

**COMPETITIVE STRATEGIES ADOPTED BY KENYA TEA
DEVELOPMENT AGENCY LIMITED**

By

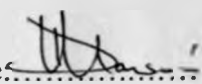
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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF DEGREE OF MASTER OF BUSINESS
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NAIROBI**

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DECLARATION

This is my original work and has not been submitted to any other University for examination purpose.

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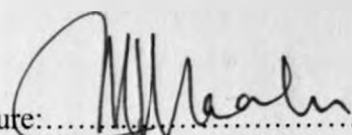
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Declaration by Supervisor

This research project has been submitted with my approval as the University supervisor

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DEDICATION

I dedicate this research project to lovely wife, son and my parents for their patience, love, understanding and unfailing support through the long months of handwork and sacrifice.

ACKNOWLEDGEMENT

I am grateful to God almighty for his unlimited grace that has enabled me to study and reach this far. My gratitude to the university of Nairobi for granting me this opportunity to undertake this study and my sincere thanks to my supervisor Dr. Jackson Maalu for their patience, guidance , support and tireless assistance to make this project a reality. I also wish to appreciate the support and encouragement from my lectures, family, friends, respondents and the various libraries at the University of Nairobi for readily availing reading resources for the study and hence the accomplishment of this research project.

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IT	Information Technology
NG	Network
NTDA	National Tea Development Agency
NSA	National Standards
ST	Standard
STDA	Special Tea Development Agency
STGT	Strategic, Technical, Operational and Financial
TB	Tea Board of Kenya
US	United States Dollar

ABBREVIATIONS AND ACRONYMS

CTC	Cut, Tear and Curl
GoK	Government of Kenya
IT	Information Technology
Kg	Kilogram
KTDA	Kenya Tea Development Agency
Ksh	Kenya Shillings
Ltd	Limited
SCDA	Special Crops Development Authority
SWOT	Strengths, Weaknesses, Opportunities and Threats
TBK	Tea Board of Kenya
USD	United States Dollar

ABSTRACT

The study set to determine the competitive strategies adopted by KTDA and the challenges the company encounters. The managers of KTDA will use the findings of this study to review the strategies adopted and build a more strong competitive position in the tea industry. Researchers and academicians will use this study as referral material for related studies. The literature review section has discussed the generic competitive strategies and the Porter's Five Forces model to shed more light on the subject. The methodology used was a case study research design. The interview method was used to obtain data from the respondents using an interview guide. Data was analyzed using content analysis and presented in accordance with the study objectives. From the findings, it can be concluded that KTDA pursues a combination of cost leadership, differentiation and differentiation focus competitive strategies. However, a number of challenges are encountered which the management should continuously tackle in order for the firm to remain competitive both locally and globally.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic planning is not a new management tool and its origins can be traced to the late 1950s and early 1960s. Under conditions of extreme competitive turbulence the rediscovery of the strategic planning concept is not unusual. In a stable environment, firms can exploit their historical strengths, but with increased levels of competition, what used to work, may not anymore.

According to Hamel and Prahalad (1994), the essence of strategy lies in creating tomorrow's competitive advantage faster than the competitors mimic the ones you possess today. Comparing the firm's profile with those of its competitors can aid its managers in identifying factors that might make the competitors vulnerable to the strategies the firm might choose to implement (Pearce & Robinson, 2007). Porter (1980) pioneered this thinking in this field when he proposed that there were three generic strategies by which an organisation could achieve competitive advantage. These were overall cost leadership, differentiation and focus. Cost leadership strategy combines low price, low perceived product benefits and focus. Cost leadership strategy combines low price, low perceived product benefits and focus. or maintain similar perceived product or service benefits to those offered by competitors.

Focus strategy seeks to provide perceived product or service a benefit justifying in a substantial price premium, usually to a selected market niche. Differentiation strategy seeks to provide product or service benefits that are different from those of competitors and widely valued by the customers to achieve competitive advantage.

Thompson & Strickland (2003) argue that competitive strategy consists of all these moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position.

In Kenya, the tea industry is a busy and lucrative one that is attracting many players and threatening the existing status quo. The key players such as Kenya Tea Development Agency are now faced with intense competition from new competitors who are looking for ways to outmatch them. New strategies and operational plans have to be looked at to meet the challenges brought about by both increased activity from existing competitors as well as the threat of new stronger competition into the industry.

1.1.1 The Competitive Strategies

Pearce and Robinson (1997), states that a strategy can be seen as building defense against competitive forces, or as finding positions in the industry where competitive forces are weakest. Porter (1980), identifies strategy as competition and the means by which an organization tries to gain competitive advantage. Strategy is a deliberate search for a plan of action that will develop a business' competitive advantage and compound it. For any company, the search for an interactive process that begins with recognition of where you are now and what you are now. The most dangerous competitors are the basis of its advantage.

Mintzberg and Quinn (1998) define strategy using the five decisions and are categorized as a plan, ploy, position, pattern and perspective. In his definitions; strategy as a plan specifies a conscious intended course of action.

It is designed in advance of actions it governs. A strategy as a pattern emerges from a stream of actions that is developed in the absence of intentions and without pre-conception. A strategy as a ploy refers to specific maneuvers to outwit a competitor threat. A strategy as a position means locating the business in the environment. This refers to how a business develops and sustains competitive advantage. Strategy as perspective gives an organization an identity. This is the perception in the environment in which it stands.

Guiltinan and Paul (1994) argued that, organizations are in stiff competition with each other and especially so when they try to sell similar products and services to the same group of customers. Further still environmental factors largely influence competition within an industry especially those related to technology, economic forces, and social cultural values. Specifically, both the identity of competitors in terms of their characteristics and the type of strategic focus they take may change because of the entry of new firms, deregulation, changing economic conditions or changing social cultural values and technology.

In a turbulent environment, the more enduring advantage is the ability to anticipate evolving customer needs and to generate new values creating capabilities based on that knowledge and unless there is an advantage over competitors that is not easily duplicated or connected; long-term profitability is likely to be elusive (Porter, 1985). Thompson and Strickland (2003), states that competitive strategy consists of business decisions a firm must undertake in order to attract more customers and fulfil its expectations.

It is through these decisions made that will enable a firm gain leadership position. The firm is therefore able to ward off competition and strengthen its market share. Ansoff (1965) argues competitive strategy as the distinctive approach which a firm uses or intends to use to succeed in the market. Ansoff argues further that for a firm to be successful it has to adapt to its environment, which leads to growth and profitability by linking its internal capabilities which include resources, goals, values and systems to its external environment which relates to political situation, technology, competition, social pressure of the firm as well as saturations in the markets. Ansoff has viewed strategy as means of establishing organisational purpose, a response to the changes in the environment, a coherent, unifying and interactive pattern of decisions, as a means of defining the competitive domain of the firm as a link between internal capability and environment.

1.1.2 The Tea Industry in Kenya

The tea industry in Kenya operates under the auspices of the Ministry of Agriculture for technical and policy guidance. The industry is well structured right from the apex regulatory body, the Tea Board of Kenya, the Tea Research Foundation of Kenya, through to the producers, tea manufacturing factories, the trade and the blending and packing establishments.

The Tea Industry is unique in that it is comprised of two distinct sectors; the Plantation or large scale sector and the small holder sector. The Plantation sector is owned by large scale tea producers and companies while the small holders sector is by small scale growers.

The small holder sector has registered more than half a million growers who are located across tea growing areas in the country. The small holder sector factories are managed by Kenya Tea Development Agency Ltd.

Kenya's tea industry has enjoyed good fortunes in recent years to register record growth. Tea export earnings for the period amounted to K.shs 109 Billion, which was higher compared to K.shs 97 Billion recorded in 2010. The export earnings for the year, which were the highest that the industry has ever recorded were attributable to improved prices coupled with the weakening shilling against the USD. During the year, the average export unit price was USD 2.92 per Kg while the average exchange rate was K.sh 88.6 to the USD. These rates were however more favorable to the industry compared to the export unit price of USD 2.80 and the average exchange rate of K.sh 79.2 to the USD recorded during the previous year (Tea board of Kenya, 2011).

1.1.3 Kenya Tea Development Agency

The Kenya Tea Development Authority was established in 1964 to protect and support small holders and steer the development of a niche for smallholders in the international tea markets, thereby disbanding the Special Crops Development Authority (SCDA). KTDA quickly began to build state-owned tea factories which bought green tea leaf from farmers and controlled the processing and marketing of tea.

KTDA also provided administrative support, agricultural extension services and quality control support for small farmers which were largely financed by international aid (Dinham et al, 1984).

In 2000, owing to increasing pressure from the World Bank Structural Adjustment program, KTDA was privatized to improve efficiency and management of tea production and marketing of green leaf (Gesimba et al, 2005). It changed its name to Kenya Tea Development Agency.

Kenya Tea Development Agency strategic direction is guided by her vision “to be the leading Management and Marketing Company of high quality tea products in the world”, its mission is “to provide effective management services to the tea sector for efficient production, processing and marketing of high quality teas and investing in related profitable ventures for the benefit of shareholders and other stakeholders”. Her key goal and objective is to meet and exceed her customer’s expectations in providing high quality products and associated services.

KTDA Ltd provides engineering and IT services for the factories. It also avails fertilizers and tree seedling through credit schemes to the farmers. The organization processes payments to active growers for green leaf delivery as well as providing insurance and warehousing services to the respective tea factories. The company assists the factories in obtaining project financing whenever and to the extent necessary.

According to the KTDA Ltd Five Years Business Plan (2005-2010), the challenges facing the organization include increased competition from estates and new entrants in to the tea production, processing and management. This has the potential to destabilize the small-scale tea growers in various geographical regions. The organization also experiences high costs of management systems and process.

This high cost has constrained KTDA ability to compete as a management agent in a liberalized tea sub-sector both in Kenya and Africa. There is high demand for transparency and accountability in managing the small tea grower sub-sector which is brought about by the shareholder empowerment through the privatization process.

Tea Board of Kenya report (2002) affirms that over production of tea in the World has affected demand and supply as more supplies of tea have in return lowered market prices. Oversupply of tea in the world market is seriously hurting the local subsector, forcing players to turn to specialty products in search of better prices for their produce. The strengthening of the Kenya shilling against the US Dollar has led in massive reduction in revenue due to exchange rate losses as tea is traded in the hard currency and farmers are paid in the local currency.

1.2 Research Problem

Every firm competing in an industry has a competitive strategy, whether explicit or implicit. This strategy may have been developed explicitly through a planning process or it may have evolved implicitly through the activities of the various functional departments of the firm. The emphasis being placed on strategic planning today reflects the proposition that there are significant benefits to gain through an explicit process of formulating strategy to ensure that at least the policies (if not the actions) of functional departments are coordinated and directed at some common set of goals.

Increased attention to formal strategic planning has been of concern to managers in determining the driving forces of competition in the industry of interest, the actions the competitors are likely to take, the best way to respond, how the industry will evolve and the best way the firm can position its self to compete in the long run. (Ansoff 1980)

The tea industry in Kenya is characterized by intense rivalry and competition. In order to compete effectively in this environment, it has become necessary to have an aggressive search for and development of strategies that provide competitive advantage as competitors step up both offensive and defensive strategies to protect their competitive advantages. Superior performance is achieved through proper implementation of successful strategies. The ability of firms to command competitive advantage depends on the sustainability of the competitive advantage it holds.

KTDA had been largely the dominant player in the tea sector in Kenya, commanding over 60 percent of the total crop in the country's production. It has over the year's demonstrated outright leadership in almost all the aspects of competition. However, the global tea market has experienced ups and downs with customers demanding for high quality and more value for money.

Among the studies conducted on competitive strategies include, Illovi (2008), who analyzed the competitive strategies adopted in the courier industry in Kenya. She found out that the firms applied the cost leadership strategy by ensuring their rates were as competitive as possible.

Thathi (2008) focused on competitive strategies by advertising firms in Kenya and found out that discounts, competitive pricing and quality service were the major strategies applied. Nyatichi (2008) explored the challenges faced by Multi-National Banks in Kenya in adoption of various competitive strategies and documented intense rivalry, government policy and changing a rise in awareness among customers. Murimiri (2009) examined the competitive business strategies and firms performance in commercial banks in Kenya and found out that commercial banks in Kenya pursue cost reduction, outstanding customer service and operational efficiency with respect to performance indicators of revenue growth, asset growth and market share. The findings of this study may not be generalized to this study because the parameters of performance were financial performance measured by return on assets, return on equity, return on capital employed and profitability. None of these studies were conducted on competitive strategies in the tea industry.

In filling the gaps raised thereof, and taking into account the dynamism and turbulence in the tea sector, the emphasis of this study was to find out the competitive strategies adopted by KTDA and the challenges faced by the company in implementing these strategies. This research therefore is a departure from previous studies and sought to answer the questions: What are the competitive strategies adopted by KTDA? What are the challenges faced by KTDA in the implementation of the competitive strategies?

1.3 Research Objectives

The objectives of the study are:

- i.) To determine the competitive strategies adopted by KTDA.
- ii.) To establish challenges encountered in pursuing the competitive strategies

1.4 Value of the Study

The findings of this study will determine the extent to which concepts and models of competitive strategy are applied by KTDA in the light of stiff competition from other players in the tea industry. It will further determine the challenges faced in the implementation of the strategies adopted by the company.

It will contribute to the existing vast body of knowledge in validating Porters competitive strategy model which explores the three generic strategies of overall cost leadership, differentiation and focus that determine competitive advantage. In addition current and future scholars will find the findings useful in filling the gaps identified.

The study is important to various stakeholders in the tea industry especially the major players in production and marketing because it would be valuable in giving an in-depth insight on the areas where resources can be directed to give them a competitive edge. In addition, the regulators, the Tea board of Kenya will find this study useful for purposes of coming up with policies and regulations that would enhance the value and contribution of tea companies to the Kenyan economy.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the various theories and literature that this research proposal is centered on. It covers the concept of strategy, the concept of competition and competitive strategies, Porter's generic strategies and the challenges of competition to organizations.

2.2 The Concept of Strategy

Firms need strategies to be successful. It is often argued that strategies that a firm pursues have a major impact on its performance compared to that of competing firms. Strategy is therefore defined as an action that a firm takes to achieve one or more of its goals. For most firms the key goal is to achieve superior performance (Thomson & Strickland, 1998). According to Prahalad and Hamel (1990), strategy is the management's game plan for the business. A good strategy can contribute to growth, profitability, and market penetration, and cost reduction, cutting edge differentiation of products and sustainable competitive advantage of business firms. Mintzberg (1991) viewed strategy as a plan, ploy, position and perspective. As a plan, strategy specifies consciously interrelated courses of action of a firm; as a ploy, strategy is seen as a maneuver intended to outwit a competitor; as a pattern, strategy is seen as a pattern emerging in a stream of actions. As a perspective, strategy consists of a position and an ingrained way of perceiving the world.

Ansoff (1965) defines strategy as the product market scope of a company. This refers to a decision of what to produce in the market. If the environment is stable; an organization can operate without changing its product-market focus. However, if the environment changes it would require changes in the organizations product market focus, that is, its strategy. The essence of strategy formulation is coping with competition (Pearce and Robinson, 2005).

2.3 Competitive Strategies

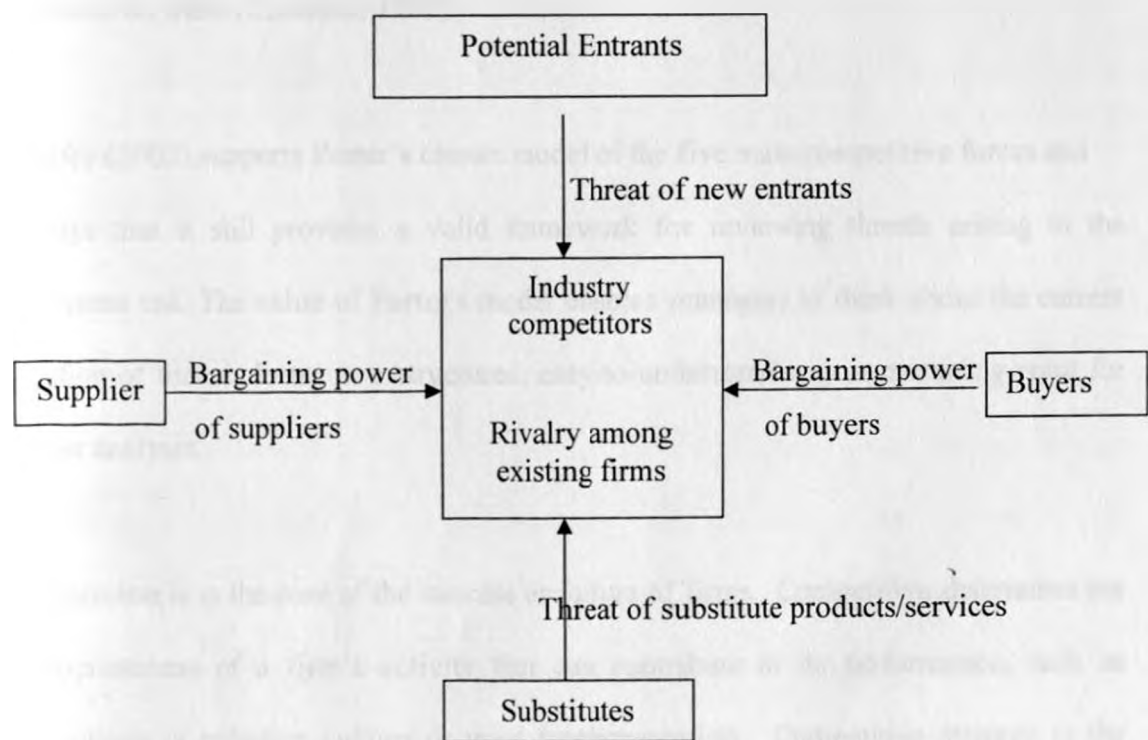
One of the major environmental influences in a business arises from competition. Increased competition threatens the attractiveness of an industry by reducing the profitability of players (Porter, 1998). Firms respond to this by being proactive in their strategy formulation and implementation. Competition denotes the existence of firms that try to sell identical products or services to the same group of customers. Firms' competitors may change over time in terms of the characteristics, strategies and strategic focus due to environmental factors that affect the structure of the industry. The firm is therefore able to ward-off competition and strengthen its market share. For competitive strategy to be realized, the contribution and support of all functions is necessary. The approaches and initiatives a company takes to meet customer needs outperform competitors and achieve long term goals constitute its competitive strategy (Thompson and Strickland, 2003).

There are many routes to competitive advantage, but the most basic is to provide buyers with what they perceive to be of a superior value. A good product at a low price, a superior product that is worth paying more for or best value offer that represents an attractive combination of prices, quality and other attributes buyers find attractive.

The five forces are useful only at the strategic business unit and must not be used as a snapshot in time. They must not only be described but must also be countered and overcome. Discontinuities in the environment normally affect these forces and the competitive behavior may be very disruptive to these forces. Further, the five forces are not independent of each other. It is common for pressure from one direction to trigger off changes in another in a dynamic process of shifting some of the competition (Johnson and Scholes, 2002).

Porter's model exposes what competition is like in a given market in terms of the strengths of each force, the nature of competitive pressure comprising each force, and the overall structure of the competition.

Figure 1: Forces driving industry competition



Source: Porter, M. E (1998), Competitive strategy. The Free Press, p.4

The stronger the collective impact of the forces, the lower the combined profitability of participating firms (Porter, 1996). Porter (1985) further argues that strategy is choosing a unique and valuable position rooted in systems of activities that are much more difficult to match. Competition in an industry continually works to drive the rate of return on invested capital toward the competitive floor of return.

Strategy is required in order for an organization to obtain viable match between external environment and its core capabilities. An organization must continuously and actively adapt itself to meet the demands of an ever changing environment through strategic fit which is a process of developing strategy by identifying opportunities in the business environment and adapting resources and competencies to create opportunities or capitalize on them (Chandler, 1962).

Chaffey (2002) supports Porter's classic model of the five main competitive forces and he says that it still provides a valid framework for reviewing threats arising in the e-business era. The value of Porter's model enables managers to think about the current situation of their industry in a structured, easy-to-understand way as a starting point for further analysis.

Competition is at the core of the success or failure of firms. Competition determines the appropriateness of a firm's activity that can contribute to its performance; such as innovations, a cohesive culture or good implementation. Competitive strategy is the search for a favourable competitive position in an industry.

Competitive strategy aims to establish a profitable and sustainable position against forces that determine industry competition (Porter, 1985). Although there has been a consensus regarding the best competitive strategies to be adopted by firms to counteract competitors, there seems to be an agreement on the broad significant strategies which are discussed below.

A strategy is a long term plan of action designed to achieve a particular goal, most often "winning" (Thompson and Strickland, 2003). Strategy is differentiated from tactics or immediate actions with resources at hand by its nature of being extensively premeditated and often practically rehearsed; no business operates in a vacuum. It is no doubt being constantly subjected to the forces of change whether they are economic, competitive, environmental or political very few of us can escape change - it is all around us.

All organizations regardless of size are environmentally dependent. They depend on their external environment for their inputs and ultimately their outputs.

Ansoff (1965) notes that the environment is constantly changing and as such organizations have to constantly adapt their operations and internal configurations to reflect the new external realities. Mintzberg (1979) views strategy as the mediation force between an organization and its environment. The argument is that managers will understand the environment around the firm and will develop organizational decisions that maintain a pace of change in the firm in response to the environment. According to Johnson Scholes and Whittington (2006), strategy is the direction and scope of an organization over the long term.

The strategy achieves advantage for the firm through its utilization of resources and competencies to fulfill stakeholder's expectations. They further argue that strategy exists at three levels in the firm: the corporate level, the business level and the operational level. Pearce and Robinson (2007) identify strategy as a company's game plan providing a framework for managerial decisions. They observe that strategy involves large scale future oriented plans for interacting with the competitive environment to achieve the company's objectives.

Johnson and Scholes (2009) defined competitive strategy as the basis on which a business unit might achieve competitive advantage in its market. Organizations achieve competitive advantage by providing their customers with what they want, or need, better or more effectively than competitors; and in ways in which their competitors find it difficult to imitate. Porter (1985) defined competitive strategy as being different. It means deliberately choosing to perform activities differently or to perform different activities better than rivals to deliver unique mix of value.

Barney (1991) argues that a firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. He further suggests that those resources offering the sustainable advantage must have the following attributes: rare, valuable, inability to be imitated and inability to be substituted.

A customer must perceive some uniqueness in the offerings of the firm that is different from the competition. This uniqueness must be due to some resource capability that the firm possesses and competitors do not have. Also, this difference must be in some product or service attribute that is positive major buying criterion for the market (Coyne, 1986).

In addition, Barney, (1991) further argues that, sustainable competitive advantage allows for the maintenance and improvement of the firm's position in the market. It is an advantage that enables business to survive over a long period of time. Such sustainable competitive advantage in an organization is evident through its unique competencies and capabilities, customer focus, dynamic strategy, innovation and finally through the firms organization and processes.

Werner (1984) discusses the resource based view of achieving sustainable competitiveness. This view holds that sustainable advantage can be achieved by continuously developing existing and creating new resources and capabilities response to rapidly changing market conditions. Among these resources and capabilities, networks, economy and knowledge represent the most important value-creating assets. The firm's opportunity to sustain the competitive advantage is determined by both the distinctive capabilities and the reproducible capabilities and their unique combination the firm creates synergy.

In order to sustain competitive advantage, a firm keeps learning how to do things better, and keep spreading that knowledge throughout the organization. Learning provides the catalyst and the intellectual resource to create sustainable competitive advantage (Day and Wesley 1988). In addition, Prahalad and Hamel (1990) argue that corporate culture plays a key role in creating competitive advantage.

A firm must however build and preserve an innovation –adept culture, a culture of commitment, and one where employees passionately guard the organization's cause and mission. only then can a firm be better positioned for success. The ability to implant a cost leadership, differentiation or focus strategy is dependent on the firm's ability to develop set-off competitive methods. This becomes the basis for the achievement of above industry performance. Some contend that firms can follow cost leadership and differentiation strategies simultaneously (Murray, 1988; Hill, 1988).

2.4 Generic Strategies

Porter (1980) pioneered the thinking in this field when he proposed that there were three generic strategies by which an organisation could achieve competitive advantage. These were overall cost leadership, differentiation and focus as illustrated below:

Figure 2: Illustration of the three generic strategies

	Low Cost	Differentiation
Broad Focus	Differentiation	Overall cost Leadership
Narrow Focus	Focus	

Source: Porter M. E (1998): *Competitive strategy*. The free press, p.39

The first generic strategy is the overall cost leadership strategy. A firm that chooses cost leadership strategy focuses on gaining advantages by reducing its economic costs below the cost of all of its competitors. Cost leadership requires aggressive construction of efficient scale facilities, vigorous pursuit of cost reduction from experience, tight cost and overhead control, avoidance of marginal customer accounts and cost minimization in areas such as research and development, service, sales force, advertising and so on having low cost position yields in the firm, above average returns in its industry despite the presence of strong competitive forces (Barney 1997).

According to Pearce and Robinson (1997) strategists examining their business value chain for low cost leadership advantages evaluate sustainability of those advantages by benchmarking their business against key competitors and by considering the impact of any cost advantage on the five forces in their business environment.

More specifically, Barney & Hesterley (2006) argued that there are six main cost advantages or sources of cost advantages for firms that successfully adopt cost leadership and they include Size differences and economies of scale, Size differences and diseconomies of scale, Experience differences and learning-curve economies, Differential low-cost access to productive inputs, Technological advantages independent of scale and Policy choices. Further the authors explain that the ability of a valuable cost leadership strategy to create a sustainable competitive advantage is conditional upon the strategy being rare and costly to imitate.

Low cost activities that are sustainable provide one or more of these advantages and should be capable of reducing the likelihood of pricing pressures from buyers, lessening the attractiveness of substitute products and push rivals into other segments thereby lessening price competition.

Secondly, firms pursuing product differentiation strategies attempt to gain advantages by increasing the perceived value of the products or services they provide to customers. Product differentiation is always a matter of customer perception, but a few firms can take a variety of actions to influence these perceptions (Barney, 1991). Differentiating the product or service offered by the firm is thus the act of creating something that is unique (Porter, 1998). Barney & Hesterley (2006) argues that product differentiation is ultimately an expression of the creativity of individuals and groups within the firms.

Finally, Thompson and Strickland (2003) argue that focus strategy based on either low cost or differentiation becomes increasingly attractive as more of the following conditions are met. First, the target market niche is big enough to be profitable and offer good growth potential and industry leaders do not see that having a presence in the niche market is crucial to their own success. Secondly, it is costly and difficult to multi segment competitors to put capabilities in place to meet the specialized needs of the target niche, and at the same time satisfy the expectations of their main stream customers. Finally, the focuser can compete effectively against challengers based on capabilities and resources it has to serve the target niche and the customer goodwill it may have built up.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology that was used to carry out the study. It covers the research design, data collection and data analysis methods that were used during this study.

3.2 Research design

The study adopted a case study research design where the unit of study was KTDA. The design is most appropriate when detailed, in-depth analysis for a single unit of study is desired. Case study research design provides very focused and valuable insights to phenomena that may otherwise be vaguely known or understood. Yin (1988) asserts that case studies contribute uniquely to our knowledge concerning an individual, an organisation, social and political phenomena. Successful case studies done on competitive strategies adopted by various firms include Adoyo (2006) and Kiptugen (2003).

3.3 Data collection

The study was carried out both at the KTDA offices in Nairobi and Mombasa where most of the senior management offices are situated. This is where the strategies are formulated before they are implemented in other operational departments of the company. The data was collected through the use of a semi-structured interview guide (see appendix 2). The interview guide consisted of both open-ended and closed questions developed in line with the objectives of the research.

The interviews targeted the senior level managers of KTDA since their role and position meant that they were able to respond to the questions appropriately. The interview guide was structured into two parts: Part A focused on the general information and the extent of adoption of various selected competitive strategies (Low cost leadership, differentiation and focus). Part B focused on the challenges encountered by KTDA in implementing the strategies.

3.4 Data analysis

The aim of data analysis was to test for validity, completeness and consistency with the statement of the problem. Prior to data analysis, the filled interview guides were checked for completeness; entries checked for consistency and coding done. This being a case study, data collected was analysed and presented qualitatively using content analysis. Content analysis helps to determine the presence of key words or concepts within text. This tool helps researchers quantify and analyse the presence, meaning and relationships of such words and concepts and make inference about messages. This method further enables the researcher to include large amounts of information and systematically identify its properties

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This study adopted personal interview to collect the data, which was recorded by way of writing the responses. The study intended to achieve two objectives: To determine the competitive strategies adopted by KTDA and establish challenges encountered in pursuing the competitive strategies. The data collected has been analyzed and interpreted in line with these objectives using content analysis. This involves the analysis of meanings and implications emanating from respondents' information coupled with documented data regarding competitive strategies. The interviews targeted the senior level managers at KTDA since their role and position give them the ability to respond to the questions appropriately.

The respondents in this study were drawn from two levels of management of KTDA: corporate and divisional levels. These have been involved in strategy formulation and implementation of strategies in the company. Majority of the respondents interviewed head various divisions/departments and are charged with the responsibility of crafting the specific divisions'/departments' strategies and ensure that the same are executed efficiently and effectively to place KTDA in a favorable competitive position within the tea industry and hence give the company a competitive edge in the market.

This chapter presents the findings of the study with regard to the objectives and discussions of the same under the two headings: competitive strategies adopted by KTDA and challenges encountered in implementing the strategies.

4.2 KTDA's Underlying Characteristics and Dynamics

As a leading player in the Tea industry, KTDA exhibits unique characteristics and dynamics which are manifested in the way the company is organized and the way it has packaged its offerings. It was the intention of this study to investigate how the company's organization defines roles played by the various managers in the company's strategic planning and whether each division and/or department crafts strategies which are independent of the corporate strategy.

The Agency is contracted by the tea factory companies to manage tea cultivation, develop and maintain tea husbandry, collect, weigh, handle and pay farmers for green leaf delivered. The company is also contracted to manufacture green leaf into tea, market the manufactured tea, develop and provide sound technical, financial and managerial infrastructure and provide services in procurement, ICT and HR.

4.2.1 Capabilities of KTDA

The Agency has successfully undertaken establishment of tea and wood fuel nurseries, supervision of Land preparation by the growers, planting to the required specifications weeding, fertilizer application, tipping, pruning, proper plucking methods, Infilling and overall crop husbandry. The various factories affiliated to the Agency have directly employed qualified extension staff to oversee and co-ordinate this essential stage of tea production.

4.2.2 KTDA Quality Statement

KTDA is committed to effective management services to the smallholder tea sub-sector in the production, processing and marketing of high quality tea for the benefit of farmers and other stakeholders. The key goal and objective of the company is to meet and exceed customers' expectations in providing quality products and associated services. The company endeavour to continually maintain and improve efficient and effective Quality Management Systems meeting both the regulatory and the ISO 9001:2000 requirements.

4.2.3 Sales and Marketing of Tea in KTDA

Quality of all KTDA teas is paramount. Tea tasting as a quality control measure is done on weekly basis during the normal tea processing at the factory level. However, intensified comparative tea tasting analysis for all KTDA Ltd teas is done at the head office in Nairobi on regular basis with the aim of marketing the teas and giving advice.

Table 4.1: Representation of the existing market outlets

Market Outlet	Percentage
Mombasa Auction	75
Direct Sales (overseas & Local)	15
KETEPa	7
Factory Door Sales	3
Total	100.0

(Source: Researcher)

Direct sales prices are based on prevailing Mombasa auction prices. It is important to note that prices of teas are not constant. They change on weekly basis depending on supply and demand in the auction. The bulk of tea sold by KTDA Ltd on behalf of small scale growers is done through the Mombasa auction held every Monday except on public holidays.

4.2.4 KTDA Organization Structure

From the findings of the study it was revealed that the company is organized around its core products and services with other departments offering support services. The Strategic Planning & Development Department has the responsibility of continuous improvement and focus on business expansion, technological development and productivity of corporate resources. The Human Resource Department is charged with the responsibility of ensuring that the Agency attracts and retains competent employees for efficiency and quality service. The department is also tasked the responsibility of staffing for the organization and its subsidiary companies. The Information Systems and Technology department is responsible for providing information and communication technologies to directly support the KTDA corporate strategy, and to provide continuous IT support to KTDA Ltd, its subsidiaries and managed Tea factory companies to sustain the IT environment needed for KTDA to realize its Mission and Vision. The Corporate Services departments provide secretarial services to all KTDA Ltd managed tea factory companies. They also maintain records and the company seal. The secretaries maintain the companies share register and implement other corporate/secretarial functions.

The Legal Services section provides legal advice to KTDA Ltd and the factory companies; it liaises with external lawyers in legal matters affecting the agency and undertakes conveyance on behalf of KTDA Ltd.

There is also a Planning Department which is involved in analysing and making recommendations of policy matters pertaining to the development of KTDA Ltd plans in relation to the national development plan, preparing & appraising, monitoring and evaluating various projects and programmes of KTDA Ltd and ensuring that the set goals are clear, realistic and timely.

Another important department is the Corporate Affairs which is largely involved with development of strategies designed to enhance the image of KTDA and the public. The department strives to offer excellent customer care and building of bridges with key audiences for purposes of dealing with crises management from position of strength. More importantly, the department focuses on winning support and understanding of all the key stakeholders who either directly or indirectly play a role in the making of the organization.

The Agriculture Services department deals with the provision of extension services and has enabled KTDA to successfully undertake the establishment of tea nurseries, supervision of land preparation by the growers, planting to required measurements, weeding, fertilizer application, tipping, pruning, proper plucking methods and overall crop husbandry. The Operations department deals with tea processing and is responsible for managing the tea factories.

Currently, there are 53 tea processing factory limited companies of which KTDA Ltd is the managing agent, save for two factories that have a processing capacity of 15 million Kgs of green leaf per year with a combined capacity in excess of 655 million Kgs per annum. With completion of Kapsara, there will be a total of 54 factories, with a combined annual processing capacity of 750 million Kgs. The mode of tea processing in the factories is C.T.C. (Cut, Tear and Curl), which realizes four primary grades and three secondary grades.

The above findings indicate that KTDA's unique characteristics and underlying dynamism underpin the main reason behind the organization's design and structure. The findings also reflect the organization's approaches in carrying out its core business upon which the efficiency, effectiveness, and competitiveness of the various Strategic Business Units (SBUs) are hinged. It is for this reason that this study went further to investigate what competitive strategies the firm employs in order to achieve its corporate objectives.

4.3 Competitive Strategies Adopted by KTDA

According to Porter (1980), the essence of formulating competitive strategy is relating a company to its environment. He observes that the intensity of competition in an industry is neither a matter of coincidence nor bad luck. Rather, competition in an industry is rooted in its underlying economic structure and goes well beyond the behavior of current competitors. It is against this background that this study sought to investigate and establish the competitive strategies adopted by KTDA as it grapples with the challenges presented by the ever-turbulent, dynamic and chaotic competitive environment.

The findings of the study reveal that the company adopts various competitive strategies which are in tandem with the different markets in which it operates. The study also found out that, to remain competitive, each of the company's divisions and/or departments crafts its own strategies but which draw from the broad policy guidelines crafted at the corporate level.

In discussing the findings of the study, reference was made to the renown competitive strategies advanced by various authors, key among them Porter (1980); Pearce and Robinson (1997), Ansoff (1990) among others.

4.3.1 Cost Leadership Strategy

According to Porter (1980), cost leadership requires aggressive construction of efficient scale facilities, vigorous pursuit of cost reductions, and tight cost control in various functions. It was established that KTDA pursues a number approaches in its various divisions aimed at driving costs down. In its vigorous pursuit of cost reductions, cost control, and cost minimizations in various functions, the study found out that the company pursues this strategy through annual budgeting process where various departments present their budgetary needs for the year and the department scrutinizes each of the budgets and makes the necessary amendments. This process is vigorous and leaves no room for wastage of financial resources. The company also considers itself to be a low cost producer compared to its competitors.

To lower costs of production the firm concentrates on improving business efficiencies, implements cost-cutting measures and considers both economies of scale and quality when buying inputs. The procurement process of inputs undergoes thorough scrutiny both in the selection of suppliers and price comparisons. Benefits to be derived through bulk purchase discounts are also considered before a final purchase decision can be made.

Authorization is also required for all purchases at both the departmental and divisional levels. This ensures that the company buys inputs only from carefully selected suppliers as well as at the best prices putting quality into consideration.

The respondents also indicated that the company would be willing to a large extent to trade-off between cost and the ability to differentiate in order to lower costs. However, the findings showed that the company does outsource production as a means of lowering costs. The company, through the use of Information and Communication Technology, which is the province of the ICT department, has enabled communication with branch offices without spending money through calling via an extension. ICT has also enhanced the automation of the business processes by implementing a centralized ERP that integrates all the branches thus reducing manual processes that are prone to errors and are costly to the business. The results above therefore reveal that KTDA uses the cost leadership strategy and each department puts a number of measures to ensure high levels of efficiency and effectiveness. These findings are in line with those revealed by the study carried out by Illovi (2008), who analyzed the competitive strategies adopted in the courier industry in Kenya. She found out that the firms applied the cost leadership strategy by ensuring their rates were as competitive as possible.

4.3.2 Differentiation Strategy

Differentiating the product or service offered by the firm is the act of creating something that is unique (Porter, 1998). Barney & Hesterley (2006) argue that product differentiation is ultimately an expression of the creativity of individuals and groups within the firms. To establish whether KTDA pursues this strategy, a number of variables were measured.

All the respondents agreed that the company's products were different from those of their competitors. Some of the unique features mentioned included; high quality tea products which the company attains through the plucking method used of two leaves and a bud while most competitors use machine plucking which has an even harvest that lowers the quality. KTDA tea has a greater variety, better packaging which ensures that products are unique and distinct from those of competitors. The high quality of raw materials and process efficiencies by introduction of Electronic Weighing System has also enabled the company to attain consistency and accuracy during green leaf collection.

All these are great contributors to a unique product which differentiates KTDA's products from the competitors. Marketing channels are also used as an important way of differentiation and KTDA has been able to take advantage of the forward and backward integration to create marketing channels that include Mombasa Tea Auction, Direct sales, Factory door sales and their KETEPa subsidiary.

Most of the respondents also indicated that KTDA's tea products were of superior quality to those of the competing firms in terms of global standards.

As a firm differentiates its products it is likely that the competitors will react in order to counter their actions especially through imitation. The different ways in which KTDA counters competitor reactions include rebranding through high quality blend standards done annually that assures customers of consistent high quality tea mixtures, reducing costs, re-engineering process to enhance quality, investing more in making the products more unique in quality and presentation. Other ways include diversification, controlling the whole supply chain by establishing tea warehouse storage facilities, marketing and trading divisions, clearing & forwarding division, insurance broker and hydro power generation in some of its factories and conducting an aggressive marketing campaign.

Another way of achieving differentiation is through technology and introduction of new brands. In terms of technology, KTDA considers itself to be a leader compared to its competitors having introduced the electronic weighing system for the green leaf collection. Most of the respondents agreed that the company has superior technology in terms of production processing. The company also introduces new brands every year, a feature which keeps them ahead of their competitors all the time.

From these findings it is evident that KTDA pursues the differentiation strategy as well with the main emphasis on quality and presentation of its products. These findings were also found by Thathi (2008) who focused on competitive strategies by advertising firms in Kenya and found out that discounts, competitive pricing and quality service were the major strategies applied.

4.3.3 Focus Strategy

Thompson and Strickland (2003) argue that focus strategy based on either low cost or differentiation becomes increasingly attractive as more of the following conditions are met. First, the target market niche is big enough to be profitable and offer good growth potential and industry leaders do not see that having a presence in the niche market is crucial to their own success. Secondly, it is costly and difficult to multi segment competitors to put capabilities in place to meet the specialized needs of the target niche, and at the same time satisfy the expectations of their main stream customers. Following this background, the study set to establish whether KTDA pursued a cost focus strategy of differentiation focus strategy.

The results revealed that the company had market segments grouped into niche market, where by the company produces distinctive grades for example the orthodox tea that is of high quality and targets specific markets like China and Iran. The company targets middle and low-income classes in the local market and also pursues mass marketing.

The reasons for choosing to serve these markets included; increasing the company's market share, to increase volume of sales, to serve different segments with different grades of tea, wider acceptance of the firm's products and capacity to satisfy market demand. The company also offers specialised products to niche markets, which are small but high profit margin segments. This means there is differentiation focus strategy pursued by the company. Any competitive strategy employed by a firm must aim at gaining a competitive advantage over its rivals.

KTDA has operations in different geographical locations as a way of gaining competitive advantage. This is achieved by ensuring that they are closer to the target market in order to serve the specific needs of their customers.

This also gives the company a wider reach and the ability to control the whole supply chain. All its products are tailored to the needs of the customers to ensure customer satisfaction and build brand loyalty. These results therefore imply that KTDA pursues a variety of competitive strategies including cost leadership, differentiation, and the differentiation focus strategy.

4.3.4 Factors affecting the choice of a Competitive Strategy

The findings of the study have revealed that KTDA adopts a number of competitive strategies in its bid to gain a competitive edge in the market. Respondents were asked to give the factors which were considered by the company before choosing a competitive strategy. The factors were both internal and external in line with the SWOT analysis. All the respondents indicated that both factors were considered important.

The factors suggested were: the internal included sound financial management, competent and committed workforce and advancement of technology while external factors included globalization, ISO certification and market intelligence.

4.4 Challenges Encountered by KTDA

The second objective of this study was to find out the challenges encountered by KTDA in implementing the competitive strategies. One of the major environmental influences in a business arises from competition. Increased competition threatens the attractiveness of an industry by reducing the profitability of players (Porter, 1998).

Firms respond to this by being proactive in their strategy formulation and implementation. Competition denotes the existence of firms that try to sell identical products or services to the same group of customers.

Firms' competitors may change over time in terms of the characteristics, strategies and strategic focus due to environmental factors that affect the structure of the industry. Based on this background this study sought to establish the challenges KTDA encounters in pursuit of its competitive strategies and the actions taken to deal with competition.

4.4.1 Challenges Encountered and their Impact

Respondents were asked to list the challenges in the order of greater impact. The factors mentioned were; bargaining power of customers, threats of new entrants in the industry, foreign exchange fluctuations, high cost of doing business, financing, global competition, poor climatic conditions, technological limitations and government policy-advalorem tax. Port congestion and poor road infrastructure were also among the challenges affecting company. These findings revealed that all the Porter's five forces were classified as major challenges in the successful achievement of the competitiveness of the firm in the tea industry.

Discontinuities in the environment normally affect these forces and the competitive behavior may be very disruptive to these forces. Porter's model exposes what competition is like in a given market in terms of the strengths of each force, the nature of competitive pressure comprising each force, and the overall structure of the competition. They must not only be described but must also be countered and overcome.

4.4.2 Action plans to beat Competition

The respondents were further asked to list the action plans taken by KTDA to beat competition in the market in the order of effectiveness. The action plans listed were; offering free tea storage period to clients, longer payment period, high quality tea, locating factories in all tea growing areas, offering all tea related services under one roof, enhancement of crop husbandry, privatization, formation of partnerships – financing partner, continuous staff training, backward integration, value addition and global expansion.

To enhance the competitiveness of KTDA as a market leader in the tea industry, the following factors were suggested by the respondents; continuous improvement of quality of the products, consistency, backward and forward integration, focus more on value addition and setting up of operation centers in key locations in the global market.

All the respondents believed that the competitive strategies adopted by KTDA were sustainable given the turbulence in its operating environment. However, the respondents suggested the following to ensure the strategies were sustainable; backward and forward integration, sound financial management, clear focus on realization of the balanced scorecard, retention of existing customers, value addition.

Monitoring the environment continuously, continuous improvement, embracing latest technology, change of leadership and forming strategic partnerships were also suggested as factors that would ensure the competitive strategies were sustainable.

The findings above indicate that KTDA encounters numerous challenges in pursuit of its competitive strategies which must be addressed to ensure that the company remains competitive in the tea industry.

4.5 Discussion of Major Findings

With regard to the organisation structure of KTDA, the study revealed that the company is organized around key departments which serve as the core functions. This is aimed at building competitiveness through efficiency and effectiveness of the various Strategic Business Units (SBUs).

Findings on competitive strategies adopted by KTDA indicated that the company uses both cost leadership and differentiation strategies. The company also applies focus strategy. Costs are controlled both at departmental level and at the head office in Nairobi. Differentiation is majorly through greater variety of tea, quality and packaging of its products. Focus strategy is mainly through targeting specific markets such as China and Iran which are more profitable.

Results on the challenges encountered indicate that increased competition from new entrants into the tea industry and bargaining power of customers were major hindrances to the successful implementation of its competitive strategies.

Other challenges were majorly external factors such as taxation, foreign exchange fluctuations and poor infrastructure within the tea farms. The company's management however, is working towards countering the challenges through means such as offering free tea storage period to clients, longer payment period, high quality tea, locating factories in all tea growing areas, offering all tea related services under one roof, enhancement of crop husbandry, privatization, and continuous staff training.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMENDATIONS

5.1 Introduction

In this chapter, the findings of the research are summarized and discussed. The chapter also offers conclusions of the study; highlights the limitations of the study; and provides suggestions for further research.

5.2 Summary of Findings

The success of every organization is determined by the match between its strategic responsiveness and strategic aggressiveness and how these are matched to level environmental turbulence. The competitive strategies provide a framework for the firm to respond to the various changes within the firm's operating environment. Organizations achieve competitive advantage by providing their customers with what they want, better or more effectively than competitors; and in ways, which their competitors find difficult to imitate (Ansoff and McDonnel, 1990; Porter, 1998). This study sought to investigate KTDA's competitive strategies and challenges encountered in implementing the strategies.

The study established that KTDA pursues cost leadership, differentiation strategies as well as differentiation focus strategy to serve the different market segments. The strategies, according to the study findings, have placed the company in a favorable position relative to the competition.

Consequently, it was revealed that the above competitive strategies have made KTDA to not only achieve high levels of efficiency and effectiveness but also gain and sustain competitive advantage. The study revealed that the company has attained this position due to the fact it has numerous distinctive competencies, which span across all its main functional and operational areas.

A number of challenges are also encountered which are a combination of both internal and external factors. However, the company has put a lot of measures to ensure that it remains at the top in the tea industry and cope with the ever changing local and global environment. Key among the challenges were financing, bargaining power of customers, threats of new entrants in the industry and foreign exchange fluctuations. These were in line with Porter's five forces as discussed in chapter two.

5.3 Conclusions

The findings of this research show a number of realities regarding KTDA's unique underlying characteristics and dynamics, and the competitive strategies adopted by the company to cope with increasing competition in the tea industry in Kenya. Generally, the company is largely organized around its core business where a lot of flexibility is exhibited and inter-divisional/departmental collaborations are providing a healthy environment for the company to come up with effective competitive strategies, which have seen the company achieve sustainable competitive advantage.

The company has been able to attain this position because it has been able to understand the forces driving competition in the tea industry through a thorough analysis of the environment, and it has been able to develop numerous distinctive competencies which have enabled the company to craft appropriate strategies and implement them with high degrees of success.

5.4 Recommendations for Policy and Practice

The tea industry needs to embrace competitive strategies wholly by all the firms to raise the level of both the quality and content of their products to meet market expectations. With increasing global competition and a more informed market, there is need for KTDA to constantly review and update its competitive strategies. This requires regular scanning of both the internal and external environment in order to formulate strategies which will be in line with current environmental trends. The tea industry also faces threats from the five forces discussed under Porter's theory. The stronger the collective impact of the forces, the lower the combined profitability of participating firms. KTDA should therefore engage more in the choice of a competitive strategy that is unique and valuable, rooted in the systems of activities that are much more difficult to match. This will ensure that the firm continues to be more competitive in the tea industry and will increase its competitive edge.

The challenges faced by KTDA including foreign exchange fluctuations, high cost of doing business, financing, global competition, poor climatic conditions, technological limitations, government policy on taxation, port congestion and poor road infrastructure are mainly external to the organization and therefore beyond management's control.

However, the company can formulate appropriate policies to address these challenges. Government intervention may also be necessary in matters such as foreign exchange stabilization and taxation in order to promote competitiveness of the tea industry in the global market.

5.5 Recommendations for Further Research

With regard to further research, it is suggested that a study be carried out to determine the forces driving competition in the tea industry in Kenya to provide an understanding on the nature of competitive forces adopted by the players in the industry. It is also suggested that interested future scholars should look at strategic responses by the various tea companies to changes in the environment to provide further insight on the nature of developments taking place in the industry and what kind of responses could be predominant.

Further research should also be carried out in firms in other industries in Kenya to establish which competitive strategies are predominant and the challenges faced in maintaining market leadership position and in implementing its strategies.

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APPENDICES

Appendix 1: Letter to Respondents



UNIVERSITY OF NAIROBI MOMBASA CAMPUS

Telephone: 020-2059161

Telegrams: "Varsity", Nairobi

Telex: 22095 Varsities

P.O. Box 99560, 80107

Mombasa, Kenya

DATE: 13TH SEPTEMBER, 2012

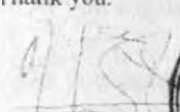
TO WHOM IT MAY CONCERN

The bearer of this letter, Irungu Danson Mburu of Registration Number D61/70822/2008 is a Master of Business Administration (MBA) student of the University of Nairobi, Mombasa Campus.

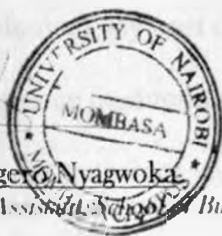
He is required to submit as part of his coursework assessment a research project report. We would like the student to do his project on *Competitive Strategies Adopted by Kenya Tea Development Agency Limited*. We would, therefore, appreciate if you assist him by allowing him to collect data within your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organization on request.

Thank you.


Zephaniah Ogero Nyagwoka

Administrative Assistant, School of Business-Mombasa Campus



Appendix 2: Interview Guide

COMPETITIVE STRATEGIES AND CHALLENGES ENCOUNTERED BY **KTDA**

PART A: GENERAL INFORMATION AND COMPETITIVE STRATEGIES

General Information

1. What is your position in the company?
2. How many years have you served the company?
3. Which department/ section do you head?
4. Where is your department/ section located?
5. How many staff do you currently have in your department?

Competitive Strategies

a) Low cost leadership

1. In terms of cost of production do you consider yourself as a low cost producer as compared to other competitors?
2. Do you concentrate on improving business efficiencies to lower costs of production?
3. Do you implement any cost cutting measures?
4. Do you outsource production as a means of lowering costs?
5. When buying inputs does your company consider economies of scale that may be achieved or quality?

6. To what extent would your company be willing to trade-off between cost and the ability to differentiate?

b) Differentiation Strategy

1. Do you think your products are different from those of your competitors?
2. As a means of differentiating your product what unique features do you focus on?
3. Are marketing channels an important way of differentiation?
4. How do you compare the quality of your products with those of your competitors?
5. How do you react when your competitors try to imitate your products?
6. In terms of the level of technology how do you rate your company compared to your competitors?
7. How often do you introduce new brands or new products?

c) Focus Strategy

1. What is your company's market segment(s)? Niche market, Middle class, High class, low-income class or all levels?
2. Why did your company choose to serve this market?
3. Do you offer specialised products to a niche market?
4. Do you have operations in different geographical locations? How do you use this to gain competitive advantage?
5. Are your products tailored to the needs of your customers?

Factors affecting the choice of a competitive strategy

- ❖ What factors does your organisation consider to be important in identifying the competitive strategy to be adopted? Internal factors (Strengths & Weaknesses), External factors (Opportunities & Threats), both internal and external or others?

PART B: CHALLENGES ENCOUNTERED BY KTDA

1. What are the challenges of implementing the competitive strategies adopted by KTDA? Kindly list in order of greater impact
2. What action plans has the company taken to beat competition in the market? Rank in order of effectiveness.
3. What factors do you think are of importance in enhancing the competitiveness of KTDA as a market leader in the tea industry?
4. Do you think the competitive strategies are sustainable given the turbulence in KTDA's operating environment? Elaborate.

Thank you very much for your time and co-operation