respond to the questions with ease.

4.2.3 Level of Education

The research sought to establish respondent's level of education. Findings are as shown in Table 4.3

Table 4. 3: Level of Education

Level of Education	Frequency	Percentage
Certificate	3	15
Diploma	4	20
Undergraduate	5	25
Postgraduate	8	40
Total	**20**	**100**

Source: (Field data, 2015)

The study sought to establish the level of education of the respondents. From the research findings, majority of the respondents as shown by 40% were postgraduates, 25% of the respondents were undergraduates, 20% of the respondents had attained college diploma certificates while 15% of the respondents had attained certificates. This implies that the respondents were educated and they were in a position to answer the questions with ease.

4.2.4 Period respondents had worked for the Cement Industry

The study sought to establish the respondents period of work in Cement Industry. The findings are as shown in Table 4.4

Table 4. 4: Period respondents had worked for the Cement Industry

Period of work	Frequency	Percentage
1-2 years	2	10
3-5 years	3	15
5-7 years	4	20
10-15 years	5	25
Over 15 years	6	30
Total	**20**	**100**

Source: (Field data, 2015)

The study sought to establish the period which the respondents had worked for in cement manufacturing industry. From the research findings, the study revealed that majority of the respondents as shown by 30% had served the company for more than 15 years whereas 25% of the respondents had served the company for a period between 10 to 15 years. 20% had served the company for a period between 5 - 7 years, 15% of the respondents had served the company for a period between 3-5 years while 10% of the respondents had served the company for a period between 1-2 years. This implies that majority of the respondents had in the cement manufacturing industry for a considerable period of time and thus they were in a position to give credible information rating to this research due to the fact that they are well informed of the operations of other companies in the industry and not necessarily Bamburi.

4.2.5 Period of Work at Bamburi Cement Limited

The research sought to establish respondent's period of work specifically at Bamburi Cement Limited. Findings are as shown in Table 4.5

Table 4. 5: Period of Work at Bamburi Cement Limited

Period of work	Frequency	Percentage
Less than 3 years	2	10
3-5 years	5	25
5-7 years	6	30
Over 7 years	7	35
Total	**20**	**100**

Source: (Field data, 2015)

The study sought to establish the period to which the respondents had worked in Bamburi Cement Limited. Majority of the respondents as indicated by 35% had worked for over 7 years, 30% of the respondents had worked for a period between 5-7 years, 25% of the respondents had worked for a period between 3-5 years, while 10% of the respondents had worked for less than 5 years. The findings imply that respondents were well conversant with the company and that they would answer the questions accurately.

4.3 Competitive Strategies Adopted

The study sought to find the competitive strategies adopted by Bamburi Cement Ltd to increase its performance. The results are as shown in Table 4.6

Table 4. 6: Extent to which strategic practices are used

Strategic practices used	Very low extent	Low extent	Moderate	Great extent	Very great extent	Mean	Std deviation
Vigorous pursuit of cost reductions	0	0	2	11	7	4.25	0.22
Providing outstanding customer services	0	1	4	5	10	4.20	0.18
Improving operational efficiency	1	0	0	8	11	4.40	0.23
Controlling quality of products	0	1	1	8	10	4.35	0.21
Developing brand or company name	1	1	2	6	10	4.15	0.18
Identification	1	0	1	8	10	4.30	0.21
Targeting a specific market niche or segment	0	1	1	6	12	4.45	0.23
Providing specialty products / services	1	0	3	8	8	4.10	0.19

Source: (Field data, 2015)

The study sought to establish the extent to which the management practiced the above competitive strategies. From the research findings, majority of the respondents agreed to a great extent that; the management targeted a specific market niche / segment as shown by a mean of 4.45, the management ensured that improving operational efficiency was adopted as shown by a mean of 4.40, controlling quality of products as shown by a mean of 4.35, identification was adopted as shown by a mean of 4.30, vigorous pursuit of cost reductions as shown by a mean of 4.25, providing outstanding customer services as shown by a mean of 4.20, developing brand / company name as shown by a mean of 4.15 and providing specialty products/services as shown by a mean of 4.10.

4.4 Extent to Which the Listed Competitive Strategies Have Enhanced the Performance of Bamburi Cement Ltd.

The research sought to find the extent to which the listed competitive strategies have enhanced the rate of performance measures in the organization. The findings are as shown in Table 4.7

Table 4. 7: Competitive strategies enhancement on performance

Competitive strategies	Very great extent	Great extent	Moderate extent	Little extent	Very low	Mean	Std Deviation
Customer satisfaction	0	0	2	6	12	4.50	0.11
Increased number of branches	1	1	3	6	9	4.17	0.14
Staff increase	1	1	2	8	8	4.05	0.08
Improvement of quality of products and services	0	0	1	7	12	4.55	0.11
Mergers and acquisition	0	0	0	7	13	4.65	0.13
Market share	1	2	3	4	10	4.00	0.08

Source: (Field data, 2015)

The study sought to establish the extent to which the above competitive strategies have enhanced the performance of Bamburi Cement Ltd. From the research findings, majority of the respondents agreed to a very great extent that; mergers and acquisition have enhanced performance in the company as shown by a mean of 4.65, improvement of quality of products and services as shown by a mean of 4.55, customer satisfaction as shown by a mean of 4.35. Others agreed to a great extent that, increased number of branches have enhanced performance as shown by a mean of 4.17, staff increase as shown by a mean of 4.05, and market share as shown by a mean of 4.00. The findings show which competitive strategies among the listed were highly rated as having been adopted by the organization to achieve a competitive advantage over its rivals.

4.5 Statements Relating to Effect of Competitive Strategies on Performance of Bamburi Cement Ltd

The study sought to find the effect of competitive strategies on performance of Bamburi Cement Ltd. The findings as shown in Table 4.8

Table 4. 8: Effect of competitive strategies on performance

Statements	Strongly disagree	Disagree	Moderately agree	Agree	Strongly agree	Mean	Std Deviation
Adoption of right competitive strategies allows the company to develop a plan that enables them to offer the right product to the market.	0	0	0	3	17	4.85	0.16
The effectiveness of the competition tools is essential for an appropriate competitive strategy.	1	1	0	7	11	4.60	0.11
An effective brand strategy enables marketers to sell more and win the market share	1	0	2	8	9	4.20	0.09
The proposition the company's sales promotion strategy must be very compelling, attractive and unique among competitive offerings	1	0	2	7	10	4.37	0.11
Effective competition campaign should enable the company to successfully out-brand its competitors.	0	1	0	8	11	4.21	0.22

Source: (Field data, 2015)

The study sought to establish the effect of competitive strategies on performance of Bamburi Cement Limited. From the findings, majority of the respondents strongly agreed that; the adoption of right competitive strategies allows the company to develop a plan that enables them to offer the right product to the market as shown by a mean of 4.85, the effectiveness of the competition tools is essential for an appropriate competitive strategy as shown by a mean of 4.60. Others agreed that the proposition the company's sales promotion strategy must be very compelling, attractive and unique among competitive offerings as shown by a mean of 4.37, effective competition campaign should enable the company to successfully out-brand its competitors as shown by a mean of 4.21 and an effective brand strategy enables marketers to sell more and win the market share as shown by a mean of 4.20.

4.6 Discussion of the Findings

The study findings indicated that Bamburi Cement limited has adopted several competitive strategies in order to curb the high competition in the market. The company has adopted targeting a specific market niche/segment competitive strategy which is highly utilized. It also adopted improving operational efficiency strategy and controlling the quality of products. Metrics based on this perspective allow the managers to know how well their business is running, and whether its products and services conform to customer requirements that is, the mission. The findings are in line with Porter (1983) who stated that a competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), and thus, a competitive advantage enables the firm to create superior value for its customers and superior profits for itself.

The study findings revealed that vigorous pursuit of cost reductions and identification is a competitive strategy adopted by the company. The company also provides outstanding customer services so as to keep the customers. The respondents indicated that the company has developed brand or company name as a competitive strategy. They have also adopted providing specialty products/services as a competitive strategy so that to help them perform better in competition. This findings are in line with Ghemawat (2002), who stated that the ability of a company to outperform its competitors depends on ability to take advantage of market activity trends, ability to capture and protect ‘unfair share’ of markets; ability to capture premium pricing; prudent creation and introduction of new products.

The study findings revealed that business process perspective (managers knowledge of how well the business is running) was extremely important since the company is able to rate its performance. The respondents also indicated that return on capital employed was used to measure the company’s rate of performance. This concur with Yip (2009), who stated that there is a general consensus that the old financial measures are still valid and relevant, but these need to be balanced with more contemporary, intangible and externally oriented measures. While researchers may not always agree on the best strategy, or strategy combination, most if not all, support the long-term benefits of strategic planning for the successful performance of a firm or business unit.

The study findings showed that total revenue (based on 2014 sales on all products including subsidiary company) was a measure used to rate the company’s performance during that period. The measures employed enable it to meet stakeholder obligations and survive competitive market forces. The findings concur with Kaplan and Norton, (2010) who stated that the financial perspective focuses on providing timely and accurate funding data. This will always be a priority and managers will do whatever necessary to provide it. But the point is that the current emphasis on financials leads to the “unbalanced” situation with regards to other perspectives.

Bamburi cement also measures customer focus and satisfaction, profit after tax and return on investment and rates the performance. This gives information to the managers on what to adjust so as to overcome competition. They indicated that the customer’s perspectives focus on customer needs and satisfaction. If customers are not satisfied, they will eventually find other suppliers that will meet their needs. The findings are in line with Richard (2009) who stated that organizational financial performance encompasses profits, return on assets, capital employed and inventory turnover that measures a company’s performance.

The findings established that the company measures learning and growth perspectives where employees go through training, mentorship and tutorials within the organization. This enables the company managers know how to place positions to the company workers for successful delivery of goods and services. The findings are in line with Kaplan & Norton (2010) who emphasized that ‘learning’ is more that ‘training’; it also includes things like mentors and tutors within the organization, as well as that ease of communication among workers that allows them to readily get help on a problem when it is needed.

4.7 Chapter Summary

This chapter presents data analysis and discussions in relation to the relationship between competitive strategies and performance of Bamburi Cement Ltd. It indicates the answers given by the respondents who filled the questionnaires. It highlights the questions and answers of the respondents. The questions answered from the questionnaires included the demographic information of the respondents, competitive strategies adopted by Bamburi Cement Ltd, extent to which competitive strategies have enhanced the performance of Bamburi Cement Ltd and effect of competitive strategies on performance of Bamburi Cement Limited. The chapter also included discussion of the findings.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings, discussion, conclusions and recommendations drawn in relation to the study objectives in addition to suggestions for further study.

5.2 Summary of the Findings

The study found out that vigorous pursuit of cost reductions and identification is a competitive strategy adopted by Bamburi Cement Limited. The company provides outstanding customer services so as to keep its customers. The respondents indicated that the company has developed brand or company name as a competitive strategy. The findings also show that the company provides specialty products/services so that to help them perform better in the competitive market.

From the findings, the company measured the rate of performance by total revenue based on 2014 sales on all products including subsidiary company. The measures employed enable it to meet stakeholder obligations and survive competitive market forces. The company's managers do whatever necessary to provide it. But the point is that the current emphasis on financials leads to the "unbalanced" situation with regards to other perspectives. The company is able to focus on providing timely and accurate funding data which thus shows its position.

The findings indicated that targeting a specific market niche / segment competitive strategy is highly utilized in Bamburi Cement limited so as to curb competition and enhance performance. It also adopted improving operational efficiency strategy and controlling the quality of products. Metrics based on this perspective allow the managers to know how well their business is running, and whether its products and services conform to customer requirements that is, the mission. Through this, the company is able to survive in the competitive market.

From the findings, we realize that Bamburi cement Limited term it as important to rate the performance in business process perspective (managers knowledge of how well the business is running). This enables the company get information and come up with ideas on what to do to enhance performance and lead in the competition. The return on capital employed was also important in the measurement of the company's performance. The respondents stated that measuring performance helps them to know what to adjust and what to keep.

From the findings, the company measures customer focus and satisfaction, profit after tax and return on investment and rates the performance. This gives information to the managers on what to amend so as to overcome competition. The respondents indicated that the customer's perspectives focus on customer needs and satisfaction. If customers are not satisfied, they will eventually find other suppliers that will meet their needs. That is why they like to enquire for their opinions so that they can find ways to serve them better.

Finally, the findings revealed that Bamburi Cement Limited measures learning and growth perspectives where employees go through training, mentorship and tutorials within the organization. This enables the company managers know who and where to place positions to the company workers for successful delivery of goods and services. This further enables the company remain strong in the competitive market. The addition of skills to its workers helps them provide advanced services to the customers.

5.3 Conclusion of the Study

The success of a company is mostly embodied in performance and competitive strategies enabling it to meet stakeholder obligations and survive competitive market forces. It is therefore imperative that companies proactively apply effective control systems in strategy management so as to ensure intended results are realized and any deviations corrected. Bamburi Cement Limited has successfully instituted measures to ensure that all areas under its control are monitored so that to help them rate the performance measures. Through this, the company is able to provide feedback for learning and feed forward to interactively formulate future competitive strategies.

5.4 Recommendations of the Study

The study recommends the management of Bamburi Cement Limited to implement corporate strategies from an informed position. This is because it has gained a better understanding of the competitive strategies adopted, the relationship between strategies used by the firm and its performance. It is important for the company to enhance and entrench the field team feedback process by integrating related competitive strategies in the performance of the company. Management also needs to enhance premise control systems related to sustainability of competitive strategies.

The study recommends the government to formulate policies to protect the industry players and citizens. This is because the cement production industry is vital to the economic growth of the country especially in providing raw materials in the construction of the mega infrastructure projects. There is need for these forces to be inculcated in the policy framework especially on the rules and regulations that governs the cement industry operations and performance within this vibrant sector of the Kenyan economy. This will go a long way to guide the cement industry in formulating competitive strategic objectives for the purpose of enhancing future performance and competitiveness in the industry.

The study recommends researchers to use findings of this study as source of reference for further research as well as stimulate further research in this area. This is because the study has made a significant contribution to the growing body of research on competitive strategies through the understanding of the symbiotic relationship between adopted strategies and organizational performance of Bamburi cement limited.

5.5 Implications of the Study

It is evident that although the development of a unique and valuable market position strengthens a company's strategic position for a considerable period of time, the resulting success only serves to attract aggressive competition that would seek to replicate that model. In developing and implementing strategic responses to environmental opportunities, Bamburi Cement Ltd needs to maintain strategic awareness of forces shaping the industry. The company must institute innovative cultures that seek to redefine their future value propositions. In implementing new value innovations, the company is also advised to accelerate the impact assessment of their innovations through progressive empirical testing and evaluation systems.

As they seek sustainable competitive advantage, Bamburi Cement Ltd must be fully cognizant of the strategic control and feedback processes which must be applied to ensure consistent achievement of their overall objectives. For Bamburi Cement Limited, it is essential that the domestic executive teams communicate their strategic agenda and relevant analysis to their parent headquarters rapidly. This would enhance their capacity to evolve as fast as their smaller, less bureaucratic rivals.

5.6 Limitations of the Study

It is worth to note that despite accessing all the targeted respondents, it took a long wait mainly due to the manager’s busy work schedules. Furthermore, the research planned timelines were stretched due to a long clearance process to access selected management reports to supplement publications mainly due to the sensitive nature of the information. Despite the study relying on managers, there could be an inherent risk of inadequate institutional knowledge cover that would inhibit interpretation of findings due to the small number of interviewed managers and the period spent by the managers in the company.

5.7 Suggestions for Further Research

Future research directions stem from the findings and missed opportunities in this paper. It would be worthwhile to expand the study longitudinally to cover the entire cement industry, that is, all companies that manufacture cement. Secondly, future research could be carried out to establish the relationship between other variables such as non-financial performance, organization culture, government policy and technological advancement in relation to competitive strategies. Lastly, future studies could consider sampling company’s based on their characteristics like size and age in study of competitive strategies and performance.

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APPENDICES

Appendix I: Questionnaire

The information provided will only be for the purpose of this study. Read carefully and give appropriate answers by ticking or filing the blank spaces. The information will be treated as confidential

PART A: GENERAL DEMOGRAPHIC DATA

1) What is your gender?
   a) Male[ ]b) Female [ ]
2) What is your age?
   a) 21-30 years b) 31-40 years [ ] c) 41-50 years [ ]
   d) 50 and above [ ]
3) What is your academic background?
   a) Certificate[ ] b) Diploma [ ] c)Undergraduate [ ] d)Postgraduate [ ]
4) How long have you worked for the industry?
   a) 1 - 2 years [ ] b) 3 - 5 years [ ] c) 5 - 7 years [ ]
   d) 10 - 15 years [ ] e) Over 15 year [ ]
5) How long have you worked for Bamburi Ltd?
   a) Less than 3 years [ ] b) 3 to 5 years [ ] c) 5 to 7 years [ ]
   d) Over 7 years [ ]

PART B: COMPETITIVE STRATEGIES ADOPTED BY BAMBURI CEMENT LIMITED

6) To what extent do you use the strategic practices listed below to respond to competition? Use a scale of 1-5 where 5- to a very great extent, 4-To great extent, 3- To a moderate, 2-To a low extent, and 1-To very low extent.

Strategic practices used	1	2	3	4	5
Vigorous pursuit of cost reductions					
Providing outstanding customer services					
Improving operational efficiency					
Controlling quality of products					
Developing brand or company name identification					
Targeting a specific market niche or segment					
Providing specialty products / services					

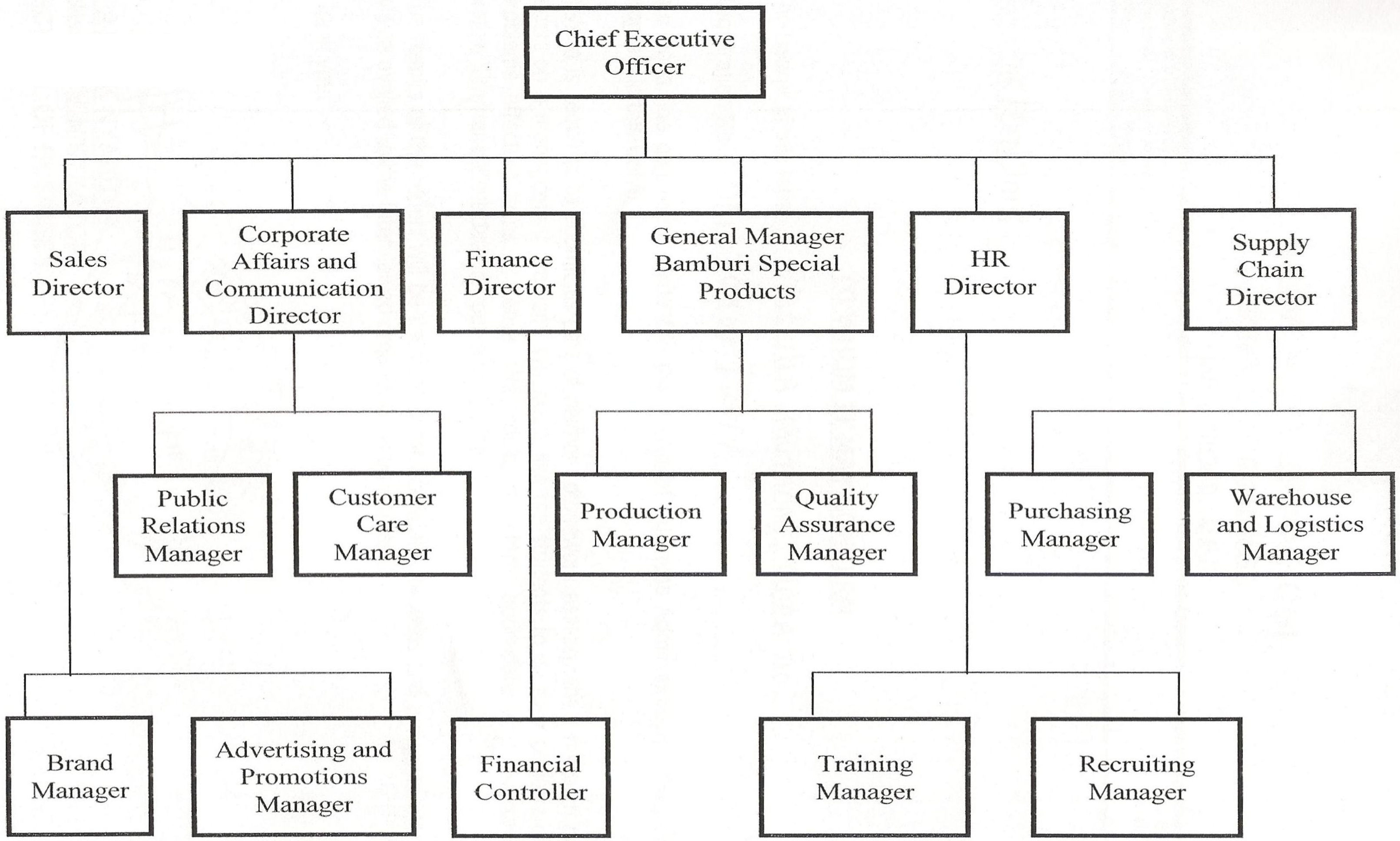
7) To what extent do you use the strategic practices listed below to respond to competition? Use a scale of 1-5 where 5- to a very great extent, 4-To great extent, 3- To a moderate, 2-To a low extent, and 1-To very low extent.

Strategic practices used	1	2	3	4	5
Vigorous pursuit of cost reductions					
Providing outstanding customer services					
Improving operational efficiency					
Controlling quality of products					
Developing brand or company name identification					
Targeting a specific market niche or segment					
Providing specialty products / services					

8) Indicate your level of agreement with the following statements relating to effect of competitive strategies on performance of Bamburi Cement Ltd. (Key 1= strongly disagree, 2= disagree 3 = moderately agree, 4 Agree and 5 = strongly agree)

Statements	**1**	**2**	**3**	**4**	**5**
Adoption of right competitive strategies allows the company to develop a plan that enables them to offer the right product to the market.					
The effectiveness of the competition tools is essential for an appropriate competitive strategy.					
An effective brand strategy enables marketers to sell more and win the market share					
The proposition the company's sales promotion strategy must be very compelling, attractive and unique among competitive offerings					
Effective competition campaign should enable the company to successfully out-brand its competitors.					

Appendix II: Organizational Chart



Appendix III: Letter of Authority to Collect Data

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 25/09/2015

TO WHOM IT MAY CONCERN

The bearer of this letter PRISCILLA MUTHONI NDERITU

Registration No. D61/70967/2014

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

UNIVERSITY OF NAIROBI SCHOOL OF BUSINESS 25 SEP 2015 P.O. BOX 30197 - 00100, NAIROBI

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS