COMPETITIVE STRATEGIES ADOPTED BY MAINSTREAM CHURCHES IN NAIROBICOUNTY

JOSPHAT MUNYITHYA MUSILI

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DECLARATION

I certify that this research project is my original work and has not been presented for any degree in any other university or institution of learning. Information from other sources have been duly acknowledged. No part of this work should be reproduced without my permission as the author.

Signed________________________________ Date_________________
Josphat M.Musili
D61/72759/2009

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

Signed________________________________ Date_________________
Prof. Martin Ogutu
Department of Business Administration
School of Business
University or Nairobi
DEDICATION

This research study is dedicated to the almighty God for having given me the opportunity to undertake my MBA, and providing the time and the resources needed to complete it. Special dedication to my beloved wife Evelyn Mutheu and my two boys Prince Muuo and Praise Mumo for the tireless sacrifices of their precious family time throughout the entire MBA program and especially during this research project.
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Last but not least, I give thanks to the Almighty God for the gift of life, good health and wisdom. May He forever look upon me with favour.
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ABSTRACT

In the formulation of an organization corporate strategy, researchers have emphasized the importance of fitting or aligning the organization’s strategy with an appraisal of the organization’s internal and external environmental opportunities and threats. The objective of this study was to determine the competitive strategies adopted by the mainstream Churches in Nairobi County. The descriptive and research adopted the descriptive and cross sectional design. The population of the study was all the seven mainstream Churches in Nairobi County. Primary data was collected using structured questionnaire. The data was analyzed by the use of descriptive statistics to summarize and relate variables which were attained from the administered questionnaires. A multiple regression model was developed to describe the relationship between the strategies adopted and the extent at which they are adopted by the mainstream Church. The findings of the study were that differentiation, Low cost leadership, Focus differentiation, diversification and clears strategic direction were used as the competitive strategies within the mainstream Churches. The studies found that the base for member’s choice of one Church against the others is the clear specific direction, wide range of programs that are customized to meet the diverse needs of the members. Engagement of well-trained pastors and other qualified professionals in the operation of the Churches contribute greatly to the competitive positioning of most of the mainstream Churches. Future research could therefore investigate extent to which these findings can be generalized to other Churches, evangelical, Pentecostal and charismatic Churches, and other Church related institutions. The sample used focused on mainstream Churches only. Further research is recommended on all the Churches using a larger sample for the purposes of generalizations. A cross sectional study across of a number of denominations within the sector can also be done to make comparative analysis. This being a cross sectional survey design, the researcher responses were limited to the 7 mainstream Churches. A generalization of the findings to represent a wider and more diverse sample of Church sector would have provided a broader insight on the subject and especially reveal any industry specific differences.
CHAPTER ONE

INTRODUCTION

1.1 Background of the study

All organizations are constantly engaging different adapting strategies in order to survive in the ever changing environment. Businesses are constantly coming up with strategies that will enable them gain competitive advantage over their competitors. Competitive advantage is what firms use or do to outperform their competitors. As the organization adapts, the customer/ client is the most important target for the organization. Organizations exist to meet the customer’s needs through their goods and services. Therefore a customer is a very important component in the operating environment. Customer’s needs tastes and preferences and quality expectations are constantly changing thus putting a lot of pressure on the organization to come up with goods and services that meet the needs of this challenging customer. Understanding customers helps a firm to develop appropriate strategies to attract and retain customers. Any organization that wants to successfully compete in the market must focus on the customer requirement and translate the customer’s requirements in to objectives for operations known as competitive priorities (Johnson et al, 2002).

The Church has been perceived to have one primary role which is to provide a place of solace, hope and renewal for all people in their different situations. Over time, the Church has considerably engaged in many development activities to reduce if not to alleviate poverty, ignorance and injustices while at the same time contributing greatly
towards Kenya’s economic growth including providing massive employments as well as creating business opportunities to many people.

Different Churches have employed different competitive strategies in order to gain their competitive advantage over others. This has attracted a lot of debate whether the Church activities are any different from the business venture. Some people argue that “the Church business is the best business to engage in. In their article “Making money in God’s name” Ombuor and Ayieko (2004) have expressed why and how church business has become very lucrative in the recent past.

1.1.1 Competitive strategies

Competitive strategies are basic approaches to competing successfully and gaining competitive advantage over rivals. According to Porter (1985), competitive strategy is taking offensive or defensive actions to create defendable position in an industry to cope successfully with the rivals and competitors. Every business must identify the right marketing mix then select a suitable competitive strategy to ensure its success. Competitive strategies allow businesses to maximize their potential and compete effectively in the market.

A competitive strategy enables an organization to position and relate itself to the environment and to ensure its continued success and also secure itself from the surprises brought about by the changing environment (Pearce and Robinson 2007). This means that competitive strategy/ies enables an organization adapt to the changing environment positively and take advantage of the opportunities realized in the business environment.
Competitive strategy is concerned with decisions and actions meant to achieve business objectives and purpose. It answers the question, where is the organization now? Where does it want to go? And how well can it get where it wants to go? This means an organization must not only know where it is in the business environment nor get to know where it is going, but also it must develop excellent strategies that will enable it competitively operate in the industry. A firm can competitively survive by creating and maintaining a match between its strategy and the environment and also by redesigning its internal capability in order to match this strategy (Grant, 2007).

Organizations should always shift strategy with changes in the environment and match their capabilities of the selected strategy in order to survive, succeed and remain relevant (Porter, 1985). Firms in dynamic industries respond to environmental changes and competitive forces in different ways. Some improve their current products and services, diversify and divest, while others employ new techniques that ensure operational effectiveness. In order to achieve a competitive advantage, strategy needs to focus on unique activities. Operational effectiveness is necessary but not sufficient for achieving a sustainable competitive advantage (Porter, 1985). Therefore, environmental changes may necessitate formulation of a new competitive strategy that best suits the change in order to gain and sustain competitive advantage.

Therefore, since all organizations operate in a macro and micro environment shaped by influences coming from every dimension of life. The macro-environment comprises of six principal components which include: Political factors, economic conditions in the firm’s general environment which can either be local, country, regional or global, socio cultural forces, technological factors, environmental factors – this is basically the natural
environment and legal/ regulatory conditions (Thompson, Arthur et al 2013). It is important to note that all these factors affect industries and organizations in different degrees. Therefore, managers and organizational leaders must determine which of these represent the most strategically relevant factors outside the firm’s industry boundaries (Thompson, Arthur et al 2013). The external limits are determined by the industry and the broader environment. Industry opportunities and threats define the competitive environment, with its attendant risk and potential rewards. Societal expectations reflect the impact on the company of such things as government policy, social concerns, evolving mores among others (Porter 1985).

On the other hand, the micro environment refers to the forces that are close to the organization and affect its ability to serve its customers. It includes the organization itself, its suppliers, marketing intermediaries, customer markets and public. The micro environment is the organization itself and all the challenges that come from inside the organization. The micro environment includes the organizational strengths and weaknesses which are basically the organizational profile of assets and skills relative to competitors, including financial resources, technological posture, and brand identification among others. The organizational strengths and weaknesses combined with organizational values determine the internal organizational limits to the competitive strategy an organization can successfully adopt (Porter, 1985).

The organizational macro and micro-environmental factors are constantly changing hence affecting every organization’s operation. All organizations must keep changing and adjusting to adapt in the operating environment for sustainability and competitive positioning. The Church just like all other institution operates in this turbulent
environment. Profit making and non-profit making organizations all alike have to establish strategies that will enable them to competitively operate.

The Church in particular though a duo faceted institution meaning that it is a spiritual organ that nourishes the spiritual needs of her members, it is also an organization and therefore its organizational nature cannot be overlooked or ignored. The Church is equally influenced by multi factors such as; the political, economic, social, cultural, legal, and technological factors. Therefore, the effect of these factors in relation to the Church must be considered in order to understand how the Church adapts to survive. Therefore, because of the influence of the above noted factors, the Church just like in all other industries must come up with competitive strategies in order to cope with the effects and influences of the above noted factors. The Church serves in a competitive religious marketplace. Therefore, it has to be competitive if it intends to attract and keep members.

1.1.2 Mainstream Churches

In Kenya, there are many Churches. This is a reflection of the freedom of worship enshrined in Kenya’s constitution under the fundamental rights and freedom for the Kenyan citizens. The constitution for that matter guarantees freedom of worship to its people. In this regard, a vast majority of Kenyans are said to be Christians with 45% being Protestants and 33% being Roman Catholics. According to CIA World Fact Book (2006) there are over four thousand registered Churches in Kenya. The old denominations are commonly referred to as the mainstream Churches which include; the Roman Catholic, the Anglican Church of Kenya, Africa Inland Church – Kenya, Full Gospel Churches of Kenya, Presbyterian Church of East Africa, Methodist Church and
Baptist. Lately however, Kenya has witnessed the mushrooming of what are referred to as the Pentecostal Churches. In Nairobi, the most popular ones include; Nairobi Pentecostal Church, Nairobi Lighthouse Church, Redeemed Gospel Church, Deliverance Church, Jesus is Alive Ministries, Jubilee Christian Centre and the chapel ministries; Nairobi Chapel, Mavuno Chapel among others.

Most of the mainstream Churches have served in Kenya for over 100 years. This is so because the Africa Inland Mission which was established as a "faith mission," began its ministry in Kenya in 1895 under the direction of Peter Cameron Scott. The mission was interdenominational, and was comprised of many Baptists, some Methodists, Presbyterians and Anglicans. Ever since, the mainstream Churches have survived through the constantly changing environment and have stood the test of time.

1.2 Research problem

The external environment is where opportunities and threats arise to confront the organization (Capon, 2008). Meaning that the external environment is very dynamic, it changes continuously each time posing new challenges in terms of new opportunities and threats. The environmental dynamism is what is described as turbulence. Environmental turbulence is the combined measure of changeability and the predictability of the firm’s environment. Therefore a firm can only grow and survive when it continuously and quickly adapts to the environment. Strategy can be defined as the determination of basic long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals (Chandler, 1962).
Strategy is the mediating force between the organization and its environment; consistent patterns of organizational decisions to deal with the environment (Mintzberg 1987). Every organization must develop a strategy that mediates well between the organization and its environment and make decisions that will enable it survive and adapt to the changing environment.

The mainstream Churches have been facing many environmental changes, such as technological developments, social changes where there is a more youthful generation than it was in the past. This poses a challenge to the Church on how it will enhance its effectiveness in the Church business.

Although technological changes and advancements has played a key role in enhancing better communication during worship services in Churches, it has also posed a new challenge to the Churches. Tele-evangelism which means preaching from the television channels has affected commitment to Church membership and Church service attendance since people can watch and listen from their favorite preachers from the comfort of their homes (Obwoge, 2007).

The recent growth of Churches in terms of denominations as caused serious competition for members from among the various denominations. Churches are losing members from one denomination to the other which has caused increased rate of members’ mobility. In this respect the mainstream Churches which are at times regarded as conservative in their operations seem to be losing. Therefore, this research seeks to explore the competitive strategies employed by the mainstream Churches to avert this movement of her members.
Today than ever before, most churches in Kenya and worldwide are shifting from pure preaching and providing the spiritual nourishment to her congregations and members to engaging in a more influential and dynamic ways of nurturing and developing people by meeting not only their spiritual but also their social and economic needs. Therefore, the matter on financial sustainability has become a topical issue among the Church leadership and other related bodies.

Many Church leaders today especially in the Charismatic churches have been accused of commercializing the gospel. In Nairobi such Churches have taken over the old movie theatres such as Cameo, Kenya Cinema, Globe Cinema among others and have also gone to the airwaves, with FM radio station and Television channels. Underlying the above is a concern that religion has become a major industry enjoying an extra ordinary boom (Ombuor and Ayieko, 2004).

Notwithstanding Ombour and Ayieko’s (2004) observations, the above noted concerns can also be considered as strategic moves that have placed these Churches in a better competitive platform than others hence gaining a competitive advantage over them. All Churches just like any other non-profit making organizations compete with each other for needed resources; sponsors, members, staff, volunteers, programs nearly everything and anything needed for the Church success. This justifies why some Churches are doing better than others in terms of membership, resources and attractiveness.

Therefore, unlike in the past when Church relied on her sole mission of preaching the gospel and relying on the offerings and tithes as guided by the scriptures, many Churches have come up with different approaches and strategies as a way of responding to
environmental changes. It is these approaches in the Churches that are considered as competitive strategies in the business world.

There have been some researches done on this area such as; Strategy implementation challenges in the mainstream Churches (Kung’u, Dorcas 2007), diversification strategy employed by Anglican Church of Kenya (Musila 2009), in her study the focus is only on the diversification strategy which in this study is considered as growth strategy but not as a competitive strategy for competitive advantage. However, no specific study has been done on the competitive strategies employed by the mainstream Churches particularly in Nairobi County. Mainstream Churches have engaged in a number of strategies in order to match their capabilities to the environment.

Despite the challenge of whether Churches compete or complement each other, Some Churches seem to be adapting very fast in the environment than others and thus more attractive. What competitive strategies have the mainstream Churches adopted in order to survive in this turbulent and ever changing environment?

1:3 Objectives of the Study

The objective of this study was to determine competitive strategies adopted by mainstream Churches in Nairobi County.

1:4 Value of the study

This information can be useful to the policy experts in making policies that facilitate best practices among churches hence the entire society. To scholars, the knowledge
contributes to existing literature in strategic management and stimulates a basis for further research

Study offers insight to the Church leaders both local and international on how to ensure growth and sustainability through competitive strategies in a turbulent environment. Inform the mainstream churches on the useful strategies that they can employ in order to survive and gain competitive advantage in the ever changing environment.

Inform all the other Church stake holders such as the members of the Churches (Congregants), the government, the community and other organizations in decision that will enhance the Church gain competitive advantage in the environment
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter shall review any available literature on competitive strategies adopted by the Churches and other businesses. It will also capture the theoretical foundation of this study, nature of the competitive strategies and the factors influencing the choice of the competitive strategy.

2.2 Theoretical foundations of this study

This study is informed by two basic theories in strategic management. These are the environmental dependency theory and the strategic fit theory. The theories are discussed as follows to add insight to the study.

2.2.1 Environment dependence theory

Firms operate in a given external environment. A firm’s external environment consists of all the forces, factors and conditions that affect its strategic choice and define its competitive base. Continuous assessment of external environment and the organizational profile enable a firm to identify a range of possible potential and attractive opportunities (Pearce, 1997). The external environment is comprised of three levels with each level having a set of unique forces and factors whose influence can either be local, national or global.
The environment can be relatively stable or very turbulent depending on the environmental forces and factors. These forces and factors ultimately influence the direction, choices and actions of the organization. Therefore each degree of either environmental stability or turbulence requires a unique strategy that enables the organization to survive. It is important to note that for all organizations to continue operating, they must only adapt to the environmental changes because they cannot change the environment nor can they stop the environment from changing, and thus they should have a very clear strategic plan to enable them to adapt (Mukeku, 2013).

2.2.2 Strategic fit

Strategic fit expresses the degree to which an organization matches its resources and capabilities with the opportunities in the external environment. The matching takes place through a strategy and therefore it is very important that the organization has the actual resources to execute and support strategy (Grant 2007). This means that an organization comes up with a strategy by seeking the opportunities in its business external environment and adapting its resources and capabilities to take advantage of the opportunities.

Organizations build competitive strategies to target a set of customer segments and build strategies to satisfy needs and priorities of those customer segments. Organizations have to understand the needs and priorities of the targeted customer segments and the uncertainty of their demands. Organizations also study what other organizations are doing and what changes they can offer to have a competitive advantage. They can only achieve these strategies by ensuring that their supply chain capabilities are able to support these
strategies. Organizations must also ensure that their strategies are consistent with the organizational values.

2.3 External Environment

All organizations depend on the external environment for survival. The external environment is that level of a firm’s environment that is broad in scope and has long term implications for managers, firms and strategies. Therefore, every organization must understand the forces and factors that influence the organizational external environment. The external environment is influenced by both the micro and macro factors. The external environment provides the business opportunities for all organizations. Organizations exploit the opportunities in order to achieve their stated objectives. Different tools are used to analyze the external environment for the organizations to come up with the adapting strategies. For this study, we will look at two tools used for analyzing the industry and organizational external environment respectively.

2.3.1 Five forces framework

Five Forces is a simple framework for assessing and evaluating the competitive strength and position of a business organization. This theory is based on the concept that there are five basic competitive forces that determine the competitive intensity and attractiveness of a market (Porter, 1980). Porter (1980) suggests that five specific attributes of industry structure can threaten the ability of affirm to either maintain or create competitive advantages. These five forces are; the threat of entry, the threat of rivalry, the threat of substitutes, the threat of suppliers and the threat of buyers.
Porter (1980) continues to say that, the five forces help to identify where power lies in a business situation. This is useful both in understanding the strength of an organization’s current competitive position, and the strength of a position that an organization may look to move into.

**Figure 2.1 The Five Forces model**

Strategic analysts often use Porters five forces to understand whether new products or services are potentially profitable. By understanding where power lies, the theory can be used to identify areas of strength, to improve weaknesses and to avoid mistakes. The five forces analysis helps organizations to understand the factors affecting profitability in a specific industry, and can help to inform decisions relating to: whether to enter a specific
industry; whether to increase capacity in a specific industry; and developing competitive strategies. The five forces also describe processes that tend to move an industry toward the economic condition of perfect competition.

2.3.2 PESTEL Analysis Framework

Every organization operates in a broad macro-environment that comprises of six principal components: Political factors, economic conditions in the firm’s general environment, socio cultural forces, technological factors, environmental factors and the legal/regulatory conditions (Thompson, Arthur et al 2013). Each of these components has the potential to affect the firm’s immediate industry and the competitive environment. Therefore, the challenge to each firm is to scan, monitor, forecast and assess the elements in each segment to determine their effects on the firm and make the right strategic choices and decisions.

PESTEL analysis helps in identifying the anticipated changes and trends among the external elements with a key objective of analyzing the firm’s general environment (Thompson, Arthur et al 2013). The analysis of the general environment allows firms to identify opportunities and threats. Therefore managers must always assess the impact and the influence of these factors, and make the right choices and strategic actions for the organizations direction and strategy accordingly. Analysis on these factors provides organizations with understanding that is needed to craft a strategy that fits the organizations external environment. Effective scanning, monitoring, forecasting and assessing are foundational to the firm’s effort to recognize and evaluate opportunities and threats.
2.4 Competitive strategies

Competitive strategies are basic approaches to competing successfully and gaining competitive advantage over rivals. According to Porter (1980), competitive strategy is taking offensive or defensive actions to create defendable position in an industry to cope successfully with the rivals and competitors.

The purpose of these strategies are; to please customers, to strengthen the organizational market position, counter the maneuvers of rivals, respond to shifting market conditions, and to achieve a particular kind of competitive advantage (Thompson, Arthur et all 2013). For the purpose of this study, we will discuss the following strategies.

2.4.1 Generic competitive strategies

Since the Macro-environmental and industry conditions affect the entire strategic management process, the generic strategies are approaches to outperforming other firms in the industry. A firm's relative position within its industry determines whether a firm's profitability is above or below the industry average. The fundamental basis of above average profitability in the long run is sustainable competitive advantage. There are three generic strategies, which include; overall cost leadership, differentiation and specialization focus (Porter, 1985).

Overall cost leadership is a business strategy that focuses on gaining advantages by reducing the business economic costs below all its competitors which is enhanced through low cost drivers. Low cost driver is a factor that has a strong influence on company’s costs. A low cost advantage over rivals can translate into better profitability
than rivals. For an organization to realize the full potential of competitive advantage through cost leadership, an organization must be organized appropriately. Organizing to implement a strategy involves a firm’s organizational structure, its management control systems and its compensation policies. This means that for an organization to apply cost leadership as a competitive strategy should diffuse a cost leadership philosophy throughout the entire firm (Barney, 2007).

Differentiation is the strategy of offering unique product attributes that a wide range of buyers find appealing and worth buying. The attempt to increase the customer’s willingness to buy the products and services is created through developing unique products and services. Therefore the key strategic driver is uniqueness which has a strong differentiating effect. Differentiation can be based on tangible or intangible attributes (Thompson, Arthur et al 2013).

Product differentiation exists when customers perceive a product or service from particular firm to be more valuable than other firm’s products. Product/services differentiation can be based on a variety of bases. The choice of the differentiation can be discovered by use multidimensional scaling or by regression analysis of the determinant of product/service prices. In addition a variety of organizational attributes are required to implement product differentiation strategy successfully (Barney, 2007).

And finally the focus and specialization strategy just as the name suggests is precisely focusing on a particular buyer group, segment of the product line or geographic market (Porter, 1980). Focus strategy can either be low cost focus or differentiation focus.
The low-cost focus strategy is similar to the cost leadership strategy except that it focuses on a niche market. Instead of marketing a product to the entire population it is marketed to a particular segment of the population. The aim of the strategy is to then be the cheapest provider in that segment. For example, an electronics store might focus its market on a single town; its goal would then be the cheapest in the town but not necessarily the cheapest overall.

The differentiation focus strategy, just like the low-cost focus strategy, also focuses on a specific subset of the market. But instead of marketing a product or service as the cheapest, it's marketed as being unique in some way. For instance, a company might develop a product that is specifically made for left-handed people. By focusing on a narrow market segment, a company can focus its efforts which may require fewer resources than developing a product for the broad market.

2.4.2 Diversification strategy
Diversification is one of the most common corporate strategy applied by firms. In their definition, Amat and livnat (1998) highlighted that diversification strategies are used to expand firm’s operation by adding markets, products, services or stages of production to the existing business. Corporate diversification strategy can either be related diversification strategy which means that an organization engages in businesses more than one market or industry or unrelated diversification where a firm pursues numerous different businesses. Businesses are said to be related when their value chains exhibit competitively important cross-business relationships (Thompson, Arthur et all 2013). This means that there is a close
correspondence between the businesses in terms of how they perform key value chain activities and the resources and capabilities each needs to perform those activities.

On the other hand businesses are said to be unrelated when the resource requirements and key value chain activities are so dissimilar that no competitively important cross-business relationships exist (Thompson, Arthur et all 2013). Thomson, Arthur and others (2013) further says, combination of related and unrelated diversification strategies have particular appeal for companies with a mix of valuable competitive assets, covering the spectrum from generalized to specialized resources and capabilities.

Musila, Rose (2009) says “Unlike in the past, churches today have embraced professionalism as part of their work practice to achieve competitive advantage and in response to the changing operating environment. This has been so because the Church just like the profit making organizations must competitively operate in the environment and gain competitive advantage ultimately.

2.5 Competitive advantage
A company is said to have gained competitive advantage when its position gives it an edge in coping with the competitive forces and in attracting buyers/ customers. The above discussed strategies are some of the strategies that are adopted by firms in order to gain competitive advantage in the industry and the business environment (Thompson, Arthur, 1990).

Therefore, organizations that actually dedicate their time energy to truly understand and internalize their position in the collaborative/ competitive landscape are best able to
achieve sustainability and to help those in need. Competitive analysis helps every organization in; identifying where the organizational program fits into the broader environment, identifying the forces that cause consumers not to choose their products or services or even to the organizations program, understanding the gap/s in customer needs or clients and how to fill the gap/s and lastly it helps the organizations to define its niche.

Ultimately, it is such an analysis that allows an organization to identify its competitive advantage. Competitive advantage therefore, is something that is derived from the organizational strengths, making it different from the competition and more efficient at achieving impact. Competitive advantage allows an organization to set its work apart from all the other competitors.

The Church just like any other organization operates in a real environment with real challenges. Therefore, the Church using the relevant and the right models must seek to understand both her internal and the external environment in order to understand her strengths and opportunities as well as the possible weaknesses and the threats. On the other hand, once the Church has studied and understood the internal and external environment, just like every other organization, the Church must apply the right competitive strategies that will enable her gain sustainable competitive advantage.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methods and procedures that the researcher employed in order to obtain the data needed for this study. This section discusses the research design used, the population size, the sampling procedure, data collection techniques and methods of data analysis.

3.2 Research design

Research design refers to the overall strategy that the researcher chooses to integrate the different components of the study in a coherent and logical way, thereby, ensuring that research problem is effectively addressed. It constitutes the blueprint for the collection, measurement and analysis of the data. In other words, it is a detailed outline of how an investigation will take place. A research design will typically include how data is to be collected, what instruments will be employed, how the instruments will be used and the intended means for analyzing data collected.

In this study, cross-sectional survey design was used. This research design is used because the study is non-experimental and it involves identifying and describing the competitive strategies adopted by the main stream Churches in Nairobi County. The objective of using cross sectional survey was to provide information on a phenomenon (or phenomena) studied at a particular time and generate findings that have universal
validity. Cross sectional design allows collection of data from a sizable population in a highly economical way (Saunders, P. 2007).

Survey design is a measurement process used to collect information during structured interviews where questions are carefully chosen or crafted, sequenced and precisely asked of each participant with the aim of deriving a comparable data across subsets of the chosen sample so that similarities or differences can be found (Cooper and Schindler, 2011)

3.2 Population

The Population target in this research comprised of all the mainstream Churches in Nairobi. Target population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions. The target population shall consist of all the mainstream churches (Appendix II).

According to CIA World Fact Book (2006) there are over four thousand registered Churches in Kenya. The old denominations are the ones that are commonly referred to as the mainstream Churches. Each of these mainstream Churches are operated from the main headquarters and therefore the Church leaders, that is the Pastors, Priests, Bishops, and Archbishops are the leaders of each of these Churches.

3.3 Sample design

A sample design is a subset of the population being studied. It represents the larger population and is used to draw inferences about that population. It is a research technique
widely used in the social sciences as a way to gather information about a population without having to measure the entire population.

The researcher in this study will use purposive or judgmental sample. A purposive, or judgmental, sample is one that is selected based on the knowledge of a population and the purpose of the study. The researcher will use purposive sample because those who will be interviewed fit a specific purpose or description.

This study targets 7 mainstream Churches in Nairobi 0.2% of all the registered Churches in Kenya and a purposive sampling method will be used to arrive at the participating Churches. Purposive sampling is used when the research design calls for a sample population which exhibit particular attributes or characteristics.

3.4 Data collection

The data for this study was both primary and secondary so as to gather extensive and comprehensive details that lead to an informed findings and conclusions. The primary data was collected through a questionnaire administered to the Church heads mainly the Bishops and the administrative secretaries elsewhere known as general secretaries. A questionnaire (appendix III) was used to assist in extracting the required knowledge from the primary source that is the respondents. The questionnaires were hand delivered to the respondent’s offices and collected upon filling by the respondents. The target respondents were the Head Bishops and the general secretaries.

The survey instrument involved both closed and open ended questions. The open-ended questionnaire sought to get more information as possible in an unconstrained manner while the closed–ended questionnaire involved questions that could be answered by
simply checking a box from a pre-determined set of responses in a five point linkert scale. The secondary source of information was extracted from Church strategic plans and other information documents within the given Churches of interest.

3.5 Data analysis

According to Marshall and Rossman (1999), data analysis is the process of bringing order, structure and interpretation to the mass of the collected data. It involves reduction of the accumulated data into a manageable size, developing summaries, looking for patterns and applying statistical techniques.

In this study the primary data collected through the questionnaire was analyzed using Statistical package for social sciences (SPSS) to summarize and relate variables which were attained from the questionnaire. The data was classified, tabulated and summarized using descriptive measures such as mean, standard deviation, percentages, and frequency distribution tables were used for presentation of findings in order to address the research objective. However, before final analysis is performed, data was cleaned to eliminate discrepancies and thereafter, classified on the basis of similarity and then tabulated.

Descriptive statistics enables one to describe and compare variables numerically and focuses on central tendency and dispersion (Saunders et al, 2007. Descriptive statistics aimed at summarizing and describing the sample concerned in the study.
4.1 Introduction

This chapter presents the research findings and interpretation from the data collected. The objective of this study was to investigate the competitive strategies adopted by the mainstream Churches in Nairobi County. Data was collected through the use of in-depth questionnaire and analyzed in order to make various conclusions that should be communicated to other parties. Of the 14 respondents who were the sample in the study, the researcher was able to get responses from ten (10) respondents. The response rate was 71% and this was used as the basis for conclusions. The findings and discussions of the study are presented as below:-

4.2 General Information analysis of respondents

The respondents of this study were top Church leaders who had extensive experience in the Churches. Five bishops and five administrative secretaries who are also known as the general secretaries from different mainstream Churches were interviewed during the data collection process. The study found out that all the 10 respondents were male respondents.

4.2.1 Respondents Level of Education

It also revealed that four out of the ten respondents have an undergraduate degree while the other six have a master’s degree. This gave 40% undergraduate degree qualification and 60% master’s degree qualification as represented below.
Table 4.1: Respondents level of education

<table>
<thead>
<tr>
<th>Level of education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma</td>
<td>1</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Degree</td>
<td>2</td>
<td>20.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Masters</td>
<td>7</td>
<td>70.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.2.2 Respondents Age bracket

The researcher sought to know the age bracket of the respondents. From the data collected all the respondents were above 30yrs of age. The analysis of the data revealed that 60% of the respondents were aged between 51 – 60 yrs, 10% of the respondents were aged between 41 – 50 yrs, 10% were aged between 61 – 70 yrs, and 30% were aged between 31 – 40 yrs as represented in the table below.

Table 4.2 Respondents age bracket

<table>
<thead>
<tr>
<th>Age bracket</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-40 yrs</td>
<td>3</td>
<td>30.0</td>
<td>30.0</td>
</tr>
<tr>
<td>41-50 yrs</td>
<td>1</td>
<td>10.0</td>
<td>40.0</td>
</tr>
<tr>
<td>51-60 yrs</td>
<td>6</td>
<td>60.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>
4.2.3 Respondents length of service with the Church

The study required that the respondents indicate the length of service in their Churches.

Data analysis reveals the following information presented in the table below;

Table 4.3 Respondents length of service with the Church

<table>
<thead>
<tr>
<th>Years of service</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-10 yrs</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>11-15 yrs</td>
<td>2</td>
<td>20.0</td>
<td>40.0</td>
</tr>
<tr>
<td>16-20 yrs</td>
<td>3</td>
<td>30.0</td>
<td>70.0</td>
</tr>
<tr>
<td>&gt;21yrs</td>
<td>3</td>
<td>30.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The results indicate that 30% of the respondents have served with their Churches for over 20 years, 30% have served in their Churches for 16 – 20 years, 20% have served for 11 – 15 years and 20% have served for a period of less than 10 years. The results indicate that 80% of the respondents have served in their Churches for more than 10 years and therefore they understand the competitive strategies adopted by their Churches in order to gain competitive advantage.
4.2.4 Church background information analysis

4.2.4.1: Church years of operation

The study sought to know how long each of the mainstream Churches have been in existence in Nairobi. Data analysis revealed that the four out of five mainstream Churches that returned their questionnaire have been in existence for more than 100 years, only one mainstream Church has been in existence for less than 100 years.

Table 4.4: Church years of operation

<table>
<thead>
<tr>
<th>Years of operation</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;50 yrs</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>100-150 yrs</td>
<td>6</td>
<td>60.0</td>
<td>80.0</td>
</tr>
<tr>
<td>&gt;150 yrs</td>
<td>2</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.2.4.2: Church membership

The study also found out that ACK Church has a membership of 5Million members, AIC Church has a membership of 4 Million, PCEA has a membership of 3Million members, MCK has a membership of 2Million and Baptist Church has 1.5Million members as represented in the table 4.5 below.
### Table 4.5: Church membership

<table>
<thead>
<tr>
<th>Churches</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIC 4,000,000</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>ACK 5,000,000</td>
<td>2</td>
<td>20.0</td>
<td>40.0</td>
</tr>
<tr>
<td>BAPTIST 1,500,000</td>
<td>2</td>
<td>20.0</td>
<td>60.0</td>
</tr>
<tr>
<td>PCEA 3,000,000</td>
<td>2</td>
<td>20.0</td>
<td>80.0</td>
</tr>
<tr>
<td>METHODIST 2,000,000</td>
<td>2</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

#### 4.2.4.3: Head office influence to the local Church programs

The study sought to know to what extend does the Church head office influence operations in the Local Churches. The findings indicate that 40% of the mainstream Churches to a great extend influence programs at the local Churches. 20% influence to moderate and low extend respectively. Whereas 10% influence to a very great extend and not at all. The results were as presented in the table 4.6 below.
Table 4.6: Extend of Head office influence to the local Church programs

<table>
<thead>
<tr>
<th>Extend of influence</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not at all</td>
<td>1</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Low extend</td>
<td>2</td>
<td>20.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Moderate extend</td>
<td>2</td>
<td>20.0</td>
<td>50.0</td>
</tr>
<tr>
<td>Great extend</td>
<td>4</td>
<td>40.0</td>
<td>90.0</td>
</tr>
<tr>
<td>Very great extend</td>
<td>1</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.2.4.4: Extend of considering Pastors’ theological training

The research sought to know the extent at which theological training for pastors is considered before engaging. The results indicate that 90% of the mainstream Churches consider to a very great extend the theological training of the pastors while 10% consider to a great extend the theological training of their pastors. The findings are as presented in the table 4.7 below.
Table 4.7: Extend of considering theological training of pastors before engaging

<table>
<thead>
<tr>
<th>Extend of training</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Great extend</td>
<td>1</td>
<td>10.0</td>
<td>10.0</td>
</tr>
<tr>
<td>Very great extend</td>
<td>9</td>
<td>90.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

4.2.4.5 Extend of engaging professionals in Church operation

The respondents were requested to indicate to what extent their Churches engage professionals in the Church operations. The results were as presented in the table 4.8 below.

Table 4.8: To what extend do you engage professionals in church management

<table>
<thead>
<tr>
<th>Extend of engaging professionals</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate extend</td>
<td>2</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Great extend</td>
<td>6</td>
<td>60.0</td>
<td>80.0</td>
</tr>
<tr>
<td>Very great extend</td>
<td>2</td>
<td>20.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The results indicate that 60% of the respondents engage professionals to a great extent and 20% engage professionals to very great extend and moderate extend respectively. The findings are in line with Musila, (2009) who says that unlike in the past, churches
today have embraced professionalism as part of their work practice to achieve competitive advantage and in response to the changing operating environment. This has been so because the Church just like the profit making organizations must competitively operate in the environment and gain competitive advantage ultimate.

4.2.4.6 Church strategic plan

The respondents were requested to indicate whether their Churches have a strategic plan. The results were as presented in the table 4.9 below

<table>
<thead>
<tr>
<th>Church strategic plan</th>
<th>Frequency</th>
<th>Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>yes</td>
<td>9</td>
<td>90.0</td>
<td>90.0</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The results indicate that 90% of the mainstream Churches have a strategic plan. While 10% indicate that their Churches do not have a strategic plan. The results indicate that most of the mainstream Churches have a strategic plan that determines the Church overall direction. This is in line with Chandler, (1962) who defines strategy as the determination of basic long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Mintzberg, (1987) further says every organization must develop a strategy that mediates well
between the organization and its environment and make decisions that will enable it survive and adapt to the changing environment.

4.3 Competitive strategies

Competitive strategies are basic approaches to competing successfully and gaining competitive advantage over rivals. These strategies enable organizations to please customers, to strengthen the organizational market position, counter the maneuvers of rivals, respond to shifting market conditions, and to achieve a particular kind of competitive advantage.

The respondents were requested to indicate to what extend their Churches have adopted the statements as competitive strategies to help them achieve competitive advantage in a five point likert scale. The range was ‘Not at all (1)’ to ‘Very great extend’ (5). The scores not at all and low extend have been taken to represent a variable which had a mean score of 0 to 2.4 on the continuous likert scale; (0≤S.E<2.4). The scores of ‘moderate extend’ have been taken to represent a variable with a mean score of 2.5 to 3.4 on the continuous likert scale; (2.5≥ M.E < 3.4) and the score of both great extend and very great extend have been taken to represent a variable which had a mean score of 3.5 to 5 on a continuous likert scale (3.5 ≤ L.E < 5.0). A standard deviation of > 0.9 implies a significant difference on the impact of the variable among the respondents. The results are shown in the tables below.
The results indicate that mainstream church basis for member’s preference is based on a clear strategic direction (mean 4.50), based on attractive and relevant church programs (mean 4.30), based on good customer care (mean 4.00), based on strategic locations for the Churches (mean 3.40) and based on attractive and beautiful Church buildings (mean 2.80). The above results therefore indicate that mainstream Churches member’s basis for preference is on various bases but not on only one base due to varied likes, interests and preferences of the members.

**4.3.1 Differentiation strategies**

The respondents were requested to indicate to what extend has their Churches have differentiated in different areas. The results were as presented in the table 4.11 below.
The research found that the mainstream Churches have differentiated on the areas of services and programs (designing a wide range of Church services & programs for varied members eg Children, youth, women, men single parents etc) (mean 4.30), differentiated in engaging well trained pastors with unique and diverse talents and abilities (mean 4.10), maximizing on the use of technology (mean 3.70), customizing their Church programs and services to meet the needs of urban church (mean 3.50) and differentiated in engaging in research to identify the needs of the members in order to serve them better (mean 3.30).
The results indicate that the all the mainstream Churches have created and offer unique services and programs for varied members. The findings are in agreement with Thompson et al., (2013) who says that differentiation is an attempt to increase the customer’s willingness to buy, accept the products and services which is created through developing unique products and services. Therefore the key strategic driver is uniqueness which has a strong differentiating effect. Differentiation can be based on tangible or intangible attributes of the services and or products.

4.3.2 Focus specialization strategy

The respondents were requested to indicate the extent to which focus specialization is adopted in their respective Churches. The results were as presented in the table below.

Table 4.12: Focus specialization approaches/ strategies

<table>
<thead>
<tr>
<th>Focus specialization approaches/ strategies</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>What extend has the church focused on certain Geographical area</td>
<td>2.50</td>
<td>.972</td>
</tr>
<tr>
<td>What extend has the church focused on certain age group</td>
<td>2.50</td>
<td>.527</td>
</tr>
<tr>
<td>What extend has the church focused on specific social class of people</td>
<td>2.00</td>
<td>1.054</td>
</tr>
<tr>
<td>What extend has the church focused on low cost leadership in running church programs</td>
<td>2.50</td>
<td>.850</td>
</tr>
<tr>
<td>What extend has the church focused on multiple services and programs</td>
<td>3.30</td>
<td>1.160</td>
</tr>
</tbody>
</table>
As shown in the table 4.12 above, focused specialization was on multiple services and programs to reach different groups in the Church (mean 3.30), most of the mainstream Churches fairly focus on low cost leadership in running the Church services, on a certain age group in the Church services and programs and on a certain geographical area to establish and run churches (mean 2.50) and least focus on the members social class in their operations (mean 2.00). The results indicate that most of the mainstream Churches consider focus specialization as a competitive strategy. However the focus here is differentiation which is line with Porter, (1980) who says that focus strategy can either be low cost focus or differentiation focus which is the focus of the mainstream Churches through offering multiple services and programs to meet the diverse needs of the members.

4.3.3 Low cost leadership strategies

The respondents were requested to indicate the extent to which various approaches to low cost leadership are adopted as competitive strategies. The findings were as presented in the table 4.13 below.
Table 4.13: Low cost leadership strategies

<table>
<thead>
<tr>
<th>Low cost leadership strategies</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>What extend has the church rely on offerings and tithes to</td>
<td>4.20</td>
<td>1.033</td>
</tr>
<tr>
<td>support programs and budgets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What extend has the church rely on donor support</td>
<td>1.30</td>
<td>0.483</td>
</tr>
<tr>
<td>What extend has the church rely on proceeds from</td>
<td>3.10</td>
<td>0.876</td>
</tr>
<tr>
<td>investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What extend has the church rely on harambees and</td>
<td>2.50</td>
<td>0.707</td>
</tr>
<tr>
<td>fundraisers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results indicate that most of the mainstream Churches rely on tithes and offerings to support their Church budgets (mean 4.20), mainstream Churches have also invested and rely on the proceeds from the investments to support the Church budgets (mean 3.10), occasional haramabees and fundraisers contribute towards the Church Budgets (mean 2.50), the mainstream Church do not any more rely on donations from donors (mean 1.30). The results indicate that most of the mainstream Churches rely on the offerings and tithes to fund their budgets. However a good number have invested and therefore, the proceeds from the investments fund the church budgets budget thus reducing the big load from the members. This is opposite of what Ombuor & Ayieko (2004) who says many Church leaders today especially in the Charismatic churches have been accused of
commercializing the gospel. Mainstream Churches do not entirely rely only on offerings but also proceeds from their investments among other sources.

4.3.4 Diversification strategy

The respondents were requested to indicate to what extent they have diversified in various fields. The results were as presented in the table 4.14 below.

**Table 4.14: Areas of Diversification**

<table>
<thead>
<tr>
<th>Area of diversification</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>What extend has the church diversified in Education</td>
<td>3.90</td>
<td>.738</td>
</tr>
<tr>
<td>What extend has the church diversified in bookshop/bookstore</td>
<td>3.40</td>
<td>1.174</td>
</tr>
<tr>
<td>What extend has the church diversified in printing press and publishing</td>
<td>2.70</td>
<td>1.567</td>
</tr>
<tr>
<td>What extend has the church diversified in health programs</td>
<td>3.70</td>
<td>1.059</td>
</tr>
<tr>
<td>What extend has the church diversified in children homes and child care centers</td>
<td>3.00</td>
<td>1.247</td>
</tr>
<tr>
<td>What extend has the church diversified in guest houses and conference facilities</td>
<td>3.60</td>
<td>.843</td>
</tr>
<tr>
<td>What extend has the church diversified in sport centers and stadiums</td>
<td>1.40</td>
<td>.843</td>
</tr>
<tr>
<td>What extend has the church diversified in Sacco’s and welfare groups</td>
<td>2.40</td>
<td>.966</td>
</tr>
<tr>
<td>What extend has the church diversified in real estate and property management</td>
<td>3.00</td>
<td>1.155</td>
</tr>
</tbody>
</table>
The results indicate that most of the mainstream Churches have diversified in Education at different levels (Universities, Colleges, secondary & primary schools (mean 3.90), in health programs such as hospitals, health centers and dispensaries (mean 3.700), Guests and conference facilities (mean 3.60), bookshops and book stores (3.40), children and child cares (mean 3.00), real estate and property management (mean 3.00), Printing press and publishing (mean 2.70), Sacco’s and welfare groups (mean 2.40) and sports centers and stadiums (mean 1.40). The results indicate that the mainstream Churches have adopted both related and unrelated diversification. The findings are in line with Amat and livnat, (1998) who highlights that diversification strategies are used to expand firm’s operation by adding markets, products, services or stages of production to the existing business. Diversification within the mainstream Churches has enabled them in supplementing income but also in reaching out to more people from varied backgrounds who have varied likes, interests and preferences.

4.4 Discussion of findings

The study has established that all the mainstream Churches have adopted several competitive strategies in order to ensure their survival in an environment with limited resources, personnel, volunteers etc. Each Church has adopted only those competitive strategies that that fit well within their overall strategic plan and enables the Church to maximize on their opportunities and strengths in order to gain and retain its attractiveness so as to enhance the Church commitment to reach a wider scope in their ministries.
This study confirms the findings of other researches, like Musila (2009) who conducted a study on the application of diversification strategy by the Anglican Church of Kenya and found that Anglican Church of Kenya which is one of the mainstream Churches has highly diversified her services. Diversification is the leading competitive strategy within the mainstream Churches. Churches have greatly diversified in other related and unrelated businesses especially in their endeavor to supplement in the Church income as well as meeting the psychosocial, academic, health among many other needs in the society.

However, it is important to note that Overall cost leadership strategy is quite unique in the Church. All the mainstream Churches heavily rely on the collection of offerings and tithes from the members but also all the mainstream Churches have through diversification invested on other programs whose proceeds have offloaded to some extend the burden of meeting the Church budgets. Just like in the profit making organization where the focus is striving to gain advantages by reducing the economic costs/ operation costs below all competitors which is enhanced through low cost drivers. The Church through cost leadership reduces the operation cost through depending on proceeds that come from the other diversified programs.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the research findings in chapter four are summarized, and a conclusion is drawn which forms the basis for recommendations. The chapter incorporates the various suggestions and comments given by the respondents in the questionnaire.

5.2 Summary of Findings

The main objective of this study was to determine the competitive strategies adopted by the mainstream Churches in Nairobi County. Competitive strategies being the basic approaches to competing successfully and gaining competitive advantage must be considered by all organizations including the Church and other non-profit making organizations. Competitive strategies adopted by the mainstream Churches play a key role in determining their survival in the competitive religious industry.

The study shows that majority of the respondents have served in their Churches for a long period of time and therefore have a better understanding on the strategies that their Churches have been put in place in order to survive in this changing environment and gain competitive advantage. The study established that most of the mainstream Churches have been in operation for a long duration of time and thus they understand the need to develop effective strategies in order to be competitive.

The study found out that mainstream Churches have adopted differentiation strategy through wide range of Church services and programs that are not only wide but also customized to meet the needs of different groups of people in the Church, use of well
trained pastors who have unique abilities and knowledge to serve the various groups in the Church. The mainstream Churches have also differentiated using technology. Diversification both related and unrelated is the most adopted strategy compared to the other strategies, diversification to various fields such as Education, health, guest houses and conference facilities, real estate and property management, children home and child care centers, Bookshops and book stores. The diversified fields expose the Church into more opportunities to spread the gospel to more people who may not necessarily find their way to the Church like the other people.

The study further established that low cost leadership has also been fairly adopted though collection of offerings and tithes still remains the main source of funding the Church budgets. However most of the mainstream Churches have invested in real estate and property management which has to great extent offloaded the burden of funding the Church budgets from the Church members hence an attraction point for more loyal and faithful members. Focus differentiation specialization through multiple Church programs and services accommodates different groups of people into the Church hence high level of attractiveness. The study found out most of the mainstream have a clear strategic direction which is the key bases of preference by many members. In addition relevant programs as well as good customer care services can be ignored in the mainstream Churches as the bases for member’s preferences.

5.3 Conclusions
The purpose of competitive strategies is to effectively please customers, to strengthen the organizational market position, counter the maneuvers of rivals, respond to shifting
market conditions, and to achieve a particular kind of competitive advantage. A competitive strategy is the result of an organizational planning realized through the process of proper organizational strategic fit and positioning in the competitive environment. The findings clearly indicate that the mainstream Churches have understood and embraced strategic planning and have adopted various competitive strategies that have enabled them to survive all this time.

The mainstream Churches exploit both external and internal Church specific capabilities and also develop new ones in order to effectively compete. Establishing competitive strategies involves formulation of an overall organizational strategy that exploits the firm’s resources and capabilities. The mainstream Churches have not only engaged well trained pastors but also engaged qualified professional who add into the competitive positioning of most of the mainstream Churches. Therefore, for the majority of the mainstream Churches to have survived this long has not been as a result of chance rather the result of proper planning and application of clear strategic moves that have competitively placed most of the Churches strategically in the ever competitive religious and business environment.

5.4 Recommendations for policy analysis and practice

The researcher recommends that all the Churches though not for profit making should adopt the competitive strategies that will ensure their survival in an environment with limited resources, personnel, volunteers etc. This will help the Church out of unnecessary strain and struggle for resources, membership, programs, staff volunteers and other resources that are necessary for gaining and retaining their attractiveness. However, each
Church should adopt those competitive strategies that are in line with their strategic plan and the Church internal resources.

On the other hand, since the church plays a pivotal role in the society and nation in terms of providing consolation to the people in times of calamities, mentoring leaders of all walks of life and providing support and uplifting the lives of people, the researcher therefore recommends that Church leaders should continue to invest in research so as to discover unique competitive strategies that will position the Church in a more influential position in the society so as to continue serving people from all walks of life.

5.5 Limitations of the study

This study had several limitations, the most important of which are highlighted herein. This being a cross sectional survey design, the researcher responses were limited to the 7 mainstream Churches. A generalization of the findings to represent a wider and more diverse sample of Church sector would have provided a broader insight on the subject and especially reveal any industry specific differences.

The study used a questionnaire as a method of data collection. This was limiting in the sense that the respondents did not get enough space to write extensively about their Churches. Some respondents were hesitant in giving confidential information thereby leaving some unanswered questions. The researcher was also limited by resources as he had to keep traveling to offsite stations to drop and pick the questionnaires.
5.6 Recommendation for Further Research

This research used a survey design and focused only on the seven mainstream Churches in Nairobi County. Future research could therefore investigate extent to which these findings can be generalized to other Churches, evangelical, Pentecostal and charismatic Churches, and other Church related institutions. The sample used focused on mainstream Churches only.

Further research is recommended on all the Churches using a larger sample for the purposes of generalizations. A cross sectional study across a number of denominations within the sector can also be done to make comparative analysis. A more elaborate study can be done among the members Churches of the National Church Council of Kenya (NCCK), the Evangelical Alliance of Kenya (EAK). These Church bodies would provide a wider scope.
REFERENCES


Mukkenu, Jacqueline Ndinda (2013) *Competitive strategies adopted by Early Childhood Education Institution in dealing with external environment in Nairobi County*. Unpublished MBA Project, School of Business, University of Nairobi


APPENDICES

Appendix I: List of the mainstream Churches

1. Roman Catholic Church
2. Africa Inland Church – Kenya
3. Anglican Church of Kenya
4. Methodist Church of Kenya
5. Presbyterian Church of East Africa
6. Baptist Church of Kenya
7. Full Gospel Churches of Kenya
Appendix II: Letter of Introduction

To whom it may concern.

Dear sir/ Madam

My Name is Josphat MunyithyaMusili, a Master of Business Administration student at the University of Nairobi. I’m currently conducting a research on the competitive strategies adopted by the mainstream Churches in Nairobi County in order to survive in the competitive environment. In order to undertake my research, you have been selected to form part of the study.

Therefore, this letter is to request your assistance to give information to the questionnaire guide attached. The information given will be treated with strict confidence and will be used purely for academic purposes.

Your assistance and co-operation will highly be appreciated.

Yours faithfully

Josphat M. Musili

MBA Student – University of Nairobi
Appendix III: QUESTIONNAIRE

Introduction

This questionnaire is designed to acquire responses about competitive strategies adopted by the mainstream Churches in Nairobi County.

SECTION A: General information

1. Position in the Church: ………………………………………………………………………………………………..

2. Gender: Male (   ) Female (   )

3. What is your highest level of Education: Tick appropriately

Certificate (   ) Diploma (   ) Higher Diploma (   )
Degree (   ) Masters (   ) PhD holder (   )

4. What is your Age bracket?

Under 30 years (   ) 31 – 40 yrs (   ) 41 – 50 yrs (   )
51 – 60 yrs (   ) 61 – 70 yrs (   ) Over 70years (   )

5. For how long have been serving with this Church?

………………………………………………………………………………………………………………………………………..

SECTION B: Church background information

6. What Is the Denomination of your Church?

………………………………………………………………………………………………………………………………………..

7. How long has this Church been in operation in Kenya?
8. What is the approximate number of membership in your Church?

…………………………………………………………………………………………

9. How many branches does your Church have in Nairobi County?

…………………………………………………………………………………………

10. To what extend does the head office determine the Church ministry programs & activities in the Local Churches? Kindly tick appropriately

   Very great extend ( )  Great extend ( )  Moderate extend ( )
   Low extend ( )  Not at all ( )

11. How many pastors are serving in your Church in Nairobi county?

…………………………………………………………………………………………

12. To extend do you consider the Pastor’s level of theological training before engaging them in the ministry

   Very great extend ( )  Great extend ( )  Moderate extend ( )
   Low extend ( )  Not at all ( )

13. To what extend do you engage professionals in their relevant areas of training in your Church. Professionals such as human resource managers, accountants, IT officers, administrators, etc?

   Very great extend ( )  Great extend ( )  Moderate extend ( )
   Low extend ( )  Not at all ( )
SECTION C: Competitive strategies

Competitive strategies are approaches undertaken by institutions and businesses in order to compete successfully and gain competitive advantage over their competitors. Churches compete in their religious market place for; member loyalty, needed resources, donors and attractiveness.

14. Does your Church have a strategic plan?
   Yes (    )     No (    )

15. How would you describe competition for resources, sponsors, loyal members, staff, volunteers, programs among the mainstream Churches in Nairobi?
   Very strong (   )     Strong (   )     Relatively strong (   )
   Weak (   )     Very weak (   )

16. Which of the following competitive strategies has your Church applied/ adopted in order to gain her competitive advantage?
   Differentiation strategy (    )     Focus strategy (    )
   Diversification strategy (    )     Any other strategy (Kindly specify) (    )

17. To what extent do you think members prefer your Church than other Churches based on the following options? Kindly tick appropriately in a scale of 1 – 5
   Very great extend – 5     Great extend – 4     Moderate extend – 3
   Low extend – 2     Not at all – 1
### Strategy

<table>
<thead>
<tr>
<th>Base of preference</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Churches are strategically located for members easy access</td>
<td></td>
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<tr>
<td>Attractive building and permanently built</td>
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<tr>
<td>Good customer care services to our members</td>
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<tr>
<td>Attractive &amp; relevant programs</td>
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<tr>
<td>Clear strategic direction for the whole Church</td>
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</tbody>
</table>

### A. Differentiation strategy: Differentiation is striving to create and market unique services for varied customer groups

18. To what extend has your Church adopted the following approaches in her differentiation strategies. Kindly tick the appropriate option in the scale of 1 – 5 as below

- Very great extend – 5
- Great extend – 4
- Moderate extend – 3
- Low extend – 2
- Not at all – 1
### Areas of differentiation

<table>
<thead>
<tr>
<th>Areas of differentiation</th>
<th>Extend it is adopted in your church</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Offering a wide range of Church services &amp; programs</td>
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<tr>
<td>Engaging high trained &amp; knowledgeable pastors &amp; other members of staff</td>
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<tr>
<td>Maximizing on technology in order to effectively serve your members</td>
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</tr>
<tr>
<td>Customizing &amp; contextualizing the church programs to fit urban needs</td>
<td></td>
</tr>
<tr>
<td>Regularly coming up with unique church programs</td>
<td></td>
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<tr>
<td>Any other differentiation? Kindly specify</td>
<td></td>
</tr>
</tbody>
</table>

B. **Focus specialization Strategy** – *Means striving to have a special appeal to one or more groups of people*

19. To what extend has your Church adopted the following approaches of focused specialization strategy in her ministries and programs. Kindly tick the appropriate option in the scale of 1 – 5 as below

- Very great extend – 5
- Great extend – 4
- Moderate extend – 3
- Low extend – 2
- Not at all – 1
### Focus strategy approaches

<table>
<thead>
<tr>
<th>Focus strategy approaches</th>
<th>Extend the strategy adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focusing on a certain geographical area</td>
<td></td>
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<tr>
<td>Focusing on a certain age group of people</td>
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<tr>
<td>Focusing on a specific class of people (Upper class, Middle class, Low class people)</td>
<td></td>
</tr>
<tr>
<td>Focusing on low cost leadership in running the Church programs (No heavy financial demands)</td>
<td></td>
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<tr>
<td>Focusing on differentiated Church services &amp; programs</td>
<td></td>
</tr>
<tr>
<td>Focusing on a certain language group in your services &amp; programs</td>
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<tr>
<td>Any other area of focus in the Church? Specify</td>
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</table>

### C. Low cost leadership strategy

*Means striving to gain advantages by reducing the economic costs/operation costs below all competitors which is enhanced through low cost drivers.*
20. To what extent has your Church used low cost leadership strategy in her ministries & programs? Kindly tick the appropriate option in the scale of 1 – 5 as below:

- Very great extend – 5
- Great extend – 4
- Moderate extend – 3
- Low extend – 2
- Not at all – 1

<table>
<thead>
<tr>
<th>Approaches of Low cost leadership</th>
<th>Extend low cost leadership is adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relying only on offerings &amp; tithes to support church budgets</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Relying greatly on donor support to support Church budgets</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Relying on Harambees/ Fundraisers to support Church budgets</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Intensive Church members contribution to support the Church budgets</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Supplementing the Church income through proceeds from investments</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>No offerings collected to support the ministry budgets</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Any other approach towards low cost? Specify</td>
<td>1 2 3 4 5</td>
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</tbody>
</table>

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-
D. **Diversification strategy:** *Diversification means pursuing numerous different businesses by adding different related or unrelated products & service.*

21. Has your Church diversified her services? Yes ( ) No ( )

22. What type of diversification strategy has your Church adopted?
   - Related diversification ( )
   - Unrelated diversification ( )
   - Both ( )

23. To what extend has your Church diversified her services through the following approaches? Kindly tick the appropriate option to indicate the degree of adopting in the table below in scale of 1 – 5 as below:

   - Very great extend – 5
   - Great extend – 4
   - Moderate extend – 3
   - Low extend – 2
   - Not at all – 1

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<thead>
<tr>
<th>Area of diversification</th>
<th>Extend of diversification (1-5)</th>
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<td>Education (Universities, colleges, schools)</td>
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<td>Book shops</td>
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<td>Printing press &amp; Publishing</td>
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<tr>
<td>Health (Hospitals, dispensaries, health programs)</td>
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<tr>
<td>Children homes &amp; Child cares</td>
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<tr>
<td>Guest houses &amp; conference facilities</td>
<td></td>
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<tr>
<td>Sports centers &amp; stadiums</td>
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<td>Sacco’s</td>
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<tr>
<td>Welfare groups &amp; organizations</td>
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<tr>
<td>Real estate &amp; Property investments</td>
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### Television Airwave

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### Insurance companies

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### Transport services

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### Radio studios

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### Any form of business (Specify)

- 

### Any other area of diversification (Specify)

- 

---

**End**

Thank you