

This study looked at Kenya's petroleum industry with the aim of reviewing the effects of competitive strategies used by independent petroleum companies on their market share. The specific objectives involved analysing the effects of the different competitive strategies employed by Independent Petroleum companies in Kenya on their market share. The study also involved investigating the extent to which independent Petroleum companies employ competitive strategies in their daily operations, discerning of the implementation challenges and finally establishing the relationship (correlation) between the competitive strategies and the market share of the I'Cs. A survey research design was used in the study. The study was conducted in Nairobi with the target population drawn from selected independent petroleum companies which had been in operation since deregulation of the industry. A sample population of twenty seven (27) registered petroleum companies were purposively picked to participate in this study. Part of the data was collected from primary sources using questionnaires and while the rest was referenced from company books. The collected data was edited centrally to detect errors and omission, ensure data was accurate, uniformly entered, complete, consistent with intent of the question and other information in the survey and arranged to simplify coding and tabulation. The coded data was then tabulated in Statistical Package for Social Science (SPSS version 16.0). Descriptive (frequencies and percentages) and inferential statistics were used to evaluate the responses. Results of the study indicated that different competitive strategies were used in different magnitudes by the I'Cs, Low cost leadership and product differentiation were the least used competitive strategies. On the other hand, the use of market segmentation and convenience retailing strategies was very high. The study found a strong correlation (0.7) between the competitive strategies employed by I'Cs and market share. The study majorly recommends that local independent petroleum companies should identify and capitalize on their strengths which they enjoy over their multinational competitors to compete effectively in the Kenyan market. The study also found out that apart from market segmentation and convenience retailing, other strategies like overnight parking of public service vehicles, car washing, tyre sales and vehicle servicing are also mostly used by independent petroleum companies to increase their market share in Kenya.