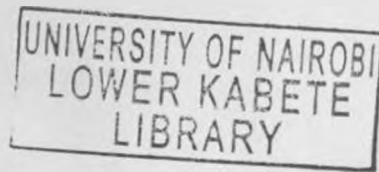


**COMPETITIVE STRATEGIES ADOPTED BY SMALL AND  
MEDIUM HANDCRAFTS EXPORTERS IN KENYA**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF  
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION,  
SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

**NOVEMBER 2011**

## DECLARATION

I declare that this management research project is my original work and has not been submitted for a degree in any other University.

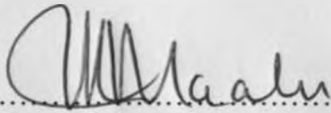
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This management research project has been submitted with my approval as University Supervisor.

Signed..........

Date.....7/11/2011.....

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## DEDICATION

This research project is dedicated to all my family members for their support, encouragement and understanding which saw me through to the end.

God bless you all.

## ACKNOWLEDGEMENTS

It is not easy to thank everyone who had an input into this research project, for the list is almost inexhaustible. First, I would like to thank the almighty God for giving me sufficient grace and blessings which has seen me through this program.

I sincerely acknowledge the invaluable and tireless counsel, commitment, encouragement and commendable support of my supervisor; Dr. Jackson Maalu. He accorded me scholarly guide, instructive feedback and constructive critic in the entire project from its inception to the end.

I am greatly thankful to my family members more so my husband Ernest, my daughter Zena my sisters Mshai and Waleghwa and the entire family for their undiminishing support and encouragement while pursuing the program.

My sincere gratitude to all those who contributed immensely in one way or another to the completion of this research project. Special thanks to Export Promotion Council and all my respondents (handicrafts exporters) for facilitating this study, for I could not have done it without you. I may not be able to mention all but will be forever grateful.

## ABSTRACT

To grow and thrive in today's competitive environment, organizations must deal with several major challenges that have been caused by increased competition in their industries. In order to survive in the competitive environment therefore, it becomes necessary for small and medium handicrafts exporters to be aggressive in their search and development of strategies that provide competitive advantage as they step up defensive strategies to protect their competitive advantage.

The main objective of the study was to determine competitive strategies adopted by small and medium handicrafts exporters in Kenya. To attain this objective the study was guided by the following specific objectives; to establish factors influencing competition among small and medium handicrafts exporters in Kenya and to determine competitive strategies adopted by small and medium handicrafts exporters in Kenya.

Cross-sectional survey was used in this study to obtain comparative data from a cross section of small and medium handicrafts exporters registered under the Export Promotion Council. The population of the study was all the small and medium handcraft exporters registered under the Export Promotion Council located in various part of the country. The study employed simple random sampling method. The data collected was analyzed using the descriptive statistics tools like percentages, standard deviation, frequency tables among others.

The findings indicated that differentiation strategy is the widely practiced competitive strategy by small and medium handicrafts exporters in Kenya followed by focus strategy. Besides Porter's generic competitive strategies, adoption of modern technology such as e-marketing was also identified as another key strategy adopted.

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# CHAPTER ONE: INTRODUCTION

## 1.1 Background

An organization does not operate in a vacuum but within the external environment. This environment consists of variables that form the context within which firms exist (Hunger and Wheelen, 1996). To be successful in this environment, a firm adopts an open system approach by taking an assortment of resources from the environment in form of inputs, process them and finally delivers them back as output. The open system is made necessary by two factors; continued organizational survival on its ability to secure rewards from the environment which replenish the resources consumed in the conversion process, and continued maintenance by the organization of its social legitimacy.

As firms exist in an open system, it means that they impact and are impacted by the external conditions largely beyond their control. This requires managers to look beyond the limits of the firm's own operations. It thus calls for all organizations regardless of the sector they are in, to formulate competitive strategies in response to this turbulent environment which will enable them cope with competition. Competitive strategy analyses the core competencies and capabilities of a firm vis-a-vis the competition and the customer needs so as to select the positioning the firm will take in order to survive and compete successfully.

### 1.1.1 Competitive Strategy

One of the environmental influences to a business is competition. Increased competition threatens the attractiveness of an industry by reducing the profitability of players. Competition exerts pressure on firms to be proactive and to formulate

successful competitive strategies to deal with threats and harness opportunities in the environment.

Competitive strategy refers to how a company competes in a particular business. It is concerned with how a company can gain a competitive advantage through a distinctive way of competing. It involves positioning a business to maximise the value of the capabilities that distinguish it from its competitors. It consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thompson and Strickland, 1993).

Competitive strategies concerns what a firm is doing in order to gain a sustainable competitive advantage. Porter (1998) defines competitive strategy as being different. It means deliberately choosing to perform activities differently or to perform different activities better than rivals to deliver a unique mix of value. He describes competitive strategy as the search for a favourable competitive position in an industry, the fundamental arena in which competition occurs. He further explains that competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition. This involves identifying sources of competition in the ever changing environment then developing strategies that match organizational capabilities to the changes in the environment.

Companies focus on gaining competitive advantage to enable them respond to and compete effectively in the market (Johnson, Scholes and Whittington, 2006). By identifying their core competencies, firms are able to concentrate on areas that give

more lead over their competitors hence competitive strategy is the bases on which a business unit might achieve competitive advantage in its market. According to Johnson, Scholes and Whittington (2006), core competencies are more robust and difficult to imitate because they relate to the management of linkages within the organization.

Organizations achieve competitive advantage by providing their customers with what they want or need better or more effectively than competitors and in ways which competitors find difficult to imitate. Ansoff and McDonnell (1990) postulate that every firm competing in an industry has a competitive strategy whether developed through a formal planning process or has evolved through various functional planning activities. Firms develop competitive strategies to enable them seize strategic initiatives and maintain a competitive edge in the market. With the increasing need to render superior value to customers, employees, shareholders and other external stakeholders, organizations are seeking competitive strategies that focus on cost leadership, differentiation and focus. The choice of strategy depends on the corporate/business units of the organization.

The essence of formulating competitive strategies is relating a company to match a company to its environment. Porter (1980) argues that although the relevant environment is very broad, the key aspect of the firm's environment is the industry or industries in which it competes. Therefore, industry structure has a strong influence in determining the competitive rules of the game as well as the strategies potentially available to the firm. He further noted that it's prudent for any firm to understand the underlying sources of competitive pressure in its industry in order to formulate

appropriate strategies to respond. Competitive strategy therefore emphasizes the improvement of the competitive position of a firm's product or services in the specific industry or market segment (Hunger and Wheelen, 1996).

### **1.1.2 Small and Medium Enterprises**

The rapid growth of the SME sector can be attributed to the adjustment programmes that have resulted in widespread retrenchments both in the public and private sector. Many retrenched workers have sought alternative employment in the informal sector and in addition, recent growth in Kenyan economy has really improved the growth of the SME sector. As globalization intensifies and with global competition in labour intensive manufacturing, large enterprises have sought and will continue to seek to evade mandated protection to labour by subcontracting to unprotected labour in the informal sector, therefore leading to growth in the informal sector (Maloney and McLaughlin, 1999).

The informal sector generally comprises of semi organised registered and unregistered activities undertaken by self employed persons in the open air markets, market stalls, undeveloped plots or on street pavements within the urban centres with or without licenses from local authorities. The reason why the informal sector flourishes in Kenya is because operation of business is without much restriction or regulation, the entrepreneur's flexibility in meeting customer needs and the goods and services provided depend on demand as perceived by entrepreneurs (McCormick, 1998).

There is no general consensus as to the definition of what a small, medium or large business is. European Union (EU) member states for instance have their own definition of what constitutes an SME. The traditional definition in Germany had a

limit of 250 employees while for example, in Belgium, it could have been 100. The EU's current definition categorizes companies with fewer than 10 employees as 'micro', those with fewer than 50 employees as 'small' and those with fewer than 250 as 'medium'. By contrast, in the United States, when small business is defined by the number of employees, it often refers to those with fewer than 100 employees, while medium size businesses often refers to those with fewer than 500 employees. Both the US and EU generally use the same threshold for fewer than 10 employees for small offices.

Industry Canada on the other hand, defines a small business as one that has fewer than 100 employees (if the business is a goods-producing business) or fewer than 50 employees (if the business is a service-based business). A firm that has more employees than these cut-offs but fewer than 500 employees is classified as a medium sized business.

Belandres (1996) defines small and medium enterprises as the manufacturing or non-manufacturing service enterprises in which the owner manager is not necessarily actively engaged in production but performs the various tasks involved in the guidance and leadership without the help of a specialised staff. He further defines small and medium enterprises as small businesses which are mainly family based, unregistered by the government or lack collateral assets that are bankable.

Micro and small enterprises (MSE) include businesses employing up to 50 workers. Employment here does not necessarily mean salaried workers with wages; it refers to people working in the enterprise whether they are paid or not (CBS, KREP & ICEG,

1999). The survey further suggested that a microenterprise is a business enterprise employing up to ten workers including the working owner, while a small enterprise is one which employs more than ten and up to fifty workers. The term micro and small enterprise therefore covers a range of establishments including informal sector activities which employ one or more persons and enterprises in the formal sector employing up to fifty persons.

A second criterion of defining MSE's is based on enterprises that are essentially non-primary businesses, that is, non-farm business activities excluding agricultural production, animal husbandry, forestry, hunting gathering while a third criterion includes farm based business activities that involve some form of processing before marketing.

### **1.1.3 Small and Medium Enterprises in Handcrafts Export**

Handcrafts enterprises form majority of the Small and Medium Enterprises (SME) in Kenya. These enterprises are generally family owned and exploit skills passed on along family lines; dictated by proximity and availability of raw materials. Production of crafts is mostly based on indigenous knowledge and carried out in the kiosk, open shade, under trees, in homes and cottage industries that employ a large number of rural communities of both gender but largely women (Export Promotion Council, 2007).

Handcrafts can be defined as products which are produced either completely by hand or with the help of tools. Mechanical tools may be used as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. Handcrafts are made from raw materials and can be produced in unlimited



numbers. Such products can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant.

Kenyan exports over the years have been dominated by a few products, mainly tea, tourism, horticulture, coffee, petroleum products and cement. This has made the need for product diversification and expansion more urgent. The current strategic plans for Export Promotion Council, Ministry of Trade and Industry and the Country's National Export Strategy have emphasized on product diversification through value addition, identification of new export products and by assisting more enterprises, particularly Small and Micro Enterprises to penetrate the export market. Handcrafts are among the targeted sector for this assistance (Export Promotion Council, 2007).

Development of this sector is also articulated in various Government policy documents such as the Sessional Paper number 2 of 2005 on the Development of Micro and Small Enterprises, the National Export Strategy 2003-2007 of November 2003 and the Economic Recovery Strategy for Wealth and Employment Creation 2003-2007 of June 2003. Some of the key macro-economic objectives of the Government of Kenya for the period 2003-2007 are the creation of 500,000 jobs annually and reducing poverty level by at least 5% from the current 56.8%. Recent Government policies have led to the establishment of Youth (2006) and Women (2007) Enterprise Funds which are aimed at assisting the target groups improve their business through affordable credit.

In recent years, handicraft production has increased as the industry is perceived as a potential business opportunity for sustainable income generation by majority of micro, small and medium enterprises (SME's) all over the world. In Kenya, the commercial crafts sector has exhibited the potential of mainstreaming large human resource towards engaging them in productive economic activities. As such, boost the country's economic position.

## **1.2 Statement of the Research Problem**

Competition is critical to the success or failure of firms. It determines the appropriateness of firms' activities that can contribute to its performance as innovation, a cohesive culture or good implementation. Competitive strategy is thus the search for a favourable competitive position in an industry, the fundamental arena in which competition occurs. It consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thomson and Strickland, 1993). It concerns what a firm is doing in order to gain a sustainable competitive advantage (Porter, 1998).

While there are a number of opportunities that continue to sustain the handicrafts sector, most producers continue to struggle under a weight of constraints. These limitations include; environmental, cultural, economic, social, legal and technological challenges that arise from the increasingly globalized and competitive world. In order to survive in this competitive environment, it becomes necessary for the handicrafts exporters to be aggressive in their search and development of strategies that provide competitive advantage as they step up defensive strategies to protect their competitive

advantage. Successful strategies lead to superior performance and sustainable competitive advantage.

Researches on competitive strategies in various industries have previously been undertaken. Wanjohi (2008) looked into competitive strategies and positioning within a changing business environment adopted by MFI's, where she concluded that a company's mission and vision form the basis of a company's goal which in turn assist in developing competitive strategies to curb the competitor's actions. Gichohi (2007) studied the influence of competitive strategies on the performance of hair salons in Nairobi where she found out that most of hair salons employed competitive strategies in order to cope with the competitive environment. Ilovi (2008) looked into competitive strategies employed by firms in the courier industry in Kenya and her findings were that cost advantage strategy is the most widely practiced competitive strategy by courier firms in Kenya while differentiation strategy came in second and the focus strategy was the least used.

Of these and many other studies in competitive strategies, none has looked at competitive strategies adopted by small and medium handcrafts exporters in Kenya. It was in this light that the researcher sought to fill the existing gap in this area of study by answering the question; what are the competitive strategies adopted by small and medium handcrafts exporters in Kenya?

### **1.3 Objectives of the Study**

The objectives of this study were;

- i. To establish factors influencing competition among small and medium handcrafts exporters in Kenya.
- ii. To determine competitive strategies adopted by small and medium handcrafts exporters in Kenya.

#### **1.4 Importance of the Study**

The findings and recommendations of this study will be of importance to stakeholders such as researchers and academicians, handicrafts exporters as well as government institutions tasked with the development and promotion of export trade.

To researchers and academicians, this research will provide an understanding of the nature of competitive strategies adopted by small and medium handcrafts exporters in Kenya. This will be vital for future reference and will contribute to the available body of knowledge. To players in the industry, the study is also expected to give the owners and managers of such enterprises an understanding of the various factors influencing competition within the sector and also competitive strategies they could adopt so as to ensure that they stay competitive. This will help in improving their performance in form of returns. To government institutions, the study will aid in policy formulation to improve productivity, setting up of appropriate institutional infrastructure geared towards improving the sector and acquisition and provision of appropriate technology and premises, including research and development.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Competition

One of the environmental influences to a business is competition. Increased competition threatens the attractiveness of an industry by reducing the profitability of players. Competition exerts pressure on firms to be proactive and to formulate successful competitive strategies to deal with threats and harness opportunities in the environment. Firms that do not respond effectively to increased competition are not likely to succeed in business (Porter, 1996). Firms in dynamic industries respond to competitive forces in different ways. While some may result to improving current markets and products, diversification or divesture, others employ techniques that ensure operational effectiveness. However, much as operational effectiveness is necessary, it is not sufficient in achieving sustainable competitive advantage.

Competitive strategy needs to focus on unique activities (Porter, 1996). Greenstein & Compaine (2001), in their 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 complimentary services. With the same products and markets, a firm tries to improve its competitiveness by protecting and building its current market position. The option of withdrawal from some current activities may be pursued especially where the firm lacks competences to compete effectively.



A firm may respond to increased competition by entering new markets with similar products. These could be markets they are currently not serving or new geographical markets. They can come up with new uses for their current products thus exploiting opportunities through some slight modifications to suit the needs of the market. Market entry strategies may include acquisition, strategic alliances and joint ventures. Firms may also react to competitive forces by developing new products. This means extending their portfolio and spreading the risk across many products. Such products can be directed to markets currently covered by the firm (Greenstein & Compaine, 2001). A firm assesses its internal capability to exploit emerging opportunities effectively and also manage threats. A SWOT analysis will identify core competencies that provide competitive advantage for an organization. Nevertheless, over time, competitors may imitate such competencies. Core competencies are likely to be more robust and difficult to imitate if they relate to the management of linkages within the organization's value chain and linkages into the supply and distribution chains (Johnson & Scholes, 1997).

## **2.2 Competitive Strategy and Competitive Advantage**

In a turbulent environment, the more enduring advantage is the ability to anticipate evolving customer needs and to generate new value creating capabilities based on that knowledge. Unless there is an advantage over competitors that is not easily duplicated or connected, long term profitability is likely to be elusive (Porter, 1985).

Aaker (1989) pointed out that long term success involves creating, managing and exploiting assets and skills that competitors find difficult to match or counter and this involves three steps; The first step is the identification of relevant skills and assets by observing successful and unsuccessful firms, key customer motivations, large value

added items and mobility barriers. The second step is selection of those skills and assets that will provide an advantage over competitors that will be relevant to the market and that will be feasible, sustainable and appropriate for the future. The third step involves the development and maintenance of those assets and skills and the neutralization of those of competitors. He further observed that there are three basic ways to compete namely; on the basis of delivery, quantity and price.

Competitive strategy analyses the core competencies and capabilities of a firm vis-a'-vis the competition and the customer needs so as to select the positioning the firm will take in order to survive and compete successfully. Today's dynamic markets and technologies have called into question the sustainability of competitive advantage. Under pressure to improve productivity, quality and speed, managers have embraced tools such as Total Quality Management (TQM), benchmarking and re-engineering. Dramatic operational improvements have resulted, but rarely have these gains translated into sustainable profitability. Gradually, the tools have taken the place of strategy. Porter (1980) argues that operational effectiveness, although necessary to superior performance, is not sufficient, because its techniques are easy to imitate. In contrast, the essence of strategy is choosing a unique and valuable position rooted in systems of activities that are much more difficult to match.

Hitt et al (1997) holds that a winning competitive strategy is always founded on consistently understanding and predicting changing market conditions and customer needs. The goal of much of business strategy is to achieve a sustainable competitive advantage. There are many routes to competitive advantage but the most basic is to

provide buyers with what they perceive to be of superior value at a low price, a superior service that is worth paying more for, or a best value offering that represents an attractive combination of price, features, quality, service and other attributes buyers find attractive (Thompson and Strickland, 1993). Thus a competitive advantage enables the firm to create superior value for its customers and superior profits for itself. A resource-based view emphasises that a firm utilizes its resources and capabilities to create a competitive advantage that ultimately results in superior value creation.

Competitive strategies should lead to competitive dominance which is about sustained leadership and levels of undisputed excellence (Tang and Bauer, 1995). They contend that competitive dominance is an attitude that begins with the realization that a leadership position is no guarantee for long term success especially in the global market place. It begins with a strong conviction that leadership is temporary and a belief that smart and competent competitors are always fully prepared to dislodge the leader or to displace the incumbent. Competitive dominance seeks to position the firm for future opportunities through quality initiatives and offerings that delight customers. It seeks to align, integrate and synchronize strategy and quality to achieve future leadership and to be able to sustain it.

The core of a company's competitive strategy consists of its internal initiatives to deliver superior value to customers. It also includes offensive and defensive moves to counter the manoeuvring of rivals, actions to shift resources around to improve the firm's long term competitive capabilities and market position and tactical efforts to



respond to whatever market conditions prevail at the moment (Thompson and Strickland, 1993).

### **2.3 Porters' Generic Strategies**

Competitive strategy is taking offensive or defensive actions to create a defensible position in an industry to cope successfully with the five competitive forces thereby yielding a superior return on investment (Porter, 1980). Therefore in his view, the fundamental question in strategy formulation is how a company can achieve long term competitive advantage. He insists that there are only three internally consistent and successful strategies which he called generic strategies. He advocates the use of value chain to analyze a company's internal competitiveness and the five forces model to analyze external competitiveness. Porter argues that the major focus of competitive strategy is to provide customer value. This can be perceived in terms of lowering customer costs and or allowing the customer to secure higher quality. Ohmae (1988) believe that the focus on competitive strategy can lead to an emphasis on competitors per se rather than on the changing values and requirements of customers.

Porter (1980) defined three generic business level strategies namely; differentiation (unique market-wide customer value), cost leadership (lowest costs among all competitors in the market) and focus (marketing to a limited, well defined group of buyers, sometimes divided into focus and differentiation focus). Firms which neither aim at the lowest cost position nor differentiated position become according to Porter 'stuck in the middle' with suboptimum returns.

### 2.3.1 Cost leadership Strategy

According to Porter (1980), the objective of this strategy is to achieve overall cost leadership in an industry through a set of functional policies. Cost leadership requires aggressive construction of efficient-scale facilities, vigorous pursuit of cost reductions from experience, tight cost and overhead control, avoidance of marginal customer accounts and cost minimization in areas like research and development, service, sales force, advertising and many other areas. A great deal of managerial attention to cost control is necessary to achieve these aims. Low cost relative to competitor becomes the theme running through the entire strategy, though quality, service and other areas cannot be ignored. Having a low cost position yields the firm above average returns in its industry despite the presence of strong competitive forces.

A firm's low cost position gives it a defence against rivalry from competitors because its lower cost means that it can still earn returns after its competitors have competed away their profits through rivalry. A low cost position defends the firm against powerful buyers because buyers can exert power only to drive down prices to the level of the next most efficient competitor. Low cost provides a defence against powerful suppliers by providing more flexibility to cope with input cost increases. The factors that lead to a low cost position usually also provide substantial entry barriers in terms of scale economies, or cost advantage. Finally, a low cost position usually places the firm in a favourable position vis-à-vis substitutes relative to its competitors in the industry. Thus a low cost position protects the firm against all five competitive forces because bargaining can only continue to erode profits until those of the next most efficient competitor are eliminated, and because the less efficient competitors will suffer first in the face of competitive pressures (Porter, 1980).

### 2.3.2 Differentiation Strategy

The second generic strategy is one of differentiating the product or service offering of the firm, creating something that is perceived industry wide as being unique (Porter, 1980). Approaches to differentiation can take many form; design or brand image technology, features, customer service, dealer network or other dimensions. Ideally, the firm differentiates itself along several dimensions. The differentiation strategy does not allow the firm to ignore costs but rather, they are not the strategic target. Differentiation, if achieved, is a viable strategy for earning above average returns in an industry because it creates a defensible position for coping with the five competitive forces, albeit in a different way than cost leadership.

Differentiation provides insulation against competitive rivalry because of brand loyalty by customers and resulting lower sensitivity to price. It also increases margins, which avoids the need for a low cost position. The resulting customer loyalty and the need for a competitor to overcome uniqueness provide entry barriers. Differentiation yields higher margins with which to deal with supplier power and it clearly mitigates buyer power, since buyers lack comparable alternatives and are thereby less price sensitive. Finally, the firm that has differentiated itself to achieve customer loyalty should be better positioned vis-à-vis substitutes than its competitors (Porter, 1980).

Achieving differentiation may sometimes preclude gaining a high market share. It often requires a perception of exclusivity which is incompatible with high market share. More commonly however, achieving differentiation will imply a trade-off with cost position if the activities required in creating it are inherently costly such as

extensive research, product design, high quality materials or intensive customer support. Whereas customers industry wide acknowledges the superiority of the firm, not all customers will be willing or able to pay the required higher prices. In other businesses, differentiation may not be incompatible with relatively low costs and comparable prices to those of competitors (Porter, 1980).

### **2.3.3 Focus Strategy**

According to Porter (1980) this strategy focuses on a particular buyer group, segment of the product line or geographical market. The focus strategy is built around serving a particular target very well, and each functional policy is developed with this in mind. The strategy rests on the premise that the firm is able to serve its narrow strategic target more effectively or efficiently than competitors who are competing more broadly. As a result, the firm achieves either differentiation from better meeting the needs of the particular target, or lower costs in serving this target or both. Even though the focus strategy does not achieve low cost or differentiation from the perspective of the market as a whole, it does achieve one or both of these positions vis-à-vis its narrow market target.

The firm achieving focus may also potentially earn above-average returns for its industry. Its focus means that the firm either has a low cost position with its strategic target, high differentiation or both. This strategy also provides defence against each of the five competitive forces. Focus may also be used to select targets least vulnerable to substitutes or where competitors are the weakest.

## 2.4 Grand Strategies

Firms may respond to increased competition by entering new markets with similar products. These could be markets they are currently serving or new geographical markets. Firms may also react to competitive forces by developing new products. This will be aimed at reducing risks through diversification as a means of responding towards competitive forces and could be related or unrelated. Related diversification may take the form of vertical or horizontal integration. In the face of increased competition, this has the benefit of cost reduction, defensive market power and offensive market power. Backward integration takes a firm closer to suppliers while forward integration moves it closer to its customers. Forward diversification may involve acquisitions of business not within the current product and market scope (Pearce and Robinson, 2007).

Firms can also respond to competition by collaborating with other players in the industry. Such collaborations take the form of strategic alliances, mergers and acquisitions, licensing, franchising among others. As argued by Harrigan (1985) strategic alliances are more likely to succeed when partners possess complimentary assets and thus a firm will seek knowledge it considers lacking but vital for the fulfilment of its strategic objectives. One traditional view is that in seeking and applying this relevant knowledge, a firm will furthermore need to possess a knowledge base in the same or similar area, since only such similarity will allow for an understanding of the intricacies of the new knowledge as well as of its applicability to the firm's unique circumstances (Cohen and Levinthal, 1990).

Differentiation is used by firms as a response technique to increased competition. A firm can also result to creating entry, mobility and substitute barriers to strategic groups. Such barriers can be in the form of differentiation that makes it difficult to imitate products.

## **2.5 Challenges of Competition to Organizations**

To grow and thrive in today's competitive environment, organizations must deal with several challenges. For companies to survive the dynamic environment, it is necessary for them to; measure the intensity of competition, assess the causes of decline, single out a viable strategy to combat decline such as leadership, liquidation and harvest (Baum & McGahan, 2004). In order for firms to achieve and maintain competitive advantages, they must scan their environment to ensure that it provides a moving target and is fully aware of future challenges in the market place.

Businesses all over the world are faced with the challenges posed by the ever changing and turbulent competitive environment. The rate, direction and magnitude of this competition must therefore be the concern of every top executive entrusted with the running of any organization. The open system theory gives a wider and clearer explanation as to why business must be environmentally sensitive for their growth and survival. The business world is never static (Brown & Eisenhardt, 1998) hence achieving competitive advantage has been recognised as the single most important goal of a firm (Porter, 1980).

Without proper competitive strategies, firms will have fewer economic reasons for existing and finally will wither away. Although identification of the sources of competitive advantage has increasingly become a priority, application of the right strategies is still a concern to many organizations. To be able to retain competitive advantage, organizations need to examine both their external and internal environments and respond accordingly (Porter, 1985). The environment can be relatively stable or turbulent. Each level of turbulence has different characteristics and requires a different strategy. The strategy in turn has to be matched by appropriate organizational capability for survival, growth and development (Ansoff and McDonnel, 1990).

Fundamental forces of change have been experienced in the global business environment resulting in unprecedented competition. Organisations responding to these changes have realised that their existing strategies and configurations may no longer serve them well (Ansoff and McDonnel, 1990). The rate at which technology keeps changing has led to increased competition in the business world. Firms using modern technology have a competitive advantage compared to the ones that have not changed with times (Porter, 1985).

Ncube (2002) in her research on e-business practices by small and medium scale enterprises in the crafts industry in Kenya observed that 90% of AMEGA members proffered using email and website interaction as a mode of business communication with their overseas clients whom they export to. The reverse was also true where the clients prefer to use these internet technologies in placing their orders. She further

observed that the use of e-business was of benefit to crafts exporters in that it enhanced opening of new markets, easier communication and website benefits of displaying products to a wider audience 24 hours a day.

Increased competition has led to high customer expectations in terms of products they receive. Commercial crafts exporters must therefore exceed the customer expectations so as to ensure that their customers are satisfied so as to retain them. In this case, small and medium commercial crafts exporters have to be more innovative in the way they produce their products and conduct their business.



## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Research Design**

In order to carry a detailed analysis to establish if there was a pattern in terms of the strategies that commercial crafts exporters have adopted, a cross-sectional survey was used in this study to obtain comparative data from a cross section of handicrafts exporters registered under the Export Promotion Council (EPC).

A Cross sectional study is a study in which a statistically significant sample of a population is used to estimate the relationship between an outcome of interest and population variables as they exist at one particular time. Cross sectional surveys are therefore used to gather information on a population at a single point in time.

### **3.2 Population of the Study**

The population of the study was all the small and medium handcraft exporters registered under the Export Promotion Council (EPC). According to information on EPC website there were 255 small and medium exporters of handicrafts (appendix 2).

The exporters are located in three main regions namely North rift (Transnzoia, Pokot and Turkana), Eastern (Mombasa, Malindi, Wajir and Garissa) and Western (Kisii, Kisumu, Kakamega and Bungoma) and will constitute the population for the study.

### **3.3 Sampling**

A sample of 80 handcrafts exporters registered under EPC was considered. This however may not represent all small and medium handcrafts exporters in Kenya although inferences from the sample to the population can be made. The study employed simple random sampling method.

In small populations and often in large ones, such sampling is typically done without replacement, that is, one deliberately avoids choosing any member of the population more than once. An unbiased random selection of individuals is important so that in the long run, the sample represents the population. Primary data was used in this study. Primary data was collected by use of a structured questionnaire designed by the researcher. The structured questionnaire is an efficient data collection mechanism since each respondent was asked to respond to the same set of questions.

### **3.4 Data Collection**

In questionnaire designing, the research objectives were translated into specific questions the respondents could answer. The questionnaires were posted to respondents who returned them by post after completion, delivered and returned electronically using email or physically dropped and picked by the researcher.

### **3.5 Data Analysis**

Data analysis involved reducing accumulated data to manageable size, developing summaries, looking for patterns and applying statistical analysis techniques. The process involved data preparation and carried out descriptive analysis. Data preparation included cleaning and organizing data for analysis. This included

receiving of the questionnaires, editing the information contained in these research instruments and coding. Descriptive statistics was used to describe the basic features of the data in the study. Descriptive population parameters such as measures of distribution, measures of central tendency and dispersion were appropriately determined.

The statistical package for social sciences (SPSS) was used to analyze data secured from the five point scale. The analyzed data were interpreted in line with the research questions and objectives, and conclusions drawn.

## CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

### 4.1 Introduction

This chapter covers data analysis and findings of the research. The data was summarised and presented in the form of proportions, mean and tables. Data was collected from small and medium handicrafts exporters registered with the Export Promotion Council. Consequently, the collected data was analysed and interpreted in line with the aims of the study which include: to establish factors influencing competition among small and medium handicrafts exporters in Kenya and to determine competitive strategies adopted by small and medium handicrafts exporters in Kenya. Data collected was collated and reports were produced in form of tables and figures.

### 4.2 Response Rate

The researcher targeted 80 small and medium handicrafts exporters registered under EPC. Of the 80 questionnaires distributed for this research, 52 useable questionnaires were returned giving a response rate of 65%. This conformed to Mugenda and Mugenda (2003) who recommended that for simplification a response rate of 50% is sufficient for scrutiny and exposure, 60% is good and a response rate of 70% and over is excellent.

**Table 4.1: Response Rate**

	Frequency	Percentage
Filled questionnaires	52	65
Non responded questionnaires	28	35
<b>Total</b>	<b>80</b>	<b>100</b>

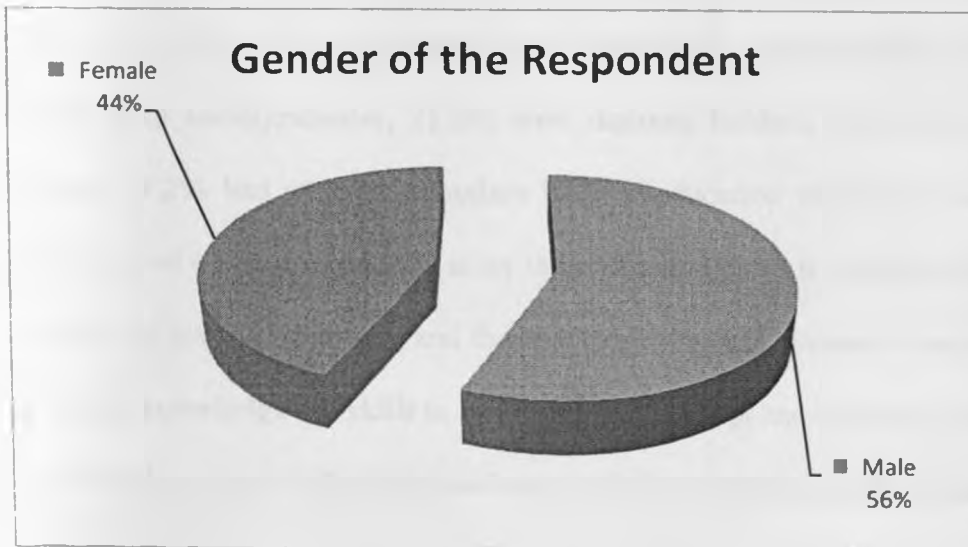
### 4.3 Findings from the demographic information

This section concentrates on the demographic information of the respondents. The researcher was interested in knowing the gender of the respondents, their age, level of education, nature of their business, years of operation, branches if any and the number thereof, range of their products as well as the number of employees they have. Establishing the demographic distribution of the respondents was important as it formed the basis under which the researcher could reasonably assess the reliability of the data obtained.

#### 4.3.1 Gender of the Respondent

The researcher sought to find out the gender of the respondents. The study found out that of the 52 respondents interviewed, 56% were males and 44% were female. This implies that majority of the respondents were male as indicated in figure 4.1 below.

Figure 4.1: Gender of the Respondent



### 4.3.2 Age of the Respondents

The researcher required the respondents to indicate their age. From the study, it was shown that majority of the respondents (34%) were in the age bracket of 33-40 years, followed by those in the age bracket of 41-45 (25%), then over 45 years were 23%, 26-32 were 15.38%, while those at the age bracket of 18-25 years were the least at 1.92 %. This generally indicate that middle aged people are more involved in the handicrafts export business than their younger counterparts .This is shown in table 4.2

**Table 4.2: Age of the Respondents**

	Frequency	Percent
18 – 25	1	1.92
26 – 32	8	15.38
33 – 40	18	34.62
41 – 45	13	25.00
Above 45	12	23.08
Total	52	100.00

### 4.2.3 Level of Education

The study sought to establish the level of education of the respondents. According to table 4.3, 11.5% of the respondents had attained post graduate level of education, 34.6% were undergraduates, 21.2% were diploma holders, 7.7% were certificate holders, 21.2% had attained secondary level of education while 3.8% had attained primary level of education. This is an indication that there is a positive relationship between the level of education and the handicrafts export business as one requires the necessary knowledge and skills to run the business, adopt and implement strategies so as to be able to grow the business and cope with the competition in the industry.

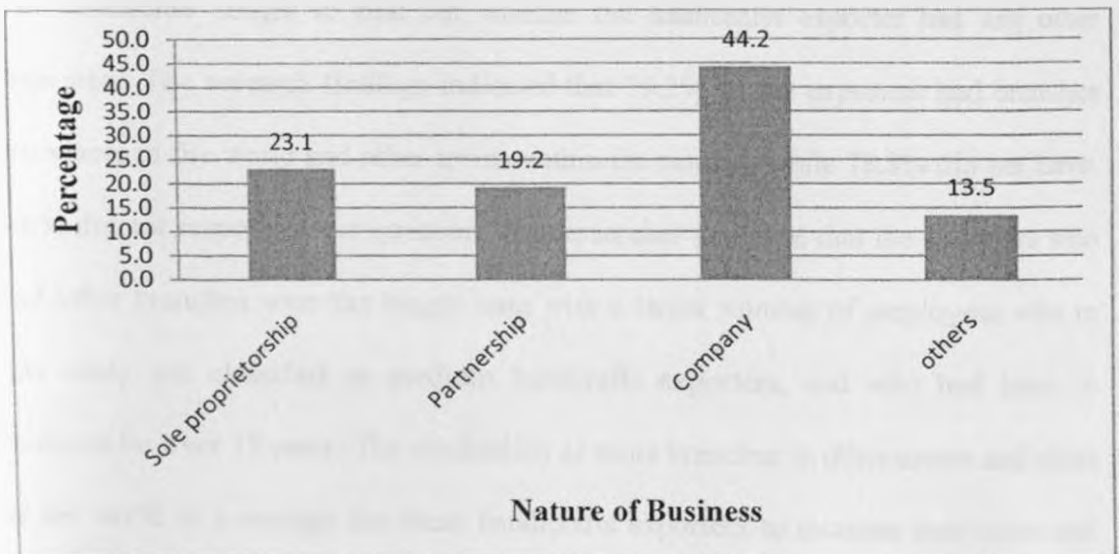
**Table 4.3: Level of Education**

	<b>Frequency</b>	<b>Percent</b>
Masters degree	6	11.5
Undergraduate	18	34.6
Diploma	11	21.2
Certificate	4	7.7
Secondary	11	21.2
Primary	2	3.8
<b>Total</b>	<b>52</b>	<b>100.0</b>

#### 4.3.4 Nature of Business

Figure 4.2 summarises the findings on the nature of business practised by the respondents. According to the findings, majority of businesses (44.2%) were held as companies, followed by sole proprietorship (23.1%), partnership (19.2%) and the rest (13.5%) were held as organizations such as non-governmental organizations, community based organizations and charitable enterprises.

**Figure 4.2 Nature of business**



### 4.3.5 Operational years

The study sought to find out the number of years the handcraft exporters had been in operation. The research findings indicated that most of the handicrafts exporters had been in business between 6 to 10 years (46.2%), 17.3% indicated that they had been in business between 11 to 15 years, 15.4% of the handicrafts exporters had been in business between 1-5 years while 13.5% and 7.7% of the exporters had been operating for over 20 years and 16 to 20 years respectively. This is an indication that the handicrafts export business is fast growing with more than 61% of the respondents having established their businesses within the last 10 years. This is shown in table 4.4.

**Table 4.4: Number of years in operation**

	<b>Frequency</b>	<b>Percent</b>
1-5 years	8	15.4
6-10 years	24	46.2
11-15 years	9	17.3
16-20 years	4	7.7
Over 20 years	7	13.5
<b>Total</b>	<b>52</b>	<b>100</b>

### 4.3.6 Availability of more branches

The researcher sought to find out whether the handcraft exporter had any other branches. The research findings indicated that 19.2% of the exporters had branches elsewhere in the world and other towns within the country while 78.8% did not have. 1.9% did not respond to the question. The researcher observed that the exporters who had other branches were the bigger ones with a larger number of employees who in this study are classified as medium handicrafts exporters, and who had been in business for over 15 years. The availability of more branches in other towns and cities of the world is a strategy for these handicrafts exporters to increase their sales and



market share within their country of operation and also the export market. These findings are shown in table 4.5 below.

**Table 4.5: Availability of more branches**

	Frequency	Percent
Yes	10	19.2
No	41	78.8
non response	1	1.9
<b>Total</b>	<b>52</b>	<b>100</b>

#### 4.3.7 Range of products

The researcher sought to know the range of products the small and medium handicrafts exporters dealt in. The findings indicated that exporters dealt with a variety of products and that a single exporter could deal in products from the various categories. The researcher attempted to group the products into the following categories; weaving and basketry, pottery, carvings, African jewellery, leather and canvas products, fabric and textiles, paper products, iron products, glass products and other functional items. The findings indicated that most respondents dealt in carvings followed by fabric and textiles, African jewellery, weaving and basketry and other functional items in that order. This is as shown below.

**Table 4.6: Range of products**

Product category	Number of exporters dealing in the product
Weaving and basketry	13
Pottery	1
Carvings	22
African jewellery	17
Leather and canvas products	12
Fabric and textiles	19
Paper products	5
Iron products	2
Glass products	2
Other functional items	13

### 4.3.8 Employees

The researcher wanted to know the number of employees when the handicrafts exporter started operating and the number of employees they currently have. The research findings indicate that most of the exporters (67.3%) started operations with between 1 and 5 employees. On the other hand, 36.5% of the handicrafts exporters had 1-5 employees at the time the study was conducted, while 27% of the exporters had over 20 employees at the time the study was conducted. This is an indication that handicrafts export business starts low and grows with time. This is shown in table 4.7.

**Table 4.7: Number of Employees when you started operating and current**

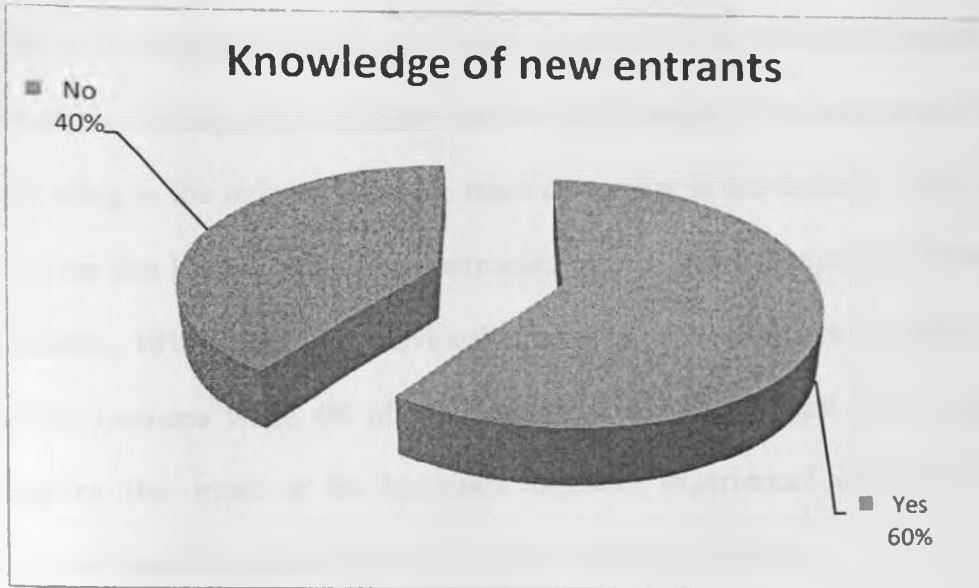
	Starting time		currently	
	Frequency	Percent	Frequency	Percent
1-5 employees	35	67.3	19	36.5
6-10 employees	8	15.4	10	19.2
10-15 employees	6	11.5	5	9.6
16-20 employees	3	5.8	4	7.7
over 20 employees	0	0	14	27.0
<b>Total</b>	<b>52</b>	<b>100</b>	<b>52</b>	<b>100</b>

## 4.4 Factors Influencing Competition

### 4.4.1 Knowledge of new entrants

The researcher sought to find out if the respondent had any knowledge of any new entrants into the handicrafts export business in the last one year. The research findings indicated that the majority of the players had knowledge on the existence of new entrants. 60% of those interviewed indicated that they knew of new entrants in the handicrafts export business while 40% indicated that they did not know of any new entrant. This is as illustrated in figure 4.3 below.

**Figure 4.3 Knowledge of new entrants**



**4.4.2 Number of new entrant known by the respondent**

The researcher further wanted to determine the number of such new entrants known to the current handcrafts exporter in the last one year. The research findings indicate that 78.1% of the respondents knew 1 to 5 new entrants into the handcrafts export businesses, 15.6% knew 6 to 10 new entrants into the handcrafts export business while 6.3% were aware of between 11 to 15 new entrants into the handcrafts export business. This implies that gradually, more people are venturing into this business which previously was thought to be a reserve of a few considering that 93.7% of the respondents know between 1 to 10 new entrants into this business. The findings are as illustrated in table 4.8.

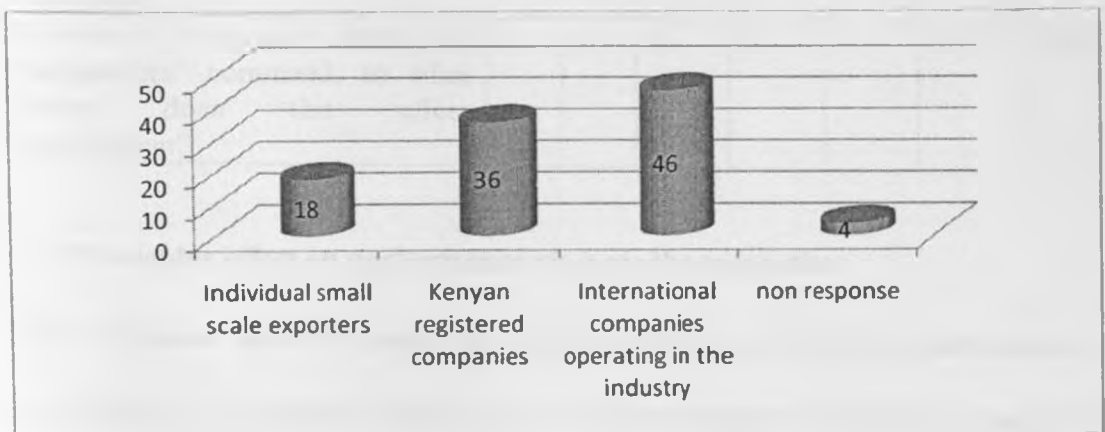
**Table 4.8: Number of new entrant known by the respondent**

	Frequency	Percent
1 – 5	25	78.1
6 – 10	5	15.6
11 – 15	2	6.3
<b>Total</b>	<b>32</b>	<b>100.0</b>

### 4.4.3 Main Competitors

The study sought to find out the main competitor in the handicrafts export business. From the findings, 46% of those interviewed indicated that international companies operating in the industry were the main competitor in the industry, 36% were of the opinion that Kenyan registered companies were the main competitors in the handcraft business, 18% argued that individual small scale exporters were the main competitors in the business while 4% of the respondents did not respond to the question. This implies that most of the handcraft exporters experienced competition from the international companies that were in operating in the industry.

**Figure 4.4: Main Competitors**



### 4.4.4 Industry factors influencing competition

The respondents were required to rate how various industry factors influence competition. A five point Likert scale was used to interpret the level of extent of the influence of the factor ranging from very great extent to not at all. Accorded to scale, those factors with not at all were awarded 1 while those with very great extent were awarded 5. Within the continuum are 2 for low extent, 3 for moderate extent and 4 for great extent. Mean and standard deviation were also used to analyse the data. According to the findings, the size of the business was mentioned as affecting the

ability of the firm to compete effectively. This was supported by a mean of 3.48 and standard deviation of 0.874. Another important factor was competitor's command of market share which had a mean of 3.19 and a standard deviation of 1.049. These findings are shown in table 4.9.

**Table 4.9: Industry factors influencing competition**

	Not at all	Low extent	Moderate extent	Great extent	Very great extent	mean	Std. Deviation
To what extent have the new entrants affected your business	15	9	19	9	0	2.42	1.091
To what extent does your size affect your ability to compete effectively	2	2	22	21	5	3.48	.874
In view of the market share your competitors' command, to what extent does this affect competition?	5	5	5	5	5	3.19	1.049

#### 4.4.5 Variables effect on performance vis-à-vis the competitor

Table 4.9 below shows the extent to which the given variables affect performance in the industry. A five point Likert scale was used to interpret the level of extent of the effects ranging from very great extent to not at all. Accorded to scale, those effects with not at all were awarded 1 while those with very great extent were awarded 5. Within the continuum are 2 for low extent, 3 for moderate extent and 4 to a greater extent. Also mean and standard deviation was used to analyse the data.

According to the findings, marketing strategy employed followed closely by resources and capital available to the organization were mentioned as affecting the performance of an organization to a very great extent vis-à-vis the competitor. This was supported by a mean of 3.88 with a standard deviation of 1.06 and 3.83 with a standard

deviation of 1.248 respectively. Other equally important factors were innovation, price and product mix which had a mean of 3.6 and 3.52 respectively. This implies that majority of handcrafts exporters consider having a good marketing strategy as a good tool to enable them perform better than their competitors. In addition, availability of capital and other resources enable the exporters diversify and establish branches in other countries hence enabling them to compete effectively.

**Table 4.10: Variables Effect On Performance Vis-À-Vis The Competitor**

	Not at all	Low extent	Moderate extent	Great extent	Very great extent	mean	Std. Deviation
Marketing strategy	2	2	14	16	18	3.88	1.060
Availability of capital and resources	2	7	12	8	23	3.83	1.248
Comparative product quality	4	8	20	12	8	3.23	1.131
Target markets	1	9	16	16	10	3.48	1.057
Product mix	3	9	10	18	12	3.52	1.196
Price	4	10	11	9	18	3.52	1.350
Innovation	1	6	16	19	10	3.60	.995

#### 4.4.6 Variables effect on competition

The researcher sought to find out to what extent the given variables affect competition in the industry. According to the findings, availability of capital and resources was mentioned as affecting competition to a very great extent and this is supported by a mean of 4.12. Another important factor was lower pricing followed by attractiveness of the products design which had a mean of 3.71 and 3.67 respectively. This implies that an organization's ability to ensure that its product prices are lower than those of the competitor enables it to compete effectively in the market. Furthermore, attractiveness of the products will appeal more to the target market making a firm or

organization have an edge over the competitor. On the other hand, profitability of a rival firm had a mean of 2.94 implying that compared to other variables, handcrafts exporters do not deem profitability of rival firms as affecting competition within the industry. The findings are shown in table 4.11.

**Table 4.11: Variables effect on competition**

	Not at all	Low extent	Moderate extent	Great extent	Very great extent	mean	Std. Deviation
Profitability of the rival firms	9	8	15	17	3	2.94	1.195
Geographical location	8	11	14	10	9	3.02	1.321
Availability of capital and resources	3	1	12	7	29	4.12	1.182
Ability to improve on the quality of the products	4	0	21	16	11	3.65	.905
Ability of the firm to differentiate its products	6	7	11	16	12	3.40	1.302
Quality of the products is good	3	8	10	18	13	3.58	1.194
The designs are attractive	3	9	9	12	19	3.67	1.294
Low price	3	7	15	4	23	3.71	1.319

#### **4.5 Competitive Strategies Adopted by Small and Medium Handcrafts Exporters in Kenya**

The second objective of the study was to determine the competitive strategies adopted by small and medium handcrafts exporters in Kenya. The purpose was to find out how the exporters competitively position themselves in order to survive and compete successfully. The data for this objective was collected by asking respondents the competitive strategies they have adopted to ensure they remain in business.

The findings indicated that there is a blend of Porter's generic competitive strategies as well as other strategies adopted by small and medium handcrafts exporters. The study grouped the three Porter's generic competitive strategies to determine which one is used more by the small and medium handicraft exporters. From the results, differentiation strategy emerged as the most preferred with a mean of 3.85, followed by focus strategy which had a mean of 3.65 while low cost strategy was the least preferred with a mean of 3.39. This depicts that, in overcoming competition, the handcraft exporters adopted differentiation strategy more, followed by focus strategy. Competitiveness among handcraft exporters is not pegged so much on pricing as mostly they sell goods of ostentation whose demand is inelastic to pricing. However, the exporters have to aptly establish and target their market need and most importantly differentiate their products from competition as this is invaluable ingredient of luxury goods under which handcraft products fall. This is as shown in the table below.

**Table 4.12 Competitive strategies adopted by small and medium handcrafts exporters**

<b>Competitive Strategy</b>	<b>Not at all</b>	<b>Very little</b>	<b>Some extent</b>	<b>Great extent</b>	<b>Very great extent</b>	<b>Mean</b>	<b>Std. deviation</b>
Low Cost Strategy	3.8	13.5	34.6	28.8	19.2	3.39	1.075
Differentiation Strategy	0	9.6	11.5	44.2	34.6	3.85	.928
Focus Strategy	0	17.3	21.2	30.8	30.8	3.65	1.082

#### **4.5.1 Cost advantage strategy**

Under the cost advantage strategy, the study established that players using this strategy found it prudent to undertake cost minimisation in areas such as number of staff employed as well as on overhead costs as indicated by mean scores of 3.71 and



3.52 respectively. This is because by limiting the number of employees and cutting on overhead costs, overall production and operation costs would reduce, which in turn would result in fairly priced products which can compete successfully in the market. The study further established that adopting a low cost strategy enabled handicrafts exporters attain a larger market share and also meet the targeted clientele as indicated by a mean score 3.69 and 3.38 respectively.

**Table 4.13: Cost advantage Strategy**

	Not at all	very little	some extent	Great extent	Very great extent	mean	Stu. Deviation
To what extent is your company/firm a low cost leader in the market	2	15	24	4	7	2.98	1.038
To what extent do you achieve your economies of scale through providing high volumes of standardised goods?	1	12	19	13	7	3.25	1.027
To what extent does your extensive network enable you to maintain a low cost strategy	1	14	19	12	6	3.15	1.017
To what extent do you undertake cost controls in the following areas of your business while maintaining the same quality of your products?							
Overhead costs i.e. office rent, communication, utilities	2	8	18	9	15	3.52	1.180
Number of staff employed	3	5	12	16	16	3.71	1.177
Innovativeness	3	11	10	15	13	3.46	1.244
Advertising	3	13	14	12	10	3.25	1.203
Customer service	3	5	23	9	12	3.42	1.126
Research and development	5	5	18	11	13	3.42	1.242
To what extent are you able to meet your target clientele if you were to use a low cost strategy	3	10	16	10	13	3.38	1.223
To what extent would a low cost strategy enable you to attain a large market share	2	5	16	13	16	3.69	1.130

#### 4.5.2 Differentiation Strategies

Differentiation involves creating a product that is perceived as unique by the customers. The unique features or benefits ought to provide superior value for the customer if this strategy is to be successful. Under differentiation strategy, firms thrive on understanding the unique customer needs and seeking to meet them. Through this strategy, unique product features provide superior value for the customers. Similarly, the firms using this strategy strive to differentiate their services in such a way that the competitors cannot imitate.

The study established an understanding of the differentiation strategy among the organisations owing to the nature of their responses. The study established that handcrafts exporters using this strategy perceived unique products as key in enabling them compete effectively in the market. This is shown through a high mean score of 3.96. Similarly, the ability of the organization to differentiate its products to satisfy the needs of customers and also ability to differentiate products so much so that competitors are unable to imitate were seen as important in achieving a competitive advantage over competitors as indicated by mean scores of 3.90 and 3.81 respectively. Whereas customers industry wide acknowledges the superiority of the organisation's products, not all customers will be willing or able to pay the required higher prices. In this case differentiation is compatible with relatively low costs and comparable prices to those of competitors.

**Table 4.14 Differentiation Strategy**

	Not at all	very little	some extent	Great extent	Very great extent	mean	Std. Deviation
To what extent does your organization offer differentiated products and services to satisfy the needs of your customers?	0	2	14	13	23	3.90	.823
To what extent do you sell to customers who are willing to be charged a premium price for superior quality products?	0	8	14	20	10	3.62	.973
To what extent are your goods perceived to be unique by your clientele	0	4	12	18	18	3.96	.949
To what extent are your products differentiated so much so that your competitors are unable to imitate	3	4	18	18	26	3.81	1.329

#### **4.5.3 Focus Strategy**

This strategy focuses on a particular buyer group, segment of the product line or geographical market. The focus strategy is built around serving a particular target very well, and each functional policy is developed with this in mind. The strategy rests on the premise that the firm is able to serve its narrow strategic target more effectively or efficiently than competitors who are competing more broadly.

The study established that handcrafts exporters using this strategy equally applied the approach of targeting a particular class of customers as well as entire class of customers as indicated by a mean score of 3.71. Players in the industry adopting this strategy mainly applied cost focus on a particular market segment so as to exploit cost behaviours in that segment as indicated by a mean score of 3.67. Respondents who applied differentiation focus on a particular market segment so as to exploit the special needs of buyers in that segment were fewer as indicated by a mean score of 3.50.

**Table 4.15: Focus Strategy**

Statement	Not at All	Very Little	Some Extent	Great Extent	Very Great extent	mean	Std. Deviation
To what extent does your organization apply the approach of targeting a particular class of customers	1	6	18	12	15	3.71	1.026
To what extent does your organization apply the approach of targeting the entire class of customers	1	7	11	23	10	3.71	.944
To what extent do you apply cost focus on a particular market segment so as to exploit cost behaviours in that segment	1	7	13	18	13	3.67	1.061
To what extent do apply differentiation focus on a particular market segment so as to exploit the special needs of buyers in that segment	1	9	16	15	11	3.50	1.076

**4.5.4 Strategies adopted when there is intense competition**

The researcher sought to find out which strategies handcrafts exporters resort to when there is intense competition in the market. The study found out that most handcrafts exporters resorted to offering innovative products to be able to compete effectively, as indicated by a mean score of 3.92. This was followed closely by looking for new markets with a mean score of 3.85 and carrying out market promotions with a mean score of 3.31. Fewer exporters however resorted to keeping prices same as

competitors and charging fair prices as indicated by mean scores of 3.27 and 3.12 respectively. This is shown in table 4.16 below.

**Table 4.16: Strategies adopted when there is intense competition**

	Not at all	very little	some extent	Great extent	Very great extent	mean	Std. Deviation
Offering innovative products	1	2	15	16	18	3.92	0.987
Looking for new markets	1	2	18	14	17	3.85	0.998
Keeping prices same as competitors	5	11	15	7	14	3.27	1.330
Carrying out market promotions	5	6	17	16	8	3.31	1.164
Charging fair prices that are lower than competitors	5	13	10	19	5	3.12	1.182

#### 4.5.5 Strategies Adopted during Low Demand

The researcher sought to find out strategies adopted by handicrafts exporters when demand for their product was low. The study found out that most exporters resorted to improving the quality of their products as indicated by a mean score of 3.94 followed by providing differentiated products with a mean of 3.87 and looking for new markets with a mean of 3.73. Fewer exporters resorted to giving price discounts as indicated by as mean score of 3.12. This is shown in table 4.17.

**Table 4.17 Strategies Adopted during Low Demand**

	Not at all	very little	some extent	Great extent	Very great extent	mean	Std. Dev
Giving price discounts	9	8	17	4	14	3.12	1.423
Providing differentiated products	1	8	11	9	23	3.87	1.205
Looking for new markets	1	7	19	6	19	3.73	1.115
Improving quality of products	0	3	13	20	16	3.94	.895

#### 4.5.6 Strategies to counter challenges of new entrants

The study sought to find out strategies handcrafts exporters resorted to when faced with the challenges of new entrants. The study established that when faced with this challenge, handcrafts exporters resorted to improving the quality of their products as depicted by a mean score of 4.04, followed by aggressively marketing of their products as indicated by a mean score of 3.92. Fewer respondents resorted to offering discounts to customers and lowering prices as indicated by mean score of 3.17 and 3.08 respectively. This is shown in table 4.18

**Table 4.18 Strategies to counter challenges of new entrants**

	Not at all	very little	some extent	Great extent	Very great extent	mean	Std. Deviation
Lowering prices	6	11	17	9	9	3.08	1.250
Offering discounts to customers	6	12	13	9	12	3.17	1.339
Aggressive marketing of products	1	5	11	15	20	3.92	1.082
Improving quality of products	2	1	13	13	23	4.04	1.066

#### 4.5.8 Other competitive strategies adopted by handcraft exporters

Table 4.19 illustrates the findings on other strategies adopted by handcrafts exporters so as to position themselves to compete effectively in the market. According to the findings, most of the respondents adopted modern technology such as e-marketing in their operations in order to compete successfully. In doing so, exporters are not only able to reach a wider market for their products, but are also able to communicate and receive orders for their products in the most efficient way possible. Use of e-business is of benefit to crafts exporters in that it enhances opening of new markets, easier communication and website benefits of displaying products to a wider audience 24

hours a day. This is indicated by a mean score of 3.73. Other strategies adopted include diversifying into other products and also venturing into new markets which had a mean score of 3.48 and 3.41 respectively. Participating in international product expos where Kenya entrepreneurs are invited was also identified as one of the strategies adopted. Under this, exporters are exposed to new markets where they establish more contacts hence widening the market for their products.

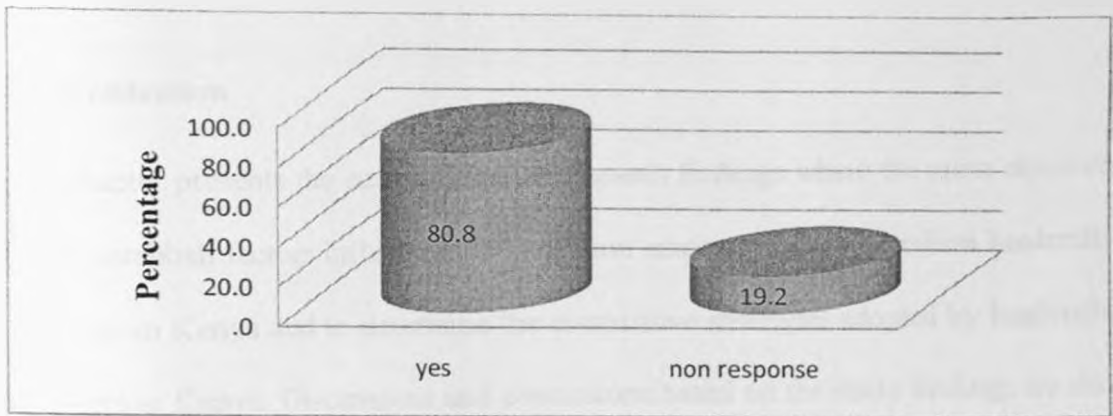
**Table 4.19: Adoption of other competitive strategies**

	Not at all	very little	some extent	Great extent	Very great extent	mean	Std. Deviation
Adopting modern technology in your operations such as e-marketing	1	8	14	10	19	3.73	1.173
Diversifying into other products/offering a wide range of products	6	8	8	15	15	3.48	1.365
Increasing the number of your outlets/branches	12	11	10	9	10	2.88	1.450
Participating in international product expos where Kenya entrepreneurs are invited	7	11	11	4	19	3.33	1.491
Forming strategic alliances	12	7	16	5	12	2.98	1.391
Venturing into new markets	5	8	12	13	13	3.41	1.299
Reducing prices of your products as compared to competitors	11	10	19	9	3	2.67	1.167

#### 4.6 Value of adopting Competitive Strategies

The researcher further sought to know whether adoption of competitive strategies was of any value to the handcrafts exporters. Majority (80.8%) of the respondents were of the opinion that adoption of competitive strategies were of great value to the organization while the rest (19.2%) did not respond to the question.

**Figure 4.5 Value of adopting competitive strategies**



#### **4.7 Operating environment**

Further the researcher requested the respondents' to indicate their level of agreement on the statements relating to the environment in which they operated in. According to the findings, most of the respondents agreed that their strategies are guided by the environmental variables within which they operate followed by those who agreed that the competition makes part of the environment. This is indicated by mean scores of 3.86 and 3.80 respectively. There were few respondents who felt that the industry has a dynamic environment that is hard to deal with and this is indicated by a mean score of 2.90. The findings are shown in table 4.20.

**Table 4.20: Operating environment**

	strongly disagree	disagree	neutral	agree	strongly agree	mean	Std. Deviatio
Our strategy is guided by the environment variables	1	3	12	25	11	3.86	.825
The competition makes part of environment	3	2	8	27	11	3.80	1.020
The industry has a dynamic environment that is hard to deal with	10	10	13	7	9	2.90	1.388



# CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

## 5.1 Introduction

This chapter presents the summary of the research findings where the main objective was to establish factors influencing competition among small and medium handcrafts exporters in Kenya and to determine the competitive strategies adopted by handcrafts exporters in Kenya. Discussions and conclusions based on the study findings are also discussed in this chapter. Finally, limitations of the study, recommendations and area for further research are discussed.

## 5.2 Summary of the Findings

The first objective was to establish factors influencing competition among small and medium handcrafts exporters in Kenya. To accomplish this, the researcher sought to find out the following; whether the respondents had any knowledge of new entrants and if so, the number of such entrants, main competitor in the handcrafts export business, industry factors influencing competition, variables effect on performance vis-a-vis the competitor and variables affecting competition in the industry.

The study established that majority of the respondents had knowledge on the existence of new entrants with 78.1% of the respondents knowing between 1 to 5 new entrants in the handcrafts export business. The study further established that majority of the respondents (46%) perceived international companies operating in the industry as the main competitor while 36% and 18% perceived Kenyan registered companies and individual small scale exporters as the main competitors respectively. The study also established that the size of the organization affected its ability to compete

effectively while fewer respondents felt that new entrants had any effect on competition. Marketing strategy employed followed closely by resources and capital available to the organisation were mentioned as affecting the performance of an organisation vis-a-vis the competitor to a very great extent while availability of capital and resources was further mentioned as affecting competition within the industry followed by price and attractiveness of the products.

The second and final objective of this study was to determine the competitive strategies adopted by handcrafts exporters in Kenya. The study established that the three generic strategies i.e. cost advantage, differentiation and focus were all applied in the industry. Differentiation is the most applied strategy with a mean of 3.85. Under the differentiation strategy, the players have to offer unique products in order to compete effectively in the market. Differentiation of products and services to satisfy the needs of customers is key to gaining competitive advantage over competitors and to maintain this advantage, the products have to be differentiated so much so that the competitors are unable to imitate.

Focus strategy follows with a mean of 3.65 and findings from the study indicate that players that have adopted this strategy have successfully identified their target markets and seek to meet the needs of the target market. The players who have adopted focus strategy exploit cost behaviours to benefit from the strategy while those that have adopted differentiation focus exploit special needs of the target market through tailoring specific products for them.

The cost advantage strategy, though not very popular, is applied with a mean of 3.39. Findings from players that have adopted this strategy indicate that although they are not cost leaders in the market, they have consistently undertaken cost controls in areas such as number of staff employed, overhead costs, research and development, customer service as well as advertising. The players portend that adoption of this strategy enable them attain a large market share and also meet target clientele.

The study also established that besides Porter's generic competitive strategies, handcrafts exporters have adopted other strategies to enable them successfully compete in the market. The key strategies which the players have widely adopted include adopting modern technology in their operations such as e-marketing (3.73), diversifying into other products or offering a wide range of products (3.48), venturing into new markets (3.41) and participating in international product expos where Kenya entrepreneurs are invited (3.33).

### **5.3 Conclusion**

From the findings, it can be concluded that differentiation strategy is the widely practiced competitive strategy by small and medium handcrafts exporters in Kenya. There is an excellent understanding of the theoretical foundations of differentiation strategy that enables the players successfully adopt the strategy and reap benefits from it. Focus strategy is second in adoption among small and medium handcrafts exporters in Kenya while cost advantage strategy is the least practiced.

Besides Porter's generic competitive strategies, one of the other key competitive strategies adopted by small and medium handcrafts exporters include adoption of

modern technology such as e-marketing. Diversifying into other products or offering a wide range of products is second in adoption while venturing into new markets and participating in international product expos where Kenya entrepreneurs are invited are third and fourth respectively.

#### **5.4 Limitations of the Study**

A major limitation to the study was that the researcher had difficulties getting information from some of the respondents who insisted that the questionnaire had to be filled either in the presence of or by the director/owner manager, who most of the time were busy and hard to come by. A reason cited for this is that very little research has been done in this area hence most respondents had never been involved in such an exercise and thus were not sure how this information was going to be used. This also explains the response rate which was at 65%.

#### **5.5 Recommendations for Further study**

Further studies can be conducted on competitive strategies adopted by all handcrafts exporters in Kenya regardless of their size and besides those registered under the Export Promotion Council to find out if there is similarity in terms of the competitive strategies applied.

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# APPENDICES

## APPENDIX I: LETTER TO RESPONDENTS

P.O Box 28163 – 00100  
Nairobi.  
15<sup>th</sup> May 2011.

Dear Sir/Madam,

### **RE: REQUEST FOR RESEARCH DATA**

I am a final year postgraduate student at the University of Nairobi, School of Business, majoring in Strategic Management. I am undertaking a research to establish factors influencing competition among small and medium handcrafts exporters and the strategies they have adopted to cope with competition.

In order to undertake the research, you have been selected as one of the respondents. This is therefore to request your assistance in filling the attached questionnaire as truthfully as you can. The information required is needed purely for academic purpose and will be treated in strict confidence. Even where a name has been provided, it will not under any circumstance appear in the final report.

A copy of the final report will be available to you upon request. Your assistance and cooperation will be highly appreciated.

Yours Sincerely,

**CHAO NYAMBU**  
**MBA STUDENT**



## APPENDIX II: QUESTIONNAIRE

### Section A: General Information:

1. What is your gender

Male ( )

Female ( )

2. In what bracket does your age fall?

18 – 25 ( )

26 – 32 ( )

33 – 40 ( )

41 – 45 ( )

Above 45 ( )

3. State your highest level of education

PhD ( )      Masters degree ( )      Undergraduate ( )      Diploma ( )

Certificate ( )      Secondary ( )      Primary ( )      None ( )

4. Nature of the business ( please tick appropriately)

Sole proprietorship ( )

Partnership ( )

Company ( )

Other (please specify).....

5. How many years have you been in operation?  
.....

6. (a) Do you have any other branches (please tick where appropriate)

Yes ( )                      No ( )

(b) If your answer to question 6 (a) above is yes please give the actual number and their location

Number of branches.....

Where  
found.....  
.....

7. Please list the range of your products

.....  
.....  
.....  
.....

8. Please indicate the following;

Number of employees you had when you started operating .....

Number of employees you currently have.....

**Section B**

9. (a) Do you know of any new entrant into the handicrafts export business in the last one year?

Yes ( )                      No ( )

(b) If your answer to question 9 (a) is yes, about how many such new entrants do you know?

1 – 5 ( )

6 – 10 ( )

11 – 15 ( )

Above 15 ( )

10. Who do you consider as the main competitor in the handicrafts business?

Individual small scale exporters ( )      Kenyan registered companies ( )

International companies operating in the industry ( )

11. For the questions below use a five (5) point scale where 1 = not at all, 2 = low extent, 3 = moderate extent, 4 = to a great extent, 5 = very great extent. (Tick appropriately)

	1	2	3	4	5
To what extent have the new entrants affected your business?					
To what extent does your size affect your ability to compete effectively?					
In view of the market share your competitors' command, to what extent does this affect competition?					
To what extent do the following aspects influence your performance vis-a-vis that of your competitors?					
• Marketing strategy					
• Availability of capital and resources					
• Comparative product quality					
• Target markets					
• Product mix					

• Price					
• Innovation					

12. How do the following variables affect competition in the industry?

Variables	1	2	3	4	5
	Not at all	Low extent	Moderate extent	Great extent	Very great extent
Profitability of the rival firms					
Geographical location					
Availability of capital and resources					
Ability to improve on the quality of the products					
Ability of the firm to differentiate its products					
Quality of the products is good					
The designs are attractive					
Low price					

13. For the questions below please tick where appropriate in the boxes below. Use a five (5) point scale where 1 = not at all, 2 = very little, 3 = to some extent, 4 = to a great extent and 5 = very great extent

	1	2	3	4	5
To what extent is your company/firm a low cost leader in the market?					

To what extent do you achieve your economies of scale through providing high volumes of standardised goods?					
To what extent does your extensive network enable you to maintain a low cost strategy?					
To what extent do you undertake cost controls in the following areas of your business while maintaining the same quality of your products?					
<ul style="list-style-type: none"> <li>• Overhead costs i.e. office rent, communication, utilities</li> </ul>					
<ul style="list-style-type: none"> <li>• Number of staff employed</li> </ul>					
<ul style="list-style-type: none"> <li>• Innovativeness</li> </ul>					
<ul style="list-style-type: none"> <li>• Advertising</li> </ul>					
<ul style="list-style-type: none"> <li>• Customer service</li> </ul>					
<ul style="list-style-type: none"> <li>• Research and development</li> </ul>					
To what extent are you able to meet your target clientele if you were to use a low cost strategy?					
To what extent would a low cost strategy enable you to attain a large market share?					
To what extent does your organization offer differentiated products and services to satisfy the needs of your customers?					
To what extent do you sell to customers who are willing to be charged a premium price for superior quality products?					
To what extent are your goods perceived to be unique by your clientele?					
To what extent are your products differentiated so much so that your competitors are unable to imitate?					
To what extent does your organization					

apply the approach of targeting a particular class of customers?					
To what extent does your organization apply the approach of targeting the entire class of customers?					
To what extent do you apply cost focus on a particular market segment so as to exploit cost behaviours in that segment?					
To what extent do apply differentiation focus on a particular market segment so as to exploit the special needs of buyers in that segment?					
When there is intense competition among handcrafts exporters, to what extent do you resort to the following?					
• Offering innovative products					
• Looking for new markets					
• Keeping prices same as competitors					
• Carrying out market promotions					
• Charging fair prices that are lower than competitors					
When faced with a fall in demand for your products, to what extent do you resort to the following?					
• Giving price discounts					
• Providing differentiated products					
• Looking for new markets					
• Improving quality of products					
To what extent do you resort to the following to counter challenges of new entrants?					
• Lowering prices					

• Offering discounts to customers					
• Aggressive marketing of products					
• Improving quality of products.					
To what extent does your organization lay emphasis on the following issues?					
• Competitive reward and remuneration package to attract and retain highly skilled labour					
• Reputation on quality of products					
• Efficiency and reliability in meeting client's needs					
To what extent has your organization adopted the following strategies over the past three years to stay competitive?					
• Adopting modern technology in your operations such as e-marketing					
• Diversifying into other products/offering a wide range of products					
• Increasing the number of your outlets/branches					
• Participating in international product expos where Kenya entrepreneurs are invited					
• Forming strategic alliances					
• Venturing into new markets					
• Reducing prices of your products as compared to competitors					

14. In your own opinion, is adoption of competitive strategies of any value to your firm?

15. Indicate your level of agreement with the following statements; (tick appropriately)

Statement	1 Strongly disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly agree
Our strategy is guided by the environment variables					
The competition makes part of environment					
The industry has a dynamic environment that is hard to deal with					



**APPENDIX III: LIST OF SMALL AND MEDIUM HANDCRAFTS EXPORTERS IN KENYA REGISTERED UNDER THE EXPORT PROMOTION COUNCIL**

<b>S/NO</b>	<b>NAME</b>	<b>LOCATION</b>
1.	Abizurah Trading Company	Budalangi
2.	Achievers textiles and handicrafts	Kitale
3.	Admirable arts africa	Nairobi
4.	Aduko Women group	Lodwar
5.	Adurable arts africa	Nairobi
6.	Africa art & craft enterprises	Nairobi
7.	Africa Clay & Arts	Nairobi
8.	Africa curios ltd	Nairobi
9.	African antique gallery	Nairobi
10.	African Corner Art & Craft	Nairobi
11.	African crafts & creations	Nairobi
12.	African Fine Art & Crafts	Nairobi
13.	African Unique Products	Nairobi
14.	Afrismart Curios	Nairobi
15.	Afrocrafts and Souvenirs Ltd	Eldoret
16.	Aimelia handicrafts	Nairobi
17.	Akamba Handicrafts	Mombasa
18.	Akolong Women group	Lodwar
19.	Ali a. Sheikh & sons ltd	Mombasa
20.	All Waters Fishing Flies	Nairobi
21.	All Africa Crafts	Nairobi

22.	Amazing crafts centre	Nairobi
23.	Amjof fine arts	Nairobi
24.	Anyole International	Nairobi
25.	Archievers Textiles & Handicrafts	Kitale
26.	Art & Craft Women Group	Nyeri
27.	Art Africa Creation Shop	Lodwar
28.	Art House (Kisumu)	Kisumu
29.	Arts of Africa	Nairobi
30.	Awila handicrafts	Nairobi
31.	A-Z Range of African Art	Nairobi
32.	Bambara crafts	Nairobi
33.	Bay handicrafts	Nairobi
34.	Beaux Mondes Agency	Nairobi
35.	Bemos Crafts	Nairobi
36.	Bingwa Curios	Nairobi
37.	Bombolulu Handicrafts Centre	Mombasa
38.	Bongesa Stone crafts	Kisii
39.	Brilliant handicrafts	Nairobi
40.	Brooksice fishing flies	Nairobi
41.	Bura fishing flies	Gilgil
42.	Buscon Enterprises Limited	Nairobi
43.	Bwango Self Help Group	Malindi
44.	Cedar Curios	Nairobi
45.	Centre for Indigenous Women and Children (CIWOCH)	Magadi
46.	Cesscolina Agencies	Mombasa
47.	Chapex Limited	Nairobi
48.	Christed Curios	Mwingi
49.	Chuka Weavers	Nairobi

50.	Citi handicrafts	Nairobi
51.	City Markets Handicrafts	Nairobi
52.	Coffee shop	Kitale
53.	Cordhand flies	Nairobi
54.	Crafts & Fashion Place	Nairobi
55.	Crafts & Things	Nairobi
56.	Crafts Caravan	Nairobi
57.	Crafts of Africa Cultural Gallery	Nairobi/Tabaka, Kisii
58.	Cream Ebenezer	Kisumu
59.	Cross Culture Crafts	Nairobi
60.	Curioland Trading	Nairobi
61.	Debbie crafts	Nairobi
62.	Dicorate Crafts Kenya	Nairobi
63.	Dignity and Hope Women group	Marsabit
64.	Donwell Crafts	Nairobi
65.	Dunga Cottage Incubatee for Kirdi	Kisumu
66.	Dupoto Handicrafts	Ngong
67.	Eastleigh Community Centre Presbyterian Church of East Africa	Nairobi
68.	Elgon Curios	Nairobi
69.	Eliye Springs Women group	Lodwar
70.	Embu Weavers	Nairobi
71.	Equitorial Handicrafts	Nyeri
72.	Esther Self Help Group	Kisumu
73.	Evanses Woven Fishing Flies	Kikuyu
74.	Fananisha crafts	Nairobi
75.	First Class Quarry Products Limited	Nairobi
76.	Friends of Kinangop	Nyandarua
77.	Fuata Nyayo Orphans & Widows	Nairobi

50.	Citi handicrafts	Nairobi
51.	City Markets Handicrafts	Nairobi
52.	Coffee shop	Kitale
53.	Cordhand flies	Nairobi
54.	Crafts & Fashion Place	Nairobi
55.	Crafts & Things	Nairobi
56.	Crafts Caravan	Nairobi
57.	Crafts of Africa Cultural Gallery	Nairobi/Tabaka, Kisii
58.	Cream Ebenezer	Kisumu
59.	Cross Culture Crafts	Nairobi
60.	Curioland Trading	Nairobi
61.	Debbie crafts	Nairobi
62.	Dicorate Crafts Kenya	Nairobi
63.	Dignity and Hope Women group	Marsabit
64.	Donwell Crafts	Nairobi
65.	Dunga Cottage Incubatee for Kirdi	Kisumu
66.	Dupoto Handicrafts	Ngong
67.	Eastleigh Community Centre Presbyterian Church of East Africa	Nairobi
68.	Elgon Curios	Nairobi
69.	Eliye Springs Women group	Lodwar
70.	Embu Weavers	Nairobi
71.	Equitorial Handicrafts	Nyeri
72.	Esther Self Help Group	Kisumu
73.	Evanses Woven Fishing Flies	Kikuyu
74.	Fananisha crafts	Nairobi
75.	First Class Quarry Products Limited	Nairobi
76.	Friends of Kinangop	Nyandarua
77.	Fuata Nyayo Orphans & Widows	Nairobi

78.	Garissa Industrial Handicrafts Co-op Society	Garissa
79.	Garments and Linen	Mombasa
80.	Genesis fishing flies	Nairobi
81.	Genève fishing flies company	Nairobi
82.	Gift Centre of Africa - Kenya	Nakuru
83.	Githara crafts	Limuru
84.	Global curio flea market ltd	Nairobi
85.	Graceland Hides and Leather	Nairobi
86.	Hagoi Embroidery	Nairobi
87.	Hera Timo Self help Group	Kisumu
88.	Hope Well Family Development Project	Siaya
89.	House Mark	Nairobi
90.	Hyacinth Crafts	Kisumu
91.	Imani Workshop	Eldoret
92.	Imara Designs	Nairobi
93.	Indegenious Resource Management Group	Marsabit
94.	Indiana Institute Global Health	Uasin Gishu - Eldoret
95.	Inkanashera EE Dorcas Widows Group	Kilgoris
96.	Interweave Crafts	Nairobi
97.	Isinya Weavers	Nairobi
98.	Isolo Weavers	Kitui
99.	Itumbe Forest Women Group	Kisii
100.	Iwaly Crafts	Nairobi
101.	Jade Collection and Gifts	Nairobi
102.	Janbella Kenya	Nairobi
103.	Jera fishing flies	Kabete
104.	Jory crafts company	Nairobi
105.	Joy Bringers	Eldoret

106	Joytex collections	Nyeri
107	Katchy Collections	Nairobi
108	Kawarara Art and Textile	Nairobi
109	Kazuri treasures ltd	Nairobi
110	Kenafro crafts	Nakuru
111	Kencan fish flies tiers	Kikuyu
112	Kencraft curios limited	Nairobi
113	Kenya crafts	Nairobi
114	Kenya Enterprise Microfund Organization	Nairobi
115	Kenya Flexo Gravure Ltd	Nakuru
116	Kick Trading,	Nairobi
117	Kimsa Crafts Enterprises	Gatundu
118	Kinangop Walemavu	Nyandarua
119	Kinangop Youth Development Summit	Kinangop/Ketengela
120	Kisac Fair Trade	Kisii
121	Kisii Association Soapstone (KISAC)	Kisii
122	Kisii Cooperative (KISCOP)	Kisii
123	Kisii Soapstone Exporters	Kisii
124	Kisumu Prosperity Initiative (WIFIT)	Kisumu
125	Kisumu Women Entrepreneurs Association	Kisumu
126	Kiwas crafts	Nairobi
127	Kossy Occasions Organiser	Nyeri
128	Kowil Women and Crafts	Kisumu
129	La Maison	Mombasa
130	Lazarin Handicrafts	Nairobi
131	Leather Masters	Nairobi
132	Leather Trading	Nairobi
133	Ledama african curios	Nairobi

134	Legend Lapidary Limited	Mombasa
135	Leo Art	Nairobi
136	Life Bloom Services International	Naivasha
137	Litha Crafts & Gifts	Nairobi
138	Maasai Mall Kenya Ltd	Nairobi
139	Maasai Village Weavers Crafts	Nairobi
140	Machakos District Cooperative Union	Machakos
141	Machina Pottery	Khayega, Kakamega
142	Madina crafts	Nairobi
143	Magoto Handicrafts- Gachie	Kiambu
144	Maisha Commodities	Mombasa
145	Malindi Handicrafts	Nairobi
146	Malindi Tourist Market	Malindi
147	Mamani general agencies / royal carvings international	Mombasa
148	Mambai Curios & Crafts and African Attire	Nairobi
149	Manyatta Curios	Nairobi
150	Marie Curios	Nairobi
151	Marja General Company	Nairobi
152	Mavisa Carvers & Exporters	Mombasa
153	Mazoea Carving Supplies	Mombasa
154	Messi Enterprises	Mombasa
155	Millenium Weavers	Nairobi
156	Millennium Handcraft Co-op	Ukunda
157	Milly Creation	Nairobi
158	Modern African Image Attire	Machakos
159	Mohazo Expo-Impo Company	Nairobi
160	Monda African Art limited	Nairobi
161	Morgen crafts	Nairobi

162	Motherkind Organization	Wajir
163	Mt Kenya Weavers	Nairobi
164	Munekah Enterprises	Nairobi
165	Musonge African Curios & Handicraft	Nairobi
166	Muongano Artists Selfhelp Group	Kisii
167	Nalamae Crafts	Nairobi
168	Nanyuki Spinners and Weavers	Nanyuki
169	National Volunteer Network Trust (NAVNET)	Nairobi
170	Natole Women groul	Kalokol
171	Ndiki Crafts Exporters	Nairobi
172	Ndovu Craft	Machakos
173	Nina curios	Nairobi
174	Njemba Weavers	Nairobi
175	Nobel Exports	Nairobi
176	Nzuri handicrafts	Nairobi
177	Ogres Beads Workshop	Lamu
178	Oligerm Enterprise	Nairobi
179	Omusi Crafts Enterprise	Nairobi/Siaya
180	Ontario Maasai Heritage Weavers	Nyeri
181	Oply Handicrafts	Nairobi
182	Opollo curios & crafts	Nairobi
183	Opouo curios & crafts	Nairobi
184	Oppollo Curios& Crafts	Nairobi
185	Oryx souvenirs & crafts	Nairobi
186	Palm international	Wajir
187	Pearls of Nature	Nairobi
188	Perfection Plus Ltd	Nairobi
189	Petanna Accessories	Nairobi



190	Primax Crafts	Kikuyu
191	Quill craft	Nairobi
192	Quill craft	Nairobi
193	Revelo Links	Mombasa
194	Rhoumel Enterprises	Nairobi
195	Rich Dad Investments	Nairobi
196	Ripage Curio & General Exporters	Nairobi
197	Rumacraft	Nairobi
198	Rumarco Traders	Eldoret
199	Sabara Curios	Nairobi
200	Saen Handicrafts	Nairobi
201	Sanis fishing flies	Nairobi
202	Sanpac Africa Ltd	Nairobi
203	Seventh gallery	Nairobi
204	Shalom Women Group	Makueni
205	Shalom Women Group	Ngunguni
206	Shangashanga Crafts	Malindi
207	Shanzu Transitional workshop for Disabled Young Women	Shanzu, Mombasa
208	Sifa Self Help Group	Kisumu
209	Siimati Enterprises	Nairobi
210	Simba Handicrafts	Nairobi
211	Solafricarts	Nairobi
212	St. Martin Marleen Crafts	Nyahururu
213	St. Nicholas Disabled and Abled Persons Self Help Group	Kinangop
214	Steel Head Fishing flies Outlet Company	Moi's Bridge
215	Stekawa Export & Import	Nairobi
216	Stowoobas Self Help Group	Tabaka, Kisii

217	Sue crafts	Nairobi
218	Summer hills fishing flies	Limuru
219	Suzi super crafts	Nairobi
220	Swara Handicrafts	Nairobi
221	Tabaka Mothers W. Group	Kisii
222	Tabaka Muungano Artisans	Kisii
223	Tabaka Riotoyo Youth Group	Kisii
224	Tabake Stone Creative artisan Centre	Kisii
225	Takawiri Creations	Kisumu
226	Talking Rugs and Carpets	Nairobi
227	Tarma Creative Handweavers and Designers	Nyeri
228	Tausi African Crafts	Nairobi
229	Teenage Mothers and Girls Association of Kenya (TEMAK)	Kisumu
230	Tendo International	Nairobi
231	The Glass Gallery Karen Blixen Garden	Nairobi
232	Timanto Technical Services	Nairobi
233	Tindi Entreprises	Nairobi
234	Tinga Tinga Lifestyle	Nairobi
235	Tireni handicrafts collections	Nairobi
236	Trueways Enterprises	Nairobi
237	Turkana Handicrafts Shop	Lodwar
238	Undugu Society of Kenya	Nairobi
239	Utamaduni Crafts	Nairobi
240	Uvuvi Fish Flies Suppliers	Nairobi
241	Vanton Craft Exporters	Nairobi
242	Wairimu Handicrafts	Nairobi
243	Wamu Investment Limited	Nairobi

244	Wasya Wa Mwaitu	Mwingi
245	Western Fishing Flies	Kakamega
246	Winsar kenya fishing flies	Kikuyu
247	Women In Fishing Industry Project (WIFP)	Kisumu
248	Worldlink Curio	Nairobi
249	Worldlink Curio Crafts	Nairobi
250	Zajiuza crafts & souvenirs	Nairobi
251	Zam Zam Weavers	Embu
252	Zawadi collections	Nairobi
253	Zingira	Kisumu
254	Zingira Nyanza	Kisumu
255	Zuri Crafts	Nairobi