

// COMPETITIVE STRATEGIES EMPLOYED BY FIRMS IN THE COURIER
INDUSTRY IN KENYA ^

CATHERINE W. ILOVI

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A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT
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DECLARATION

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

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Ilovi Catherine W.

Reg. No. D61 /P/8273/03

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

Signed }  Date U \ / i

Mr. Jackson Maalu

Department Of Business Administration

School Of Business

University Of Nairobi

DEDICATION

To my Dad and Mum who instilled in me the importance of education and to my siblings for your continuous support and inspiration when I felt like giving up.

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ABSTRACT

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. There are basically three competitive advantage strategies that companies can adopt i.e. cost advantage, differentiation and focus.

This study set out to establish the competitive strategies adopted by firms in the courier industry in Kenya and the challenges faced in implementing the strategies. The data was collected through well-structured questionnaires targeting Chief Executive Officers and marketing Managers of the firms. The findings indicated that the above-mentioned competitive strategies are at play in the country with majority of the firms adopting cost advantage. The firms similarly adopt different means of sustaining their competitive strategies.

The strongest challenges to competitive strategy implementation were competitor reaction and change management while the least challenging were technological competence and management support. Based on the findings of the study, various conclusions, recommendations for policy and practice as well as further study have been made.

CHAPTER ONE: INTRODUCTION

1.1 Background

1.1.1 Concept of Competitive Strategy

Strategic management is a systematic approach to position and relate the firm to its environment in a way that will assure its continued success and make it secure from environmental surprises (Ansoff and McDonnell, 1990) Hamel and Prahalad (1989) perceived an organization as a foundation for sustained competitive advantage when it possesses skills or resources that provide superior value to customers and that are difficult to imitate.

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

Aosa (1992) noted that the actions of competitors have a direct impact on a firm's strategy. He further stated that strategy will only make sense if the markets to which it relates are known; and pointed out that the nature of the industry in which the company operates needs to be understood. The structure of an industry and trend in that industry will help the current and future attractiveness of that industry.

In the 1990's, many companies acknowledged the critical importance of being customer oriented, paying attention to after sales services, and responsiveness of employers (Kotler, 1997). Hamel and Prahalad (1989) noted that while both restructuring and re-engineering are legitimate and important tasks, they have more to do with sharing today's business than with building tomorrow's industry.

Aarker (1989) further pointed out that long - term success involves creating, managing and exploiting assets and skills that competitors find difficult to match or counter. This involves three steps i.e. identifying relevant skills and assets by observing successful and unsuccessful firms, key customer motivations, large value added items, and mobility barriers; selecting those skills and assets that will provide an advantage over competitors, will be relevant and appropriate for the future, and will be feasible, sustainable and appropriate for the future; and developing and maintaining those of competitors. He further observed that there are three basic ways to compete, namely, on the basis of delivery, quality and price.

Competitive advantage describes the way a company can choose and implement a generic strategy to achieve and sustain competitive advantage over competitors in an industry. According to Porter (1998) the main tool for diagnosing competitive advantage and finding ways to enhance it is the value chain, which divides a company into the discrete activities it performs in

designing, producing, marketing and distributing its products. The value chain is an independent system or network of activities connected by linkages. Linkages occur when the way in which one activity is performed affects cost or effectiveness of other activities (Porter 1990)

Competitive advantage is a company's ability to perform in one or more ways that competitors cannot or will not match. Companies strive to build sustainable competitive advantages. Those that succeed deliver high customer value and satisfaction which leads to a high repeat purchases and therefore high company profitability (Kotler 1997)

Competitive advantage is at the heart of a company's performance in competitive markets. It is about how a company puts the generic strategies into practice and it grows fundamentally out of the value a firm is able to create for its buyers (Porter 1990) It may take the forms of prices lower than competitors for equivalent benefits or the provision of unique benefits that more than offset a premium price.

Thompson & Strickland (2002) argue that competitive strategy 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. Competitive advantage in companies grows out of the way the companies organize and perform discrete activities.

1.1.2 Overview of the Courier Industry

A courier is a person or company employed to deliver messages, packages and mail. Courier services refer to any specialized service for the collection, dispatch, conveyance, handling and delivery of postal articles. Couriers are distinguished from ordinary mail services by features such as speed, security, tracking, signature, specialization and individualization of services, and committed delivery times, which are optional for most everyday mail services. Courier Services (2008) Retrieved August 20, 2008, from [http://www.courierservices.com/competition\(2008\)](http://www.courierservices.com/competition(2008))

As a premium service, couriers are usually more expensive than usual mail services, and their use is typically restricted to packages where one or more of these features are considered important enough to warrant the cost. Different courier services operate on all scales, from within specific towns or cities, to national, international and express services.

In the USA the courier industry has long held an important place in United States commerce and has been involved in pivotal moments in the nation's history such as westward migration and the gold rush. Wells Fargo was founded in 1852 and rapidly became the pre-eminent package delivery company. The company specialized in shipping gold, packages and newspapers throughout the West, making a Wells Fargo office in every camp and settlement a necessity for

commerce and connections to home. Courier Services (2008) Retrieved August 20, 2008, from [http: //www. courier services/competition\(2008\)](http://www.courier services/competition(2008))

Shortly afterward, the Pony Express was established to move packages more quickly than the traditional method, which followed the stagecoach routes. It also illustrated the demand for timely deliveries across the nation, a concept that continued to evolve with the railroads, automobiles and interstate highways and which has emerged into today's courier industry, [http: //www. courier services/competition.\(2008\) by Google Kenya](http://www.courier services/competition.(2008) by Google Kenya).

In Kenya, FEDEX has recently started delivering sensitive packages used by biomedical laboratories. It is the only courier company doing it due to its advanced technology. Great care needs to be adhered for the items to remain usable. Courier companies are also used in the manufacturing industry which require parts to keep their plants operating, financial institutions need money transferred from one bank to the other, law firms have confidential signature documents on strict deadline and pharmaceutical companies use them to transport medicine to hospitals. Courier Services (2008) Retrieved August 20, 2008, from [http: //www. courier services/competition\(2008\)](http://www.courier services/competition(2008)). There is emphasis on same day deliveries to meet customer's expectations. The customer will always want feedback on the items they have sent hence courier companies have come up with a tracking system to enable their clients know their package status.

In Kenya, we have Inter-City and Intra-City Courier services. Inter-City is whereby courier companies are licensed to deliver packages within the other major towns while Intra-City is where courier companies are licensed only to deliver within a specific town. From there onwards, a courier company can work on regional, national and International level. When engaging a courier company, an agreement has to be drawn to know the terms and conditions of the service. Currently the Communications Commission of Kenya has licensed 81 courier operators (See Appendix I)

1.2 Statement of the problem

The notion underlying the concept of generic strategies is that competitive advantage is at the heart of any strategy and achieving competitive advantage requires a company to make a choice about the type of competitive advantage it seeks to attain and the scope within which it will attain it. Competitive advantage provides the architecture for describing and assessing strategy, linking it to company behaviour and understanding the sources of competitive advantage (Porter 1998)

The deregulation of the courier industry in the early ninety's gave way to free market systems. This implied that players had to set their own profit margins and practice no cartels in their operations. Competing on price, product and services offered to customers waf'fience ushered in. This competition, both among emerging couriers and the already established ones, has greatly

necessitated the need for competitive strategies for firms to survive in the industry.

The business environment in the country has changed in various ways since 1990's with economic decline recorded in the 90's upto the year 2003 when positive growth was recorded. This has resulted to courier firms serving the rural areas while others are going global. There has also been growth in the industry with numerous small courier firms been established and hence also helping to keep the pricing competitive. This too calls for the players in the industry to keep adapting their competitive strategies so as not to be edged out of the market.

The dynamism of the courier industry makes it an interesting field of study. Previous studies have not ventured to this field, which makes the study stand out. Whereas the retail sector competitive strategies was studied by Kombo in (1997), competitive strategies employed by banks was studied by Gathoga (2001) and competitive strategies in the Real Estate was studied by Karanja (2002), no study has been carried out for the competitive strategies in the courier service. Thus, this research will seek to provide an insight into what competitive strategies are adopted by courier companies. The research will seek to fill the existing knowledge gaps in this area of study by answering the following questions what are the competitive strategies adopted by courier firms in Kenya?

1.3 Objectives of the Study

The objectives of the study will be to:

- i) To determine the competitive strategies adopted by courier firms in Kenya
- ii) To establish the challenges faced in implementing competitive strategies by courier firms in Kenya

1.4 Significance of the Study

To researchers and academicians, this research will provide an understanding of the nature of competitive strategies adopted by courier firms in Kenya. It will expose the depth of understanding and practise of competitive strategy in the courier industry. 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 management of courier firms and owners an understanding of the various competitive strategies that they could adopt. This will help in improving their performance as well as aiding policy formulation.

CHAPTER TWO: LITERATURE REVIEW

2.1 The Concept of Strategy

Different authors have defined strategy in different ways. The various definitions suggest that the authors gave selective attention to aspects of strategy, which are all relevant to our understanding of the concept (Aosa 1992). Chandler (1962) defined strategy as the determination of the basic long-term goals and objectives of an organization, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Chandler considered strategy as a means of establishing the purpose of an organization by specifying its long-term goals and objectives, action plans and resource allocation patterns to achieve the set goals and objectives.

Schendel and Hofer (1979) argue that strategy may be defined as the broad program of goals and activities to help a company achieve success. They see strategy as the match between an organisations resources and skills and environmental opportunities and risks it faces and the purposes it wishes to accomplish. Organisations have to align their activities to match the new environment. Hayes and Upton (1998) allude that sound strategy formulation and implementation will not only help a company to meet the challenges of competition but it can also enable a company to defend or attack competitors successfully and hence survive and prosper in the current dynamic and turbulent environment.

Strategy helps a firm to keep its customers by meeting customers expectations and the changing tastes and preferences. According to Grant (2000) there is no agreed all embracing definition of strategy. Indeed, strategy is an elusive and somewhat abstract concept. He argues that this is expected when dealing with an area that is constantly developing. Strategy is the direction and scope of an organisation over a long term. Strategies are systematic choices about how to deploy resources to achieve goals (Safford 2005)

Strategy is a deliberate search for a plan of action that will develop a business's competitive advantage and compound it. For any company, the search is an interactive process that begins with recognition of where you are now and what you have now. The most dangerous competitors are those that are most like you. The differences between a company and its competitors are the basis of its advantage. If a firm is in business and is self supporting, then it already has some kind of advantage, no matter how small or subtle (Clayton 1997)

The objective is to enlarge the scope of the advantage, which can only happen at some other firm's expense (Clayton 1997). Equally important, a strategy serves as a vehicle for achieving consistent decision-making across different departments and individuals. Hamel & Prahalad (1989) view organisations as composed of many individuals all of whom are engaged in making decisions that

must be coordinated. For strategy to provide such co-ordination requires that the strategy process act as a communication mechanism within the firm. Such a role is increasingly recognised in the strategic planning processes of large companies.

2.2 The Concept of Competition

One of the environmental influences to a business arises from competition. Increased competition threatens the attractiveness of an industry and reducing the profitability of the players. It exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the competitive environment. Companies therefore focus on gaining competitive advantage to enable them respond to and compete effectively in the market (Johnson and Scholes 2002)

By identifying their core competences, firms are able to concentrate on areas that give more lead over their competitors. According to Johnson and Scholes (1997), core competencies are more robust and difficult to imitate because they relate to the management of linkages within the organisation value chain and to linkages into the supply and distribution chains. Porter (1980) postulates that the essence of strategy formulation is coping with competition. The major sources of barriers to entry are economies of scale, product differentiation, capital requirements, cost disadvantage and access to distribution channels.

Competitive Strategies and environment being the link between the competitive strategies used to the performance achieved, it is evidenced that the strategy is a game plan that creates a match between a firms capabilities and the environment. It is an action plan that a firm takes in order to achieve a set goal aimed at responding to changes in the environment. Strategy guides firms to superior performance through establishing competitive advantage (Porter's 1990).

Competitive advantage and strategy whereby the development of sustained competitive advantage lies at the core of strategy development. For a firm to have a competitive advantage it has to have business strategy that improves the competitive position of its products and services. A business strategy can be too competitive if it involves battling out with other competitors or co-operate, working with one or more competitors to gain advantage against other competitors (Johnson and Scholes 2003)

Firm's resources can be classified into capital, human and organisational resources (Barney 1991). There are companies that have a lot of money hence allocate it on research and development as well as corporate brand identity. It is through these resources that they are able to compete on lower costs or better products rather than tactical. manoeuvring or product market positioning.

Porter (1995) came up with the value chain, which has a systematic way of examining the activities a firm performs and how the activities interact in order to analyze the source of competitive advantage. Mercy (2006) states that competitive Advantage disaggregates a firm into its strategically relevant activities in order to understand the behaviour of cost and the existing and potential sources of differentiation. A firm gains competitive advantage by performing the strategically important activities more cheaply or better than its competitor.

Competitive Advantage may not always be achieved by competition alone. According to Johnson and Scholes (2003) collaboration between organisations may be a crucial ingredient in achieving advantage or avoiding competition. Organisations may compete in some markets and collaborate in others or even do both. Johnson and Scholes (2003) state that collaboration between potential competitors or between buyers or competitors or between buyers and sellers is likely to be advantageous when the combined costs of purchase and buying transactions (such as negotiating and contracting) are lower through collaboration than the cost of operating alone. Such collaboration also helps build switching of costs.

According to Mintzberg, et al (1999), there are three types of assets that help build a competitive Advantage. Organisational and Managerial process is where it involves co-ordinating teamwork and how it responds to the changing environment. Positions is where technological assets in relation to other firms, functional assets that bring out efficiency. Path dependencies is where at the birth of a company, usually it is accompanied with certain orientations that stay with the company for a long time. The path the company takes then determines the development of its competencies.

2.3 Competitive Strategies

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 TQM, benchmarking and re-engineering (Safford 2005).

Dramatic operational improvements have resulted, but rarely have these gains translated into sustainable profitability. Kotler et al (1997) holds that winning competitive strategy is always founded on consistently understanding and predicting changing market conditions and customer needs. A competitive

advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Kombo (1997) points out that a competitive advantage enables the firm to create superior value for its customers and superior profits for itself.

Karemu (1993) in a study of the state of strategic management in the retail sector found that there was intense competition among the supermarkets in Nairobi. The study found that service, location and varieties in merchandise had a competitive advantage. Due to competition, companies have to find less threatening ways to do business, keeping their customers loyal hence they are able to survive. Firms are in competition with each other when they try to sell identical products and services to the same group of customers or try to employ factors from the same group of supplies.

Newman, et al (1989) identifies challenges that may hinder a company not to implement its competitive strategies. They are financial requirements that could be too high hence company can't afford. Regulatory issues imposed by the government and the industry to discourage the industry from being flooded hence few players in that field and the ability of the company owners and managers on how best they can manage the business. Kotler et al (1997) holds

that a winning competitive strategy is always founded on consistently understanding and predicting changing market conditions and customer needs.

2.4 Porter's Generic Strategies

Porter (1990) has described a category scheme consisting of three general types of strategies that are commonly used by businesses. These three generic strategies are defined along two dimensions: strategic scope and strategic strength. Strategic scope is a demand-side dimension and looks at the size and composition of the market a firm intends to target. Strategic strength is a supply-side dimension and looks at the strength or core competency of the firm. In particular he identified two competencies that he felt were most important: Cost leadership, differentiation and focus.

2.4.1 Cost Leadership Strategy

This is whereby a company sets out to be the low- cost producer. The company has a broad scope and serves many industry segments and may even operate in related industry. By producing high volumes of standardized products, the firm hopes to take advantage of economies of scale and experience curve effects. The product is often a basic no-frills product that is produced at a relatively low cost and made available to a very large customer base (Porter 1998).

Porter (1998) points out that maintaining this strategy requires a continuous search for cost reductions in all aspects of the business. The associated distribution strategy is to obtain the most extensive distribution possible. Promotional strategy often involves trying to make a virtue out of low cost product features.

Similarly, to be successful, this strategy usually requires a considerable market share advantage or preferential access to raw materials, components, labour, or some other important input. Without one or more of these advantages, the strategy can easily be mimicked by competitors. Successful implementation also benefits from process engineering skills, products designed for ease of manufacture, sustained access to inexpensive capital, close supervision of labor, have a tight cost control and incentives based on quantitative targets.

Cost advantage can be achieved through obtaining raw materials at lower prices than competitors, producing more effeciently, being located in an areas where labour cost is low, getting advantages of lower cost distributions, making sure that costs are reduced in operational areas which have great impact on price and going where competitors have a lower markket share and consequent higher costs (Johnson and Scholes 2002)

2.4.2 Differentiation Strategy

Porter (1998) points out that differentiation involves creating a product that is perceived as unique. The unique features or benefits should provide superior value for the customer if this strategy is to be successful. Because customers see the product as unrivaled and unequalled, the price elasticity of demand tends to be reduced and customers tend to be more brand loyal. This can provide considerable insulation from competition. However there are usually additional costs associated with the differentiating product features and this could require a premium pricing strategy (Porter 1998)

Porter (1998) argues that to maintain this strategy the firm should have strong research and development skills, strong product engineering skills, strong creativity skills, good cooperation with distribution channels, strong marketing skills and incentives based on subjective measures. It should also be able to communicate the importance of the differentiating product characteristics, stress continuous improvement and innovation, attract highly skilled, creative and innovative people.

2.4.3 Focus Strategy

According to Porter (1998) in focus strategy the firm concentrates on a select few target markets. It is also called a focus strategy or niche strategy. It is hoped that by focusing your marketing efforts on one or two narrow market segments and tailoring your marketing mix to these specialized markets, you can better meet the needs of that target market. The firm typically looks to gain a competitive advantage through effectiveness rather than efficiency.

Focus strategy may be used to select targets that are less vulnerable to substitutes or where a competition is weakest to earn above-average return on investments. Cost focus exploits differences in cost behaviour in some segments while differentiation focus exploits the special needs of buyers in certain segments. Such difference imply that the segments are poorly served by broadly- targeted competitors who serve them at the same time with others.

A company that engages in the above strategies but fails to achieve any of them is "stuck in the middle". They hardly get any profits. A company that gets stuck in the middle needs to decide a low cost strategy in a broad or narrow market or offer a differentiated or unique product or service in a broader narrow market (Porter 1998).

Structurally, the generic strategies that generate competitive advantage for companies can be represented as below:

Figure 1: Competitive Advantage

| Low Cost | Differentiation |
|---------------------------------------|--|
| 1. Cost Leadership. (Broad Target) | 2. Differentiation (Broad Target) |
| 3A. Cost Focus (Narrow Target) | 3B. Differentiation Focus (Narrow Target) |

(Source Porter, M. (1998) Competitive Strategy The Free Press, New York pp

Porter's (1990) identified the five forces of competition as the threat of new entrants whereby people are attracted to new products in the market hence want to buy something that is new in the market. The other force is the threat of powerful suppliers and buyers. A supplier is powerful if the market is dominated by a few companies and it is more concentrated than the industry it is selling to or the product is unique. A buyer is powerful if they buy in large volumes or the products are undifferentiated. The threat of substitute products also is a force identified by Porter. Substitute products is where a customer has an option of buying another product that can be used as a replacement.

2.5 Challenges in the Implementation of Competitive Strategies

The implementation of strategies may be hindered by competitive challenges that reduce the effective utilisation of strategies developed. Lamb and Boyden (1984) identified three competitive challenges, which are financial requirements, Government and industry imposed regulations and the ability of the firm's owners and managers. Challenges faced by companies when implementing strategies include availability of financial resources, high cost of borrowing funds, marketing abilities, staff skills, changing customer and external environmental needs, government regulations and the complexity of coordinating all the firms activities in pursuit of the agreed strategy

Porter (1998) points out that the major challenge with cost leadership strategy is the ability of competitors to produce a similar product at a lower cost. The success of competitors in realizing this would put the cost leader at par with competitors rendering the strategy unsustainable. On the other hand, the major challenge with the differentiation strategy is the firm's ability to maintain its product perceived unique. Competitors may imitate the product thus eroding the uniqueness.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The study adopted a descriptive design. The survey design is best suited for this kind of study since it allows the researcher to identify what, who, why and how the competitive strategies are applied across the industry. The descriptive design provides an in-depth understanding of the variables under study while providing an opportunity to probe the variables at length.

3.2 POPULATION

The population of the study was all the courier firms currently operating in Kenya. Currently, records from the Communications Commission of Kenya (CCK) website indicate that there are 81 registered courier firms in Kenya.

3.3 DATA COLLECTION

The data was collected using a questionnaire with both closed and open-ended questions. Primary data was mainly used in the survey. Primary data for the study was collected by way of using the questionnaire. The questionnaire targeted the Chief Executives or marketing managers because they were in a position to give information regarding the whole company. One questionnaire was given to the 81 courier companies. The researcher dropped and picked the questionnaires later after they had been filled.

During the data collection, the researcher probed any issues that were deemed necessary. To enhance the response rate, a letter of introduction (See Appendix II) was attached to explain the intentions of the study and hence allay any respondent's fears.

3.4 DATA ANALYSIS

The data analysis sought to identify the competitive strategies adopted by the courier firms as well as the challenges faced in implementing the strategies. After all questionnaires were fully completed and received, they were checked and verified to ensure consistency, exhaustiveness and completeness in the information expected. Measures of central tendencies like mean, mode and median were used

Descriptive methods of data analysis based on variables such as presence of competitive strategies, scope of competitive strategies, reasons for implementing competitive strategies and the challenges faced in implementing the strategies among others were analysed. Mean scores and frequency tables analysed through frequency counts and percentages were used to determine the level of competition.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 INTRODUCTION

This chapter gives the finding of the research project whose objectives were to determine the competitive strategies adopted by courier firms in Kenya and the challenges faced while implementing the strategies. The study findings have been analysed using descriptive statistics e.g. means and frequencies and various inferences made based on the data findings. The researcher successfully obtained data from 45 courier firms out of the registered 81. It emerged that some companies like Dolphin Coaches Ltd, Kenya Bus Services Ltd and Mudoba Express Services Ltd among others have closed down.

4.2 PROFILE OF RESEARCHED FIRMS

Records available from Communications Commission of Kenya (CCK) indicate that there are 81 courier firms registered to operate in Kenya. The researched firms included international operators (e.g. DHL Worldwide Express K Ltd), International Inbound Operators (e.g. BKB Couriers Ltd), Regional operators (e.g. Securicor Security Services (K) Ltd), Intra City Operators (e.g. Petty Errands Ltd), intra country operators (e.g. Silver Star Parcel Services Ltd) and the Public Postal Operator - Postal Corporation of Kenya. The firms have been in operation for a range of years from the oldest registered in 01/07/1999 to the most recently registered in 12/07/2006.

4.3 COMPETITIVE STRATEGIES ADOPTED BY COURIER FIRMS IN KENYA

The first objective of the study was to determine the competitive strategies adopted by courier firms in Kenya. The purpose was to find out how the firms 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 adopted by Kenyan courier firms. Out of the total 45 surveyed firms in this research, 46.7% indicated that they used cost advantage strategy while 33.3% used differentiation strategy. The remaining 20% adopted focus as their competitive strategy. The distribution is as shown in the table below.

Table 1: Competitive Strategies

| Competitive Strategy | Frequency | Percentage | Cumulative Percentage |
|-----------------------------|------------------|-------------------|------------------------------|
| Cost Advantage Strategy | 21 | 46.7 | 46.7 |
| Differentiation Strategy | 15 | 33.3 | 80.0 |
| Focus Strategy | 9 | 20.0 | 100.0 |
| | 45 | 100.0 | |

(Source: Research Data 2008)

4.3.1 COST ADVANTAGE STRATEGY

Under the cost advantage strategy, the study established that players using this strategy perceive their companies as the low cost leaders in the industry. This was shown through a high mean score of 2.43. Similarly, companies using this strategy achieve their economies of scale through providing high volumes of standardized services as well as constantly searching for cost reduction avenues. The mean score on both parameters was 2.38.

The study further established that in the cost advantage strategy, players have been able to reach their target clientele as well as attain a large market share. The mean score on this variable was 2.19. It also emerged that companies using this strategy have a wide branch network that helps maintain the strategy. The mean distribution of the variables studied under cost advantage is as shown below: -

Table 2: Cost Advantage Strategy

| Variable | Minimum | Maximum | Mean | Standard Deviation |
|--------------------------------|---------|---------|------|--------------------|
| Low cost leadership | 1 | 5 | 2.43 | 1.076 |
| Broad scope and wide clientele | 1 | 4 | 2.24 | 0.889 |
| Economies of scale | 1 | 4 | 2.38 | 0.973 |
| Cost reduction strategies | 1 | 4 | 2.38 | 0.973 |
| Extensive Branch Network | 1 | 4 | 2.19 | 0.928 |
| Large Market share | 1 | 4 | 2.19 | 1.030 |
| Reaching Target Clientele | 1 | 4 | 2.00 | 0.949 |

(Source: Research Data 2008)

Maintaining the cost advantage strategy is largely dependent on ensuring the companies are located near the customers. This is further supplemented by having cost reduction strategies and ensuring low labour costs. Having a large network scored low at 2.38 indicating that the strategy is to an extent dependent on the branch network available. The findings indicate a good understanding of the practicability of the cost advantage strategy. Through locating near customers and having cost reduction strategies, the firms cut on their operational costs and hence can compete successfully using this strategy. The mean distribution of the various -parameter of maintaining the cost advantage strategy is as shown in the table below:

Table 3: Maintaining Cost Advantage Strategy

| Variable | Minimum | Maximum | Mean | Standard Deviation |
|----------------------------------|----------------|----------------|-------------|---------------------------|
| Near customers location | 1 | 4 | 1.71 | 0.956 |
| Large network in the country | 1 | 5 | 2.38 | 1.359 |
| Ensuring low labour costs | 1 | 3 | 1.86 | 0.727 |
| Having minimal operational Costs | 1 | 5 | 2.00 | 1.049 |
| Having cost reduction strategies | 1 | 5 | 1.81 | 1.030 |

(Source: Research Data 2008)

4.3.2 DIFFERENTIATION STRATEGY

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 service 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 firms owing to the nature of their responses. Though the firms that have adopted this strategy are fewer in comparison with the ones adopting cost advantage strategy, there was evident wealth on knowledge on how to ensure company success using this strategy. The surveyed firms indicated that their profitability is pegged on their ability to offer a unique service and charge a premium for it. The mean distribution of the variables studied under differentiation is as shown below: -

Table 4: Differentiation Strategy

| Variable | Minimum | Maximum | Mean | Standard Deviation |
|------------------------------------|---------|---------|------|--------------------|
| Service Uniqueness | 1 | 3 | 1.73 | 0.799 |
| Premium Charging | 1 | 3 | 1.93 | 0.799 |
| Maintenance through higher premium | 1 | 4 | 1.93 | 0.961 |
| Understanding customers needs | 1 | 2 | 1.47 | 0.516 |
| Superior Value for customers | 1 | 2 | 1.47 | 0.516 |
| Avoiding Competitor Imitation | 1 | 3 | 1.47 | 0.640 |

(Source: Research Data 2008)

Maintenance of the differentiation strategy is mainly pegged on the presence of strong creativity and innovation skills. This was evidenced through the highest mean score of 1.53. Similarly important to the maintenance of this strategy is the presence of strong marketing skills and adequate communication of the services benefits to the customers. These variables scored a mean of 1.67 as shown in the table below: -

Table 5: Maintaining Differentiation Strategy

| Variable | Minimum | Maximum | Mean | Standard Deviation |
|---------------------------|---------|---------|------|--------------------|
| Research and Development | 1 | 5 | 2.13 | 1.302 |
| Product Engineering | 1 | 5 | 2.07 | 1.280 |
| Innovation and creativity | 1 | 4 | 1.53 | 0.834 |
| Strong Marketing | 1 | 4 | 1.67 | 0.900 |
| Communication of benefits | 1 | 4 | 1.67 | 0.900 |

(Source: Research Data 2008)

From the above findings, it is evident that the success of the differentiation strategy among courtier firms in Kenya is pegged on strong creativity and innovation skills, the presence of marketing skills and adequate communication of products benefits to the customers.

4.3.3 FOCUS STRATEGY

In the focus strategy, a firm concentrates on an identified target market and focuses on meeting that markets needs. Focus strategy was the least practiced strategy with a representation of 20% among the surveyed firms. Under this strategy, players concentrate on a specific / niche market with a choice of a narrowly competitive scope within the industry. This is further blended with tailoring the market mix to meet the specialized markets. The mean distribution of the variables studied in focus strategy is as shown below.

Table 6: Focus Strategy

| Variable | Minimum | Maximum | Mean | Standard Deviation |
|--|---------|---------|------|--------------------|
| Niche market concentration | 1 | 3 | 1.44 | 0.726 |
| Choice of narrowly competitive scope | 1 | 3 | 1.56 | 0.726 |
| Tailoring products to fit the market | 1 | 3 | 1.67 | 0.707 |
| Exploiting cost behaviour | 1 | 4 | 2.22 | 1.093 |
| Exploiting special needs of specific targets | 1 | 5 | 2.67 | 1.500 |

(Source: Research Data 2008)

A scale of 1 - 5 where 1 was strongly agree, 2 - agree, 3 - neutral, 4 - disagree and 5 strongly disagree was used in responding to various statements that defined focus strategy. The data findings indicated that players in the industry adopting the focus strategy mainly concentrate on a niche market and tailor their products to fit that market. The demarcation between cost focus and differentiation focus was however not clear. This was evidenced by the almost similar mean score of 2.22 on exploiting cost behaviour and 2.67 on exploiting special needs of specific targets.

4.4 CHALLENGES OF COMPETITIVE STRATEGY IMPLEMENTATION

The second objective of this study was to establish the challenges faced in implementing competitive strategies by courier firms in Kenya. The purpose of probing this was to establish the challenges faced in strategy implementation and make recommendations for policy and practice. The data for this objective was collected by requesting respondents, through the questionnaires, to indicate the varying degrees to which various challenges discussed in the literature review impacted on them as they implemented their strategies.

The data findings indicated that the strongest challenge to competitive strategy implementation was competitor reaction with a mean of 1.60. This could be attributed to the high competition evident in the industry since over 90% of the firms surveyed indicated that their reason for implementing competitive strategies was competition in the business environment. The study further established that challenges in change management were experienced in a major way with a mean of 2.13 when the firms are implementing their competitive strategies. This is mainly because strategy implementation involves change and people tend to naturally resist change.

On the other hand, the challenges of management support and technological competence were minimal with a mean of 3.71 and 3.13 respectively. Inadequate marketing channels also posed minimal challenges with a mean score of 3.18. The challenges scored as shown in the table below: -

Table 7: Challenges of Competitive Strategy Implementation

| Variable | Minimum | Maximum | Mean | Standard Deviation |
|---------------------------------|----------------|----------------|-------------|---------------------------|
| Challenges of Change management | 1 | 5 | 2.13 | 1.307 |
| Implementation Time frame | 1 | 5 | 3.13 | 1.502 |
| Resources Adequacy | 1 | 5 | 2.93 | 1.587 |
| Management Support | 1 | 5 | 3.71 | 1.517 |
| Technological competence | 1 | 5 | 3.13 | 1.714 |
| Competitor Reaction | 1 | 5 | 1.60 | 1.116 |
| Inadequate marketing Channels | 1 | 5 | 3.18 | 1.709 |

(Source: Research Data 2008)

In examining the challenges faced in competitive strategy implementation, a scale of 1 - 5 where 1 was strongly agree, 2 - agree, 3 - neutral, 4 - disagree and 5 strongly disagree was used. The respondents were to respond on the various degrees to which they deemed the challenges were faced. The findings indicated that all players irrespective of the competitive strategy adopted experienced strategy implementation challenges. The findings that management support was not a big challenge in strategy implementation is a pointer that management of these firms is committed to the implementation of the strategies.

CHAPTER FIVE: SUMMARY, DISCUSSIONS AND CONCLUSIONS

5.1 INTRODUCTION

This chapter presents a summary of the research findings where the main objectives were to determine the competitive strategies adopted by firms in the courier industry in Kenya and to establish the challenges faced in implementing the strategies. Discussions and conclusions based on the study findings are also discussed in this chapter. Finally, limitations of the study, suggestions for further research and recommendations for policy and practice are discussed.

5.2 SUMMARY OF FINDINGS

The first objective was to establish the competitive strategies adopted by firms in the courier industry in Kenya. The study established that the three generic competitive strategies i.e. cost advantage, differentiation and focus were all applied in the industry. Cost advantage is most widely spread with 46.7% of the firms adopting it. Under the cost advantage strategy, the players have established themselves as cost leaders in the markets and achieve their economies of scale through providing high volumes of standardized services as well as constantly searching for cost reduction avenues.

The findings from players that have adopted differentiation strategy (33.3%) indicate that to ensure survival under this strategy, the company has to be innovative and possess creative skills. These are blended with strong marketing skills and adequate communication of the benefits of the unique services offered by the companies. Profitability under this strategy is maintained through constantly offering unique and quality services and charging a premium for it. This is in line with the position established by Porter when discussing differentiation strategy.

Though not very popular, focus strategy is applied by 20% of the courier firms *interviewed in this study*. In this strategy the players have successfully identified their niche / target markets and seek to meet the needs of that 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 services for them.

The second and final objective of this study was to establish the challenges faced by the firms as they implement these strategies. The strongest challenge to competitive strategy implementation was competitor reaction. This is a possible indicator to the high degree of competition in the industry. This is also pegged on the biggest reason for strategy adoption that was competition. The other challenges include resistant to change and inadequate resources.

Challenges that pose minimal threat to competitive strategy implementation include technological competence, inadequate marketing channels and lack of management support.

5.3 DISCUSSIONS

Under the cost advantage strategy companies set out to be the low- cost producer in the industry. Companies adopting this strategy have a broad scope and serves many industry segments and may even operate in related industries. Through constantly seeking for cost reduction avenues, player adopting the cost advantage strategy can offer their services at low costs and hence derive their profits from high volume sales. Similarly, players adopting this strategy maintain it through ensuring they are located near their clients. They also ensure that they have cost reduction strategies.

In differentiation strategy the companies create a product that is perceived as unique by the customers and based on the perceived superior qualities of the product, they charge a premium for it. Among the courier firms in Kenya that adopt differentiation strategy, profitability is pegged on ability to offer unique service. The strategy is maintained through strong creativity and innovation skills that are complemented by strong marketing skills and adequate communication of the products benefits to the customers.

Though not very popular among the courier firms in Kenya, focus strategy entails concentrating on an identified target market and focuses on meeting that market needs. The focus strategy can be either differentiation focus or cost focus. The maintainance of the strategy is mainly pegged on niche market concentration and the choice of a narrowly competitive scope.

The challenges that courier firms in Kenya face in implementing their competitive strategies mainly include competitor reaction, change management and resources inadequacy. These challenges are in line with the theoretical understanding about strategy implementation. The fact that Government policy was not considered a challenge by the players in this industry may allude to the presence of a good legal and policy framework that allows the players implement their competitive strategies without any legal or policy problems. The players hence have no learn how to address the challenges they face in implementation.

5.4 CONCLUSION

From the findings, it can be concluded that cost advantage strategy is the widely practised competitive strategy by courier firms in Kenya. There is an excellent understanding of the theoretical foundations of cost advantage strategy that enables the players successfully adopt the strategy and reap benefits from it. Differentiation strategy is second in adoption among couriers firms in Kenya while focus strategy is the least practised.

5.5 LIMITATIONS OF THE STUDY

This study concentrated on the identification and implementation of competitive strategies among courier firms in Kenya as a whole without classifying the firms. The different categories of courier firms have different orientations and the fact that they were viewed in the same breath is one limitation of this study. The study similarly did not consider the process of strategy implementation as a whole but concentrated on implementation alone. This is a limitation since it ought to have considered the strategy process as whole i.e. from strategic objectives setting, planning, analysis and choice, implementation and evaluation.

5.6 SUGGESTIONS FOR FURTHER STUDY

Further studies can be carried on analysing the strategic responses of the firms in courier industry to competitive forces. Similarly, studies can be done to investigate the factors that the firms in this industry consider when choosing their competitive strategies. Studies on competitive strategies can also be extended to other industries in order to contribute to the body of knowledge on competitive advantage strategies.

5.7 RECOMMENDATIONS FOR POLICY AND PRACTICE

Based on the findings of this study, it is recommended that players in the industry constantly evaluate their strategies with an aim of staying ahead of the competition. With the bulk of the interviewed firms indicating their preference of cost advantage strategy, it is important to invest in expanding the branch network of such companies and constantly adopting cost reduction strategies. Though the focus strategy is not popular in the industry, it can be a key avenue for reaching target markets. It is hence recommended that more players look into the various market segments and adopt the focus strategy that will enable them serve such segments.

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APPENDIX I: LETTER OF INTRODUCTION

Dear Respondent,

REF: MBA MANAGEMENT RESEARCH PROJECT

I am a student at the University of Nairobi currently conducting a research study as a requirement for the fulfilment for the Award of Masters of Business Administration Degree. The research is based on the competitive strategies employed by courier firms in Kenya. I would like to ask you some questions and assure you that the information is purely for academic purposes and it will be treated with confidentiality.

Yours faithfully

Catherine W. Ilovi

Student

APPENDIX II: COURIER FIRMS QUESTIONNAIRE

SECTION 1: COMPANY DEMOGRAPHICS

1) How many employees does your organization have?

- (a) Less than 50
- (b) Between 50 and 100
- (c) Between 100 and 200
- (d) Above 200

2) How would you classify the ownership of your organization?

- (a) 100% Foreign owned
- (b) 100% Locally owned
- (c) Over 51% Foreign owned
- (d) Over 51% Locally owned

3) How many clients does your firm serve?

- (a) Over 50
- (b) Below 50

SECTION 2: COMPETITIVE STRATEGY

4) Does your organization have a competitive strategy?

- a) Yes
- b) No

5) Did the firm consider the competition from other players in the industry before adopting the competitive strategies?

- a) Yes
- b) No

6) Which of the following best describes your competitive strategies?

- a) We offer low cost services ()
- b) We provide an unique service and charge a premium for it ()
- c) We focus on a niche market and serve it only ()

7) If your answer in 6 above is (a) using a scale of 1 - 5 where 1 is Strongly agree, 2 - Agree, 3 - Neutral, 4 - Disagree and 5 strongly disagree, respond to the following statements that describe low cost competitive strategy.

| VARIABLES ON LOW COST | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Our company is the low cost leader in the industry | | | | | |
| Our company has a broad scope and serves many clients | | | | | |
| We achieve our economies of scale through providing high volumes of standardized services | | | | | |
| We maintain our strategy by constantly searching for cost reduction avenues or ways | | | | | |
| Our extensive branch network enables us to maintain our low cost strategy | | | | | |
| Our low cost strategy has enabled us to attain a large market share | | | | | |
| We have been able to meet our target clientele using our low cost strategy | | | | | |

On a scale of 1 - 5 where 1 is Strongly agree, 2 - Agree, 3 - Neutral, 4 - Disagree and 5 strongly disagree, indicate the extent to which the following factors enable you to provide your services at low cost.

| FACTORS FOR SUSTAINING LOW COST | 1 | 2 | 3 | 4 | 5 |
|--|----------|----------|----------|----------|----------|
| Being located near the customers | | | | | |
| Having a large network in the country | | | | | |
| Ensuring low labour costs | | | | | |
| Having minimal operational cost | | | | | |
| Having cost reduction strategies | | | | | |

8) If your answer in No. 6 above was (b) kindly respond to the following questions that describe differentiation strategy. Using a scale of 1 - 5 where 1 is Strongly agree, 2 - Agree, 3 - Neutral, 4 - Disagree and 5 strongly disagree, respond to the following statements.

| VARIABLES ON DIFFERENTIATION STRATEGY | 1 | 2 | 3 | 4 | 5 |
|---|----------|----------|----------|----------|----------|
| Our company has designed services perceived as unique by our clientele | | | | | |
| Our profitability is pegged on our ability to offer a unique service and charge a premium for it | | | | | |
| We maintain our differentiation strategy by constantly looking for ways of charging a premium that exceeds the cost of differentiating. | | | | | |

| | | | | | |
|--|--|--|--|--|--|
| Our differentiation is based on the understanding of unique customer needs and seeking to meet them. | | | | | |
| Through differentiation, our unique service features provide superior value for our customers | | | | | |
| We always strive to differentiate our services in such a way that our competitors cannot imitate us. | | | | | |

On a scale of 1 - 5 where 1 is Strongly agree, 2 - Agree, 3 - Neutral, 4 - Disagree and 5 strongly disagree, indicate the extent to which the following factors enable you to sustain your differentiation strategy

| FACTORS FOR SUSTAINING DIFFERENTIATION | 1 | 2 | 3 | 4 | 5 |
|--|----------|----------|----------|----------|----------|
| Strong research and development skills | | | | | |
| Strong product engineering skills | | | | | |
| Strong creativity and innovation skills | | | | | |
| Presence of strong marketing skills | | | | | |
| Adequate communication of the benefits of our products | | | | | |

9) If your answer in No. 6 above was (c) kindly respond to the following questions that describe focus strategy. Using a scale of 1 - 5 where 1 is Strongly agree, 2 - Agree, 3 - Neutral, 4 - Disagree and 5 strongly disagree, respond to the following statements.

| VARIABLES ON FOCUS STRATEGY | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| Our company concentrates on a specific / niche market | | | | | |
| Our focus strategy rests on the choice of a narrow competitive scope within the courier industry | | | | | |
| We strive to meet the needs of our niche market by tailoring our market mix to these specialized markets | | | | | |
| Through our cost focus, we exploit cost behaviours in specific market segments | | | | | |
| Through our differentiation focus we exploit the special needs of buyers in specific segments | | | | | |

10) What were the reasons for the implementation of your Competitive Strategies?

| | Yes | No |
|--|-----|-----|
| a) Changes in business environment | () | () |
| b) Competition in business environment | () | () |
| c) Active pursuit of strategic benefits | () | () |
| d) Opportunities offered by new technologies | () | () |
| e) Financial condition of the company | () | () |
| f) Other (Please specify) | | |

11) Does your firm have enough financial resources to implement its competitive strategies?

a) Yes

b) No

12) Does your firm have appropriate and adequate management to implement the competitive strategies?

a) Yes

b) No

13) What was the level of participation in implementing competitive strategies?

a) Bottom-up

b) Top-bottom

14) To what extent were the following risks or implementation problems experienced? (Please note 1 = Very High, 2 = High, 3 = Moderate 4 = Minimal and 5 = Not at all)

| RISK / IMPLEMENTATION PROBLEM | 1 | 2 | 3 | 4 | 5 |
|--------------------------------------|----------|----------|----------|----------|----------|
| Challenges of Change management | | | | | |
| Implementation Time Frame | | | | | |
| Resources Adequacy | | | | | |
| Management support | | | | | |
| Technological competence | | | | | |
| Competitors reaction | | | | | |
| Inadequate marketing channels | | | | | |

15) To what extent were the following effects of competitive strategy implementation experienced in your firm? (Please note 1 = Very High, 2 = High, 3 = Moderate 4 = Minimal and 5 = Not at all)

| PERFORMANCE IMPROVEMENT | 1 | 2 | 3 | 4 | 5 |
|---|----------|----------|----------|----------|----------|
| Improved service delivery | | | | | |
| Increased profits | | | | | |
| Improved product costs | | | | | |
| Increased value to customers | | | | | |
| Empowerment of employees in decision making | | | | | |
| Disruption of business | | | | | |
| Decrease in employee morale | | | | | |
| Increase in business costs | | | | | |
| Other (Please specify) | | | | | |

16) Please make any additional comments on your firm's competitive strategies in the space provided below

Thank you for your time and cooperation in filling this questionnaire. Kindly check the questionnaire to ensure that you have not skipped any questions.

APPENDIX III: LIST OF COURIER OPERATORS

| NO. | NAME OF OPERATOR | DATE OF REGISTRATION | CATEGORY |
|------------|---|-----------------------------|---------------------------------|
| 1. | Postal Corporation of Kenya | 01/07/1999 | Public Postal Operator |
| 2. | Ganatra Parcel Services Ltd | 30/06/1999 | Intra Country Operator |
| 3. | Taiyo Enterprises Ltd | 12/03/2002 | International Operator |
| 4. | DHL Worldwide Express K Ltd | 15/07/1999 | International Operator |
| 5. | BKB Couriers Ltd | 27/07/1999 | International In-Bound Operator |
| 6. | Data Rush Services Ltd | 16/07/1999 | Intra City Operator |
| 7. | Securicor Security Services (K) Ltd | 13/08/1999 | Regional Operator |
| 8. | East African Courier Ltd (FedEx) | 19/08/1999 | International Operator |
| 9. | Shuttle Express | 25/08/1999 | International Inbound Operator |
| 10. | In-Time Couriers Ltd | 30/08/1999 | Intra City Operator |
| 11. | Sky net Worldwide Express Ltd | 30/08/1999 | International Operator |
| 12. | The Dropping Zone Ltd | 30/08/1999 | Intra City Operator |
| 13. | Transami K Ltd | 31/08/1999 | International Operator |
| 14. | Air Care Chatterers EtBrokers Ltd (TNT) | 31/08/1999 | International Operator |
| 15. | Roy Parcel Services Ltd | 31/08/1999 | Intra Country Operator |
| 16. | Akamba Public Road Services Ltd | 31/08/1999 | Regional Operator |
| 17. | Petty Errands Ltd | 31/08/1999 | Intra City Operator |
| 18. | Nation Carrier Division | 10/09/1999 | Regional Operator |
| 19. | Silver Star Parcel Services Ltd | 22/02/2000 | Intra Country Operator |
| 20. | The Kenya Railways Corporation | 06703/2000 | Intra Country Operator |
| 21. | Kenya Bus Services Ltd | 13/03/2000 | Intra Country Operator |

| NO. | NAME OF OPERATOR | DATE OF REGISTRATION | CATEGORY |
|-----|---|----------------------|--------------------------------|
| 22. | Keepsake Express Ltd | 19/07/2000 | International Inbound Operator |
| 23. | Tymer Express Courier | 28/07/2000 | Intra City Operator |
| 24. | Coast Mail Company | 11/09/2000 | Intra Country Operator |
| 25. | Provincial Parcel Carriers Ltd | 11/09/2000 | Intra Country Operator |
| 26. | Intercity Delivery Services Ltd | 28/09/2000 | Intra City Operator |
| 27. | Mudoba Express Services Ltd | 29/09/2000 | Intra City Operator |
| 28. | The Messenger Service Investment | 03/10/2000 | Intra City Operator |
| 29. | Tomic Express Services Ltd | 06/10/2000 | Intra City Operator |
| 30. | Business Express Courier | 23/10/2000 | Intra City Operator |
| 31. | Al-micdad Parcel Services | 30/10/2000 | Intra Country Operator |
| 32. | Jihan Freighters Ltd | 30/10/2000 | Intra Country Operator |
| 33. | Mechanized Cargo Systems Limited | 17/11/2000 | International Inbound Operator |
| 34. | Garissa Parcel Services Limited | 04/12/2000 | Intra Country Operator |
| 35. | Mololine Services Ltd | 21/11/2000 | Intra Country Operator |
| 36. | Mombasa Liners Ltd | 05/12/2000 | Intra Country Operator |
| 37. | Frontier Telecommunication | 06/02/2000 | Intra Country Operator |
| 38. | Executive Errands and Delivery Services | 23/04/2000 | Intra City Operator |
| 39. | One World Courier Ltd | 10/07/2001 | International Operator |
| 40. | Buss car Parcel Services Ltd | 20/12/2001 | Intra Country Operator |
| 41. | Nuclear Investments Ltd | 14/01/2002 | Intra Country Operator |
| 42. | Capital Link Couriers Ltd | 01/02/2002 | Intra City Operator |
| 43. | N.T.L. Parcel Services | 11/04/2002 | Intra Country Operator |
| 44. | Chapex Ltd | 30/04/2002 | Intra City Operator |
| 45. | Cross land services | 16/02/2002 | Intra Country Operator |
| 46. | Rising Freight Ltd | 07/05/2002 | International In-Bound |

| NO. | NAME OF OPERATOR | DATE OF REGISTRATION | CATEGORY |
|-----|--|----------------------|--------------------------------|
| | | | Operator |
| 47. | Four N.T. Savings and Credit Society Ltd | 15/05/2002 | Intra Country Operator |
| 48. | 2N.K. SACCO LTD | 10/07/2002 | Intra Country Operator |
| 49. | Union Express Ltd (UNEX) | 24/03/2004 | International Operator |
| 50. | Fast Flight Express Ltd | 24/03/2004 | Intra Country Operator |
| 51. | Rising Star Parcel Services | 24/03/2004 | Intra Country Operator |
| 52. | Regional Coach Services Ltd | 24/03/2004 | Regional Operator |
| 53. | Ashbourne & Company Ltd | 27/05/2004 | Intra City Operator |
| 54. | Donnell Incorporated Ltd | 27/05/2004 | Intra City Operator |
| 55. | Fargo Courier Limited | 27/05/2004 | Intra Country Operator |
| 56. | Huduma Mail Ltd | 27/05/2004 | Intra Country Operator |
| 57. | Easy Coach Limited | 06/08/2004 | Intra Country Operator |
| 58. | Delta gram Courier Services | 16/08/2004 | Intra City Operator |
| 59. | Freight In Time Ltd | 06/08/2004 | International Inbound Operator |
| 60. | Flightpath Aviation Ltd | 02/03/2005 | Intra Country Operator |
| 61. | Quantum Freight & Cargo Ltd | 02/03/2005 | International Operator |
| 62. | Mombasa Freight Ltd | 02/03/2005 | Intra Country Operator |
| 63. | Sonic Sprinters Ltd | 14/10/2004 | Intra City Operator |
| 64. | Business Express Enterprises Ltd | 13/10/2004 | Intra Country Operator |
| 65. | Speedex Logistics Limited | 19/01/2005 | International Inbound Operator |
| 66. | Scandinavia Express (k) Ltd | 10/02/2005 | Regional Operator |
| 67. | Fimen (k) Ltd | 24/02/2005 | Intra City Operator |
| 68. | Travel Budget Express | 02/03/2005 | Intra Country Operator |
| 69. | Royal Courier Services | •07/03/2005 | Intra Country Operator |
| 70. | Planet Express Courier Services | 29/04/2005 | Intra City Operator |

| NO. | NAME OF OPERATOR | DATE OF REGISTRATION | CATEGORY |
|------------|-------------------------------|-----------------------------|--------------------------------|
| 71. | General Freighters Ltd | 24/05/2005 | International Inbound Operator |
| 72. | Chania Travellers Sacco ltd | 24/05/2005 | Intra Country Operator |
| 73. | Rapat Freight (K) Ltd | 10/06/2005 | International Inbound Operator |
| 74. | Randa Coach Limited | 30/08/2005 | Intra Country Operator |
| 75. | Dolphin Coaches Ltd | 22/08/2005 | Intra Country Operator |
| 76. | New Planet Express Ltd | 27/09/2005 | Intra Country Operator |
| 77. | Suncity (K) Ltd | 05/10/2005 | Intra Country Operator |
| 78. | Regional Courier Services Ltd | 13/10/2005 | Intra Country Operator |
| 79. | PSACAM Couriers | 18/01/2006 | Intra City Operator |
| 80. | Document Express Courier Ltd | 27/02/2006 | Intra Country Operator |
| 81. | Coin Kenya Courier | 12/07/2006 | Intra Country Operator |