INFLUENCE OF GENERIC STRATEGIES ON PERFORMANCE OF METAL WORKS SME BUSINESSES IN NAIVASHA TOWN

George Ochieng Mita
Master of Business Administration, Laikipia University, Kenya

International Academic Journal of Human Resource and Business Administration (IAJHRBA) | ISSN 2518-2374

Received: 23rd August 2017
Accepted: 4th September 2017

Full Length Research

Available Online at:

http://www.iajournals.org/articles/iajhrba_v2_i3_477_500.pdf

Citation: Mita, G. O. (2017). Influence of generic strategies on performance of metal works SME businesses in Naivasha town. *International Academic Journal of Human Resource and Business Administration, 2*(3), 477-500

ABSTRACT

With increase in competition that most businesses are facing today, rewards will accrue to those who will adopt generic strategies to ensure that they outperform their competitors. Performance of the SME sector is critical and will tremendously influence the performance of the entire Kenyan economy. However, there is little documented literature on how generic strategies influence the performance of SME in Kenya. This study therefore aimed at determining the influence of generic strategies on performance of metal works SME sector in Naivasha town in Nakuru County. The specific objectives were; to assess influence of cost leadership strategy in the performance of Metal works SME businesses; to determine how differentiation strategy has contributed to performance; and to examine the influence of focus strategy on the performance of Metal works SME businesses in Naivasha town. The study adopted a descriptive survey design in addressing the research objectives. The study targeted metal works SME in Naivasha town. The target population of the study was all the Metal works SMEs in Naivasha town. There are 150 Metal works SMEs registered by the Sub County government in Naivasha as at the end of 2016. A sample of 46 SME which is 38.3% of the population was selected using simple random sampling. The study found that 93.5% of the respondents were male while the remaining 6.5% were females Correlation results showed that none of the predictor variable was strongly correlated with each other. All of them had coefficients < 0.5, thus a model of three predictor variables could be used in forecasting performance (sales revenue). The results also showed that R which is the multiple correlation coefficients that shows quality of the prediction of the dependent variable by the independent variable is 0.932. This is a good indication since it points to a strong correlation. The R-Square which is the coefficient of determination equals 0.869 which shows that 86.9% of the variation in performance (sales revenue) can be explained by the changes in Differentiation strategy, Cost Leadership strategy and Focus strategy leaving 13.1 percent unexplained. The study recommended the need to employ strategies that would ensure superior value and performance. The differentiation strategy is highly recommended since there are a lot of substitute products in the market. This would mean that metal works SMEs offer services and products that differentiate them from others. Cost leadership is also recommended, this would mean that metal works SMEs operate at lower costs so as to be able to lower the prices of their commodities to attract customers and still remain profitable.

Key Words: *generic strategies, performance, metal works SME businesses, Naivasha town*

INTRODUCTION

Strategies are often defined as contingent plans of action designed to achieve a particular goals. They are high-order choices that have profound implications on competitive outcomes. Firms have learned to analyze their competitive environment, define their position, develop competitive and corporate advantages, and understand threats to sustaining advantage in the face of challenging competitive threats. Different approaches including industrial organization, the resource-based view, dynamic capabilities, and game theory have helped academicians and practitioners understand the dynamics of competition and develop recommendations on how firms should define their competitive and corporate strategies (Allen and Helms, 2006).

Generic strategies are approaches to strategic planning that are adopted by any firm in any market or industry to improve their competitive performance. Porter's generic strategy typology remains one of the most notable in the strategic management literature. Porter's generic strategy matrix, which highlights cost leadership, differentiation and focus as the three basic choices for firms. A cost leadership strategy is based upon a business organizing and managing its value adding activities so as to be the lowest cost producer of a product within an industry while a differentiation strategy is based upon persuading customers that a product is superior in some way to that offered by competitors. Focus strategies are aimed at a segment of the market for a product rather than at the whole market (Porter, 1980).

According to Bowman hybrid strategy offers some form of differentiation without demanding premium prices. Firms have made it their business to cut costs in areas that are not important to the customer through manufacturing competencies so as to be able to afford lower prices while still offering distinctive features. A differentiation strategy in this model involves offerings that are distinctive from those of competitors in ways which are valued by consumers in a broad market segment (Haberberg & Rieple, 2008).

This distinguishes it from a focused differentiation strategy which seeks to achieve high prices for a highly specialized product targeted at a narrow customer segment where there are few competitors. This could be a wrong strategy for metal works SMEs operating within Naivasha town. Firms following this strategy are likely to have strong competences in areas of particular importance to the customers in that segment and build strong relationships of trust with them.

Strategies involving high prices for low or unexceptional value or standard prices for poorly featured products or services are only likely to be viable for a short period (Haberberg & Rieple, 2008). It is likely that competitors offering better value for money will take market share in the longer term. If one is considering using Bowman's generic strategies in their analysis, he or she needs to be aware that the framework does not appear to have been empirically tested. In other words, there is no evidence that the differences between his various generic strategies are genuinely important in practice but also no evidence that they are not.

Cost Leadership

Striving to be cost leaders in an industry can be especially effective when the market is composed of many price-sensitive buyers, when there are few ways to achieve product differentiation, when buyers do not care much about differences from brand to brand, or when there are a large number of buyers with significant bargaining power. The basic idea is to underprice competitors and thereby gain market share and sales, driving some competitors out of the market entirely (Allen and Helms, 2006).

Grant (2010) found that in Portugal, around 98% of the industrial fabric is composed of SME. Most of the time, these firms are seen as a black box on what concerns to development. However the measures taken by them, the entrepreneurial strategies, and entrepreneurship actions, have a significant influence on the development theatre in terms of cost engineering. Due to an extensive application of generic strategies, management instruments in big companies and a widely accepted notion that rational economic decision making should prevail in enterprises regardless of size, practitioners and academics alike have recently called for a more substantial use of strategic planning in SMEs. Most concepts and instruments of strategic management are considered to be irrespective of company size. However, SMEs in particular often cannot acquire all required resources which prevent successful implementation of generic strategies. In contrast to bigger companies, SMEs normally dispose of a lower level of resources, lower access to human and financial capital as well as to the selling markets, and possess an insufficiently developed administration. Thus, the application of formal planning mechanisms such as generic strategies is often missing, especially up to a certain critical size (Beal, 2000).

Michael Porter held that firms can only achieve high returns if their costs are lower than those of competitors' or if they can differentiate their products effectively. He identified three bases for competitive advantage. These are; Cost leadership strategies, Differentiation strategies and Focus strategies. According to Porter (1980), an organization can outperform rivals if it can establish a difference it can preserve and the essence of strategy is choosing to perform activities differently than rivals do. Competition usually results into competitive rivalry, a phenomenon associated with organizations offering similar products and services aimed at the same customer group. An overall cost leadership strategy is one in which a firm strives to have the lowest costs in the industry and offers its products and services to a broad market at the lowest prices (Githinji, 2009). Porter (1980) states that characteristics of cost leadership strategy include low level of differentiation, aim for average customer, use of knowledge gained from the past experience and the addition of new products only after the market demands them. Thompson, Strickland and Gable (2010) agree with Porter's view on cost leadership strategies and state that this strategy calls for being the low cost producer in an industry for a given level of quality. Firms acquire cost advantages by improving processes efficiencies, accessing lower cost materials, making optimal outsourcing vertical integration decisions or avoiding some costs altogether. However, the risk of cost leadership is that competitors may leapfrog the technology and production capabilities hence eliminating the competitive advantage acquired from cost reduction.

Differentiation Strategy

A differentiation strategy is one in which a firm offers products or services with unique features that customers value (Porter, 1980). The value added by the uniqueness commands a premium price. Differentiation strategy calls for development of a product or service that offers unique attributes to the customers. The firm hopes to cover the extra costs by the premium price commanded by the product or service uniqueness. If suppliers increase their prices, the firm may be able to pass along the costs to its customers who cannot find substitute products easily. This is one way of creating a product or service that is perceived as being unique throughout the industry. The emphasis can be on brand image, proprietary technology, special features, superior service, a strong distributor network or other aspects that might be specific to one's industry. This uniqueness should also translate to profit margins that are higher than the industry average. Rothschild (1984) contends that differentiation is often the secret to extending the life cycle of a business and making it more expensive to enter and follow. The risks associated with differentiation strategy include imitation by competitors and changing customer tastes and preferences and hence the shelf life of differentiation strategy is getting shorter and shorter (Gichura, A. 2006).

Adopting a differentiation strategy seeks to establish fundamental differences in a variety of dimensions so that buyers perceive a marked contrast between the products of one firm and its rivals. A firm focuses on providing a unique product or service from its competitors. Differentiation yields high margins with which to deal with supplier power and clearly mitigates buyer power since buyers lack comparable alternatives and are thereby allows a firm to charge a higher price for its products (Parnel, 2008).

Today's business environment is characterized by an increasing intensity of competition, globalization of the world economy and rapid technological changes. There is growing expectations of customers, suppliers and the workforce. There is growing demand as witnessed in Naivasha town which is growing as a cut flower hub in the region. Surviving and growing in this turbulent and dynamic business environment requires strategic thinking and decision-making (Grant, 2010). Although research findings on the association between business planning and organizational performance have remained controversial and inconclusive (Chang and Tsai, 2002), there is much consensus that adoption of generic strategies is a vital means of meeting these challenges. There is a great need to evaluate this relationship in Naivasha town in the wake of the 2007/2008 post election violence that disrupted business and investments.

Focus Strategy

Focus strategy, involves a firm concentrating on a narrow customer segment. This means serving the segment more efficiently and effectively than the competitors. It can be further subdivided into cost focus and differentiation focus strategies, depending on whether the firm tries to achieve cost or differentiation advantage in that particular segment (Porter, 1985). Porter stated that the advantages of focus strategy include having power over buyers since the firm may be the only source of supply. Buyers do not have a strong bargaining power giving a firm competitive advantage. Customer loyalty also protects a firm from threat of new entrants and threat of substitute products. The firm adopting focus strategy can easily stay closer to its customers and effectively monitor their needs. However, the risks associated with focus strategy include being at the mercy of powerful suppliers since the firm is only able to buy in small quantities. Small volumes also mean higher production costs. These firms do not enjoy lower cost advantages arising from economies of scale. Changes in customer tastes and preferences may lead to disappearance of the market segment. It may also be fairly easy for a broad market cost leader to adopt its products in order to compete directly with firms pursuing focus strategy. Finally other focuses may be able to curve out segments that they can serve even well.

Porter (1980) argues that his generic strategies are not compatible to one another. A firm that attempts to achieve an advantage on all fronts may achieve no advantage at all. For example if a firm differentiates itself by supplying very high quality products, it risks undermining that quality if it seeks to become a cost leader. Therefore according to Porter to be successful over a long term, a firm must select one and only one of the three generic strategies. Otherwise with more than one, a firm risks being “stuck in the middle” and may not achieve competitive advantage. Those firms that succeed with multiple generic strategies do so by creating separate business units for each strategy.

Haberberg places less emphasis than Porter on the difference between broad and narrow scope and analyses a business’ competitive stance along two main dimensions: the prices of its products and the amount of value its customers, existing or potential, perceive that those products give them (Haberberg & Rieple, 2008). A no-frills strategy provides usable, basic products with very few features at a low price. Organizations using a low-price strategy charge less than competitors for similar levels of functionality and service. This makes it a risky and difficult strategy which requires the firm to have lower costs than its competitors, or to be able to block imitation of its prices and survive price wars. It is likely that this strategy will have a short lifespan and will change over time to a stance based either on no frills or on clearer differentiation.

Due to global economic downturn in the last decade, Naivasha town in Kenya like any other part in developing country in sub Saharan Africa has faced various and pertinent challenges that need institutions and efficient, management to be among the growing economies. The focus must shift to value addition through manufacturing and this is where generic strategies fall in place. Manufacturing and Service enterprises with employees ranging between 1 to 50 employees must be supported adopt generic strategies in order to grow and expand thus create more jobs (Gakure and Amurle, 2013).

SMEs in Kenya

SME’s are considered to be the principal driving force of economic development in almost all economies (Leitner and Guldenberg, 2009). In Kenya, SMEs are vital for spurring economic growth and employment creation and should be in the forefront in adoption of generic strategies. According to Gakure and Amurle (2013), the SMEs sector employs 74% of the labour force and contributes over 18% of the country’s Gross Domestic Product (GDP). Despite its great contribution to Kenyan society, and the numerous policy prescriptions, the SMEs sector encounters a series of challenges and constraints that inhibit its growth. The result is stagnated growth, lack of competitiveness, high failure rate, and an average lifespan of five years (CBS, 1999). On the other hand, for a long time strategic planning is known to be an essential activity that generates positive outcomes for firms of all sizes. However, little is known of adoption of generic strategies among SMEs in Africa and in particular Kenya (Gakure and Amurle, 2013).

Kenya like most of developing countries lack research and studies about adoption of generic strategies by Metal works SME's sector. This is true for Naivasha town even with its great potential as a major industrial hub. The Kenya National Baseline survey (1999) conducted by Central Bureau of Statistics and K-REP provides the most recent picture of small enterprises in Kenya. Mead (1998), observe that the health of the whole economy as a whole has strong relationship with the health and nature of micro and small enterprise sector hence the need to ensure adoption of generic strategies among the metal SMEs in Kenya.

The Metal works sector SME's such as the ones in Naivasha town need support to implement various generic strategies such as cost leadership, differentiation and focus. For cost leadership, there must be reforms favoring development of the sector, improve institutional capacity for sector development, policies designed to solve strategic management challenges and promote success. This coupled with differentiation strategies would encourage more entrepreneurs in Naivasha town to venture into the sector especially the youths and women. Although lack of capital prohibits startups from growing, focus strategy would ensure that the SMEs can target particular niches such as government departments, NGOs and religious organizations (Kenya National Baseline survey, 1999).

STATEMENT OF THE PROBLEM

Due to the emergence of many businesses in Kenya, the operational set up in the economy has become dynamic and highly competitive. To ensure survival and sustainability in the market place, businesses have adopted generic strategies to ensure that they outperform their competitors. Generic strategies employed by firms in their operations vary widely depending on the operating environment. Porter (1980, 1985) argues that superior performance can be achieved in a competitive industry through the pursuit of a generic strategy, which he defines as the development of overall cost leadership, differentiation, or focus approach to industry competition. If a firm does not pursue one of these strategy types, it will be stuck-in-the-middle and will experience lower performance when compared to firms that pursue a generic strategy (Okal, 2006). SMEs operating in politically volatile and competitive environments such as Naivasha town may realize a performance advantage over competitors by adopting generic strategies. Studies related to generic strategies in Kenya include those of Mungai (2006) who investigated competitive strategies adopted by mainstream daily print media firms in Kenya; Ogolla (2005) researched the application of porter's strategies by insurance companies in Kenya; Kitoto (2005) examined the competitive strategies adopted by universities in Kenya. Other researchers such as and Njoroge (2006) researched competitive strategies adopted by Liquid Petroleum Gas marketers in Kenya to cope with competition. None of the above studies focused on the application of Porter's generic competitive strategies by SME's in Kenya and thus present a research gap. There is great need to establish the influence the generic strategies may bring to the metal SMEs d despite them playing a significant role in the Naivasha town business environment and Kenyan economy as a whole. However, most of them lack clear support structure to guarantee their survival. It is not however documented in accessible literature how generic strategies influence the performance of SMEs' in Kenya. However according to Barth (2003) generic strategies heavily influence the financial performance of SMEs'. The study therefore sought to investigate the extent to which adopting of the generic strategies has influenced the performance of metal works SME's in Naivasha Town, Nakuru County.

GENERAL OBJECTIVE

The general objective of the study was to assess the influence of adopting generic strategies among metal works SME's businesses in Naivasha Town.

SPECIFIC OBJECTIVES

1. To assess the influence of low cost leadership strategy on the performance of Metal works SME's businesses in Naivasha town.
2. To determine the influence of differentiation strategy on the performance of Metal works SME's businesses in Naivasha town.
3. To examine the influence of focus strategy on the performance of Metal works SME's businesses in Naivasha town.

THEORETICAL LITERATURE REVIEW

Porters' Five Forces Model

Porter (1985) identifies five forces of competition as fierce rivalry, threat to entry, threat to substitutes, power of suppliers and power of buyers. He upholds that understanding the forces that shape a sectors competition is the basis for developing a strategy. Generic strategies can be effectively correlated to organizational performance by using key strategic practices. Porter posits that if the forces are extreme, no organization earns striking returns on investment and if the forces are benign, most of the companies are profitable. The composition of the five forces varies by industry and that an organization needs a separate strategy for every distinct industry such as the metal work businesses. Porter's (1998) generic strategies comprise of low cost, differentiation, focus and combination strategies. These are commonly conventional as a strategic typology for all organizations. Porter's model is an influential tool for methodically diagnosing the main competitive pressures in a market and assessing how strong and significant each one is. Kitoto (2005) observed that a correct analysis of the five forces will assist a firm choose one of the generic strategies that will successfully enable the organization to compete profitably in an industry. Metal works businesses therefore can only develop and choose winning strategies by first identifying the competitive pressures that exists, measuring the virtual strength of each and gaining a profound understanding of the sector's whole competitive structure.

Adaptability Theory

This theory is based on the idea that norms and beliefs that enhance an organization's ability to receive, interpret and translate signals from the environment into internal organizational and behavioral changes will promote its survival, growth and development. Ironically, organizations that are well integrated are often the most difficult ones to change due to the deep levels of adaptability acquired over time. Adaptable organizations are driven by their customers, take risks and learn from their mistakes and have the capability and experience at creating change. Such organizations are continuously changing their systems to promote improvements and provide value for their customers. These forms a good ground for adoption of generic strategies among SMEs in the study area.

Deming's Approach

Deming's emphasis is on product reliability, achieved through statistical analysis and worker-management cooperation. Deming believes that quality is a learning process and managers must take responsibility for control of quality and for boosting productivity. In other words, managers must adopt a new philosophy and transform their managerial practices into a new style of management to be successful. Deming's management strategies are based on his Plan - Do - Check - Act (PDCA) cycle (Buzan, 1983) and his famous 14-Points to management to achieve this transformation. By putting energy and resources into producing high quality products, he believed that financial benefits will make their way into organizations. This new style of management consists of effective leadership that is based on a Service delivery of Profound Knowledge (Buzan, 1983) that global managers must adopt (Pinto and Slevin, 1987).

Resource-Based View (RBV)

Past studies often employ the resource-based view to test a firm’s competitive advantage in the market. According to Barney (1991), resources are all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by the firm that enable the firm to conceive of and implement generic strategies. Due to the critical nature of a firm’s establishment of a strategic fit between its internal and external environments. Grant (2010) proposed a resource-based framework for strategy formulation that comprises analysis of the firm's resource base, appraisal of its capabilities, strategy selection, and the expansion and upgrading of the firm’s pool of resources and capabilities. This can only thrive in an environment where generic strategies are implemented. Resource-based view to strategy formulation requires understanding of the relationships among resources, capabilities, competitive advantage, and profitability (Okal, 2006). It is particularly vital to understand the mechanisms by which competitive advantage can be sustained over time by utilizing internal firm resources through adoption of generic strategies. The resource based view has been deemed fit for this study in line with the argument of Galbreath and Galvin (2004) who argued that resource-based theory generally associates firm performance with intangible resources. This can be empirically tested within the Kenyan SMEs network through adoption of generic strategies. Because the strengths of certain resources are dependent upon their interaction or combination with other resources, no single resource (intangible or otherwise) is the most important to firm performance. Firms without strong organizational assets having not adopted generic strategies may undermine productivity, deliver poor-quality products and services, and employ an inferior talent pool.

EMPIRICAL LITERATURE REVIEW

Porter defines competitive strategy as a process whereby a firm's portfolio of products and services is designed to bring together its unique resources and capabilities to gain advantage in the marketplace. The myriad activities that go into creating, producing, selling, and delivering a product or service are the basic units of competitive advantage. In order to achieve sustainable competitive advantages, firms need to adopt a strategic positioning through the creation of a unique and valuable position, involving a different set of activities. Several scholars have proposed various competitive strategies for businesses. These usually span quality, cost leadership product differentiation, ICT adoption among others (Ongori & Migiro, 2010).

Competitive strategies are strategies in which a firm's portfolio of products and services is designed to bring together its unique resources and capabilities to gain advantage in the market (Olsen, West and Tse, 2008). These competitive strategies include branding, human resources (HR), information technology (IT) innovations, computer reservation systems, niche marketing and advertising, and pricing. After implementing a management strategy, managers must gauge its organizational effectiveness by measuring firm performance data (Robbins & Coulter, 2002). Porter's generic strategies on the other hand were published in 1980 and are still used in current research studies (Leitner and Guldenberg, 2009).

SME's need a competitive strategy that guides investment and market behavior by defining constraints or whether their competitive advantage stems from their ability to respond flexibly to market needs, particularly in today's highly competitive environments where continued adherence to specific strategy can even harm competitiveness (Ongori & Migiro, 2010). Porter (1980) argued that companies that mix cost leadership, differentiation or focus strategy are "stuck in the middle,'' i.e., have no valid strategy and therefore achieve low performance, a view that may also hold for SME's. A number of strategic typology and taxonomies have been proposed to study the link between strategy and performance in SME's (Ansoff, 1965; Porter, 1980; and Miles and Snow, 1987).

Many firms develop competitive strategies that aim to secure a strong market position and achieve profitability outcomes. Enz (2008) argued that a single resource cannot create competitive advantage. Rather, it is the combination of competitive resources such as brands, human resources (HR), information technology (IT) innovations, computer reservation systems, niche marketing and advertising, and pricing tactics that can increase a firm's capabilities and improve performance. Firms do compete along different dimensions such as designing and developing new products, adopting smart approaches to manufacturing, implementing quick-to-market distribution, purchasing cutting-edge communication and developing appropriate marketing strategies (Chathoth & Olsen, 2007).

Porter uses the term "generic strategy'' in his taxonomy to describe the specific strategies of cost leadership, differentiation and focus. If the primary determinant of a firm's profitability is the attractiveness of the industry in which it operates, an important secondary determinant is its position within that industry (Porter, 1980). Even though an industry may have below-average profitability, a firm that is optimally positioned can generate superior returns. A firm positions itself by leveraging its strengths. Michael Porter has argued that a firm's strengths ultimately fall into one of two headings: cost advantage and differentiation. By applying these strengths in either a broad or narrow scope, three generic strategies result: cost leadership, differentiation, and focus. These strategies are applied at the business unit level. They are called generic strategies because they are not firm or industry dependent (Porter, 1980).

CONCEPTUAL FRAME WORK

The study was be conceptualized in the sense generic strategies have a direct effect on the performance of the metal works SMEs' in Naivasha town. The independent variables were; cost leadership, differentiation and focus strategies while the dependent variable was performance.

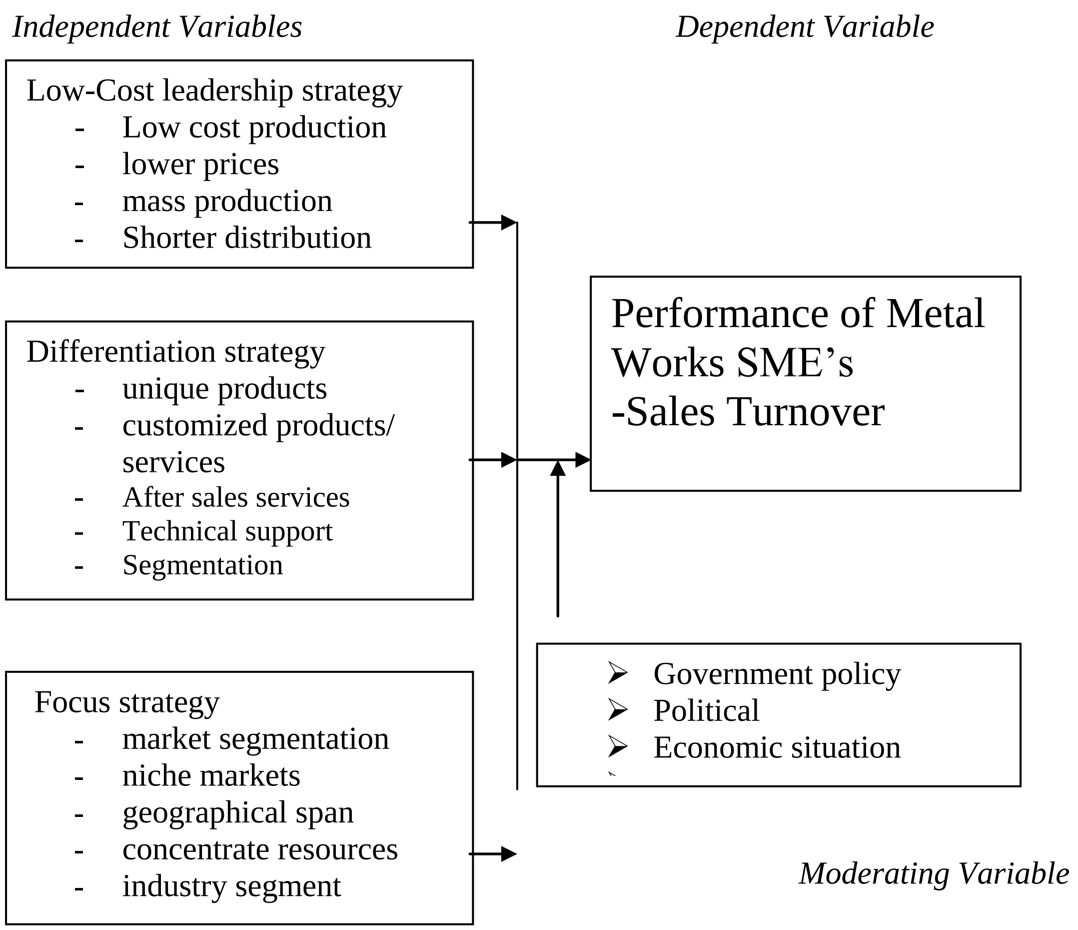

Figure 1: Inter-relationships between variables subsumed in the study

Manipulation of any the three independent variables is expected to have an influence on the dependent variable. In this case adoption of either low cost leadership strategy, or differentiation strategy or focus strategy would influence the performance of Metal works SMEs' in Naivasha town.

RESEARCH METHODOLOGY

Research Design

This study used a descriptive research design. Kothari (2004) recommends descriptive design for its ability to produce statistical information about aspects of education that interest policy makers and researchers. The design was chosen for this study due to its ability to ensure minimization of bias and maximization of reliability of evidence collected. Furthermore, descriptive survey design raises concern for the economical completion of the research study on the assessment of generic strategies influencing Metal works SME's businesses in Naivasha town.

Study Location

The town has a total population of 181,966 (2009 census). The main industry is agriculture, especially floriculture. Naivasha is also a popular tourist destination. Hell's Gate National Park (the main locations for Lion King, including Pride Rock and the Gorge, are modelled after the park), Longonot National Park and Mount Longonot are nearby attractions. Tours also have included Lake Naivasha, to observe birdlife and hippopotamus behaviour, as well as other wild animals. The study location was chosen because the researcher is well acquainted with the area having operated for a number of years.

Target Population

Target population in statistics is the specific population about which information is desired. According to Cooper and Schindler (2003) a population is a well-defined set of people, services, elements, events, group of things or households that are being investigated. The target population of the study was 150 SME's dealing with Metal works registered by the County government in Naivasha town. This was mainly top management involved in strategy and day to day running of the SME's.

Table 1: Target Population

Estates	Population	Percentage of total
Kabati	20	13.3
Industrial Area	33	22
Site	20	13.3
Lake view	10	6.7
Town centre	67	44.7
TOTAL	150	100

Source: Nakuru County Planning Department (2013)

Kothari (2004) defined a sample as a finite part of a statistical population whose properties are studied to gain information about the whole sample. Furthermore, Cooper & Schindler (2003) recommended the study of a small group instead of the total population. However, the study target to get information from all the 150 SME's by presenting the questionnaire to the senior most executive.

Sample Size and Sampling Procedure

According to Mugenda (2003) a sample size of 10%-30% is adequate for a study in descriptive research. The study selected respondents using simple random sampling. The probability of being selected is "known and equal" for all members of the population. The researcher selected a random sample from the total population. Fisher formula (Fisher, 1991) was used to determine the desired sample size. This was given by:

$$N = \frac{Z^2 P (1-P)}{\delta^2}$$

Where:

N is the minimum sample size

P is the estimated prevalence (50%)

δ^2 is the degree of precision, which is 0.05

α is the level of significance (95%)

Z is the standard normal deviate that corresponds to 95% confidence interval

Therefore, $N = (.076)^2 \times 0.50(1-0.50) / 0.05^2 = 46$

A sample of 46 respondents was selected. Table 2 shows how this done.

Table 2: Sample Size

Location of SME	Total SMEs	Sample	Percentage of Total
Kabati	20	6	13.3
Industrial Area	33	10	22
Site	20	6	13.3
Lake view	10	4	6.7
Town centre	67	20	44.7
TOTAL	150	46	100

Data Collection

The study used primary data that was collected using semi structured questionnaires. The questionnaire had both open and closed ended questions. The structured questions facilitated easier analysis as they were in immediate usable form and could be easily analyzed using quantitative measures; the unstructured questions were used to encourage the respondent to furnish an in-depth response without feeling held back in disclosing information thereby providing data that is qualitative in nature. Questionnaires were adopted by the study as they are useful in obtaining objective data since the respondents are not manipulated in any way by the researcher. The questionnaires was administered on a ‘drop and pick later’ technique.

The researcher obtained a research letter from the school of Humanities and Development Studies department of Laikipia University to enable collection of data from the Metal works SME’s (welders & Fabricators) in the study area. The researcher also sought a research permit from National Commission for Science, Technology and Innovation to assist in data collections. The researcher then visited each of the sampled SME’s after booking an appointment with the management to administer the questionnaires. The research instrument was administered on a drop and collect later system for those that could fill it independently. For those that needed assistance, the help of research assistants was sought to assist the respondents fill the questionnaires. On visiting the staff during the actual data collection, the research questionnaires were administered with the assistance of the research assistants.

In line with Olsen et al., (2008) suggestions on validity, the researcher used the reliability test-retest method by giving the research instruments to three experts in the school of humanities for suggestions regarding content face value. Their suggestions on the content and structure were later included to improve the final draft of the instruments. As stated by Mugenda and Mugenda (2003), a pilot study was conducted to determine the reliability of the instruments and identify the sensitive and ambiguous items. This was through carrying out a pretest by issuing 10 questionnaires to owners of the metal works businesses in Naivasha and the data obtained was entered into the Statistical Package for Social Science research (SPSS) to determine the reliability of the tool. Cronbach’s Alpha Coefficient (2004) was used to assess the internal consistency, where a score of 0.7 and above implied that the instrument was considered reliable for the study. According to Mugenda (2003) Internal consistency of reliability for scaled items was tested using Cronchbach’s alpha (α) where an alpha score of 0.7 and above was considered ideal and satisfactory.

Data Analysis and Presentation

All the collected data from the field was coded and entered in to computer for fast and accurate analysis by use of the statistical package for social sciences (SPSS). Quantitative data was analyzed using descriptive statistical tools such as frequencies, percentages and means (Mugenda & Mugenda, 2003). Data presentation was through pie charts, bar graphs and tables. The findings of the data analysis also comprised standard deviations and variances and presented in frequency tables while responses from the open-ended questions were organized into themes. Inferences were made from particular data under each theme and conclusion was then drawn from the findings (Cooper and Schindler, 2003). Linear multiple regressions was applied which is a set of techniques for generating a predicted scores for the dependent variable, from the independent variables. The linear multiple regression model that was used for analysis is:

$$Y= \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 +\varepsilon$$

Where:

Y= performance measured using Sales revenue which was calculated as Cash sales plus credit sales= total Revenue.

X1= First independent variable that was explaining the variance in Y (Low Cost Leadership

X2= Second independent variable that was explaining the variance in Y (Differentiation)

X3= Third independent variable that was explaining the variance in Y (Focus).

Frequency tables, percentages, regression and correlation equations and means were used to present the findings of the study.

RESEARCH RESULTS

The study found that all of the SME's dealing with Metal works in Naivasha town face competition. The study found that 50% of the SMEs had adopted a differentiation strategy to face competition, 32.6% of the SMEs had adopted a cost leadership strategy, 13.04% of the SMEs had adopted a focus strategy, 2.17% of the SMEs had adopted both the differentiation and cost leadership strategies while the remaining 2.17% of the SMEs had adopted the focus and differentiation strategies. Comparing the three competitive strategies, Differentiation strategy is the most commonly used strategy as compared to the focus and the cost leadership strategies. By using the differentiation strategy, metal works SMEs significantly increase their performance more as compared to when they use either the focus or the cost leadership strategies. The findings agree with Olsen et al., (2008) who stated that each generic strategy has its risks, including the low-cost strategy. This confirms why the firms in the study might have adopted differentiation strategy where as technology improves, the competition may be able to leapfrog the production capabilities, thus eliminating the competitive advantage.

Cost leadership

Majority of the respondents agreed that Cost leadership increases production with a mean of 3.46. This was followed by those who agreed that cost leadership increases market share with a mean of 3.34. This was followed by those who agreed that cost leadership increases profitability with a mean of 3.18. The table further indicates the standard deviation (SD) and variance of the findings. It is clear that respondents gave varying responses with increase in profitability recording a standard deviation of 0.3891 and a variance of 0.1514. Further the respondents had slightly varying responses. This is a clear indication that cost leadership increases production more than it increases market share. Increase in profitability is the least among the three benefits of adopting cost leadership strategy. From the findings of this study emphasizing adoption of cost leadership strategy would have a great influence on performance of metal works SMEs thereby helping them attain their objectives. This findings agree with Davidson (2011) who found that using this strategy will introduce different varieties of the same basic service and product under the same name into a particular services and products category and thus cover the range of services and products available in that category. Differentiation strategy can also be combined with cost leadership to position a brand in such a way as to differentiate it from the competition and establish an image that is unique. These findings agree with those by Barth (2003) who found that SME's pursuing a cost-efficiency will achieve higher financial performance and firms growth than SME's with no such strategy. He also noted that every competitive organization has a strategy-be it explicit or implicit. Furthermore Gibcus and Kemp (2003) found that firms "having no strategy'' achieved the lowest performance in three subsequently analyzed years.

Majority of the respondents at 50% agreed to very strongly meaning they priced their products at very low prices than their competitors. 37.5% of the respondents agreed to strongly meaning they priced their products at a lower price than their competitors. Lastly 12.5% of the respondents agreed to weak meaning that they priced their products at a price slighter than their competitors. In order to investigate the extent of price per unit of production, the study used a Likert scale in which 3, 2, and 1 represented continuum scores for Very strong, strongly and weak respectively. These enabled the tabulation and interpretation of the responses from the research instrument. The main statistics derived are mean, standard deviation and the variance. The mean illustrated the extent to which the respondents agreed or disagreed. Majority of the respondents at 62.5% agreed to very strongly meaning their production yields into lower price per unit of production. 25% of the respondents agreed to strongly. Lastly 12.5% of the respondents agreed to weak meaning that they priced their production yields into very low price per unit of production. Majority of the respondents at 43.75% agreed to very strongly meaning they utilize very short distribution channels in their business to cut their costs. 31.25% of the respondents agreed to strongly meaning they used short distribution channels to cut costs. Lastly 25% of the respondents agreed that they weakly used shorter distribution channels to cut costs.

Differentiation Strategy

Majority of the respondents agreed that generic strategies increases profitability with a mean of 3.28. This was followed by those who agreed that Generic strategies increase production with a mean of 3.26. This was followed by those who agreed that generic strategies increase market share with a mean of 3.04. This could indicate that differentiation strategy increases profitability more than they increase production. Increase in market share is the least among the three benefits of adopting differentiation strategy. From the findings of this study emphasizing adoption of differentiation strategy has a great influence on performance of SMEs thereby helping them attain their objectives. This study confirms findings by Davidson (2011) who found ddifferentiation strategy to be a marketing technique used to establish strong identity in a specific market. Using this strategy among the metal SME's in Naivasha will introduce different varieties of the same basic service and product under the same name into a particular services and products category and thus cover the range of services and products available in that category. Differentiation strategy can also be defined as positioning a brand in such a way as to differentiate it from the competition and establish an image that is unique.

Majority of the respondents at 60% agreed to very strongly meaning they offered very unique products compared to those of their competitors. 32 % of the respondents agreed to strongly meaning they offered unique products compared to those of their competitors. Lastly 8% of the respondents agreed to weak meaning that they offered slightly unique products compared to those of their competitors. Majority of the respondents at 48% agreed to very strongly meaning they offered very customized products compared to those of their competitors. 40 % of the respondents agreed to strongly meaning they offered customized products compared to those of their competitors. Lastly 8% of the respondents agreed to weak meaning that they offered slightly customized products compared to those of their competitors. Majority of the respondents at 72% agreed to very strongly meaning they offered very good after sales and technical services to their customers. 16 % of the respondents agreed to strongly meaning they the offered good after service and technical support to their customers. Lastly 12% of the respondents agreed to weak meaning that they offered slightly good after service and technical support to their customers. Offering after sales services guarantees repeat buys. Also a happy customer will bring in more customers to the firm thus increase in sales.

Focus Strategy

Majority of the respondents agreed that focus strategy increases profitability with a mean of 3.68. This was followed by those who agreed that focus strategy increases production with a mean of 3.62. This was followed by those who agreed that focus strategy increases market share with a mean of 3.54. The table further indicates the standard deviation (SD) and variance of the findings. It is clear that respondents gave varying responses with increase in market share recording a standard deviation of 0.3419 and a variance of 0.1169. Further the respondents had slightly varying responses. This is a clear indication that focus strategy increases profitability more than they increase production. Increase in market share is the least among the three benefits of adopting the focus strategy. A focus strategy can adopt a cost-based focus in serving a particular niche or segment of the market, or they can adopt a differentiation based focus which increases profitability more than production. The metal SME's at Naivasha indicated that focus strategy concentrates on a narrow segment and within that segment, it attempts to achieve either a cost advantage or differentiation. The findings rhyme with those by Shammot (2011) whose premise is that the needs of the group can be better serviced by focusing entirely on it. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly. Further, Donavan, Brown and Mowen, (2004) found that because of their narrow market focus, firms pursuing a focus strategy have lower volumes and therefore less bargaining power with their suppliers. However, firms pursuing a differentiation-focused strategy may be able to pass higher costs on to customers since close substitute products do not exist.

Majority of the respondents at 71.4% agreed to very strongly meaning they focused more on market segmentation. 28.6 % of the respondents agreed to strongly meaning they the focused on market segmentation. Majority of the respondents at 57.1% agreed to very strongly meaning they provided tailor made products to a niche market at a very great extent. 28.6%

of the respondents agreed to strongly meaning they the offered tailor made products to a niche market at a great extent. Lastly 12% of the respondents agreed to weak meaning that they offered tailor made products to a niche market at a moderate extent. Majority of the respondents at 71.4% agreed to very strongly meaning they concentrated all their resources in a specific industry. 14.3 % of the respondents agreed to strongly. Another 14.3% of the respondents agreed to weak meaning that they concentrated some of their resources in a specific industry.

Performance

The average revenue sales of the SMEs' was sought, from the figure below the metal works SMEs' in 2011 had made average sales revenue amounting to Ksh. 222,358. In 2012 the SMEs' had made average sales amounting to Ksh. 270,800. In 2013 the SMEs' had made average sales amounting to Ksh. 318,150. In 2014 the SMEs' had made average sales amounting to Ksh. 367,183. In 2015 the SMEs' had made average sales amounting to Ksh. 403,478. This results show that growth in sales have increased in time. Many firms have developed competitive strategies with an aim to secure a strong market position and achieve profitability outcomes. Therefore, as they are growing more sales are realized. The average monthly sales of the SMEs' was sought, from the table below majority of the firms (34.78%) surveyed had monthly sales of between 26,000 to 34,000. This was followed by those that had monthly sales of between 35,000 to 43,000 (28.28%). These were followed by those SMEs' that had monthly sales of between 18,000 to 26,000 (21.74%). This were followed by those SMEs' that monthly sales above 44,000 (10.86%). Lastly 4.3% of the SMEs' had the lowest number of sales which were less than 18,000. The average monthly sales of the SMEs' was sought, from the table 4.18 majority of the firms (34.78%) surveyed had monthly sales of between 26,000 to 34,000 while (4.3%) had the lowest number of sales at less than 18,000.

REGRESSION AND CORRELATION ANALYSIS

The study used regression and correlation analysis to come up with the relationship between organization performance (Sales revenue) and porter's generic business strategies (differentiation strategies, cost leadership strategies and focus strategy) used by Metal works' SMEs in Naivasha town, Kenya. To check on multi-collinearity, that is, if there is a strong correlation between two predictor variables, a factor of 0.5 was used. In a situation where two predictor variables have a correlation coefficient of more than 0.5, then one of them must be dropped from the model using their P-values. The Pearson's correlation test is used to establish whether there is evidence of an association between two variables. In this research project the dependent variable is performance and the independent variables are the three competitive strategies of cost leadership, differentiation and the focus strategy. At a 0.05 significance level the correlation between the focus strategy and performance is 0.400 which indicates that this is significantly correlated. For the cost leadership and differentiation strategies the correlation is significant at the level of 0.01(2 tailed). From table 4.19, all the three competitive strategies have positive relationships with performance of the metal works SME firms Comparing the three competitive strategies, Focus strategy has the highest casual relationship with the performance of metal works SMEs' as compared to the Cost Leadership and the Differentiation strategies. By using the focus strategy, the SMEs' can significantly increase their performance more as compared to when they use either the differentiation or the cost leadership strategies. Table 3 gives the regression model summary results. It presents the R value which is the measure of association between the dependent and the independent variables, the R Square which is the coefficient of determination measuring the extent at which the independent variables influence the dependent variable as well as the Adjusted R Square which measures the reliability of the regression results.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.932a	.869	.864	1.01825

a. Predictors: (Constant), Differentiation, cost leadership, focus

The findings show that R which is the multiple correlation coefficient that shows quality of the prediction of the dependent variable by the independent variable is 0.932. This is a good indication since it points to a strong correlation. The R-Square which is the coefficient of determination equals 0.869 which shows that 86.9% of the variation in performance (Sales revenue) can be explained by the changes in Differentiation strategy, Cost Leadership strategy and Focus strategy leaving 13.1 percent unexplained. The P- value of $0.000 < 0.05$ indicates that the model of firm performance (market share) is significant at the 5 percent significance level. In order to answer the proposed model for the relationship between performance (sales revenue) and the independent variables, the regression coefficients were calculated and presented in table 4 below. These with their significance values (also given in the table) measures the influence of each independent variable on performance (dependent variable) and the effect that would occur to performance in an attempt to changing (increasing/decreasing) these variables.

Table 4: Coefficients (a)

Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)	182235.127		
	Differentiation	.446	3.957	0.00001
	Cost leadership	.196	2.513	0.0001
	Focus	.388	3.626	0

a. Dependent Variable: Performance (Sales)

These coefficients therefore are used to answer the following regression model which relates the predictor variables (independent variables) and the dependent variables;

$$Y = \beta0 + \beta1X1 + \beta2X2 + \beta3X3 + \varepsilon$$

Where:

Y= performance measured using sales revenue which is was calculated as cash sale + credit sales

X1= First independent variable that is explaining the variance in Y (Low Cost Leadership

X2= Second independent variable that is explaining the variance in Y (Differentiation)

X3= Third independent variable that is explaining the variance in Y (Focus).

Based on these coefficients, the regression model therefore becomes;

Y (sales) = 182,235.127 +0.466x1 +0.196x2+ 0.388x3 +ε

Table 4 portrays that holding all the explanatory variables constant, employee performance realized an average increase of 182,235.127. b1= 0.446, shows that one unit increase in application of differentiation strategy results in 0.446 units increase in firm performance (sales) holding other factors constant. b2= 0.196, shows that one unit increase in application of cost leadership strategy results in 0.196 units increase in performance (sales) holding other factors constant. b3= 0.388, shows that one unit increase in application of focus strategy results in 0.388 units increase in performance (sales) holding other factors constant. From the results it is clear that the cost leadership adopted has the least effect on performance. Differentiation has the greatest effect on performance (sales).

CONCLUSIONS

Competitive strategies affect the performance of metal works SMEs. Generally the enterprises have used varied competitive strategies which include the unique brands that satisfy customer needs, skilled human resources, appropriate and recent information technology, enterprises organization capacity to continuously innovate, effective marketing infrastructure and access to credit.

The results show that all the three competitive strategies have a positive and a significant relationship with the performance of metal works SMEs. The focus strategy was found to have the strongest and most significant relationship with performance at (0.04.3). Cost leadership strategy and differentiation strategy both had significant relationship with performance at (0.265) each. The results shows that all the three strategies have positive relationships to performance, however focus strategy has the strongest relation (0.403) then Cost leadership strategy and Differentiation strategy at (0.265) each.

Metal works' SMEs have employed various generic strategies to remain competitive in the industry. This study supports the earlier studies that have confirmed that the strategies adopted by metal works SMEs must be competitive. The study has confirmed the application of generic strategies by metal works SMEs in Kenya. They should also seek to provide differentiated products which customers need. The implication is that a business following a differentiation strategy has to review bases of differentiation continually and keep changing with time and changes in customer needs (aim at a moving target).

It calls for metal works SMEs to craft strategies that create competitive advantage. The competitiveness must be sustainable to outperform the competitors. By operating in environments that are turbulent, the key challenge for leaders is to ensure both competitiveness and profitability. In order to maximize the market share and eventually reap the economies of scale, the organizations must direct their attention to the customers and hence provide quality goods and services. The focus should be on serving the future needs of the customers using their existing strength. In so doing, the organization makes incremental moves to progressively satisfy the future needs of their customers. In order to cope with unhealthy competition and price wars, mergers and acquisitions together with product innovation are recommended.

RECOMMENDATIONS

Metal works SMEs operate in stiff competition hence they must strive to attract and retain the target market. While most are operating on profit basis, the type of products and services they offer are supposed to be the best compared to other metal works SMEs offering the same products and services. The metal works SMEs hence need to employ strategies that would ensure superior value and performance.

In terms of policy development, comparing the three competitive strategies, Focus strategy had the highest casual relationship with the performance of the metal work SMEs' as compared to the Cost Leadership and the Differentiation strategies. By using the focus strategy, the metal works SMEs' policy direction can significantly increase their performance more as compared to when they use either the differentiation or the cost leadership strategies. They can adopt a cost-based focus in serving a particular niche or segment of the market, or they can adopt a differentiation based focus. The cost leadership strategy is also recommended since pursuing cost-efficiency will achieve higher financial performance and firms growth for the metal works SMEs. The differentiation strategy is also recommended since there are a lot of substitute products in the market. This would mean that metal works SMEs in Naivasha offer services and products that differentiate them from others.

This study only examined specific study competitive strategies that influence the performance of metal works SMEs located in Naivasha sub County in Kenya. However there are other variables that are location specific which also contribute to the performance of metal works SMEs. Hence it is recommended that further research be done to identify and examine additional business strategies that affect the performance of metal works SMEs The present study has relied largely on primary data and is therefore restrictive and lacking in clarification and enrichment of data that would have provided a more in depth view of the subject matter. Therefore, secondary data need to be also included in future to complement primary data and provide wider perspective to the present study

REFERENCES

Agola, N.O. and Wakabayashi, M.,(2000). "Transformation and Business Conversion for sustained Competitiveness among Japanese Manufacturing SME's: Implications for SME's Development in Kenya", *Japanese Journal of administrative science*, Volume 14, No.1, pp.49-66.

Allen R.S, and M.M. Helms, "Linking strategic practices and organizational performance to Porter's generic strategies", Business Process Management Journal, 2006, Vol. 12, No. 4, pp. 433-454.

Barney, J. B. (1991). "Firm resources and sustained competitive advantage", *Journal of Management*, Vol. 17, No.1, pp.99-120.

Barth, H.(2003). Fit among competitive strategy, administrative mechanisms, and performance: A comparative study of small firms in mature and new industries. *Journal of small business management, 41(2), 133-147.*

Beal,R.M. (2000). Competing effectively: Environmental scanning, competitive strategy and organizational performance in small manufacturing firms. *Journal of Small Business Management,38(1), 27-47.*

Buzan, B (1983), People, states and fear: the national security problem in international relations, Wheat sheaf Books, Brighton, Sussex.

Campell-Hunt, C.(2000). What have we learned about generic competitive strategy? A meta-analysis. *Strategic Management Journal,2(2) 127-154.*

Central Bureau of Statistics (CBS), *International Centre for Economic Growth* (ICEG) & K-REP Holdings (1999). National Micro and Small Enterprise Baseline Survey. Nairobi: CBS.

Chang, P. L., & Tsai, C. T. (2002). *Finding the niche position*—competition strategy of Taiwan's IC design industry. Technovation, 22(2), 101-111.

Cooper, D.R., & Schindler, P.S. (2003). Business Research Methods. (8th ed.). Boston: International Cooperative Alliance. (2007a). *What is a cooperative*? Retrieved Sept 18, 2015, from http://www.ica.coop/coop/index.html

Dess, G.G., Davis P.(1984). Porter's generic strategies as determinants of group membership and organizational performance. *Academy of Management Journal, 27(3), 467-488.*

Donavan, D. T., Brown, T. J., Mowen, J. C. (2004). "Internal benefits of service-worker customer orientation: job satisfaction, commitment, and organizational citizenship behaviors", *Journal of Marketing*, Vol. 68 No.1, pp. 128-46.

Davidson, S. (2011). Seizing the competitive advantage, *Community Banker*, Vol. 10 (8), 32-4.

Eunice Wambui Mwangi (2013). Effects of Competitive Strategies on the Performance of Mission Hospitals in Kenya: A Case of Kijabe Mission Hospital. *International Journal of Science and Research (IJSR) ISSN (Online): 2319-7064.* Jomo Kenyatta University of Agriculture and Technology, Kenya

Evans, N. (2005). Assessing the BSC as a management tool for hotel. *International Journal of contemporary hospitality*, *17*(5), 376-390. http://dx.doi.org/10.1108/09596110510604805.

Fisher A.A., Laing J. E., Stoeckel J.E and Townsend J.W (1991). *Handbook for Family Planning Operations Research Design* 2nd ed. p43. Population Council. New York, USA Available on: www.popcouncil.org

Gakure, R. & Amurle, G. (2013). Strategic planning practices in ICT SMEs in Kenya: What other SMEs can learn. Prime Journal of Social Science, Vol. 2(6), pp. 336-349

Galbreath, J. and Galvin, P. (2004) Which resources matter? *A fine-grained test of the resource-based view of firm, Academy of Management Best Paper Proceedings*, New Orleans, LA, August.

Gathoga, M., (2011).Competitive strategies adopted by commercial banks in Kenya. *Unpublished MBA project*. University of Nairobi.

Gichura, A. (2006). *Microfinance: The power behind micro and small. Business Journal Oct/Nov 2006*. Nairobi.

Githinji, B.W. (2009). *Factors influencing sustainability of microfinance institutions in Kenya.* Unpublished MBA Project. University of Nairobi.

Grant R.M.(2010), Contemporary Strategy Analysis. 7th ed.

Haberberg, Adrian and Rieple, Alison (2008) *Strategic management: theory and application*. Oxford University Press, Oxford.

J.A. Parnell, and L. Hershey, “The strategy-performance relationship revisited: the blessing and curse of the combination strategy”, The International Journal of Commerce and Management, Vol. 15, No. 1, 2005, pp. 17-33

Kitoto (2005), *Competitive strategies adopted by universities in Kenya.* (Unpublished MBA Research Project). University of Nairobi, Nairobi.

Kothari, D. C. (2004). *Research methodology : methods & techniques.* New Delhi : New Age International (P) Ltd.

Leitner, K-H. & Güldenberg, S. (2010). Generic strategies and firm performance in
SMEs: alongitudinal study of Austrian SMEs. Small Business Economics,
DOI:10.1007/s11187-009-9239-x.

McCraken, L. 2002. “Differentiation: Win New Business with Less Effort”, *Principle’s Report,* Vol 2, No 4, pp. 1

Mugenda, O. M., & Mugenda, A. B. (2003). *Research Methods; Quantitative and Qualitative Approaches.* Nairobi: Acts Press.

Mungai, M.A. (2006), *Competitive strategies adopted by mainstream daily print media firms in Kenya.* (Unpublished MBA Research Project). University of Nairobi, Nairobi.

N. Evans, D. Campbell, G. Stonehouse, Strategic Management for Travel and Tourism, Elsevier. Butterworth-Heineman. Oxford. UK, 2006.

Njoroge, J. (2006), *Competitive strategies adopted by LPG marketers in Kenya to cope with competition*. (Unpublished MBA Research Project). University of Nairobi, Nairobi.

Ogolla, M.A. (2005), *Application of porter's strategies by insurance companies in Kenya*. (Unpublished MBA Research Project). University of Nairobi, Nairobi.

Okal, L.D. (2006), *Competitive strategies adopted by NGOs dealing with HIV/AIDS in Kenya to cope with increased competition for funding*. (Unpublished MBA Research Project). University of Nairobi, Nairobi.

Olsen, M.D., West, J., Tse, E.C.Y. (2008). *Strategic Management in the Hospitality Industry*, 3rd ed., New York: Prentice Hall.

Ovidiu N. Bordean, Anca I. Borza, Răzvan L. Nistor and Cătălina S. Mitra, (2010). *The Use of Michael Porter's Generic Strategies in the Romanian Hotel Industry,* International Journal of Trade, Economics and Finance, Vol. 1, No. 2, August, 2010 2010-023X

Parnell, J.A. (2008). Strategy Execution in Emerging Economies: Assessing Strategic Diffusion in Mexico and Peru. Management Decision. 46(9), 1277-1298.

Pinto and Slevin, (1987). *What is project success:* critical success factors. Available on <http://www.ccsenet.org/journal/index/php/ijbm/article.html>

Pimtong T., Hanqin Q. Z., Hailin, Q. (2012). "The effect of competitive strategies and organizational structure on chain store performance", *International Journal of Contemporary Management,* Vol. 24, Iss: 1, pp.140 – 159.

Porter, M.E. 1980. Competitive Strategy, Free Press, New York, NY

Porter, M.E. 1985. Competitive Advantage: Creating and Sustaining Superior Performance, New York. The Free.

Robbins, S.P., & Coulter, M. (2002). Management. 7th Edition, Prentice-Hall of India: New Delhi.

Rothschild, W. E. (1984) Putting It All Together. New York: Amacom

The Kenya National Baseline survey (1999)

Thompson, A.A., Strickland, A.J. & Gamble, J.E. (2010). Crafting and Executing Strategy. Boston: McGraw-Hill Irwin