

**COMPETITIVE STRATEGIES AND PERFORMANCE OF FAMILY OWNED  
SUPERMARKETS IN KERICHO COUNTY, KENYA.**

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MASTERS DEGREE IN BUSINESS ADMINISTRATION IN STRATEGIC  
MANAGEMENT OPTION FROM KENYATTA UNIVERSITY.**

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## DECLARATION

This research project is my original work and it has not been submitted to any University for any academic award. No part of this project shall be copied or retrieved without a prior consent from the author / Kenyatta University

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I confirm that the work reported in this research project was carried out by the candidate with my approval as the appointed University Supervisor

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## **DEDICATION**

I dedicate this project to my parents Mr. and Mrs. David Too, my husband Mr. Korir Patrick, my sons: Parseen Kiprotich, Darren Kipchumba and Prince Kibet for the untiring efforts, love and support during my period of research.

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## OPERATIONAL DEFINITION OF TERMS

- Cost Leadership Strategy:** This is a marketing strategy where a business uses technology to reduce its operational costs relative to competitors and thus can charge lower prices for its items than other businesses in the industry
- Differentiation Strategy:** This is an approach in which a business develops products features that are unique and much better than those offered by competitors. It also involves unique promotion and distribution of products.
- Family Owned Supermarkets:** A retail chain store owned and managed by family.
- Focus Strategy:** This is a marketing plan whose focus is on targeting market segmentation and geographical location.
- Innovation Strategy:** This is a marketing plan through networking and automation which aim to support the future growth of family-owned supermarkets.
- Performance:** The actual results of family-owned supermarket with regard to return on equity, profit margin, and return on investment.
- Strategy:** This is an action plan put in place to meet long-term goals of a firm. They are often designed and executed under Conditions of uncertainty.

## **ABBREVIATIONS AND ACRONYMS**

<b>ANOVA</b>	Analysis of Variance
<b>CA</b>	Competitive Advantage
<b>EO</b>	Entrepreneurial Orientation
<b>GDP</b>	Gross Domestic Product
<b>MNCs</b>	Multinational companies
<b>RBV</b>	Resource-Based View
<b>SACCO</b>	Savings and Credit Cooperative
<b>SMEs</b>	Small and Medium Enterprises

## ABSTRACT

Performance comprises the actual result or output of an organization measured against its intended objective or goal. Performance in terms of profit, return on investment and return on assets has been a problem to supermarkets. The study's main objective was to determine the effect of competitive strategies on the firm performance of family owned supermarkets in Kericho County Kenya. The specific objectives was to determine the effect of cost leadership strategy, differentiation strategy, focus strategy and innovation strategy on performance of family owned supermarkets in Kericho county, Kenya. The study was anchored on the following theories: resource based-view theory contingency theory and innovation profit theory. Descriptive design research was used. There were 21 registered family owned supermarkets in Kericho. The target population was 129. A sample of 97 respondents was selected using random sampling technique. It consisted of the top-level, middle level and lower level management. Structured questionnaire was used. Validity of the research instrument Cronbach's alpha ( $\alpha$ ) was used to compute coefficient of reliability of the research instrument. Data was analysed using descriptive and inferential statistics, presented using graphs, tables and results discussed in a narrative form. Content analysis was used to analyse qualitative data. Statistical package for social sciences (SPSS) was used to aid in data analysis. The study findings indicate that competitive strategies had a positive effect on performance of supermarkets. Cost leadership was preferred and differentiation strategy was used to improve performance. In conclusion, focus strategy was applied by supermarkets to a small extent. Innovation strategy was embraced by the supermarkets to a significant effect on performance. It was recommended that the family owned supermarkets should make sure that prices are managed as they pursue cost leadership strategy to remain profitable market to cater for various groups to maximize profit. In addition, the supermarkets should differentiate its goods with an aim of making them more competitive and easily identifiable in the market. The supermarkets need to embrace modern technology to promote efficiency and effectiveness in service delivery. The study's findings would be of great benefit to the management of the family owned supermarkets as they would be using the findings as a management reference point for strategic planning that would bring about organizations competitive advantage.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the study**

Businesses across the globe are experiencing radical changes due to technological advancement, and immense entries of new competitors into the market (Wicaksono, Arissaputra & Rufaidah, 2018). Across the world, economy has been the main focus, where most countries have been trying to improve on the market share through upgrading their trading capabilities. Trade has been made a global thing as countries have been reviewing their trading barriers to international market which will necessitate companies to carry out their trade with ease across the borders. As trade turn globally, most companies find themselves in a tricky situation due to the dynamics brought about by the divergent market and varied technology, competition tend to be rife and this force the companies to up their trading games in order to compete in the market. (Jansson and Boye 2010; Corna, 2006).

The biggest proportion in Africa economy is majorly made of retail traders as they contribute to over 50% of the GDP. Promoting retail trade is essential to improving the livelihood of African people. The most challenging thing with retail trade is that they rarely survive to celebrate their first birth day because of the unfavorable condition which include cat throat competition, inadequate capital and regulatory challenges market-based challenges (Abor and Quartey, 2010; Mensah 2014). The major concern of a firm therefore becomes its survival ability to attain a competitive edge in its industry as well as remain profitable. For the firms' competitiveness to be sustainable, organizations have to go with the times, especially when it comes to adapting to business environment changes that are

regarded as radical and unexpected (Park & Hwang, 2016). Consequently, firms are progressively designing and adopting competitive strategies that guarantee them survival.

In the early 2000 it was estimated that about 900,000 retail businesses employ millions of Kenya's and generating up to 14% GDP. They also contribute to 33% of value-added manufacturing and retail trade (Onyango and Tomecko, 2005). Small businesses contributed 20% of GDP in Kenya, in 1999 and it accounts to 64% of Kenyan urban employment by the year 2002(Karekezi and Majori, 2002). Competition in business is a predetermine affair and it can never be termed as luck or any form of coincidence (Porter 1980). Growing economy is largely dependent on small sectors this is because there can easily be put in place since little capital required for the same (Neven and Readon 2005). In most of the countries small businesses are considered to play a role in boosting the economy. For instance, its estimated that formal retail businesses are contributing to the country's GDP by 40%. Further inclusion of information retail business makes the retail sector a crucial part of economic growth as the World Bank's 2011 report estimates the sector to contribute to almost 50 percent of the world's employment.

Katou (2015) posits that it is essential for companies to embraces competitive strategies and continually adjust operations in order to remain a going concern. As noted by Ramdani, Primiana, Kaltum and Azis (2018) opined that companies are exposed to the external environments, which are often unpredictable. In order to retain their competitiveness, their strategies and procedures must be constantly reviewed in order to exploit market opportunities. In this respect, to stay competitive, there is a dire need for companies to be persistent and proactive in implementing a sustainable approach to business management. Consequently, success requires a proactive company strategy to guarantee a renewed

company approach and competitiveness since competition is critical (Pearce and Robinson, 2007).

The retail sector in Kenya is characterised by intense and continuous competition especially due to increased customer information and new entrants in the sector (Njoki, Kamau & Mbithi, 2019). Due to these challenges, firms in the sector have to deal with the dynamic forces of the constantly changing competitive environment. The competition in the industry is also caused by increased need for increased sales volume and customer satisfaction. If any supermarket is to do well in the retail sector, it must have visionary leadership that motivates the employees to give their best, the ability of the firm to produce unique products as well as its ability to manipulate its resources to meet the objectives of the firm (Mohamed, Ndinya & Ogada, 2019).

### **1.1.1 Performance**

The performance of supermarkets depends on the community strategies and the measurement that involves assessing the performance of a firm against its pre-set objectives. Performance is described by Bakotić (2016) as the congruence of the actual results of the firm as compared with the anticipated goals. Katou (2015) concludes that objective performance is a global issue that faces the majority of organization in sectors of racial discrimination, and gender inequality. The regional performance and national problem of supermarket depends on the community strategies and the measurement involves assessing the performance of a firm against its pre-set objectives. Several stakeholders of an organization such as the managers, strategic planners, finance and legal amongst others are concerned with the performance of an organization. According to Omayio (2017),

organization performance covers investors' returns, performance of the product in the market. Performance of products in the market is measured through sale volume and its market share, whereas investors return is the return to shareholders which is measured through return on shareholders' equity and capital gains.

According to Harzing (2010), performance of an organization fundamentally reflects changes in the size of the market or financial circumstances rather than just sales statistics. The performance of a company with regard to competitors can be evaluated by its market share, and to benefit from economies of scale. Scale economies can lead to the cost benefit of working up. Increasing sales in a slow sector is the inspiration for expanding market share. Performance describes results of the organizational strategies and operations. It is the appraisal of family owned supermarkets based on the indicated measures and the quality of accountability, efficiency and effectiveness on global, regional and national level (Wheelen and Hunger, 2012). Performance refers to the overall economic impact of the activities and events carried out in a firm. The choices and strategies made by any firm influence its performance. Strategies are long-term plans and decisions made by an organization to improve its performance. Performance in a firm may mean different things with regard to what and whom the measurements are meant for. Performance indicators are important in any firm especially for shareholders to enable them make informed decisions. For a firm to perform it must have in place the capability and the strategies used to achieve specific goals. The location of the industry where the firm operates will determine the strategies and capabilities used to measure the outcome. Financial and non-financial outcomes determine how a firm performs (Wang, Wang and Liang, 2014). Qrunfleh and Tarafdar (2014) assert that a firm's performance measurements ensures that strategic events are aligned to strategic



plan to further improve the profitability of firms by reducing cost and improving productivity. Several organizations are currently adopting the balance score card methodology hence easier to structure and measure organizational performance. There are 4 dimensions that determine performance of a firm. They include; customer service excellence, financial performance, internal business processes, learning and growth (Barrick, Thurgood, Smith & Courtright, 2015).

Performance indicators such as return on equity, growth, sales, cash flow, and profit are significant when measuring the general performance of an industry. Financial measures are key indicators or measuring performance but using that alone, like many firms do, is not logical because financial results is dependent on the strategic objective set aside to achieve marketing and competitive strength. Non-financial results play a role as well because it includes aspects such as marketing standing and innovativeness. Financial and non-financial measures are therefore used for performance measurements. Performance measure in the retail industry include; Profits which means having a large market share compared to competitors in the same industry, making huge sales, increase market base, high customer satisfaction, high turnover rates, competitive advantage, increase customer base and average economic profitability (Wamba, Gunasekaran and Akter, 2017). As conceptualized by (Wheelen and Hunger, 2012) performance is the outcome of all of the organization's operations and strategies. Firm's performance is the appraisal of prescribed indicators or standards of effectiveness, efficiency, and environmental accountability. Survival of today's dynamic environment requires a firm to have superior performance.

### **1.1.2 Competitive Strategies**

Competitive strategies are long-term action plan of an organization that supports both strategic and tactical decisions to gain competitive advantage. Having a competitive advantage over a rival company means knowing all information about the competitor and analyzing it in a timely manner and to do this, the organization must have processes and systems that are reliable. (McGonagle and Vella, 2004). Local and international research on competitive strategies and organization have been done both locally and internationally. An organization's competitive strategy is undertaken and its long-term plan expected to act as one of its competitive advantage against its rivals. The strategies are often meant to enhance the company Return on Investment. For every entity competitive strategy is crucial as it enhances market competitive a factor that enhances easy accessibility of quality products at a competitive price by customers (Porter, 2007). Companies do this by considering the weaknesses and strengths of the competitors compared to how the firm is doing. The competitive strategies according to Dibrell and Moeller (2011) may include activities to endure the competitive pressure of the market, ability to attract customers as well as aid in strengthening the market position of the organisation.

Oldman and Tomkins (2018) describe competitive strategy as being distinct in the sector from others, which implies intentionally selecting a distinct set of operations to produce considerable values to the organization. Whenever a business has an upper hand over its rivals when it comes to obtaining customers and protecting them against competitive forces, it has a competitive benefit (Thompson & Strickland, 2015). The position the organisation holds in its industry determines if the profits obtained by the firm are higher or lower than the average profits of that industry. For a firm to have above average profits compared to

the industrial standards, then it must have a sustainable competitive advantage. A company may possess competitive position if it is in a position to reduce costs, adopting a focus strategy and differentiating its products from those offered by competitors. Consequently, with combined strategies, the firm may realise improved performance against competitors. The generic focus tactic involves selecting a limited competitive extent. The organisation selects a few firms in the industry to in the exclusion of other sectors.

Under focus strategy, companies plan to produce at the lowest cost possible than everyone else. This way the firm can provide its products at the least price thus edging out competition. A company that chooses to adopt the differentiation strategy aims at differentiating their products and services along certain aspects or attributes that are commonly appreciated by consumers. The firm often chose a few characteristics perceived by majority of customers as desirable. it is a unique method a firm use to prosper in the market by overcoming the challenges (Sidorowics, 2007). Firms gain advantage over its competitors by practicing measures that differentiate itself from the rest in a competitive way (porter 2006). Thus firms should develop competitive strategies which include paths to follow, decision to be made, and objective to be achieved to effectively attain a competitive market (Rainbird 2004). Valipour, Birjandi and Honarbakhsh (2016) conducted a study on effects on cost leadership strategy and product differentiation strategy on performance of firms. The results showed organizations with cost leadership strategy had positive connection between leverage, cost leadership Competitive strategies was measured in terms of cost leadership strategy, differentiation strategy focus strategy and innovation Strategy.

Cost leadership, means the lowest cost of operation in the industry (Kiragu, 2016). (Mohamed, Ndinya and Ogada, 2019) researched on the impact cost leadership strategy had on performance of Taita Taveta based medium scaled mining businesses. The descriptive study used the Porter's Generic Strategies. The results indicated that the use of cost leadership strategy by the miners resulted to improved productivity, increased production and reduced operational costs. (Kitua, 2014), opines that a firm pursuing a cost-leadership strategy attempts to gain a competitive advantage primarily by reducing its economic costs below its competitors. (Yanney, 2014) states that cost leadership show how to build a competitive advantage of a firm over rivals. Cost leadership refers to the lowest working cost in an organization.

Differentiation strategy entails a firm seeking to be unique in its industry along some dimensions that are widely valued by buyers. It selects one or more attributes that many buyers in an industry perceive as important, and uniquely positions it to meet those needs. It is an approach under which a firm aims to develop and market unique products for different customer segments. Usually employed where a firm has clear competitive advantages and can sustain an expensive advertising campaign. It is one of three generic marketing strategies that can be adopted by any firm (Porter, 1980). Spencer, Joiner, Sarah and Salmon (2016) researched on differentiation strategy, performance measurement systems and organizational performance. This research inspects the facilitating role of both financial and non-financial performance. A path analytical concept is gained using questionnaire data from manufacturing organizations in Australia. The findings revealed that organizations pressing a differentiation plan use non-financial as well as financial performance measures. Gorondutse and Hilman (2017) studied on influence of differentiation strategy on

performance of hotels: the moderating role of environmental munificence. This study investigates whether environmental munificence directly and indirectly predicts the relationship between differentiation strategy and performance. Results revealed that differentiation strategy, environmental munificence was positively associated with performance.

Focus strategy is a marketing strategy in which a company concentrates its resources on entering or expanding in a narrow market or industry segment. A focus strategy is usually employed where the company knows its segment and has products to competitively satisfy its needs. Focus strategy is one of three generic marketing strategies (Mbogo, 2009). Focus or niche strategy involves segmenting markets and appealing to only one or a few groups of customers or industry buyers.

Innovation strategy is a marketing plan through networking and automation which aim to support the future growth of family owned supermarkets. Valipour, Birjandi and Honarbakhsh (2016) research on cost innovation strategy established that firms having innovation had an advantage because of the strong relation with performance. Similarly, Nader (2011) assessed the effect of innovation strategies on SMES performance in Saudi Arabia and established that technological, financial, system and human resource innovations enhanced firm efficiency, effectiveness and profitability. In the current study, family owned supermarkets have embraced the use of technology and networking.

### **1.1.3 Family-Owned Supermarket's performance in Kenya**

The retail sector in Kenya has been hoisted as key sector towards achievement of economic goals and development. Particularly, the sector has been pointed out as a key pillar in

attaining vision 2030 and the big four agenda of the government as an outlet for the industrialisation, manufacturing and processing (Awino, Njeru & Adwet, 2017). The increased population in towns has resulted in demand for goods and services that have forced the supermarket chains to change intensely (Adhiambo, 2018). A supermarket offers a wide range of commodities including food stuff and households. It is a self-service store that is larger in size as compared to groceries and shops. The stiff competition among the supermarkets in Kenya coupled with each supermarket having the urge to win customer loyalty and outgrowing their competitors, brands a growth in the market has been realized (Njoroge, 2016). Most supermarkets are situated in towns and mainly in highly populated places, near bus stations, and near residential areas. Supermarkets are mostly similar in design and layout. Some supermarkets like Tuskys, Nakumatt and Naivas operate as chain stores therefore have a direct link to their customers and distributors.

The role of retail trade as an engine for economic growth in Kenya is illustrated in Vision 2030, where the government aimed to increase the share of products sold through traditional retail channels, such as supermarkets, from 5% in 2007 to 30% by 2012. This was intended to cause 50-billion-shilling increase in Gross Domestic Product (GDP), stimulate consumer demand and stimulate investment opportunities, especially among SMEs and the agricultural sector (Musila & Yiheyis, 2015). The sector growth rate of 11.3 percent in 2007, the Vision 2030 base year for business development, has remained elusive over the past 10 years. The first post-election violence shock that saw the growth rate of the sectors plunge to 4.8% in 2008, down from 11.3% in 2007 State Department of Trade (2018). The second was observed in 2014 when the growth rate of the sector started a prolonged

downward spiral resulting in a growth rate of 3.8 percent by 2016, a point below that seen in post-election terrorism (Awino, Njeru & Adwet, 2017)

## **1.2 Statement of the Problem**

Supermarkets in Kenya have faced numerous challenges that involve performance. The decreased performance has been associated with low profit margins, return on investment and return on equity. Performance is a critical concept that acts as the major challenge in supermarket. Locally, failure and poor performance has been witnessed by Uchumi supermarket, Nakummat Holdings and Tuskys. In Nakummat and Tuskys a pilling debt had aggravated the retailer's financial position as key suppliers withheld stock and workers went without pay for several months. Analyst at Nairobi-based cytonn investments attributed the poor performance to poor management.

In a global perspective, Bayraktar, Hancerliogullari, Cetinguc and Calisir (2017) researched on the association between innovation, and competitive strategies to the performance of a firm in manufacturing companies in Turkey. Competitive strategies entail all moves that a family-owned supermarket has to attract its customers in order to withstand the market competitive pressure. Customers make decisions in a competitive market environment based on understanding of the value of money that is a combination of cost and perceived product or service benefits and other quality prepositions that a company provides (Oldman & Tomkins, 2015). Several studies on the aspect of competitive strategies and organisation performance are being done internationally and locally. The studies have found contradicting findings.

A study by Bayraktar, Hancerliogullari, Cetinguc and Calisir (2017) indicated that competitive strategies increase a firm's performance. Similarly, Oyewobi, Windapo and James (2015) conducted an empirical analysis in South Africa to determine competitive strategies used by organization in construction to attain strategic goals. The research established that cost-leadership and differentiation are key aspects in enabling an organization achieve its financial performance goals. The research also found that non-financial performance is positively related to three generic strategies.

Locally, Awino, Njeru and Adwet (2017), using casual design carried out research and sought to determine the competitive tactics used by Kenyan supermarkets. The results revealed that the firms used market and innovation differentiation strategies to a small extent while the geographical area, service line and the buyer traits helped determine the market focus strategies used by the supermarkets to a small extent and was in Nairobi City County's shopping malls.

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

This study had the following general objective and specific objectives.

#### **1.3.1 General Objective**

The general objective of this research is to establish the effect of competitive strategies on the performance of family-owned supermarkets in Kericho County, Kenya.

#### **1.3.2 Specific objectives**

- i. To investigate the effect of cost leadership strategy on performance of family owned supermarkets in Kericho County, Kenya.



- ii. To assess the effect of focus strategy on performance of family owned supermarkets in Kericho County.
- iii. To determine the effect of differentiation strategy on performance of family owned supermarkets in Kericho County, Kenya.
- iv. To establish the effect of innovation strategy on the performance of family owned supermarkets in Kericho County, Kenya

#### **1.4 Research questions**

- i. How does the strategy of cost leadership affect the performance of family owned supermarkets in Kericho County, Kenya?
- ii. How does focus strategy affect the performance of family owned supermarkets in Kericho County, Kenya?
- iii. How does the strategy of differentiation affect performance of family owned supermarkets in Kericho County, Kenya?
- iv. How does innovation strategy affect performance of family owned supermarkets in Kericho County, Kenya?

#### **1.5 significance of the study**

The findings of the current study are crucial to the leadership of the Kenyan supermarkets in strategic plans that improve the organisations performance. The management of these organisations gain the knowledge on the competitive tactics they can adopt to gain an advantage and also to improve their performance. This is confirmed by the study findings that indicate that focus strategy and innovation strategy have an effect on the performance of firms.

The results are relevant to the government and its agencies such as the ministry of Trade and industrialisation. It is noted that the retail sector significantly affects economic growth and development since it is the outlet for goods produced in other sectors such as manufacturing and processing. The government would be able to formulate and introduce appropriate policy framework aimed at improving their performance for economic growth. This is supported by the study findings showed strategy have an effect on performance of supermarkets. The results are also beneficial to academia by providing empirical findings on the topic of study. The study hopes to provide useful literature in the topic of competitive strategies that can be used by scholars, faculty and the general academic fraternity.

### **1.6 Scope of the Study**

Competitive strategy was the main agenda of the study which include; cost leadership, innovation strategy, differentiation strategy, and focus strategy on family owned supermarkets' performance focusing on Kericho County. The study focused on Kericho County since it is one of the fastest growing counties in Kenya with supermarkets that where 90% of the supermarkets are family owned. The target population were the senior, middle and junior level management staff among the super markets who totalled to 129. A sample of 97 respondents formed the study respondents who were randomly selected. The performance of the supermarkets was the focus of the study in a period of the previous five years which covered 2015-2019. The period was selected because it is within which Kericho county experienced sprout of retail family owned enterprises. Descriptive research design was used for the study.

### **1.7 Limitations of the Study**

The respondents were not conversant with the language used in the questionnaire and the researcher had to interpret for them. Part of the sampled respondents did not want to participate in the interview as they were guilty of revealing the weaknesses of the firm and others felt victimised. The respondents were guaranteed that all information they gave were to be handled with great care and would be private.

Additionally, the study used questionnaires. Questionnaires have low viability and therefore it is hard to find out if the respondents are sincere or not. More to this, data rely upon the respondents' capacity to recollect and consequently are liable to review predisposition. To direct this, practicality and dependability of the instrument was utilized to decide if what is demonstrated conforms to the set standards.

### **1.8 Organization of the Study**

Chapters were used to arrange this study with the first one comprising of study's background, problem statement, objectives comprising of specific and general objectives, questions to be researched, research study importance, the extent of the research and constraints of the research. Chapter-two comprises analysis-of-the-literature. Moreover, it emphasized on –theoretical review, then empirical review, summary of research as well as literature gaps-and the conceptual framework.

Further, the third chapter dwells on the strategy used to address the research problem, the group the research was based on, the sampling formulae used to get the target samples as well as sample size, the research tools used to obtain data procedure for analyzing it, as well as ethical considerations. The fourth chapter covers the findings of the research,

interpretations of the findings as well as discussion of the findings. Chapter five encompasses the conclusion and summary of the research. Chapter five also gives the recommendation of the study that the top management in firms such as supermarkets should embrace innovative and other strategies that help enhance firm performance.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The subsequent section endeavoured to provide a review of related literature concerning influence competitive strategies on the performance of family owned supermarkets in Kericho County. Moreover, the chapter started with theoretical review, and then a review of empirical nature follows and-also the conceptual-framework.

#### **2.2 Theoretical Literature review**

The chapter presents three theories.: namely; innovation profit theory, Resource based-view theory, and contingency theory. It also captures empirical literature review and conceptual framework.

##### **2.2.1 Resource based-view theory**

Resource based-view theory was developed in 1959 by Penrose. It the most effective way managers can determine the organization resources hence achieving competitiveness by utilizing them to the maximum. This theory states that the organization's most important performances can only be accomplished through the firm that owns and controls it. The manner in which an organization controls its main resources determines the firm performance (Wernerfelt, 1984). Resource based-view theory focuses on resource capabilities from source to explain the heterogeneity, efficiency, and sustainability of a company (Kraaijenbrink, Spender & Groen, 2010). This theory in important for any organization because it gives manager the ability of resource availability that can be

manipulated to obtain superior performance. Managers can therefore take advantage of market imperfections to promote the efficiencies of the firm. Therefore, managers are in a better position to maintain performance in the organization by using available resources. The RBV view theory explains that the resources of a firm are a fundamental determinant of its performance (Ruivo, Oliveira & Neto, 2015). The firm exploits its strategic resources to achieve sustainable competitive advantage. Contingency theory of leadership shows how organizations can exercise good leadership; identifying good management techniques which help the organization achieve the organizations set objectives and attain improved performance. According to the theory, there is only one way to lead a firm that can result to unique competitiveness. The innovation theory of profits advanced by Schumpeter shows how an organization can achieve competitive advantage through innovation by discovery of new markets or new product, successful product differentiation as well as successful market segmentation.

Resource based view theory, however, has its limitations (Kraaijenbrink, Spender & Groen, 2010). One of RBV's limitations is that it simplifies organizational reality and tends to believe there is a linear connection between the resources of a company, competitive edge and efficiency. In addition, RBV does not account for the environmental aspect that influences organization performance. Still, the link between company resources may not have a direct relationship with results in performance. The said theory is important for the current studies as it pinpoints the importance of organizational resources and the ability to drive efficiency and sustainability. With RBV, the organization has the advantage of stressing factors that generates higher output for a company. Resources and capacities must

qualify as exceedingly precious, non-substitutable, inimitable and rare for a company to achieve Competitive Advantage (CA) and superior results.

This theory was important to the current research because it covered human resource capabilities of an organization that can help it be competitive in regard to families owned supermarkets in Kericho County. The assumption made by this theory is that people use resources to the maximum also make rational choices when it comes to the economic structure of their firm (Barney, 2014).

### **2.2.2 Contingency Theory**

Contingency theory was developed by Fiedle in 1980. It is a leadership theory. The theory states that there is no best way to lead a company, organize a corporation, or make decisions but instead the choices made by a firm is contingent (dependent) on the internal and external situations. Consequently, the style a leader adopts must be relevant to the current status. Contingency theory is based on two research findings done in the past that are related to leadership behaviour. An assumption of this theory is that a good manager is the one who can manage their leadership styles and qualities to their atmosphere and circumstance (Alexander, 2017).

The way in which an organization is organized will determine the complexities around which it operates. (Zehir Can and Karaboga 2015). This theory emphasises on the fact that an organization objective should match the managerial style of the leader and not the manager matching the leadership style to the situation. Identifying the manager's leaderships style is crucial to ensuring that contingency theory works. The theory shows how managers in an organisation focus on leadership strategies towards developing the best strategies that would

help the firm achieve superior performance over competitors. Since contingency theory is linked to leadership, the theory was used in the study to explain the variable of cost leadership. Cost leadership is contingent upon technology, cost incurred and lower prices.

### **2.2.3 Innovation Profit Theory**

This theory was proposed by Kuhn in 1970. The principle of innovation profit, which forms part of functional theory of profit, explains the supernormal profits arising from the effective development and invention of goods and services production. As a result of innovation methods such as differentiation and production of new products, organisation in the trade industry such as retailers have attained superior performance (Hirschey, 2008). This theory revolves around a company's products and suggests that organizations producing highly differentiated goods and services tend to make profits above normal. The theory describes supernormal return rates that reward a company for extraordinary success in satisfying customer needs, maintaining efficient operations, etc. Innovation is classified into two different categories.

The first type is those innovations aimed at cost reduction and the second type is those innovations aimed at market growth. By reinventing the value chain and improving its efficiency, costs can be significantly reduced. On the other hand, product demand can be created by differentiating, serving customers, increasing market share, etc. Because of successful innovations, profits are realized where costs are lower than the product price or when the sellers are able to provide the products with better prices than past prices. The



theory is linked to differentiated product, cost, market and profit. This theory was relevant to the current study in that it is linked to innovation.

## **2.3 Empirical Literature Review**

The focus on this section will be to review studies done previously and the gaps therein

### **2.3.1 Cost leadership strategy and performance**

Mohamed, Ndinya and Ogada (2019) using causal research design researched on Taita Taveta medium scaled mining business to find out how performance was impacted by cost leadership strategy. The study used the Porter's Generic Strategies. The target population for this research was 22 registered groups and 13 firms that were medium sized miner's enterprises. There was an indication that cost leadership strategy by the miners resulted to improved productivity, increased production and reduced operational costs. This study is significant when it comes to provision of useful data related to the study variables. However, the research was done in Taita Taveta County while the current research was carried out in Kericho county. Further, the focus of the study was on mining organizations and the current study's focus was on supermarkets. The study used descriptive research design. The study also used casual research design. The current study used the descriptive research design. From the current study it has been established that supermarkets embraces minimal cost of operations to increase profit.

In India, Bukhara, Mor and Sharma (2018) conducted an empirical analysis examining how performance was impacted by cost leadership strategy. In the study the relationship was mediated by quality management. The study outcomes indicated that cost leadership does

not impact or has no direct association with the performance of companies but effective management would affect the impact cost leadership has on performance. Results also showed that effective management and regular improvements of suppliers significantly impacted the Organization's performance. The study was done in India, while the current study was done in Kenya. The current study findings showed that effective management would affect cost leadership hence performance.

Elsewhere in another study, Atikiya, Mukulu, Kihoro and Waiganjo (2015) collected data from sub-industrial organizations in Nairobi County. The analysis of data was done with the help of descriptive and explanatory research design. The conclusion made was that manufacturing companies' performance was greatly influenced by cost leadership strategy. The research was carried out among manufacturing firms but the current study focused on family owned supermarkets. The current study findings showed that family owned supermarkets have embraced use of modern technology. Alkalies, Hilman, Bohari, Abdullah and Sallehddin (2018) conducted a study examining how strategic alignment of strategy affects its implementation based on manufacturing SMEs in Nigeria. The cross-sectional survey research had 277 manufacturing SMEs as the target population. It was observed that both market penetration and development tactics significantly influenced the SMEs performance. Moreover, the study found that the strategy significantly affected by market penetration and market development which consequently led to enhanced organization competitiveness. The research focused on manufacturing SMEs while the current study covered family owned supermarkets in Kenya. The study used purposive sampling. The current study used stratified sampling. The results in the current study showed that family owned supermarkets offer goods at cheaper prices in order to attain market penetration.

In Nigeria, Uchegbulam, Akinyele and Ibadunni, (2015) researched on the effect competitive tactics used by SMEs had on this organization's performance. The results indicated an association did exist between the customization of products and the growth in sales; features of the products and customer base; and value addition and the growth in revenue. On the other hand, Acquah and Agyapong (2015) did a study on performance with reference to competitive strategies on Ghanaian small and micro enterprises. The outcome of the research showed that differentiation had a favorable impact on performance, while cost leadership was shown to not have any significance impact on performance. Marketing and managerial capability were both shown to moderately impact the association between performance and competitive strategy after controlling some organization-specific factors. The study used resource based-view theory. The current study was anchored on the innovation profit theory. In the current study, family-owned supermarkets embraced variety of products to increase the market.

Nebojsa and Sharma (2015) conducted a study on how brand equity, investments in marketing and product differentiation affected the price strategy of SMEs, retailers and MNCs. The study used regression and cluster analysis and the results indicated the three strategies had an impact on price and the premium price was affected by product differentiation relate to the type of firm and innovation. The current study was centered on family-owned supermarkets in Kenya. The indicators of differentiation in the current study were different and included product features, promotion and distribution. In the current study, the products were packaged depending on customer's needs hence attracting more customers. Zehir, Can and Karaboga (2015) did an investigation Turkey to establish if strategy of differentiation has any association between Entrepreneurial Orientation (EO) with

performance. A population of 1322 was taken from management staff of manufacturing companies. The outcomes indicated the strategy of differentiation significantly depended on the association existing between the performance of a firm and entrepreneurial orientation. The study's focus was different from the current study focus regarding competitive strategies. In the current study, family-owned supermarkets embraced a variety of products to increase the market share.

Adhiambo's (2018) study determined how much pharmaceutical companies adopted different differentiation strategies. Descriptive design was used with quantitative data collected using standardized questionnaire. The results showed a favorable association between the performance of an organization and differentiation strategies. The study however focused on Kenyan pharmaceutical firms while the current study focused on the supermarkets. From the current study, it is demonstrated that the differentiation strategy determines performance of family-owned supermarkets.

Gorondutse and Hilman (2017) researched on different hotels and how they were impacted by differentiation strategy in order to examine the relationship between environmental munificence in predicting the correlation between performance and differentiation strategy. The study findings indicated that differentiation strategy positively affected the performance of the hotel industry. Besides, Mashruwala and Tripathy's (2014) research on whether differentiation plan results to a more financial sustainable and cost leadership. The researchers plan established performance was affected by differentiation and cost leadership strategy. The study focused on the hotel industry. The current study focused on supermarkets. The indicators of the current study were technology and the cost incurred. In

the current study, the results showed that products were packaged depending on customer's needs hence attracting more customers.

### **2.3.2 Focus Strategy and Performance**

Kiprotich, Gachunga and Bonuke (2018) study sought to determine procurement competitive tactics used by Kenyan manufactures. The explanatory research study targeted 766 procurement managers from Kenyan manufacturing companies. The raw data was gathered using a questionnaire and analyzed and the findings indicated that a favorable relationship exist between performance of companies and cost leadership strategies. The study focused on manufacturing firms but the current study focused on family-owned supermarkets in Kericho County. Indicators of performance in the current study were profit margin, return on investment and return on equity.

Study by Kinyua, Kavulya, Muturi, Rotich and Ogollah (2018) used a cross-sectional survey targeting 181 authorized and registered SACCOs that operated for last five years. The collection of data involved the use of questionnaires and later inferential statistics were used to analyze it. A significant association was deduced between how Kenyan SACCOs perform and focus strategy used on customers. The study focused on the manufacturing sector. The current study focused on the family owned supermarkets. The results in the current study showed that the family owned supermarkets target specific geographical location. Sifuna (2014) did research on the impacts of competitive strategies performance of Kenya's based University. From the research it was established that cost leadership strategies such as capacity use of resources, reductions of operational costs and mass production influenced the institution's performance. The study concluded that performance and leadership are

highly connected and enhanced cost leadership strategies positively improved performance. The study focused on the Kenyan universities. The current study focused on the retail sector, supermarkets. The current study demonstrated that performance of family owned supermarkets was affected by focus strategy.

Odunayo (2018) examined telecommunication firms in Nigeria to determine performance related to marketing strategies of the Port Harcourt firms. The cross-sectional study focused on 4 telecommunication companies in Port Harcourt. Those who responded to the study were population of 134 employees from the four selected companies. By using inferential and statistics that were descriptive, the outcome was that a favorable and significant association existed between the study's variables. The conclusion was that the market focus strategy has a favorable important impact on the competition edge of the organization. Although the study provides useful insight on the relationship between the two variables, the research was done in Nigeria and focused on the telecommunication industry. The current study demonstrated that performance of family owned supermarkets was affected by focus strategy.

Dibrell and Moeller (2011) conducted a study in Australia examining how family owned and non-family owned business adopt focus strategy targeting their customers through innovation, stewardship, customer service and cultural behaviors. A sample of 307 respondents drawn from both family-owned and non-family owned business was selected from whom data was collected. It was found that family owned family owned were better placed to adopt customer service, stewardship and cultural behaviors resulting in better performance as opposed to non-family owned businesses. The study focused on the

adoption of focus strategy targeting customers through innovation, stewardship, customer service and cultural behaviors. The current study focused on the effect of innovation strategy on performance. The indicators of focus strategy in the current study were market targeting, market segmentation and geographical location.

### **2.3.3 Innovation Strategy and performance**

Valipour, Birjandi and Honarbakhsh (2016) research on cost innovation strategy established that firms having innovation had had an advantage because of the strong relation with performance. The research would further provide that an organization size had a strong correlation with the leverage on the organization performance with product differentiation strategy. The study focused on product differentiation strategy. The current study focused on innovative strategies. In the current study the supermarkets embrace automation. Gakure and Ngumi (2013) did a research on the impact of innovation strategies on the profitability of insurance sectors in Kenya. Descriptive research design was used and population comprised of Kenyan insurance companies that are 48 in number. The techniques employed were descriptive and content analysis. In conclusion strategy had significant influence on firm's profit. The researcher established that insurance firms in Kenya had attained over 10 years of improving their capacity to earn and they also controlled costs via adopting innovations e.g. use of mobile phone technology for promotion of products and the use of agencies. In the current study, family owned supermarkets improve capacity among staff by use of human resource.

Chengeta (2014) did a research on the impacts of cost leadership approaches used by the organization on their performance focusing in a case of Multimedia Saatchi & Saatchi. From

the research it would be established that vertical integration is open for the most crucial factor that enhances the firm's effectiveness. Furthermore, the research did establish that Organization always share information and it's through the processes that they manage reducing their costs and enhances their financial performance. It would be established that possible outsourcing of services does not always mean that the quality is. Thus, it would be express that for the firm to have interrelationships with its shareholders and enhance business connections they should base only on profitability. The independent variable was cost leadership approaches. The current study used cost leadership and innovation strategy as independent variables. Besides, Kajewski (2014) conducted a research on the innovations, issues and recommendations for practices in Australia's banking industry. The research embraced descriptive design with the use of secondary materials such as financial product reports and the reports from different 38 banks. From the research it would be discovered that throughout the years, banks had progressively invested in the various technology platforms in an effort to improve financial access to their clientele. The study also found that the number of transactions had gone up as a result of these innovations. There was a positive correlation of bank profitability and innovation. In the current study the family owned supermarkets have networked to enhance efficiency.

Muasa (2014) researched on the strong competitive advantage and the type of leadership strategy used by the Kenyan based super market Naivas. From the study it would express that private sectors are changing the retail sectors through a competitive strategy. As from the study, enhanced technology, focusing on clients and a good relationship with suppliers will form the basis of an efficient cost leadership strategy. Besides, it would also be established the retail sector's senior staffs should be undergoing trainings as a way of



speeding up with dynamic industry environmental factors. The study used leadership strategy as an independent variable. The current study employed innovation strategy as independent variables since family owned supermarkets have embraced automation. Nader (2011) assessed the impact of innovation strategies on performance of SMES in Saudi Arabia. To evaluate the impact of technological, finance, system and human resource innovations among SMEs in Riyadh, descriptive research was used. The study questionnaire in collecting primary data and secondary data from financial and annual reports. It also established that technological, financial, system and human resource innovations enhanced firm efficiency, effectiveness and profitability. In the current study family owned supermarkets have adequate networking to enhance efficiency.

#### **2.4 Literature review's Summary of gaps**

Reviewed literature has exhibited that although numerous studies have been conducted on the study constructs, there are gaps still existing. That theory postulates that resources must be perfectly inimitable to gain competitive advantage can only for a short time but for a long time, other companies will be able to generate similar resources. Consequently, the strategy adopted by the company such as differentiation and cost leadership must be reviewed from time to time before competition catches up. Further, while contingency theory holds that managers can develop appropriate strategies to help the firm achieve better performance, its assumption that the firm's management can perfectly scan the business environment both internally and externally, may not always hold since unforeseen circumstances may affect the applicability of such strategies. Further, although innovation theory is relevant in supporting cost leadership, it does not offer support for differentiation and focus. Thus, the

existing theoretical framework though relevant to the current study may not perfectly support all the study's variable.

Conceptually, the study proved that although scholars have conducted studies on competitive strategies, most studies concentrated on one strategy only, either cost leadership, differentiation or focus strategy. In addition, studies showed that a manager is supposed to choose strategy to adopt as opposed to a combination of strategies thus ruling out the possibility of adopting all the strategies simultaneously. Moreover, different scholars used different indicators in measuring the study constructs. Regarding performance, different measures have been used such as investors' returns, number of products in the market, profits, sales volume, and capital gains. There is thus no consensus on the operationalization of performance in the existing studies. This study will use NPM, ROI and ROE as measures of performance.

Additionally, most studies on performance of family owned supermarkets according to literature review done. It was observed that most studies were conducted in other contexts such as manufacturing companies, supermarkets, mining companies, pharmaceutical companies, telecommunication firms and deposit taking Sacco's. Most studies on competitive strategies were conducted in other study areas such as Nigeria, Turkey and Australia. The few conducted in Kenya were conducted in other counties such as Taita Taveta county Nairobi County and Nyeri County. It is thus clear that empirical gap exists in the literature.

**Table 2.1: Summary of the Literature and Research Gaps**

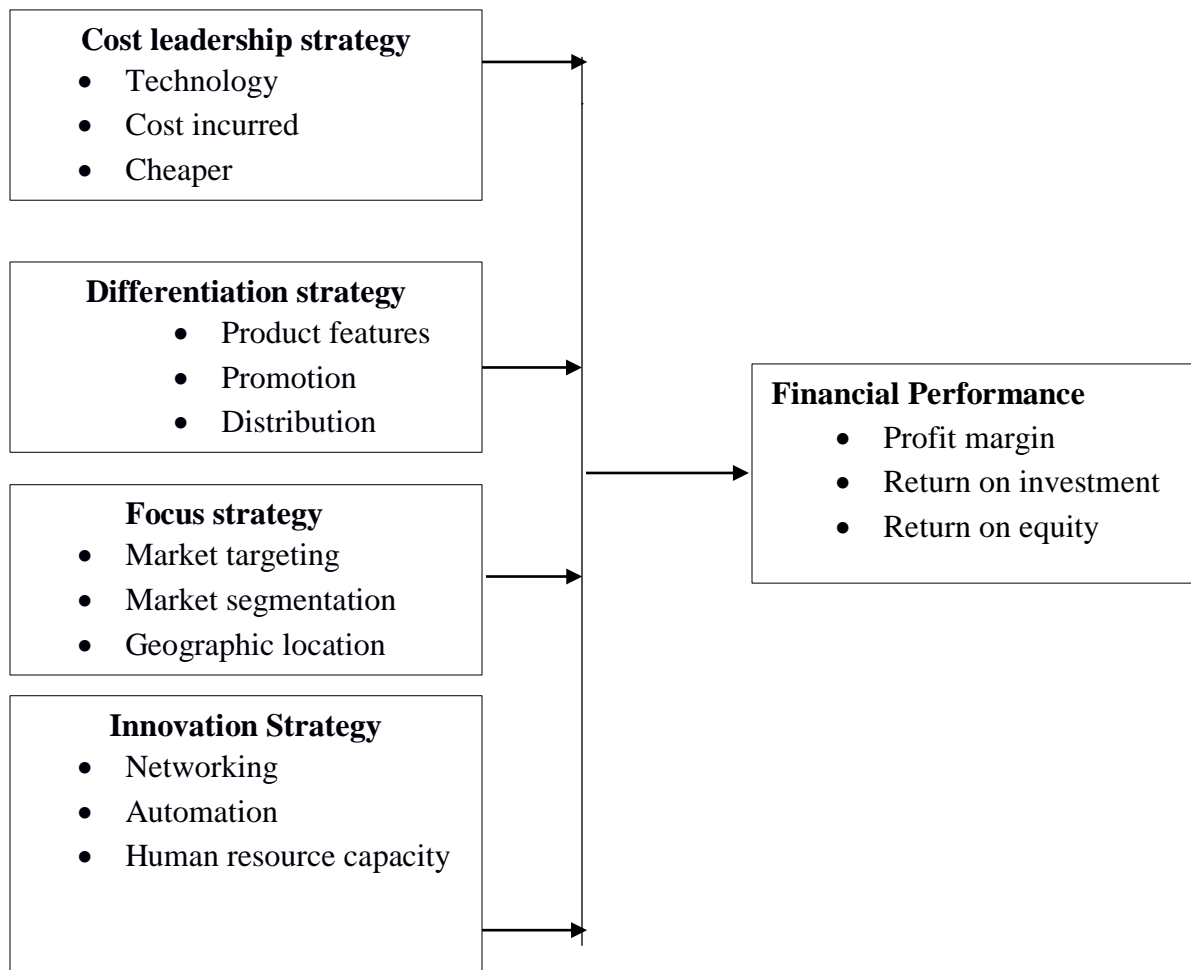
Author/s	The focus of the study	Study's Findings	Gaps in the research	How the gaps are addressed in the current study
Bukhara, Mor and Sharma (2018))	how performance was impacted by cost leadership strategy in India	The study outcomes indicated that cost leadership does not impact or has no direct association with the performance of companies but effective management would affect the impact cost leadership has on performance	Study was done in India	Current research focuses on family owned supermarkets in Kericho county in Kenya
Mohamed, Ndinya and Ogada (2019)	how cost leadership strategy influenced medium mining enterprises performance which were based in Taita Taveta County	mining enterprises using cost leadership strategy in the said county leading to increased profits, higher production and decreased operational costs.	The study's aim was on the mining sector.	The study aimed at supermarkets in kericho county
Nebojsa and Sharma (2015)	Impact of brand equity, investments in marketing and product differentiation on the pricing tactics used by MNCs, SMEs and retailers	The results showed a close relationship between investments made in marketing, brand equity and product differentiation with price and that the premium price was influenced by product	The study focused on SMEs, Multinational companies not on family owned supermarkets in Kenya (MNCs) and retailers.	The study focused on firms in the trade industry.

		differentiation related to the type of firm and innovation.		
Nebojsa and Sharma (2015)	Impact of brand equity, investments in marketing and product differentiation on the pricing tactics used by MNCs, SMEs and retailers	The results showed a close relationship between investments made in marketing, brand equity and product differentiation with price and that the premium price was influenced by product differentiation related to the type of firm and innovation.	The study focused on SMEs, Multinational companies not on family owned supermarkets in Kenya (MNCs) and retailers.	Focus of the study shall be family owned supermarkets in Kenya as opposed to mining companies.
Dibrell and Moeller (2011)	Looked at how family and non-family enterprises integrated their client's views in their strategies and use innovativeness to satisfy these customers while also using stewardship cultural behaviours in customer service.	Family-owned enterprises are highly focused on service delivery and are more likely to include stewardship cultural behaviours in their customer services which leads to improved innovativeness compared to the none family owned enterprises.	The research was done in Australia and we cannot use the results on the current study.	The Study is Based in Kericho county, Kenya.

Zehir, Can and Karaboga (2015)	Determining the importance of differentiation and innovation performance in the association between entrepreneurial performance and orientation	The results indicated that innovation and differentiation improved the relationship between firm performance and EO. The findings also revealed that differentiation did mediate the association between EO and innovation performance.	However, the study only focussed on the mediating effect of one strategy, while in this study other strategies such as focus and cost leadership were being considered	The study sought to determine if differentiation strategy affects performance and not as a mediator variable
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## 2.5 Conceptual Framework

From the reviewed literature, the interrelationship between the study constructs is presented in the conceptual framework shown in table 2.2. The cost leadership strategy which is technical and the most essential includes technology; costs incurred, and lower prices. Performance of the owned supermarket by family is determined by product features, promotion, distribution, distribution which are all differentiation strategy. The competitive strategies for innovative strategy include networking, automation, and human resource capacity.



**Figure 2.1: Conceptual framework**

**Source: Researcher (2021)**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The chapter endeavored to cover various processes as well as procedures to be employed in the identification and selection of data for analysis. It detailed the various design for the research, the group of individuals the research used, the design for choosing from the targeted group and the sample size, methods of collecting data, analyzing it, ways in which the data was presented as well as issues pertaining morals and morality.

#### **3.2 Research Design**

Research design is a variety of techniques or methods used to conduct a study to meet the study objectives (Lewis, 2015). It is also viewed as a plan adopted by the researcher (Ghuri and Gronhaug, 2010) aimed at providing solutions to the research problem. There are several research designs that may be adopted by a researcher such as case study design, survey, descriptive research design, explanatory design, causal-effect design, and exploratory design among others. Since the key variables in the study are defined and the study clearly states hypotheses and investigative objectives, the descriptive design is appropriate for this study. This position is supported by Cooper and Schindler (2003), who argue that the descriptive design is appropriate for a study that has clearly stated hypotheses. The main advantage of descriptive research is its capacity to study change and development.

### 3.3 Target Population

The study population was made up of 97 in all supermarkets in Kericho County that are family owned. According to the County Government of Kericho statistics of 2019, there are 21 registered family owned supermarkets in the county most of which were small and micro. The study population is as shown in Table 3.1.

**Table 3. 1: The Targeted Population**

Level of management	Incidence	Percentage
Highest Level	27	20.9%
Middle level	39	30.2%
Lowest level	63	48.8%
Total	129	100.0%

**Source: Kericho county statistics of 2020**

### 3.4 Sampling Design

The sampling frame consists of all population members that are accessible by the researcher and those used to choose a sample (Mugenda, 2009). Consequently, the study's sampling frame comprised the owners, general managers and other management staff in the family owned supermarkets in Kericho County. From this population, stratified sampling method helped select a sample size of 97 respondents based on Kothari (2004) formula with a 95% confidence level.



**Table 3. 2: The Sample Size**

<b>Level of Management</b>	<b>Frequency</b>	<b>Ratio</b>	<b>Sample Size</b>
High level	27	0.75	20
Middle level	39	0.75	29
Lower level	63	0.75	47
<b>Total</b>	<b>129</b>	<b>0.75</b>	<b>97</b>

**(Source: field data 2020)**

### **3.5 Data Collection Procedure**

Permission was sought from Kenyatta before any scheduled field data gathering. Once the permission was granted the researcher booked appointments with the identified respondents to seek their consent and to explain why the study was important and to make arrangements on the most appropriate time to answer the study tool questions. In addition, the researcher explained the advantages that would benefit the firm as a because of participating in the study.

### **3.6 Data collection**

According to Milton, Bull and Bauman (2011), research data is classified in to two, primary and secondary data. The former is gathered as raw data and is used for the primary purpose for which it was collected. On the contrary, secondary data is data earlier collected and stored but can be retrieved for subsequent use. Gathering of data was directly acquired from the target group. Semi-structured questionnaire was used to collect the requisite data. The first section on the data collection tool had the bio data of the who are responding and the second section covered the study variables. Besides, all queries were categorised in two,

structure questions in Likert form and for respondent to provide additional information to their response, open-ended questions will be used. Drop and pick technique was adopted as the most appropriate method of administering the questionnaire. This allowed the participants have enough time to answer the questions comprehensively as recommended by Matthews and Ross (2014).

### **3.7 Validity and Reliability**

Validity testing allows the investigator to determine how well the questionnaire is constructed to provide valid results. In current study, validity of the questionnaire, especially construct validity face validity, and content validity were determined. Piloting was done for validating the questionnaire and confirming the internal consistency of the of the questionnaire. The test was done using a tenth of the sample respondents of 13 individuals from family owned supermarkets in the county. Russell (2013) advises that for the pilot testing about a tenth of the sample size for the study be used and this group deduced through simple random sampling.

#### **3.7.1 Validity of research instrument**

Research instrument validity relates to how precise and valid the outcomes of the study will be based on data collected via the tool (Golafshani & Behnood, 2018). Subjectivity of a test is determined using face validity and whether it encompasses the concept measured. It is representatives of population sample on the other hand content and construct validity draw conclusions from the results of the tests to a variety of items that are comparable. Abilities and knowledge used in the test items should represent a domain of wide abilities and knowledge (Joppe, 2009). Content validity was determined by peers and research

supervisor. Face validity was ensured by supervisor and the management of supermarket construct validity was determined through conceptualization of study variables and appropriate theories.

### **3.7.2 Reliability of the research instrument**

As noted by Taylor, Bogdan and DeVault (2015), it can be described as the consistency with which a tool is quantifies using whatever it is meant to be using. Reliability decides if the research outcomes are repeatable. In this study, Cronbach's alpha ( $\alpha$ ) determined the instruments reliability by the aid of SPSS. The formula shown below was used.

$$\alpha = k/k-1 \times [1 - \sum (S2) / \sum S2]$$

Where:  $\alpha$  = Cronbach's alpha

k = Response number

$\sum (S2)$  = Sum of individual items variances

A composite coefficient of reliability index (Cronbach alpha) of 0.6 is regarded sufficient (Milton, Bull & Bauman, 2011). Consequently, an alpha ( $\alpha$ ) coefficient of 0.6 and more became reliable in the research.

### **3.8 Data analysis and presentation**

As defined by Lindlof and Taylor (2017) data analysis is a systematic organization. Data gathered was cleaned, coded and keyed in computer software for analysis. Means score which is a descriptive statistic, frequencies and their percentages and standard deviations will be used on quantitative data. The results obtained was presented through tables and graphs. With the help of conceptual content analysis, qualitative data obtained was analysed and the results thereof presented in narrative form.

In addition to descriptive statistics, inferential analysis was conducted via multiple regression analysis. This was the form of the regression analysis;

$$P = \beta_0 + \beta_1 CLS + \beta_2 DS + \beta_3 FS + \beta_4 IS + \epsilon$$

Where: -

$P$  = Performance of Family Owned Supermarket

$\beta_0$  = Constant

$\beta_1, \dots, \beta_4$  = Variable Coefficients

$CLS$  = Cost Leadership Strategy

$DS$  = Differentiation Strategy

$FS$  = Focus Strategy

$IS$  = Innovation Strategy

$\epsilon$  = Error Term

When testing the predictive power of a model, the researcher used the coefficient of determination ( $R^2$ ). This quantified range to variations in competitive strategies affect variations in family owned supermarket in Kericho county performance. Besides, F-test in Variance Analysis (ANOVA) was as well conducted and the confidence level at which it was conducted was 95% hence there was need to determine the model's fitness. Finally, student t-test helper test how significant the competitive tactics highlighted affect performance of supermarkets owned by families in Kericho county. The final process included analysing the data by the help of SPSS and presenting the results in the table.

### 3.9 Operationalization of the study variables

Variable operationalization According to Crano, Brewer and Lac (2014), aim at developing a valid and quantifiable index for each of the variables highlighted. Operationalization enables the researcher to come up with an appropriate measurement tool. There was the variable operationalization as outlined in table 3.3.

**Table 3. 3: Measuring and Operationalization of variables**

Variable	Type of Variable	Indicators	Operationalization of variables	Type of Measurement
Cost Leadership Strategy	Independent variable	1. Cost incurred 2. Technology 3. Economies of scale	- Amount of reduction in operational costs by a business  - Level of automation.  - Number of benefits due to economies of scale	Ordinal scale (Likert scale)
Differentiation Strategy	Independent variable	1. Product features 2. Promotion 3. Distribution	- Number of products with unique features - Amount of incurred in promotion  - Number of channels of distribution	Ordinal scale (Likert scale)
Focus Strategy	Independent variable	market Segments  geographical locations	- No of market Segment  - No. of geographical locations	Ordinal scale (Likert scale)
Innovation Strategy	Independent Variable	1. Networking 2. Automation 3. Human Resource 4. Capacity	- Number of networks  - Level of automation  - Level of skills in human resource	Ordinal scale (Likert scale)

**Researcher (2021)**

### **3.9 Ethical Considerations**

Some of the information collected from the study were very personal therefore, the researcher handled it with utmost confidentiality. Study goals were made aware to the participants and no one was coerced to be part of the study. For the respondents to participate fully and be willing to give more information, the researcher guaranteed them that their information was held with utmost confidentiality. The university's introductory letter gave respondents more confidence because it stated that it will be used for academic reasons only. For respondents who did not understand what was expected from them, the researcher explained to them. The researcher made the participants aware of the goals of the study and of what importance it will be for the relevant supermarkets mentioned.

## CHAPTER FOUR

### RESULTS, DISCUSSION AND INTERPRETATION

#### 4.1 Introduction

In chapter four of this study, there will be the analyzing and interpretation of the findings. Primary data collection was done using questionnaires and interview guides. Questionnaires were used among all the respondents from top and lower level management among the 12 family owned supermarkets in Kericho County. Collected data was coded using SPSS software version 24. The coded data needed to be analyzed using descriptive and inferential statistics as shown below.

##### 4.1.1 Response Rate

There were 129 managers among the supermarket staff who were part of the study respondents drawn from all the 12 family owned supermarkets. A sample of 97 respondents was drawn and given data collection instruments. Out of the 97, only 80 returned the questionnaire after filling it. The response rate was at 82.47% as shown below.

**Table 4.1: The Response Rate**

	<b>Frequency</b>	<b>Percentage</b>
Response	80	82.47
Non-Response	17	17.53
<b>Total</b>	<b>97</b>	<b>100.0</b>

**Source: Field data, (2020)**

For the analysis and the interpretation of findings, 70% of the respondents responding is sufficient and having a response of 80% is good. It can therefore be concluded that of 82.47% for this study was good and accurate representation of the population used for the study.

#### 4.1.2 Reliability Test

Methodology used for the test was a Cronbach Alpha coefficient which shows the reliability of the instruments used in research. Determining the overall coefficient involved computing each and every variable's Cronbach alpha. The findings are as shown in table 4.2

**Table 4.2: Coefficient of Reliability Test**

<b>Variable</b>	<b>Number of Items</b>	<b>Cronbach Alpha</b>
Cost Leadership Strategy	5	0.871
Differentiation Strategy	5	0.799
Innovation Strategy	5	0.625
Focus Strategy	5	0.894
Performance	5	0.725
Average Cronbach Coefficient		0.855

**Source: Field data (2020)**

From the table, it has been determined that cost leadership strategy is the first independent strategy with a 0.87 Cronbach alpha. Differentiation strategy came in second with 0.799 Cronbach alpha. Focus strategy came in last with a 0.894 Cronbach alpha. 0.855 was the average Cronbach coefficient and since it is greater than 0.7, therefore, reliability of



instruments used was proved. Any Cronbach alpha that is of 0.7 and above shows that the research instrument was reliable.

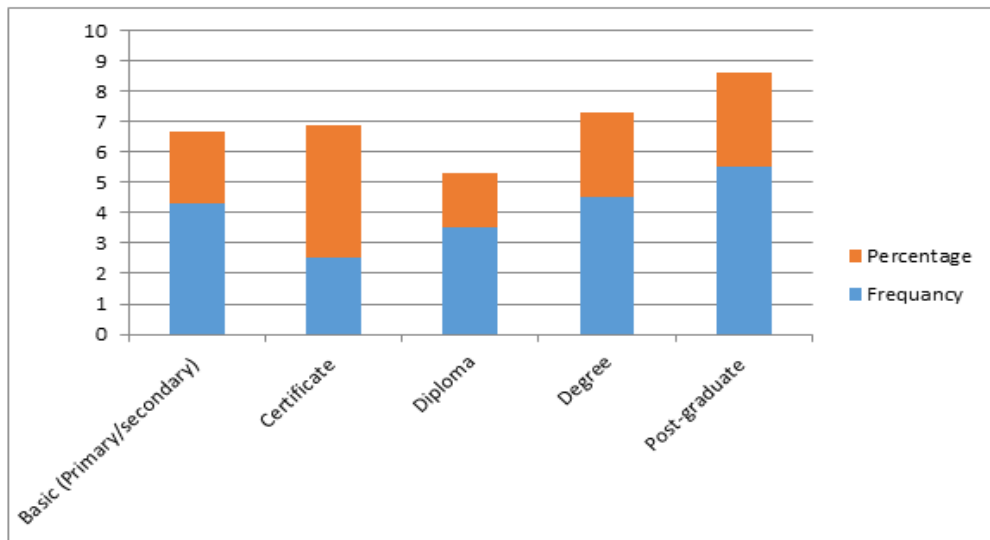
## 4.2 Demographic characteristics

The respondent’s demographic characteristics were described as follows; level of education, height, years worked in the supermarket, level of management, and gender. Below are the reports of the findings.

### 4.2.1 Level of Education

There was an assessment of the respondent’s level of study. This was basic in analyzing their knowledge and skill potential to plan, manage and execute strategy at the firms and also to interpret the questionnaires. Below are the tabulated findings.

#### Highest Attained Level of Education



1 Unit=20 Frequency

1 Unit= 5 Percent

### Figure 4.1: Highest Attained Level of Education

Source: Field data (2020)

The conclusion from the study was that 27.5% of the management staff among the supermarkets had basic education with most of them being secondary school graduates. 31.25% had the highest level of education being certificate, 18.75 had the highest level of education being diploma, 13.75% had the highest level of education being degree while 8.75% had qualified as post-graduates. Majority of the management staff had a diploma qualification or less. This shows averaged qualified, knowledgeable and skilled personnel among the firms.

### 4.2.2 Period worked

Working experience among the respondent was also determined in the study. Part of the respondent's obligation was to disclose the years they had worked in the supermarkets.

Below is a representation of the findings;

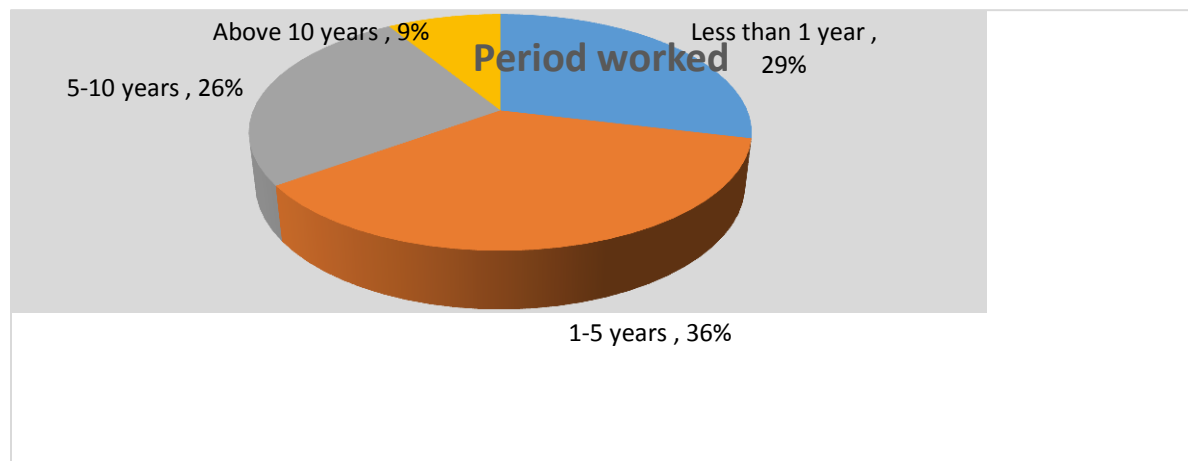


Figure 4.2: Number of years worked at the supermarket

Source: Field data, (2021)

From the Figure 4.2, we can conclude that the fewer percentage of respondents had worked for a period of 10 years represented by 9% of the respondents. Those that were employed in the supermarket between 5-10 years were 26% of the respondents Those that had worked between 1-5 years were 36% and 29% of the respondents had been in the company for less than 1 year. It can be concluded that from these percentages, a large percentage of the respondents had been working in the supermarkets for less than five years. This shows the general challenge of high employee turnover of the retail industry however the period is significant in having a clear understanding of the competitive strategies employed by the firms and the effect they have had on performance.

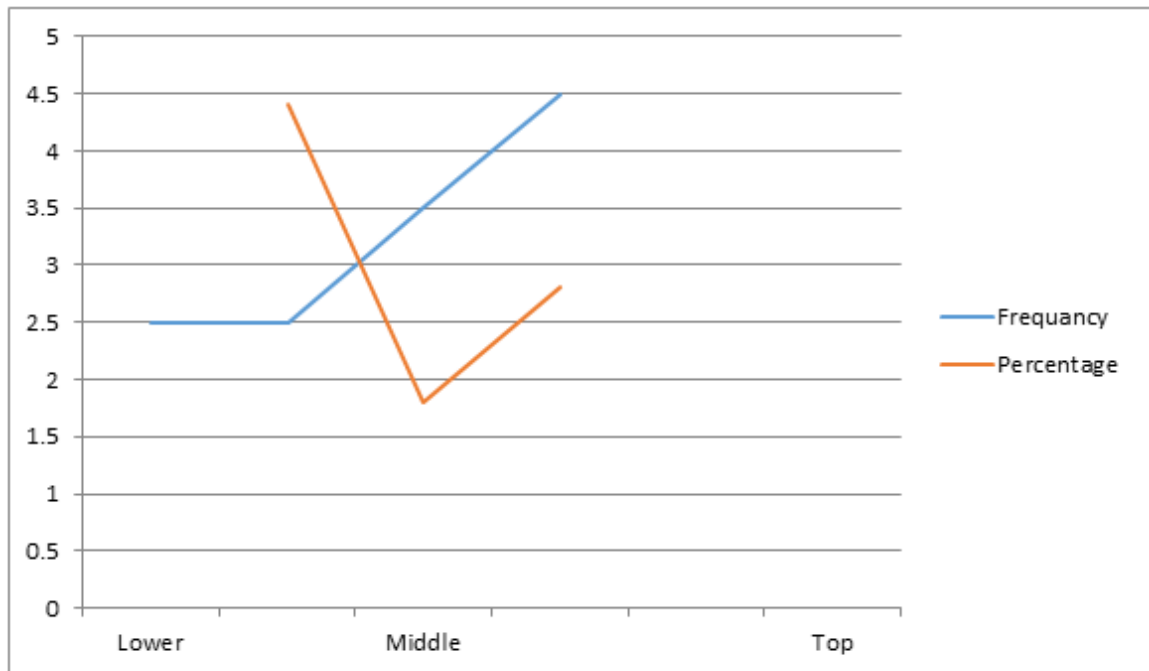
#### **4.2.3 Gender of Respondents**

Based on respondents' gender affiliations their distribution was determined. It was Male respondents were 79% while female respondents 21%. This was informed by the nature of work at the supermarkets and also the founder syndrome where most of the proprietors were male.

#### **4.2.4 Level of management**

The respondent's level of management was also determined from the study. The findings were as tabulated below;

## Management Levels



*2 unites = 10 Frequency*

*3 unites = 10 Percent*

**Figure 4.3: Management Levels**

**Source: Field data (2020)**

Management employees were 12.5% according to the study, 28.75% were middle level management staff while 58.75% belonged to the lower levels of management within the supermarket chains in Kericho county. There was a high percentage in managers who were who were at a lower level given the high number as the levels of management come down. There was a representation of the three levels of management in the study.

### 4.3 Descriptive Statistics

This section will cover specific strategies and its performance on family owned supermarket

#### 4.3.1 Cost leadership strategy and performance of family owned supermarkets

Establishing how cost strategy has an impact on performance was the first objective of the study of these supermarkets that are family owned in Kericho county, Kenya. Some of the questions required respondents to state the length to which their supermarkets adopted aspects of cost leadership strategy as shown below using Likert Scale of 1-5.

**Table 4.3: Cost Leadership Strategy and Performance**

<b>Cost leadership strategy</b>	<b>Mean</b>	<b>Std. Dev</b>
Supermarket has embraced modern technology	3.11	0.691
The supermarkets embraces minimal cost of operations to increase Profit margin	3.05	0.728
The supermarkets offers goods at cheaper prices	2.77	0.803
performance of family owned supermarkets is affected by leadership strategy	2.598	0.771

**Source: Field data (2020)**

Study findings indicated that supermarkets have embraced modern technology (mean of 3.11) though variance was low (standard deviation of 0.691). The supermarkets have moderately embraced minimal cost of operations to increase profit margin (3.05) whose

variation was low ( standard deviation of 0.728) .It was disagreeable that firms offer goods at cheaper prices (mean of 2.77). The variance was low (standard deviation of 0.803) and cost leadership had little effect on performance (mean of 2.598) whose variation was low (standard deviation of 0.771. The study showed that the supermarkets have embraced minimal cost of operations to increase profit (mean of 3.05).In the current study, family owned supermarkets in Kericho county have embraced minimal cost of operations to increase profit.

#### 4.3.2 Differentiation strategy and Performance of Family owned Supermarkets

The main goal was to investigate how performance was affected when differentiation strategy was used by supermarkets in Kericho county Kenya that are family owned. The study showed that family owned supermarkets adopt the following aspects of differentiation strategy using Likert Scale of 1-5.

**Table 4.4: Differentiation strategy and Performance**

<b>Differentiation strategy</b>	<b>Mean</b>	<b>Std. Dev</b>
The supermarkets carry out promotions of products	2.51	0.788
There is a variety of products to increase the market	2.99	0.901
Products were packed depending on customer’s needs hence attracting more customers	3.19	0.702
Differentiation strategy determines performance of family owned Supermarkets	3.01	0.811

**Source: Field data (2020)**

Promotion of products had little effect as indicated by mean of 2.51 and low variation (standard deviation of 0.788). Variety of products insufficiently increased the market mean (mean of 2.99) hence low variation (standard deviation of 0.901). Packaging of products depending on customers' needs attracted some customers (mean of 3.91) but the variance was low (standard deviation of 0.702). That differentiation strategy somewhat determines how family owned supermarkets in Kericho county perform (mean of 3.01). Performance didn't vary significantly (standard deviation of 0.811). In the current study, the products were packaged depending on customers' needs hence attracting more customers. In the current study, supermarkets in Kericho county carry out promotions on products in order to increase sales.

#### **4.3.3 Focus strategy, Performance, and performance of family owned supermarkets**

The supermarket's performance in Kericho county that are family family owned have been investigated in this study with regards to the effect differentiation strategy has on it. It was to be determined whether adopted the focus strategy and the respondents gave their opinion on the matter giving the extent to which it was adopted using Likert Scale of 1-5. Findings are shown in the table below.

**Table 4.5: Focus Strategy and Performance**

<b>Focus strategy</b>	<b>Mean</b>	<b>Std. Dev</b>
The supermarkets has segmented the market	2.11	0.701
The supermarket has target customers	2.41	0.739
The supermarkets targets specific geographical location	2.51	1.411
performance of family owned supermarkets is affected by focus strategy	3.44	0.820

**Source: Field data, 2020**

Supermarkets in Kericho county inadequately segmented the market (mean of 2.11) hence a low variation (standard deviation of 0.701) targeting few customer types (mean of 2.41) leading to low variance (standard deviation of 0.739) and targeting specific geographical location by the supermarkets is minimal (mean of 2.51). However, there was little variation (standard deviation of 1.411). Focus strategy employed has some effect on performance of family-owned supermarket mean of 3.44). However, performance didn't vary much (standard deviation of 0.0820). Dibrell and Moeller (2011) conducted a study in Australia examining how family owned and non-family owned business adopt focus strategy targeting their customers through innovation, stewardship, customer service and cultural behaviors and found that family owned family owned were better placed to adopt customer service, stewardship and cultural behaviors resulting in better performance as opposed to non-family owned businesses. Kavulya, Muturi, Rotich and Ogollah (2018) used a cross-sectional survey targeting 181 authorized and registered SACCOs that operated for last five years. The collection of data involved the use of questionnaires and later inferential analysis was used to analyze it. A significant association was deduced between how Kenyan SACCOs



perform and focus strategy used on customers. The study focused on the manufacturing sector.

#### 4.3.4 Innovation Strategy on Performance of Family owned Supermarkets

Finally, aspects of innovation strategy were to be tested which was part of the questionnaire a Likert Scale of 1-5 was to be used.

**Table 4.6: Innovation Strategy and Performance**

<b>I</b>	<b>Innovation strategy</b>	<b>Mean</b>	<b>Std. Dev</b>
T	The supermarket has networked to enhance efficiency	3.51	0.706
M	The supermarkets embraces automation	3.04	0.667
e	The supermarket improves capacity among staff to handle modern technology	2.99	0.591

Family owned supermarkets in Kericho county have just adequate networking to enhance efficiency mean of 3.51 hence a low variation (standard deviation 0.706). The supermarket moderately embraced system of automation and improved capacity among staff to handle modern technology low variance (means of 3.04 and 2.99) and (standard deviations of 0.667 and 0.591 respectively). It can therefore be concluded that innovation strategy was to a moderate but significant level adopted by the supermarkets which positively affected performance. Similarly, Nader (2011) assessed the effect of innovation strategies on SMES performance in Saudi Arabia and established that technological, financial, system and human resource innovations enhanced firm efficiency, effectiveness and profitability. Valipour, Birjandi and Honarbakhsh (2016) researched on cost innovation strategy established that firms having innovation had an advantage because of the strong relation

with performance. The study focused on product differentiation strategy. The current study focused on innovative strategies’.

#### 4.4 Inferential Statistics

The model used was a linear regressive model to investigate how family owned supermarkets in Kericho county Kenya respond to competitive strategies. The section that follows indicate the summary of the Model, coefficient of regression, and ANOVA.

##### 4.4.1 Coefficient of Determination

Table 4.8 shows the coefficient of determination

**Table 4.7: Analysis of coefficient of determinant using SPSS version 25**

Model	R	R square	Adjusted r square	Std. Error of the estimate
1	.811 <sup>a</sup>	.808	.822	1.13101

a. Predictors: (constant), cost leadership strategy, focus strategy, differentiation strategy and innovation strategy.

*Source: Field data, 2020*

Independent variables which are the four strategies, can explain 80.8% of changes in the performance. Other variables not in this study can therefore explain the 19.2% residual.

##### 4.4.2 Regression Coefficient

Each variable has an individual influence to the strategies used for competition in order to attain good performance of supermarkets that are family owned in Kericho county, in order to determine this influence, regression coefficient was used. Table 4.8 shows the findings as indicated below.

**Table 4.8: Analysis of coefficient using SPSS version 25**

<b>Model</b>	<b>Unstandardized</b>		<b>Standardized</b>	<b>T</b>	<b>Sig.</b>
	<b>coefficients</b>		<b>coefficients</b>		
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
(constant)	5.375	1.125		2.256	.000
Cost leadership strategy	.819	.044	.301	3.241	.000
Focus Strategy	.521	.015	.312	3.131	.000
Differentiation Strategy	.701	.054	.525	2.357	.000
Innovation Strategy	.621	.068	.422	3.021	.00

a. Dependent variable: Performance

*Source: Field data (2021)*

$$Y = 5.375 + 0.819X_1 + 0.521X_2 + 0.701X_3 + 0.621X_4$$

Whereby: Y = Performance of family owned supermarkets in Kericho county, Kenya

X<sub>1</sub> = Cost Leadership Strategy

X<sub>2</sub> = Focus strategy

X<sub>3</sub> = Differentiation Strategy

X<sub>4</sub> = Innovation Strategy

From the table 4.8, the performance of these supermarkets would be at 5.375 when all variables are held constant. Using cost leadership strategy showed a unit increase in the supermarkets. It proves an increase in performance by 0.819 holding all other variables constant. When the use of focus strategy is introduced, performance of family owned supermarkets would be at 0.521 when all other factors are held constant. Performance would also be at 0.701 holding other factors in constant, a unit increase in the use of differentiation

strategy. Performance of family owned supermarkets would be at 0.621 holding all other variables constant with a unit increase in innovation strategy. The variables positively impacted how supermarkets performed as showed by the indicators of the competitive strategies used which had p value of  $0.001 < 0.05$ . Uchegbulam, Akinyele and Ibadunni, (2015) supported this in his study on the effect competitive tactics used by SMEs had on these organization's performance in Nigeria. The results indicated an association did exist between the customization of products and the growth in sales; features of the products and customer base; and value addition and the growth in revenue. On the other hand, Acquah and Agyapong (2015) investigated in his competitive strategies and the performance of Ghanaian SMEs study. The outcome of the research showed that differentiation had a favorable impact on performance, while cost leadership was shown to not have any significance impact on performance. Marketing and managerial capability were both shown to moderately impact the association between performance and competitive strategy after controlling some organization-specific factors.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter entailed discussion of findings, summary, conclusions and recommendation and also recommendation for further studies. The purpose of this study was to assess the effect competitive strategies on the performance of family owned supermarkets in Kericho county. Moreover, the specific objectives of this study were to establish the effect of cost leadership strategy, differentiation strategy, focus strategy and innovation strategy on performance of family owned supermarkets in Kericho county.

#### **5.2 Summary**

The study's aim was to determine the effect the four competitive strategies on the performance of family owned supermarkets in Kericho county, Kenya. The main focus of the study was on the four competitive strategies; focus strategy, cost leadership strategy, innovation, and differential strategy of family owned supermarkets in Kericho county. The study included 21 enterprises, with 97 management staff as the sample size. Out of the 97 questionnaires that were given to respondents, 80 of them were returned for analysis. Presentation and analyzing of data were done using descriptive and inferential statistics.

##### **5.2.1 Cost Leadership Strategy and Performance**

From the study, it was discovered that to a moderate extent, the supermarkets have embraced modern technology, they embrace minimal cost of operations to increase profit

margin, the firms offer goods at cheaper prices and that performance is positively influenced by the cost leadership strategy indicating that it is the most preferred strategy by majority of the family owned supermarkets in Kericho county and has improved performance.

### **5.2.2 Differentiation Strategy and Performance**

From the study we can conclude that the supermarkets to a moderate extent conduct promotion of their products, they have a variety of products so as to increase the market, package products depending on customers' needs hence attracting more customers and that differentiation strategy significantly determines how family owned supermarkets in Kericho county perform. This indicates that to a significant but moderate extent they do employ differentiation strategy which has a good impact on performance of the supermarkets.

### **5.2.3 Focus Strategy and Performance**

From the study it has been determined that the family owned supermarkets in Kericho county to a small extent have segmented the market and have target customers with most of them targeting all customer types and market segments given the small customer catchment as showed by 2.11 mean and 2.41 respectively. Further it established that to a moderate extent the firms target specific geographical location and focus strategy employed affects the performance of family owned supermarkets. Focus strategy was therefore used by the firms to a small extent since they targeted all customers given their catchment.

### **5.2.4 Innovation Strategy and Performance**

Family owned supermarkets in Kericho county have networked to enhance efficiency with evidence of a 3.51 mean and a 0.706 standard deviation. It was indicated that the

supermarkets have embraced system automation moderately and improved capacity among their staff to handle modern technology. This indicates that innovation strategy was significantly and moderately embraced by the supermarkets which had an advantageous effect on performance.

### **5.3 Conclusion**

In conclusion it was agreed that focus, cost leadership, differentiation and innovation strategies were practiced by the supermarkets which in return impacted performance on the firm in a significant way. Cost leadership strategy is preferred by most of the family owned supermarkets in Kericho county and has improved performance. In addition, supermarkets to a significant but moderate extent do employ differentiation strategy which increases the performance of the firms.

It further established that focus strategy was applied by the firms to a small extent since they targeted all customers given their catchment. It was also established that innovation strategy was moderately but to a significant level embraced firms which had a positive effect on their performance.

### **5.4 Recommendations**

A recommendation from the study is that the family owned supermarkets should ensure that their prices are managed as they engage cost leadership strategy to remain profitable and sustainable.

Another recommendation from the study is that enterprises need to segment their market and products to cater for various groups to maximize sales.

The firms need to differentiate their goods with an aim to making them more competitive and easily identifiable in the market. The firms also need to embrace modern technology to promote efficiency and effectiveness in service delivery.

### **5.5 Suggestions for Further Studies**

To ensure more information on the subject is in the public domain, the study recommends different researchers do a similar study using secondary data. The coefficient of the current study had an adjusted  $R^2$  of 0.808 and a residual of 19.2%. This can further be explained by other researchers using different variables beyond what has been done already. A study of the same topic should also be done on other organizations, counties, sub-counties, and counties.



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## APPENDIX

### **Appendix I: Introduction letter**

20<sup>th</sup> October 2019,

Kenyatta University,

P.O Box 24814-00502,

Nairobi.

Dear Respondent,

#### **Re: Participation in research.**

I am currently studying at Kenyatta University currently, undertaking a Master of Business Administration degree. Part of my studies requirement is the undertaking of a research project aimed at bridging some gap in the existing literature. I am therefore doing a study to determine COMPETITIVE STRATEGIES AND PERFORMANCE OF FAMILY-OWNED SUPERMARKETS IN KERICHO COUNTY, KENYA. By completing this questionnaire, you participate in a study for my final project. You were selected to respond because the researchers believe that you have the required information sought by the study. Kindly respond to the research questions with the most honest opinion regarding your supermarket on competitive strategies and performance. Your identity and information you give will be treated with confidentiality. Thank you for your cooperation.

Yours Faithfully,

Gladys Chepngetich

## Appendix II: Research questionnaire

This study tool hopes to gather data necessary to determine the influence of competitive strategies on performance of family-owned supermarkets in Kericho County. All the provided will be confidentially held and its only meant to academic purposes. Kindly tick or fill the questions black spaces with the most appropriate answer.

### Background information

What is your highest education level?

Basic Education (Primary/ Secondary)      [   ]

Certificate      [   ]

Diploma      [   ]

Degree      [   ]

Post graduate      [   ]

How many years have you been employed in this supermarket?

Less than 1 year      [   ]

1-5 years      [   ]

5-10 years      [   ]

Above 10 years      [   ]

What is your gender?

Male      [   ]

Female      [   ]

### 4. Level of management

Top    [   ]      Middle [   ]      Lower level [   ]



### Cost Leadership strategy

Indicate the extent to which your supermarket adopts the following aspects of cost leadership strategy using Likert Scale

<b>Cost leadership Strategy</b>	1	2	3	4	5
Supermarket has embraced modern technology					
The supermarket embraces minimal cost of operations to increase profit margin					
The supermarket offers goods at cheaper prices					
Cost leadership strategy has effect on performance of family owned supermarkets					

### Differentiation strategy

Indicate the extent to which your supermarket adopts the following aspects of differentiation strategy using Likert Scale.

<b>Differentiation Strategy</b>	1	2	3	4	5
The supermarket conducts promotions for products					
We have a wide range of products so as to increase the market					
We package products depending on customer's needs hence attracting more customers					
Differentiation strategy determines performance of family owned supermarkets					

**Focus strategy.**

Indicate the extent to which your supermarkets adopt the following aspects of focus strategy using Likert Scale

<b>Focus Strategy</b>	1	2	3	4	5
The Supermarket has segmented the market					
The supermarket has target customers					
The Supermarket targets specific geographical location					
Focus strategy affects the performance of family owned supermarkets					

**Innovation strategy**

Indicate the degree to which your supermarket embraces the following aspects of innovation strategy using Likert Scale

<b>Innovation strategy</b>	1	2	3	4	5
The Supermarket has networked to enhance efficiency					
The Supermarket embraces automation					
The Supermarket improves capacity among staff by use of human resource					

### **Appendix III: Family-Owned Supermarkets in Kericho County**

Kipchimatt Supermarket

Naivas Supermarket

Pakmatt Supermarket

Stagematt Supermarket

Giftmat Supermarkets

Kmatt Supermarket

## Appendix IV: Research Authorisation from Graduate School, Kenyatta University



### KENYATTA UNIVERSITY GRADUATE SCHOOL

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)

P.O. Box 43844, 00100  
NAIROBI, KENYA  
Tel. 8710901 Ext. 57530

Website: [www.ku.ac.ke](http://www.ku.ac.ke)

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Our Ref: D53/OL/NKU/32863/2016

DATE: 13<sup>th</sup> January, 2022

Director General,  
National Commission for Science, Technology  
and Innovation  
P.O. Box 30623-00100  
NAIROBI

Dear Sir/Madam,

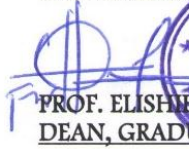

**RE: RESEARCH AUTHORIZATION FOR GLADYS CHEPNGETICH – REG. NO. D53/OL/NKU/32863/2016**

I write to introduce Ms. Gladys Chepngetich who is a Postgraduate Student of this University. She is registered for MBA degree programme in the **Department of Business Administration**.

Ms. Chepngetich intends to conduct research for a MBA Project Proposal entitled, “**Competitive Strategies and Performance of Family Owned Supermarkets in Kericho County, Kenya**”.

Any assistance given will be highly appreciated.

Yours faithfully

  
  
PROF. ELISHIBA KIMANI  
DEAN, GRADUATE SCHOOL

EK/nn

## Appendix V: Research Approval from Graduate School Kenyatta University



KENYATTA UNIVERSITY  
GRADUATE SCHOOL

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)

P.O. Box 43844, 00100  
NAIROBI, KENYA  
Tel. 810901 Ext. 4150

Website: [www.ku.ac.ke](http://www.ku.ac.ke)

### Internal Memo

FROM: Dean, Graduate School

DATE: 13<sup>th</sup> January, 2022

TO: Gladys Chepngetich  
C/o Business Administration Dept.

REF: D53/OL/NKU/32863/2016

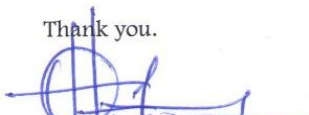
### SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 21<sup>st</sup> October, 2020 approved your Research Project Proposal for the MBA Degree Entitled, “Competitive Strategies and Performance of Family Owned Supermarkets in Kericho County, Kenya”.

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University’s Website under Graduate School webpage downloads.

Thank you.

  
HARRIET ISABOKE  
FOR: DEAN, GRADUATE SCHOOL



c.c. Chairman, Business Administration Department

Supervisors:

1. Dr. Kipkorir Sitienei Simon  
C/o Department of Business Administration  
Kenyatta University


HI/nn

Appendix VI: Research Permit from NACOSTI

Republic of Kenya  
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 963915

**RESEARCH LICENSE**




This is to Certify that Ms. Gladys Chepngetich of Kenyatta University, has been licensed to conduct research in Kericho on the topic: **COMPETITIVE STRATEGIES AND PERFORMANCE OF FAMILY OWNED SUPERMARKETS IN KERICHO COUNTY** for the period ending : 10/March/2023.

License No: NACOSTI/P/22/16230

Applicant Identification Number: 963915

Director General  
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



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