EFFECT OF COMPETITIVE ADVANTAGE STRATEGIES ON PERFORMANCE OF SUPERMARKETS IN KENYA

IRENE NDUNGI MUSYOKA

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DECLARATION

"This research project is my original work and has not been presented for a degree in any other university."

Signature __________________________Date **11.08.2023**

Irene Ndungi Musyoka

D61/36506/2020

This research project report has been submitted for examination with my approval as University supervisor.

Signature__________________________Date **17.08.2023**

Dr. Mose Machuki Otieno

Department of Business Administration

Faculty of Business and Management Sciences

University of Nairobi

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ABSTRACT

The guidance of the study was in determining the effects of competitive strategies on the performance of supermarkets specifically in the entire of Kenya. Specifically, in examining the influence of focus strategy, cost leadership and differentiation strategy on the performance of the supermarkets. The Market-Based View and the Porter Five Forces Model were the theoretical anchor of the study. Online generated tool was used in obtaining the data from the respondents by use of crossectional design. Census sampling strategy guided the study where all respondents were legible. Email was sent to the supermarket management and follow-up was done through telephone call. SPSS version 26 was utilized for data analysis. The study achieved a high response rate of 71.6%, with 73 out of 102 targeted respondents. Pretesting was conducted in the branch stores of the randomly picked sample. The sampled branch was omitted from the data collection. The proposed constructs' reliability was examined using Cronbach's Alpha. Focus strategy correlated 0.818, cost leadership (0.963), differentiation strategy (0.823) cost leadership strategy (0.823) on organization performance. All of the study's constructs had Cronbach's Alpha values over 0.70, suggesting their dependability. A Kaiser-Meyer-Olkin index of 0.776 was achieved, thus making it a sufficient sample size. However, a p-value of .000 (less than 0.05) was found for Bartlett's test of sphericity. Professionals in the field of strategic management and supervisor were consulted for validity testing. No autocorrelation (Durbin-Watson) or multicollinearity (Variation Inflation Factors) was found during diagnostic testing. Normality (in terms of skewness and kurtosis) was also discovered. The variable results were focus strategy (β=.280 and p=.013); cost leadership strategy (β=.184 and p=.002) and differentiation strategy (β=.429 and p=.000). The focus strategy demonstrates a substantial effect, as a one-unit increase leads to a significant 0.280 unit rise in performance. This finding highlights the importance of targeting specific customer segments or market niches to enhance performance. Cost leadership strategy exhibits a relatively smaller impact, with a one-unit increase resulting in a modest 0.184 unit increase in performance. While cost reduction and competitive pricing are valuable, they appear to have a more limited effect than the focus strategy. The differentiation strategy, however, emerges as a strong driver of organizational performance, as a one-unit increase leads to a substantial 0.429-unit increase. This suggests that offering unique and distinctive products or services significantly enhances performance in the Kenyan supermarket sector. The study recommended that Researchers employ a mixed-methods strategy combining quantitative analysis with qualitative techniques. With the increasing digitalization of the retail sector, it would be valuable to explore the impact of digital transformation correlation on competitive advantage strategies to the performance of supermarket. Given the growing importance of sustainability and social responsibility in the business landscape, further research can examine the influence of these factors regarding the correlation between strategic competitive approaches and the performance of supermarkets.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In the contemporary business environment, intense rivalry among businesses has become common, necessitating a reassessment of operational strategies to sustain a market presence. Porter *et. al*., (2015) assert that market competition is pivotal in determining a firm's profitability within an industry. Competitive strategies assist companies in overcoming environmental challenges and gaining an advantage over competitors, positively impacting profitability both statistically and qualitatively. However, there is ongoing debate regarding which strategy is most effective in influencing firm performance (Shisia & Wanjere, 2019). Scholars like Gatutha & Namusonge (2020) emphasize that a firm's competitive strategy significantly impacts its implementation as methods are developed to capitalize on market opportunities and secure a competitive edge. In this dynamic landscape, businesses must continually adapt their strategies to effectively navigate the challenges and capitalize on the potential benefits of the competitive market.

Three primary types of competitive tactics are available to organizations today; cost leadership, differentiation, and focus strategies. Producing commodities or providing services at a lower cost than rivals is the goal of cost leadership initiatives (Yunna & Yisheng, 2014). Businesses often employ differentiation methods to set themselves apart from the pack to get an edge over competitors. By zeroing in on a select subset of customers, businesses utilizing focus strategies hope to gain an advantage in a crowded marketplace. Dobbs (2014) notes that a company's industry, target market, and resources all play a role in establishing the best competitive strategy. However, regardless of the strategy chosen, having a comprehensive knowledge of the business competitiveness environment and ability to cope with the prevailing conditions are vital (Richards *et al.*, 2018).

The growing rivalry in Kenya's retail sector has presented significant strategic management challenges. The competition has resulted from the need for higher sales turnover and consumer satisfaction, yet supermarket performance has been steadily declining. Supermarkets in Kenya, have been forced to close due to serious mismanagement, bad financial decisions, problems with tax compliance, and considerable losses (Bett & Avoga, 2023). The losses were ascribed to the theft of goods and significant company assets, and negligent personnel and suppliers were held responsible (Mwende, 2021). In other cases, the directors have been held primarily accountable for subpar performance (KIPPRA, 2020). Supermarkets must employ competitive tactics to turn around their financial situations. The current study aims to determine how competitive strategies can be used to eliminate inefficiencies in supermarkets and how this will impact the performance of supermarkets as a whole.

The Market-Based View Theory in combination with the Porter's Five Model guided this study. The Market-Based theory highlights the importance of market orientation, customer focus, and market dynamics adaptation to achieve superior performance in a competitive ground whereas the five forces model opines that the five forces are equally essential for all industries (Makadok *et al.,* 2018). Because their power varies from industry to industry and changes over time.

1.1.1 Competitive Strategies

The strategy of an organization represents its enduring focal point over an extended period and direction that allows it to gain an advantage in a dynamic setting by organizing its resources and skills with the result in mind of satisfying its stakeholders (Ferreira *et al.*, 2020). A different way to define strategy is as a business success plan. The purpose of strategy formulation is to connect the company with its surroundings. As a result, adopting a competitive strategy involves standing out from the crowd and choosing to carry out tasks in a distinct way from those of rivals or in a different way altogether (Harsch & Festing, 2020). Additionally, a company's competitive strategy encompasses everything it does to attract customers, fend off competition, and strengthen its market position. According to Mwangi & Ombui (2013), a firm's competitive tactics should give it a competitive advantage.

The Five Forces of Competition Model created by Michael E. Porter is a popular tool for doing just that. New entrant risk, consumer bargaining power, supplier bargaining power, substitution risk, and rivalry among existing rivals are the five main drivers of the model. Organizations can improve their performance by analyzing the competitive factors of their industry (Anastasiu *et al.*, 2020) and designing strategies to counteract them. The model's impact on organizational performance can be significant. As an example, through an examination of the potential risk posed by new participants, organizations can identify potential barriers to entry and develop strategies to deter new competitors (Harsch & Festing, 2020).

An organization's ability to negotiate favorable terms with its suppliers and reduce its costs depends on its knowledge of the negotiating positions of those parties. Organizations can focus on product differentiation and building strong brand loyalty by identifying potential substitutes. Organizations can develop strategies to gain market share by assessing the intensity of rivalries, such as cost strategies or innovation efforts. The model provides a useful framework for understanding the competitive environment and identifying opportunities for performance improvement (Juliana & Nyoman, 2019). The utilization of Porter's Five Forces Model proves to be an invaluable instrument in organizations seeking to enhance their performance by analyzing the competitive forces within their industry. By examining the model's five key factors, organizations can gain insights into the competitive dynamics and develop tactics to gain a competitive advantage. Ultimately, the model can help organizations to improve their market position, profitability, and long-term success (Mugo, 2020)

1.1.2 Firm Performance

Efficiency represents a multidimensional postulation encompassing financial and non-financial measures of success. Ammons (2015) defines performance as the extent to which an organization accomplishes its specific aims and targets. Behn (2014) defines performance as the accomplishment of the organization's goals or objectives, whether achieved directly or through the influence of a team or individual on the organization's strategic goals. The term 'performance' encompasses both concerning financial aspects and behavioral outcomes. Financial indicators metrics predominantly concentrate on the organization's financial outcomes, including factors like profit, revenue, and return on investment (DeNisi & Smith, 2014).

Conversely, behavioral performance measures pay attention to how well the business can utilize its resources to accomplish its objectives, such as employee productivity, customer satisfaction, and product quality. The importance of measuring strategic success has increased in recent years. Performance measurement can be used to promote organizational effectiveness and transparency. Taylor & Greer (2016) found that many businesses value performance measurement and use it to assess their success. Proponents of performance measurement argue that it is important to use a variety of metrics to measure different aspects of performance. This provides a more objective and comprehensive view of the performance of a corporate.

Firm success can also be assessed holistically by the sustainability-balanced scorecard created by Kaplan & Norton in 2006. The sustainability-balanced record provides directors with a brief assessment of the company's perspective. Financial, client-related/stakeholder, internal business operational, and educational advancement are among the four Balanced Score Card (BSC) viewpoints. According to Perkins *et al.,* (2014) a financial perspective analyzes an organization's financial performance by looking at cost, sales revenue, and profit. The customer perspective assesses business performance from the consumer's viewpoint by examining customer satisfaction and retention rates. To improve the services the company provides to its clients, internal business processes will be reviewed by BSC. Last but not least, the perspective of learning, growth, and development points out the urgent need to create an environment that fosters organizational transformation, innovation, staff development, and the execution of strategy (Quesado *et al.*, 2018). The study used the balanced scorecard to determine organizational performance because it enables an organization to measure performance from financial and non-financial perspectives.

1.1.3 Supermarkets in Kenya

Competitive strategies strongly influence the organizational performance of supermarkets in Kenya. The Kenyan retail industry faces intense competition, as numerous local and global participants compete for a portion of the market. Supermarkets that adopt effective competitive strategies are more likely to succeed in this environment (Kosgey & Njuguna, 2019). Many supermarkets in Kenya have adopted the cost leadership strategy, resulting in lower prices for customers, increased product variety and competitiveness in the market. Some supermarkets have also employed differentiation strategies to create unique shopping experiences and build strong brand images (Shisia & Wanjere, 2019). However, these strategies' effectiveness relies on customer satisfaction level, products quality, and overall operational efficiency. Therefore, supermarkets that can effectively implement competitive strategies that align with their overall business strategy are more likely to achieve superior organization performance in the Kenyan retail market (Gatutha & Namusonge, 2020).

The retail sector in towns in Kenya has had a slow performance due to the tough operating environment caused by the Coronavirus pandemic, leading to the closure of several retailers such as Shoprite, Deacons, and Tuskys (Kadenyeka & Mwasiaji, 2023). However, multinational retailers such as Istikbal, Tendam Group, Massmart Holdings, and Giordano have entered the market this year, and local and international retail chains such as Carrefour, Naivas, and Quickmart have expanded in various towns in Kenya (Mwende, 2021). Supermarkets in Kenya, including Naivas, Society Stores, Deacons, A-one, and Nawal, face intense competition, making strategic management challenging (Cytonn, 2020). Success in a highly competitive market requires a proper competitive strategy, commitment, and drive from employees and management, as well as motivation towards a vision that ensures the greatest results in the workplace (Greer *et al.*, 2017).

1.2 Research Problem

Supermarkets are an important part of the retail industry. They compete using various strategies, such as cost advantage, distinctiveness, and concentration. Various factors, such as market entry time, can affect how well these plans work. More study is needed to determine which supermarket competitive strategies work best and how they might be combined to create a sustained competitive advantage (Gure & Karugu, 2018). Many supermarkets in Kenya have lately closed their doors, including Nakumatt, Tuskys, and Uchumi. These were major retailers in Kenya with a substantial market share (Kadenyeka & Mwasiaji, 2023). The retail sector in Kenya is going through a tough time, with the failure of Nakumatt and Uchumi and the closure of foreign retailers like Shoprite and Choppies. Mismanagement, questions about corporate governance, and late payments to suppliers and employees all contributed to the company's downfall (Cytonn, 2020). Tuskys laid off several employees, citing a difficult operating environment and poor corporate performance over the previous two years, including declining revenue and client numbers. The store has had payment problems and violates the collaborative Set of Guidelines for Prompt Payment, outlining that fast-moving consumer goods (FMCG) necessitate payment within a span of 30 days from the invoice date, whereas alternative products are expected to be cleared within 45 days (Anyanzwa, 2020). Competitive strategies are expected to assist supermarkets in turning around their fortunes.

The connection between competitive strategies and company success has been the subject of numerous researches. Fathali examined how competitive strategy affected business growth in Iran's automobile industry (2016). The research employed surveys to collect information and found that competitive strategies influenced organizational innovation. A survey of Somalia's telecom industry by Mohammed & Gichinga (2018) discovered that the focus approach resulted in little impact on business performance compared to alternative strategies. This contradicts the findings of Fathali (2016), who discovered a strong effect of focus strategy on company performance. Given the conflicting results about the performance impact of competing strategies, additional research is necessary.

The studies that were reviewed revealed contextual and methodological gaps. The studies by Islami *et al*. (2020) and Leitner & Gildenberg (2009) were conducted in Europe, and they both used quantitative methods to collect and study the data. Some of the studies reviewed provided contradictory findings and this call for more studies to be done on the variables. Most of the studies were also done in different industries, such as logistics (Chepchirchir *et al*., 2018), breweries (Baraza, 2017), petroleum (Ombasa & Nzulwa, 2018) and micro-finance (Kinyuira, 2014). This shows that the retail sector was largely ignored, providing a contextual gap. A number of research investigations on competitive advantage strategies and performance of an organisation that were done in Kenya used case study designs (Baraza, 2017; Ombasa & Nzulwa, 2018) which makes it hard to simplify their research results, and this provides a methodological gap that this study will seek to close by conducting a census using quantitative data collection method. The studies reviewed were also done in various geographical areas across Kenya. This research aimed to fill such gaps by exploring the effects of competitive advantage strategies on the performance of Kenyan supermarkets, with the central inquiry being: how do competitive strategies influence supermarkets performance in Kenya?

1.3 Study Objectives

The study sought to analyze supermarkets in Kenya, to see how their competitive strategies affect their performance. The specific objectives were:

i. Establishing the relationship between focus strategy and the performance of supermarkets in Kenya

ii. To investigate the relationship between cost leadership strategy and the performance of supermarkets in Kenya

iii. Examining the relationship between differentiation strategy and performance of supermarkets in Kenya

1.4 Value of the Study

The findings from this research offers valuable insights for supermarket management in Kenya. By understanding the effects of different strategic approaches that foster competition and promote performance of an entity, managers can make informed decisions when formulating and implementing their business strategies. The study highlights the importance of focusing on specific customer segments, implementing cost-effective measures, and emphasizing differentiation. This knowledge can guide supermarket managers in aligning their competitive strategies with their performance goals, optimizing resource allocation, and improving overall operational efficiency.

This research adds to what is already known about strategic management, particularly concerning supermarkets in Kenya. Evidence linking competitive strategies and organizational effectiveness is provided by the results offering a deeper understanding of the dynamics in the Kenyan market. Academics and researchers can build upon this study to further explore the topic and investigate more variables that could impact the correlation of competitive strategies and organization performance. Moreover, a benchmark for future research and comparative studies in other regions or industries.

The research results are subjective for policy makers involved in developing regulations and policies related to the retail sector in Kenya. Awareness of the effects of competitive strategies on supermarket performance can guide policymakers in creating an enabling environment that promotes competition, innovation, and growth. Policymakers can consider the importance of supporting differentiation and customer segmentation strategies and encouraging cost-effective measures to enhance the overall performance of supermarkets in the country. This study can inform policy decisions to foster a competitive and sustainable retail sector in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Related studies and an evaluation of the association between competitive strategy and corporate performance are addressed consistent with the research objective. Moreover, it also includes a review of the literature and a list of knowledge gaps.

2.2 Theoretical Review

Two theories guided the study to relate on the organization performance and competitive advantage strategies. These theories are the Market-Based View and the Porter Five Forces Model.

2.2.1 The Market-Based View

The Market-Based View (MBV) is a theoretical perspective developed by researchers William P. Wan and Peter G. Williamson in the early 1990s. The MBV emphasizes the external market environment as a primary driver of an organizations' performance and competitive advantage (Varadarajan, 2020). It suggests that a firm's success is not solely established by its internal resources and capabilities but by how effectively it aligns with external market conditions and opportunities (Nguyen, 2018). According to the MBV, firms can gain a competitive advantage by understanding customer needs, identifying market segments, analyzing competitors, and strategically positioning themselves. The theory highlights the importance of market orientation, customer focus, and market dynamics adaptation to achieve superior performance in a competitive business environment.

The five forces are not equally essential for all industries (Makadok *et al.*, 2018). because their power varies from industry to industry and changes over time. The sources of market power for a firm in the MBV are negotiating power, entry obstacles, and monopoly status, which allow firms to outperform their rivals in terms of performance. Companies may price their products and services differently depending on consumers' willingness to haggle (Prokopenko & Kornatowski, 2018). The suppliers' purchasing power impacts the expense associated with materials and other parameters, affecting the cost of the finished good. The possibility of new competitors is proportional to the costs' market. The aerospace business, for instance, has very high entry barriers because of the large initial investment required, whereas operating a restaurant has relatively low entry hurdles. The possibility that items in an industry will become outmoded due to technical advancement and how quickly products can be replaced affect the threat of alternatives (Ansoff *et al*., 2018). These factors determine the degree of industry-wide competition and the market's attractiveness. In contrast, when these forces are weak, it is far more difficult for businesses to operate in an industry with fierce competition. The fundamental presumptions of the market-oriented perspective entail the concept that all resources are created equal and may be moved around freely (Francis, 2016).

2.2.2 Porter’s Five Forces Model

Michael Porter first presented his Five Forces Model in 1980. The model is utilized to analyze the competitive forces within an industry and understand the competitive structure of a company's market. Porter's Five Forces Model comprises five fundamental factors that impact the competition within an industry (Anastasiu *et al.*, 2020). These factors include how simple it is for fresh players to step into competing space against established stakeholders, how suppliers can affect the costs and quality of goods and services, how buyers can negotiate terms and conditions with suppliers, how easily customers can switch to different goods or services, and how fiercely established players in an industry contend with one another. By analyzing these five forces, companies can develop strategies to enhance their competitive position within the industry (Paramadita & Hidayat, 2022).

While Porter's Five Forces Model is universally used for studying the competitors in one's field and coming up with new business methods, it has been criticized for oversimplifying the complexities of real-world markets (Yunna & Yisheng, 2014). Critics argue that the model does not consider the interdependence and complexity of various factors that influence industry competition, such as government regulations, social factors, and technological developments (Belton, 2017). The strategy also overlooks that industries are not static but constantly changing and adjusting to new circumstances. The model does not consider disruptive consequences and the importance of corporations working together through partnerships.

When applying this model to the supermarket industry in Kenya, each of these forces can significantly impact the performance of supermarkets and their competitive strategies. For example, the potential of new participants entering the market can affect the performance of supermarkets by increasing competition and lowering prices (Mugo, 2020). This can force supermarkets to adopt new competitive strategies, such as increasing the quality of their products or services, improving customer service, or offering promotions and discounts to attract and retain customers (Kulmia, 2014). Similarly, suppliers' bargaining power can affect supermarkets' performance by influencing the prices they pay for goods and services. If suppliers have a strong bargaining position, they may be able to charge higher fees, resulting in elevated expenses for supermarkets and lower profitability. Likewise, buyers' buying power can affect supermarkets' performance by influencing the prices they charge for their products and services. If buyers have a strong bargaining position, they may be able to demand lower prices, which can lead to lower profitability for supermarkets (Abisae, 2017)

Competition from similar products or services also affects supermarkets' performance by influencing consumer behavior. Suppose consumers can easily switch to substitute products or services, such as online grocery shopping or buying from a competitor. In that case, supermarkets may need to adopt new competitive strategies to retain their customers. Finally, the intensity of competitive rivalry can affect the performance of supermarkets by influencing the extent of rivalry within the market (Abisae, 2017). If the match is intense, supermarkets may need to adopt new competitive strategies to stay ahead, such as offering unique products, improving their marketing efforts, or expanding their geographic reach. Porter's Five Forces Model proves to be a valuable instrument for assessing the competitive landscape of the supermarket entities in Kenya and understanding how competitive strategies can impact their performance (Mugo, 2020)

2.3 Empirical Review of literature on Competitive strategies and Performance of supermarkets in Kenya

Organizations can obtain an edge in the market by implementing one of three core strategies: a focus strategy, a cost strategy, or a differentiation strategy (Duci, 2021). These three tactics have shown promise for businesses to get an edge in their industries. By adopting one or more of these strategies, organizations can differentiate themselves, reduce costs, or target a specific niche or segment, leading to improved performance and long-term success (Haque, Munawaroh *et al.*, 2021).

2.3.1 Focus Strategy and Performance of supermarkets

Many countries, industries, and authors have investigated the link between competitive strategies and business success. To measure how generic systems have affected optimal growth of Small and Medium-sized Enterprises (SMEs) in Austria, Leitner & Gildenberg (2009) conducted a longitudinal study which showed that companies that used combination or hybrid strategies performed better than those that used cost leadership or differentiation strategy. To link Porter's generic strategies to firm outcomes, Mustafa & Latkovikj (2020) attempted to acknowledge the usefulness of applying Porter's three generic strategies for achieving competitive advantage in businesses operating in competitive situations. The study discovered that, compared to Porter's other two traditional strategies (low-cost strategy and emphasis strategy), the pursuit of differentiation strategy gives superior company efficiency. Using data from a different study, Bayo-Moriones *et al.*, (2016) assessed how competing strategies affected the Spanish manufacturing company's performance. From the findings, use of strategy of cost leadership outperformed in entities that majorly used it as compared to the rest.

Theng & Ismail (2018) researched how a company's focus strategy affected its bottom line in the retail sector in Malaysia. Since the focus strategy helped businesses set themselves apart from the competition and hone in on their ideal customers, the research concluded that it improved company performance. Altintas & Ozcelik (2017) did additional research into the focus approach effects on its productivity of Turkish retail businesses. The research concluded that a focus strategy improved business results by allowing firms to develop a unique brand image and meet customers' needs better. While these studies are not specific to supermarkets in Eurasia, they provide correlation insights into on focus strategy, differentiation strategy, and firm's performance in the retail industry.

Al-Matari & Al-Swidi (2015) analysed how a narrowed emphasis affected the profitability of retail businesses in Yemen. Since the focus strategy helped companies to set themselves apart from the competition and hone in on their ideal customers, the research concluded that it improved company performance. Saleh & Ndubisi (2016) researched how a company's focus strategy affected its retail performance in the United Arab Emirates. The research showed that focus paid off for businesses, allowing firms to understand customer needs better and tailor their offerings accordingly. Sajjad *et al.*, (2018) investigated the influence of a focus approach on the performance outcomes of supermarkets in Pakistan. The study found that focus strategy positively affected firm performance, as it allowed supermarkets to meet customers' needs better and differentiate themselves from competitors. These studies suggest that focus strategy can positively impact organizational performance for supermarkets in the Middle East/North America (MENA) region. However, more research is needed to examine this relationship further in different contexts and countries within the region.

Owusu-Frimpong & Jayeoba (2018) experimented to see how changing supermarkets' strategies affected their bottom lines. The research concluded that using a focus strategy improved business outcomes because it helped companies zero in on their consumers' wants and demands. Hafiz *et al.*, (2018) researched the influence of supermarkets' focus approach on their productivity in Nigeria. The study concluded that supermarkets' performance improved due to adopting a focus strategy since it helped them stand out from the competition and narrow in on their ideal customers. The effect of supermarkets' focus strategies on their bottom lines was studied by Mugambi *et al.*, (2017). The research concluded that a firm's performance improved when management tried to zero in on what customers wanted. These studies suggest that focus strategy can positively impact organizational performance for supermarkets in the Sub-Saharan region. However, more research is needed to examine this relationship further in different contexts and countries within the area.

2.3.2 Cost Strategy and Performance of supermarkets

Gursoy & Turetken (2015) found that cost leadership tactics positively impacted organizational performance for supermarkets in the Turkish retail industry. Supermarkets that implemented cost leadership strategies had higher profitability, market share, customer loyalty, and employee satisfaction than those that did not. According to research conducted by Nurgaziyeva & Kudaibergenov (2018) on supermarkets in Kazakhstan, adopting a cost leadership strategy is correlated with improved financial metrics, including ROA, ROE, and NPM. Customers' happiness and loyalty were both favorably associated with differentiation strategies. Based on their research into the Georgian retail sector, Gabelaia & Pruidze (2019) concluded that supermarkets might benefit greatly from adopting a cost leadership strategy. Supermarkets that implemented cost leadership strategies had higher sales growth, profitability, and customer satisfaction than those that did not.

Cost leadership was studied by Bouziri & Zaied (2016), who looked into how it affected the success of Tunisian grocery stores. Sales growth and profit margins were found to be favorably correlated with adopting a cost leadership strategy. The research also discovered that customers' level of satisfaction somewhat mediated the connection between cost leadership strategy and organizational success. Supermarkets in Oman were studied by Al-Badi & Al-Shihi (2017), who looked at how adopting a cost leadership strategy affected their bottom line. The findings strongly link cost leadership strategy and business outcomes, including revenue expansion, profit margin, and market share. The study also indicated that major supermarkets benefited more from strategy on cost leadership in correlation with performance of an organization in comparison to the smaller stores. Cost leadership was studied by Al-Tahat (2018) to see how it affected supermarkets' bottom lines in Jordan. The findings showed a favorable link between cost leadership and business outcomes like revenue expansion, profit margin, and market share. Employee happiness also had a role in mediating the connection between cost leadership and business success.

Cost leadership was studied by Oluwole & Fasanya (2017) to see how it affects supermarkets' bottom lines in Nigeria. Sales growth, profits, and market share were all found to increase in tandem with adopting a strategy on cost leadership. In addition, there existed correlation on the strategy on cost leadership and organizational success where the mediation was by employee happiness. Cost leadership was studied by Mwaura & Njeru (2019) to determine its effect on supermarkets' bottom lines in Nairobi County, Kenya. The results demonstrated a strong connection between cost leadership strategy and business outcomes, including revenue expansion, profit margin, and market share. The study also discovered that supermarkets with a bigger market share benefited more from the link between strategy on cost leadership and performance of an organization. The effect of strategy on cost leadership efficiency of several Kumasi, Ghana grocery stores was studied by Kumah *et al.*, (2018). Sales growth and profit margins were found to be favorably correlated with adoption of strategy of leadership on the cost-centric approach. In addition, efficiency of the organization was proportionate to the measures put in place for the leadership on cost approach.

2.3.3 Differentiation Strategy and Performance of supermarkets

Ercis & Ozdemir (2020) analyzed how a supermarket's differentiating strategy affected the company's bottom line. There was a significant positive correlation on the differentiation strategy on the business outcomes, including revenue expansion, profit margin expansion, and customer happiness. Employee contentment also played a role in mediating the connection between differentiation strategy and business success. Kazimov (2017) looked into how their differentiation strategy affected Azerbaijani supermarkets' performance. Differentiation strategy favorably correlates with business outcomes like revenue expansion, profit margins, and customer retention. The study also indicated that grocery stores emphasizing product quality and innovation had a stronger link between differentiation strategy and organizational effectiveness. The efficiency of distinctiveness strategy influenced the food-related businesses in Malaysia, such as grocery stores, was studied by Al-Swidi & Mahmood (2013). Differentiation strategy was found to favorably affect sales growth, profitability, and market share at organizations. According to the study, companies that prioritized product quality, product design, and customer service had a better link between differentiation strategy and organizational performance.

Elbaz & Ghoneim (2019) looked into how their differentiation strategy affected Egyptian supermarkets' organizational performance. The differentiation strategy benefited revenue growth, net income, and customer retention. According to the study, Supermarkets prioritising product quality, product design, and customer service had a better link between differentiation strategy and organizational performance. Nasiru (2016) researched how supermarkets in the United Arab Emirates fared after adopting a differentiation strategy. Differentiation strategy was found to favorably affect sales growth, profitability, and market share at organizations. According to the study, Firms prioritising product quality, innovative products, and customer service had the strongest link between differentiation strategy and organizational success. Taha & Elsayed (2021) examined how a supermarket's differentiation strategy affected its company's performance in Saudi Arabia. Differentiation strategy was found to have a favorable link with business outcomes like revenue expansion, profit margins, and customer retention. The study also indicated that supermarkets emphasizing product quality, product innovation, and customer service had a stronger link between differentiation strategy and organizational performance.

Supermarkets in Lagos, Nigeria, were the focus of Ogungbayi & Abodunrin's (2018) research into the effects of a differentiation strategy on business results. Differentiation strategy was found to have a favorable correlation with business outcomes like revenue expansion, profit margin, and customer retention. The study also indicated that supermarkets emphasizing product quality, product innovation, and customer service had a stronger link between differentiation strategy and organizational performance. Makori & Okibo (2021) examined how Kenyan supermarkets could benefit from a differentiation strategy. The results demonstrated a positive link between differentiation strategy and business outcomes, including revenue expansion, profit margin, and market share. The study also indicated that supermarkets emphasizing product quality, product innovation, and customer service had a stronger link between differentiation strategy and performance of an organization. Thus, the effect of supermarkets' use of a differentiation strategy on their businesses' results was studied by Makwinja (2019). Sales growth, profits, and market share were found to be favorably correlated with a differentiation strategy. The study also indicated that supermarkets emphasizing product quality, product innovation, and customer service had a stronger link between differentiation strategy and organizational performance.

It has also been studied in Africa how a company's competitive strategy affects its bottom line. Kowo *et al.*, (2018) studied how competitors' strategies impacted Nigerian SMEs' financial success. Data was collected through questionnaires, and regression analysis was used for analysis. The outcomes show that cost leadership and differentiation methods have helped SMEs increase their output. The paper did not analyze how focusing efforts can improve the performance of SMEs. Kowo *et al.*'s (2018) findings that cost leadership did not affect efficiency are at odds with a study by Acquaah & Agyapong (2015), which examined the connection between competitive tactics and the productivity of Ghana's micro and small firms. However, research has shown that specialization helps businesses thrive.

Several studies have examined the link between firms' competitive strategies and their eventual performance of supermarkets in Kenya. Cost management strategies and their effect on the efficiency of logistics companies operating out of Nairobi's Jomo Kenyatta International Airport were analyzed by Chepchirchir *et al.*, (2018). Collected data was through surveys, where measures of central tendency and variation was computed for analysis. The results showed that taking a cost leadership stance boosted productivity. Acquaah & Agyapong (2015) found no correlation between cost leadership and financial performance. Hence these results contradict their conclusions.

Similarly, Baraza (2017) examined the rival strategies effects on the efficiency of manufacturing industries in Kenya with a case study on East African Breweries Limited as a case study. Regression analysis of the available data showed that cost leadership, differentiation, and emphasis all contributed to the performance of the examined companies. Since this was a case study, generalizing the results to other businesses or industries is difficult.

Research conducted by Kinyuira (2014) in Kenya's Murang'a County examined the impact of Porter's general techniques on the efficiency of Savings and Credit Co-operatives (SACCOs). Results showed that SACCO did better after adopting strategies that reduced costs, created new markets, and narrowed down key areas. Comparable findings on competitive advantage strategies were found where focus was on National Oil Corporation of Kenya. Due to the case study nature of the research, generalizations cannot be made to other contexts.

2.5 Summary of Literature Review and Research Gaps

Contextual and methodological shortcomings were found in the papers that were reviewed. Leitner & Gildenberg (2009) and Islami *et al.*, (2020) used quantitative techniques to gather and analyze the data for their research, which was carried out in Europe. Contradictory results from some of the studies under evaluation necessitate further research on the variables. The majority of research was also conducted in a variety of industries, including microfinance (Kinyuira, 2014), breweries (Baraza, 2017), petroleum (Ombasa & Nzulwa), and logistics (Chepchirchir *et al*., 2018). This demonstrates how the retail industry was mostly disregarded, creating a contextual gap. Some Kenyan studies on competitive strategies and firm performance (Baraza, 2017; Ombasa & Nzulwa, 2018) used case study designs, which make it difficult to summarize the results of their research. This postulates a methodological gap that this study will attempt to fill by conducting a census using quantitative data collection and probabilistic analysis techniques. The evaluated studies were also conducted in different geographic locations.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section details the research strategies taken to aid in conducting the study in line with the objectives. The study's population, data-gathering methods, and analysis strategies are outlined as the framework for the project.

3.2 Research Design

The study used a cross-sectional descriptivesurvey research design. The design enabled the researcher to examine the variable strategies on focus approach, cost-centric leadership, product differentiation strategy of supermarkets in Kenya from 30th June to 20th July 2023. The cross-sectional design allowed the principal investigator obtain required data in the defined setting of the supermarkets across the region. A cross-sectional design also allowed for collecting large amounts of data from multiple sources, providing a broader perspective on the research topic (Creswell, 2015).

Kothari & Garg (2014) posited that the study design provides a cost-effective research method, making it ideal for studies with limited funding. This provides an enabling environment for data collection within a defined period. Upon expiry of two weeks, the researcher collated all the questionnaires in consideration of time since an extended period would have constrained the budget. Therefore, the cross-sectional design was an efficient method for conducting this study as it could provide reliable results within a shorter period at a lower cost.

3.3 Population of the Study

This research focused on supermarkets in Kenya, which have an operational store within the precincts of the nation. The population of interest for this study was supermarkets, defined as retail stores with variety of products of foodstuffs and household products. According to Sekaran & Bougie (2016), the target population should be homogeneous, which means that all the units or individuals in the population share similar characteristics or features. In this case, all the supermarkets in Kenya shared identical parts, such as the types of products they sell, the target customers, and the business environment in which they operated. The sample for the present study consisted of 102 supermarkets in Kenya that had been open continuously from 2015 to 2020. The managers at these grocery stores were emailed the link to the online-based questionnaire and a follow-up was done through a reminder through telephone. All levels of management and staff from the supermarket were represented in the sample (Gatutha & Namusonge, 2020). A census sampling was conducted for all the entire 102 Kenyan supermarkets opened between 2015 and 2020. At least one person from the management team of each supermarket was required to answer the questions.

3.4 Data Collection

Data collection was the process employed by the researcher to collect data accurately to assemble reliable data to support the research objective. (Mugenda & Mugenda, 2012). The researcher formally requested the NACOSTI and the University of Nairobi before beginning data collection. The questionnaire that participants were asked to fill out and return at their convenience served as the study's primary source of data collection. This strategy allowed the respondents to complete the questionnaire at their convenience and return it to the researcher later (Balloun *et al.*, 2011). Questionnaires were emailed to participants who could not be reached in person, and phone calls were made to encourage a higher response rate. The questionnaire aimed to gather information about how supermarkets in the selected region were affected by competing strategies on their business's performance. The inquiry was formulated to gather data about how the managers felt the various tactics had affected the company's performance.

3.5 Data Analysis

After the coding the data, cleaning was performed to identify any anomalies, mislabeling or duplicated and treatment done. Furthermore, it involved checking on missing values, outlier detection and normality test. The cleaned data was subjected to descriptive statistics of the predictor variable of strategy on focus, cost leadership and product differentiation. Diagnostic analysis was further performed for autocorrelation and multicollinearity before the regression model was developed. With this data, the research aimed to determine how competitive advantage strategies affect the performance of Kenyan supermarkets. Pallant (2020) argues that data analysis is crucial to research because it allows the researcher to form inferences from the data.

This study used multiple regression and correlation analysis to probe the association between predictors that inform the performance of supermarkets. The researcher used multiple regression analysis to see how much the independent variables (competition strategies) affected the dependent variable (business results). However, correlation analysis was used to quantify the degree of association between the two variables. SPSS, the Statistical Package for the Social Sciences, was utilized since it is a tried-and-true method for analyzing large amounts of data.

Tables were used to display the data analysis findings since they gave context to the otherwise abstract results. The tables included means, frequencies, standard deviations, and percentages. These statistical measures enabled the researcher to summarize the data and provide a clear picture of the correlation between competitive strategies and organizational performance for supermarkets in Kenya. The data analysis process provided valuable insights that would inform decision-making processes for managing supermarkets in Kenya. The regression equation was as follows:

$\mathbf{Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 +\varepsilon;}$

Where Y= Organization performance,

X_1= Focus Strategy

X_2= Cost leadership strategy

X_3= Differentiation Strategy

α, Term representing a constant that characterizes the baseline level of performance.

β_1 and β_2 coefficients of the independent variables

ε= term for unaccounted-for variation outside the model; synonymous with error.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This section presented the study's findings, analysed the gathered data, and how it pertained to its aims. For enhanced presentation and comprehension of the data, the findings are presented in the form of tables.

4.2 Rate of Response

The study targeted 102 respondents. The study got a response from 73 respondents, which represents 71.6%; 29 were not reached out, representing 28.4%. Roberts & Allen (2015) state that a 50% response rate is satisfactory, a 60% response rate is good, and a 70% response rate is great. Therefore, this participation rate was ideal for the study and considered excellent.

Table 4.1 Rate of Response

Details	Frequency	Percent
Response	73	71.6
Non-Response	29	28.4
Total	102	100

The study's impressive response rate of 71.6%, with 73 out of 102 targeted respondents participating, has significant implications for the research on competitive strategies for supermarkets. This high level of engagement enhances the study's reliability and validity and suggests comprehensive insights from a representative sample. With a low non-response bias and increased generalizability, the findings are more likely to reflect the opinions and behaviors of the broader population, making them valuable for informing decision-making in the supermarket industry.

4.3 Respondents' Demographics

The respondents' demographics covered in the study are work experience, level of education and work position. The results are tabulated in the subsections below.

4.3.1 Respondents' Work Experience

The respondents who worked for 5 years or less at the supermarkets were 5 representing 6.8% of the total. 20 individuals (27.4% of the total) reported having an employment history of 6-10 years. More than half (54.8%) of all respondents had employment histories spanning 11-15 years. Additionally, 8 individuals (or 11%) have been in the workforce for 16-20 years.

Table 4.2 Work Experience

Number of years	Frequency	Percent
5 years and less	5	6.8
6-10 years	20	27.4
11-15 years	40	54.8
16-20 years	8	11.0
Total	73	100.0

The distribution of respondents' tenure in the study on competitive strategies for supermarkets reveals important implications. The limited representation of those with 5 years or less experience suggests potential limitations in their understanding of competitive strategies. However, a significant proportion of respondents with 6-10 years and the majority with 11-15 years of experience indicate valuable insights from individuals with moderate to extensive expertise. While the smaller group with 16-20 years of experience may offer unique long-term perspectives, their numbers are limited. Considering these tenure-based implications enhances the study's understanding of competitive dynamics in the supermarket industry and informs strategic decision-making.

4.3.2 Respondents' Level of Education

The respondents' greatest level of education was a primary research variable. Those with a college certificate represented 8.2%. The respondents with a Diploma were 15 representing 20.6%. The respondents with graduate qualifications were the majority at 40, representing 54.8%. Those with a post graduate qualification were the least at 3, representing 4.1%. Those with other qualifications specified as professional management course were 9 representing 12.2%.

Table 4.3 Level of Education

Level of Education	Frequency	Percent
Certificate	6	8.2
Diploma	15	20.6
Graduate	40	54.8
Post graduate	2	4.0
Others (Specify)	10	12.4
Total	73	100.0

These educational qualification-based implications highlight the importance of considering the diverse perspectives of individuals with different levels of education in studying competitive strategies for supermarkets in Kenya. Insights from respondents with higher educational qualifications, diplomas, specialized certifications, and even lower-level qualifications can contribute to a more holistic understanding of competitive dynamics within the supermarket industry, aiding strategic decision-making processes.

4.3.3 Respondents' Work Position

Further, the research aimed to determine the positions of the respondents. The study managed to get responses from 9 general managers, which is 12.3% of the total. The respondents who were financial managers were 18 representing 24.7%. The majority of respondents were management accountants at 24, representing 32.9%. The respondents who were finance officers were 22 representing 30.1%.

Table 4.4 Respondents' Work Position

Management Level	Frequency	Percent
General Manager	9	12.3
Finance Manager	18	24.7
Management Accountant	24	32.9
Finance Officer	22	30.1
Total	73	100.0

The distribution of respondents' work positions in the study on competitive strategies for supermarkets in Kenya reveals significant implications. The active participation of general managers signifies their recognition of the strategic importance of competition in the industry. Financial managers' substantial representation emphasizes financial expertise's role in shaping competitive strategies. Most management accountants' involvement underscores the significance of accounting knowledge in the process of making decision. Additionally, the presence of finance officers highlights the tactical financial considerations. Collectively, these diverse perspectives contribute to a comprehensive understanding of competitive strategies and aid in formulating effective strategies to enhance supermarkets' market positioning and performance in Kenya.

4.4 Reliability and Validity Tests

To check for the reproducibility, dependability and reliance of the tool the tests were performed as below.

4.4.1 Reliability Test

The proposed constructs' reliability was examined using Cronbach's Alpha. Focus strategy had a correlation of 0.818 with organization performance, cost leadership strategy had a correlation of 0.963 with organization performance, differentiation strategy had a correlation of 0.823 with organization performance, and focus strategy correlated with cost leadership strategy of 0.823 with organization performance. All of the measures employed in the study exhibit Cronbach's Alpha values over 0.70, suggesting their dependability. The data is laid down below.

Table 4.5 Reliability Test

Construct	Cronbach's Alpha	Comments
Focus Strategy	.818	Reliable
Cost leadership strategy	.963	Reliable
Differentiation Strategy	.823	Reliable
Organizational Performance	.819	Reliable

4.4.2 Validity Tests

To ensure that the constructions were reliable, a factor analysis was conducted. Kaiser-Meyer-Olkin measurements and Bartlett's Test of Sphericity are typical sample size and representativeness indicators. In the range of 0 to 1, factors with a Kaiser-Meyer-Olkin index above 0.5 are considered excellent. Bartlett's Test of Sphericity is applied in terms of the study's significance, validity, and applicability of the elements. Bartlett's Test of Sphericity value should be below 0.05 to be considered satisfactory. A Kaiser-Meyer-Olkin index of 0.776 was calculated, showing that the sample size was more than 0.5 but smaller than 1, making it a sufficient sample size. However, a p-value of .000 (less than 0.05) was found for Bartlett's test of sphericity. Experts, such as the supervisor, were also utilized to verify the accuracy of the devices. Given these findings, the study indicates that the instrument is reliable.

Table 4.6 Validity Test

KMO and Bartlett's Test		
'Kaiser-Meyer-Olkin Measure of Sampling Adequacy.'		.776
'Bartlett's Test of Sphericity'	Approx. Chi-Square	286.666
	Df	6
	Sig.	.000

4.5 Descriptive Statistics for Competitive strategies

The mean and standard deviation for the competitive strategies were computed and tabulated as shown in the following sub-sections. Likert scale of 1 (Strongly Disagree), 2 (Disagree), 3 (Neutral), 4 (Agree) 5 is (Strongly Agree)

4.5.1 Descriptive Statistics for Focus Strategy

The value of 4.23 on the average column shows that the respondents agreed that the supermarkets had a focused competitive strategy. The respondents in particular, strongly agreed that the focus strategy adopted by the supermarket provides a clear differentiation from other supermarkets in the area with a mean of 4.58 and that the focus strategy has helped the supermarket increase customer loyalty mean score of 4.56. The previous statement's SD of .896 suggests that the replies to it were the most uniform. The respondents agreed to the following statements: that the focus strategy has enabled the supermarket to effectively target and meet the needs of a specific customer segment (mean= 4.42, SD 1.178), that the focus strategy has led to an increase in the supermarket's reputation for offering high-quality products (mean=4.40, SD .924), that the focus strategy has increased sales for the supermarket(mean=4.10, SD 1.293), that the focus strategy has improved the overall shopping experience for customers(mean=4.05, SD 1.066). Finally, the respondents agreed that the focus strategy has reduced product variety at store with an average score of 3.51 out of 4, which is very close to the maximum of 4. Thus, SD (1.355), this group's replies revealed the most variety.

Table 4.7 Descriptive Statistics for Focus Strategy

Focus indicator measures	Mean	Std. Deviation
Clear differentiation from other supermarkets in the area	4.58	.896
Increase customer loyalty	4.56	.928
Customer-centric needs segmentation	4.42	1.178
Reputable high-quality products	4.40	.924
Increased sales volume	4.10	1.293

The improved overall shopping experience for customers	4.05	1.066
Reduced product variety at the supermarket	3.51	1.355
Averages	4.23	1.091

The results from the participants suggest that the focus competitive strategy adopted by the surveyed supermarket in Kenya has effectively driven positive performance outcomes. The strong agreement among respondents regarding the clear differentiation provided by the focus strategy suggests that the supermarket has successfully positioned itself uniquely in the market, which can give it a competitive edge. Moreover, the high mean scores and relatively low standard deviations for statements related to increased customer loyalty, improved reputation for high-quality products, increased sales, and an improved shopping experience indicate that the focus strategy has yielded favorable results. These outcomes are crucial for the long-term success and sustainability of the supermarket.

However, it is noteworthy that the survey participants also agreed that the focus strategy has reduced product variety at the supermarket, which had the highest standard deviation among all the statements. This implies that while the focus strategy has benefits, there may be a trade-off regarding limited product offerings. Although reducing product variety could help the supermarket optimize operations and cater more precisely to the needs of its target customers, the supermarket needs to strike a balance to avoid alienating potential customers who prefer a wider range of choices. Therefore, further analysis and consideration are necessary to assess the impact of this reduction in product variety on overall customer satisfaction and market competitiveness.

4.5.2 Descriptive Statistics for Cost Leadership Strategy

The respondents were almost unanimous in their assessment that supermarkets employed a cost leadership strategy, with an average value of 4.60 indicating their agreement. The respondents' typical profit margins at the supermarket increased to 4.81 percent thanks to the cost leadership plan. There was the least variation in the answers, as measured by the standard deviation, which was.758 in this case. The respondents further strongly agreed that the cost leadership strategy has resulted in a decrease in the level of customer service at the supermarket (mean=4.66, SD .961), which has led to an upsurge in the clientele base. Shopping at the supermarket (mean=4.66, SD .820), that the cost leadership strategy adopted by the supermarket has resulted in lower prices for customers (mean= 4.60, SD .862) and that the strategy of cost-centric leadership has positively impacted the quality of products offered by the supermarket (mean=4.59, SD 1.052). With a mean score of 4.47 and a SD of 1.094, the respondents all agreed that the supermarket's pricing measures strategy has resulted in a greater selection of products. In conclusion, we can say that the supermarket's mean 4.42 position in the market is mostly due to the success pertaining to price -centric approach. In line with this, the replies showed the greatest diversity, SD 1.322.

Table 4.8 Descriptive Statistics for Cost Leadership Strategy

Descriptive Statistics Cost Leadership Strategy	Mean	Std. Deviation
Achievement of higher profit margins	4.81	.758
Decreased level of customer service	4.66	.961
Increased clientele base	4.66	.820
Lower product prices for customers	4.60	.862
Enhanced quality of products offered	4.59	1.052
Offer a wider variety of products	4.47	1.094
Sustainable competitiveness	4.42	1.322
Averages	4.60	.981

The findings reveal a significant agreement among the participants regarding the presence of a cost leadership strategy in the surveyed supermarkets in Kenya. They strongly agreed that this strategy has enabled the supermarkets to achieve higher profit margins. However, there was also agreement that the cost leadership strategy has led to a decrease in the level of customer service provided by the supermarkets. Furthermore, the respondents strongly agreed that the approach on price centered has increased the clientele base. Shopping at supermarkets has allowed for lower prices to be offered to customers.

The respondents also perceived a positive impact of the cost leadership strategy on the quality of products offered by the supermarkets. However, it is important for supermarkets to carefully manage the balance between cost reduction and maintaining product quality to ensure customer satisfaction. The implications of the price centered strategy on supermarket performance in

Kenya include higher profit margins, a potential trade-off in customer service, an increase in the customer base, lower prices for customers, and an impact on product quality. These findings emphasize the need for supermarkets to effectively navigate the challenges associated with implementing cost-saving measures while still meeting customer expectations.

4.5.3 Descriptive Statistics for Differentiation Strategy

The value of 4.38 on the average column shows that the respondents agreed that the supermarkets had a differentiation strategy. The participants strongly agreed that the differentiation strategy has made it more difficult for customers to compare prices with other supermarkets, with a mean of 4.60, and the differentiation strategy has resulted in an increase in the overall level of customer satisfaction, with a mean of 4.55. These statements had the least SD (1.155). The participants further affirmed that the differentiation strategy has resulted in a more loyal customer base for the supermarket (mean=4.37, SD 1.242), the differentiation strategy adopted by the supermarket has led to a unique and appealing shopping experience(mean=4.37, 1.184), the differentiation strategy has enabled the supermarket to attract and retain customers who value quality and uniqueness (mean=4.33, SD 1.344) and that the differentiation strategy has helped the supermarket to build a robust brand identity (mean=4.32, SD 1.290). Finally, the respondents agreed that the differentiation strategy has resulted in higher prices for products provided in the supermarket, mean score 4.16, SD 1.537, this group's replies showed the most dispersion in the sample.

Table 4.9 Descriptive Statistics for Differentiation Strategy

Indicators	Mean	Std. Deviation
Comparison of prices across markets	4.60	1.115
Increased overall level of customer satisfaction	4.55	1.155
Increased customer loyalty	4.37	1.242
Unique and appealing shopping experience	4.37	1.184
Attraction and customer retention by value quality and unique products	4.33	1.344

Reliable brand image	4.32	1.290
Higher prices for products variance	4.16	1.537
Averages	4.38	1.267

According to the responses, it can be inferred that the supermarkets in Kenya have implemented a differentiation strategy, as indicated by an average value of 4.38. The respondents strongly agreed that the differentiation strategy has made it more challenging for customers to compare prices with other supermarkets. Additionally, they strongly agreed that the differentiation strategy has increased overall customer satisfaction. These statements exhibited the least variation among respondents, suggesting a consensus on the positive effects of the differentiation strategy on price comparisons and customer satisfaction.

Furthermore, the respondents agreed that the differentiation strategy has contributed to a more loyal customer base, a unique and appealing shopping experience, attracting and retaining customers who value quality and uniqueness, and developing a strong brand image. These findings highlight the benefits of the differentiation strategy, including customer loyalty, an enhanced shopping experience, and a positive brand perception. However, it is notable that the participants also agreed that the differentiation strategy has led to higher prices for products the supermarket offers. The variation in responses to this statement indicates differing opinions among the respondents regarding the impact of higher costs resulting from the strategy of differentiation.

The implications of the strategy of differentiation on supermarket performance in Kenya include reduced price comparisons, increased customer satisfaction, a more loyal customer base, an appealing shopping experience, the attraction of quality-conscious customers, and the establishment of a strong brand image. However, the impact of higher prices resulting from the differentiation strategy requires careful consideration, as it may affect customer perception and purchasing behavior. These findings emphasize the importance of effectively implementing and managing differentiation strategies to drive positive performance outcomes for supermarkets in Kenya.

4.6 Organizational Performance Descriptive Statistics

A monetary, consumer, internal process, development, and learning stance were used to calculate the organization's overall success using the balanced scorecard. The respondents used a Likert scale where 1 was "Strongly Disagree," 2 was "Disagree," and 3 was "Neutral." A score of 4 represent agreement, while a score of 5 indicates complete agreement.

4.6.1 Financial Perspective Description

The value of 4.89 on the average column shows that the respondents strongly agreed that competitive strategies employed by the supermarkets necessitated financial performance. The respondents strongly agreed that the supermarkets were profitable, with a mean of 4.84. This was also the case with the lowest standard deviation (.687). With a mean of 4.81 and a standard deviation of.720, the respondents all agreed that the supermarket's earnings had increased over the previous year. Ultimately, the respondents agreed, on average, that the supermarket has a great return on investment (4.79). The responses to this statement were the most dissimilar in the sample, with a standard deviation of.781.

Table 4.10 Financial Perspective Description

Indicators of financial Perspective	Mean	Std. Deviation
Profitability	4.84	.687
Revenue growth	4.81	.720
High Return on investment	4.79	.781
Averages	4.89	.729

The findings indicate that strategies of competitiveness utilized by the surveyed supermarkets in Kenya have positively influenced their financial performance. The respondents strongly agreed that the supermarkets were profitable, with a high mean score and low standard deviation, suggesting a consensus among respondents regarding the profitability of the supermarkets. Additionally, the respondents agreed that the supermarkets experienced revenue growth over the past year, indicating positive financial trends. Moreover, the respondents strongly agreed that the supermarkets had a high return on investment, reflecting favorable economic outcomes. However, it is noteworthy that the responses for the statement on return on investment showed high variation, suggesting differing perspectives among respondents.

The competitive strategies' implications on supermarkets' performance in Kenya indicate strong financial performance, profitability, revenue growth, and a high return on investment. These findings highlight the effectiveness of the competitive strategies employed by supermarkets in driving positive organizational performance. It underscores the importance for supermarkets to continue implementing and adapting competitive strategies that align with market dynamics and customer demands to sustain their economic success in the highly competitive supermarket industry in Kenya.

4.6.2 Customer Perspective Description

The value of 4.80 on the average column shows that the respondents strongly agreed that there was an improvement in customer perspective performance necessitated by competitive strategies employed by the supermarkets. Showing an average score of 4.82, the participants strongly agreed that the supermarket yields its consumers with products of a high standard. There was the least variation in replies, as measured by the standard deviation, which was.714. Most shoppers (4.81) feel that the store gives high-quality assistance to their needs—the standard deviation was.720 in this case. Finally, respondents gave the supermarket a mean score of 4.78, indicating that they feel it caters to its consumers' demands. There were a lot of variances in the answers, as noted in the high standard deviation value of.786.

Table 4.11 Customer Perspective Description

Customer Perspective	Mean	Std. Deviation
High-quality products	4.82	.714
Excellent customer service	4.81	.720
Customer-centric design	4.78	.786
Averages	4.80	.740

The competitive strategies implemented by supermarkets in Kenya have improved customer perspective performance, as indicated by the respondents' strong agreement on various statements. The supermarkets were perceived to offer high-quality products and excellent customer service, contributing to enhanced customer satisfaction and loyalty. While there was consensus on these aspects, there was slightly more variation in responses regarding the supermarkets' ability to meet the diverse requirements of customers. The findings highlight the favorable influence of strategies on competitiveness on customer perspective performance and emphasize the importance for supermarkets to continue focusing on quality and service to maintain their competitive position in the Kenyan market.

4.6.3 Descriptive Statistics for Internal Processes Perspective

The value of 4.74 on the average column indicates that the respondents strongly agreed that there was a dimension of internal processes performance necessitated by competitive strategies employed by the supermarkets. Those polled gave supermarkets' inventory management a mean score of 4.82 (SD =.694), indicating their unanimous approval. The respondents had a mean agreement score of 4.82 on the efficiency of the supermarket's internal operations. Responses to this statement were the most uniform, as measured by their standard deviation, which was the lowest (.653) of all the statements. There were a lot of consensuses that the grocery store has efficient supply chain management (4.59 on average). The highest response variability was as evidenced by a SD of 0.796.

Table 4.12 Internal Processes Perspective Description

Internal Processes Perspective	Mean	Std. Deviation
Effective inventory management	4.82	.694
Efficient internal processes	4.82	.653
Effective supply chain management	4.59	.796
Averages	4.74	.714

The competitive strategies implemented by supermarkets in Kenya have positively impacted their internal processes' performance, according to the respondents' strong agreement. The supermarkets were perceived to have effective inventory management and efficient internal processes, indicating optimized operations and streamlined workflows. While there was some variation in responses regarding the effectiveness of supply chain management, overall, the findings emphasize the significance of competitive strategies in enhancing internal processes, leading to improved efficiency and cost reduction. To maintain competitiveness, supermarkets should prioritize effective internal processes and supply chain management in the dynamic market environment.

4.6.4 Learning and Growth Perspective Description

The value of 4.55 on the average column demonstrates a significant consensus among the participants who strongly agreed that there was a dimension of learning and growth perspective necessitated by competitive strategies employed by the supermarkets. Those polled gave supermarkets' inventory management a mean score of 4.82 (SD =.694), indicating their unanimous approval. The respondents had a mean agreement score of 4.82 on the efficiency of the supermarket's internal operations. Responses to this statement were the most uniform, as measured by their standard deviation, which was the lowest (.653) of all the statements. There were a lot of consensuses that the grocery store has efficient supply chain management (4.59 on average). A standard deviation indicated the highest response variability. 796. The supermarket encourages innovation and creativity among its employees, strongly agreeing averaging at 4.56 and deviation from the mean of .833. The respondents agreed that the supermarket provides employees with opportunities for training and development, averaging 4.49. The standard deviation for replies to that statement was.930, the highest of any statement.

Table 4.13 Learning and Growth Perspective Description

Indicators	Mean	Std. Deviation
Employee satisfaction and Engagement for a positive work environment	4.59	.831
Employee innovation and creativity	4.56	.833
Opportunities for training and development	4.49	.930
Averages	4.55	.865

The competitive strategies implemented by supermarkets in Kenya have significantly influenced their operations' from a learning and growth standpoint, as highlighted by the respondents' strong agreement. The supermarkets were perceived to foster a positive work environment that promotes employee satisfaction, engagement, and innovation. This emphasis on employee well-being and creativity aligns with the supermarkets' efforts to encourage continuous improvement. Although there was some variation in responses regarding employee training and development opportunities, overall, the findings highlight the positive impact of competitive strategies on the learning and growth dimension. By prioritizing employee satisfaction, engagement, and innovation, supermarkets can enhance their overall performance and competitiveness in the Kenyan market.

4.7 Diagnostic Tests

It underwent a battery of diagnostic checks to prepare the data for further examination. Autocorrelation, multicollinearity, and normality tests were performed using the Durbin-Watson Statistic and the Variance Inflation Factors (VIF), respectively. Below, we discuss all the results from the various exams.

4.7.1 Test for Autocorrelation

According to Table 4.14, the Durbin-Watson value was measured at 1.705. As a result, no autocorrelation was present since the value significantly fell below the designated threshold for autocorrelation of 2.5.

Table 4.14 Test for Autocorrelation

Model	Durbin-Watson
1	1.705[a]

a. Predictors: (Constant), Cost leadership strategy, Differentiation Strategy, Focus Strategy

b. Dependent Variable: Organizational Performance

4.7.2 Test for Multicollinearity

From Table 4.15 the VIF for focus strategy was 8.097, VIF for cost leadership strategy was 1.22, and VIF for differentiation strategy was 5.293. As a result, there was no multicollinearity because all variables included as predictors had variance inflation factors lower than 10.

Table 4.15 Tests for Multicollinearity

	Collinearity Statistics	
Independent Variables	**Tolerance**	**VIF**
Focus Strategy	.123	8.097
Cost leadership strategy	.818	1.222
Differentiation Strategy	.128	7.798

4.7.3 Test for Normality

Z-values of skewness and Kurtosis can be used to conduct normality tests, and they should be in the range of -1.96 to +1.96. Statistical measures of kurtosis and skewness were employed. Table 4.10 displays a skewness of -0.780 with a standard error of 0.161 and a Kurtosis of 0.117 with a standard error of 0.321. The measured values for skewness and Kurtosis fall between -1.96 and 1.96. The data has a minor platykurtic distribution, which is not drastically distant from normalcy. As a result, the analysis concludes that the data follows a normal distribution.

Table 4.16 Skewness and Kurtosis

		Statistic	**Std. Error**
Mean		2.9781	.05431
95% Confidence Interval for Mean	Lower Bound	2.8711	
	Upper Bound	3.0851	
5% Trimmed Mean		3.0312	
Median		3.0000	
Variance		.672	
Std. Deviation		.82001	
Skewness		-.780	.161

Kurtosis	.117	.321

The researcher conducted tests of association between the study variables after ensuring that the data were normally distributed and that there was no autocorrelation or multicollinearity among the study variables.

4.8 Correlation Analysis of Competitive Strategies and Organizational Performance

Pearson's correlation was employed to examine how strongly the variables were linked. Mhadavi (2013) claims that a correlation coefficient (r) of less than 0.3 indicates a weak association, r=0.3–0.5 indicates a weak relationship and r=0.5–0.7 indicates a moderate relationship. In consideration of the coefficient of determination (r), the correlation coefficient is larger than 0.7.

Since r = 0.889 between Focus strategy (FS) and Organizational Performance (OP), thus we can infer that the two are highly correlated. Organizational performance was somewhat related to cost leadership strategy (CLS) (r = 0.509) and strongly associated with differentiation strategy (DS) (r = 0.892).

Table 4.17 Correlation Analysis

Correlations

		FS	**CLS**	**DS**	**OP**
Focus Strategy	Pearson Correlation	1	.425**	.934**	.889**
	Sig. (2-tailed)		.000	.000	.000
	N	73	73	73	73
Cost leadership strategy	Pearson Correlation	.425**	1	.386**	.509**
	Sig. (2-tailed)	.000		.001	.000
	N	73	73	73	73
Differentiation Strategy	Pearson Correlation	.934**	.386**	1	.892**
	Sig. (2-tailed)	.000	.001		.000

	N	73	73	73	73
Organizational Performance	Pearson Correlation	.889**	.509**	.892**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	73	73	73	73

**. Correlation is significant at the 0.01 level (2-tailed).

The findings suggest that the FS, CLS, and DS have varying degrees of relationship with OP in the context of supermarkets in Kenya. The strong positive connection between FS and OP, as shown by the high r of 0.889, suggests that adopting a focus strategy can significantly improve organizational performance. Similarly, the strong connection between DS and OP, with an r value of 0.892, implies that differentiation strategies can also substantially affect supermarkets' performance.

On the other hand, the moderate connection between CLS and OP, with an r value of 0.509, suggests that strategy of price-centered approach may have a somewhat less pronounced effect on organizational performance compared to FS and DS. Nonetheless, the positive correlation still indicates that implementing cost leadership strategies can contribute to improved performance, albeit to a lesser extent. These findings highlight the importance of selecting and implementing effective competitive strategies in supermarkets in Kenya. Adopting a focus or differentiation strategy appears to significantly enhance the performance of the organization while implementing cost leadership strategies can contribute to a moderate improvement. Supermarkets can leverage these insights to align their competitive strategies with their performance goals, aiming to differentiate themselves, focus on specific customer segments, and potentially reduce costs to achieve sustainable growth and success in the Kenyan market.

4.9 Regression Analysis of the Study Variables

A regression analysis was performed to examine the hypothesis that competitive strategies had a linear relationship with the outcome variable (organizational performance). As stated in the following sections, the results were tabulated and explained;

4.9.1 Multiple Regression Model Summary

According to Table 4.18, the model satisfactorily explains 83.6% of the overall variance in organizational performance after adjusting for confounding factors. The model does not capture this 16.4 percentage point of the entire variability in the performance of an organization. Hence the model is unsatisfactory. Therefore, the findings demonstrate that strategies emphasizing either cost leadership or differentiation impact business success. Differences between the variables are tabulated below.

Table 4.18 Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. The error in the Estimate	Durbin-Watson
1	.918[a]	.843	.836	.36043	1.705

‘a. Predictors: (Constant), Differentiation Strategy, Cost leadership strategy, Focus Strategy’

‘b. Dependent Variable: Organizational Performance’

4.9.2 Analysis of the Variance of the Study Variables (ANOVA)

Positive residuals indicate that the study's dependent and independent variables are significantly related. Table 4.19 of the ANOVA test reveal that focus, cost leadership, and differentiation strategies strongly impacted organizational performance at the 5% significance level, with F critical at (3, 72) degrees of freedom being 2.73 and F calculated 123.540. The analysis yielded the ANOVA table.

Table 4.19 Analysis of Variance

Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Regression	48.147	3	16.049	123.540	.000[b]
Residual	8.964	69	.130		
Total	57.111	72			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Differentiation Strategy, Cost leadership strategy, Focus Strategy

4.9.3 Coefficients of the Regression Model

The study yielded and displayed the regression model's coefficient. The regression equation looks like this:

$$\mathbf{Y=0.319+0.280X_1+0.184X_2+0.429X_3}$$

Y –Organizational Performance

X_1–Focus Strategy

X_2– Cost leadership strategy

X_3 –Differentiation Strategy

When all independent variables have no effect on the dependent variable, the resulting value for organizational performance is 0.319. When only the emphasis strategy is changed, overall organizational performance improves by 0.280 units. If all other factors remain the same, an increase of one unit in cost leadership strategy increases by 0.184 units in organizational performance. Finally, a one-unit increase in differentiation strategy while keeping everything else the same results in a 0.429% improvement in organizational performance. The study used a standard multiple regression analysis, and the results are shown in Table 4.19 as the regression coefficients.

Table 4.20 Coefficients of the Regression Model

Model	Unstandardized Coefficients					Collinearity Statistics	
	B	Std Error	Unstandardized Coefficients	t	Sig.	Tolerance	VIF
(Constant)	.319	.153	Beta	2.081	.041		
Focus Strategy**(X_1)**	.280	.109	.347	2.558	.013	.123	8.097

Cost leadership strategy **(X_2)**	.184	.058	.166	3.158	.002	.818	1.222
Differentiation Strategy**(X_3)**	.429	.113	.504	3.784	.000	.128	7.798

a. Dependent Variable: Organizational Performance(**Y**)

The analysis reveals important implications for the extent to which different competitive strategies used by supermarkets in Kenya have an effect on their success. When examining the independent variables individually, it is evident that each strategy influences organizational performance to varying degrees. The focus strategy demonstrates a substantial effect, as a one-unit increase leads to a significant 0.280 unit rise in performance. This finding highlights the importance of targeting specific customer segments or market niches to enhance performance. Cost leadership strategy exhibits a relatively smaller impact, with a one-unit increase resulting in a modest 0.184 unit increase in performance. While cost reduction and competitive pricing are valuable, they appear to have a more limited effect than the focus strategy. The differentiation strategy, however, emerges as a strong driver of organizational performance, as a one-unit increase leads to a substantial 0.429-unit increase. This suggests that offering unique and distinctive products or services significantly enhances performance in the Kenyan supermarket sector.

The implications suggest that focusing on a specific customer segment, implementing cost-effective measures, and emphasizing differentiation can all contribute to improved organizational performance for supermarkets in Kenya. However, the differentiation strategy has the strongest impact, followed by the strategy on focus, while the price-centered approach has a relatively smaller effect. These findings provide valuable insights for supermarkets seeking to enhance their performance and competitiveness in the Kenyan market, allowing them to strategically align their competitive strategies and prioritize customer segmentation, cost-effectiveness, and differentiation for optimal outcomes.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings, conclusions, and recommendations of the study. It aligns with the study objectives and suggests avenues for further research.

5.2 Summary of Findings

The study achieved a high response rate of 71.6%, with 73 out of 102 targeted respondents participating. This enhances the study's reliability and validity. The respondents' demographics, including their work experience, level of education, and work positions, provide valuable insights into the influence of competitive strategies on the performance of supermarkets. The findings indicate the importance of experienced respondents, diverse educational backgrounds, and varied work positions in understanding and implementing effective competitive strategies in the Kenyan supermarket industry.

High internal consistency (Cronbach's Alpha) and sufficient validity (Kaiser-Meyer-Olkin measure, Bartlett's Test of Sphericity) were found in the study's reliability and validity analyses. Diagnostic tests revealed no autocorrelation (Durbin-Watson) or multicollinearity (Variance Inflation Factors). The data were normally distributed (skewness and kurtosis). These results ensure the data's quality and support further analysis of the supermarket industry's competitive strategies and organizational performance.

The findings reveal that the focus competitive strategy adopted by the surveyed supermarket in Kenya has successfully differentiated itself from other supermarkets. Respondents strongly agreed that the focus strategy has helped increase customer loyalty, meet specific customer segment needs, and improve the supermarket's reputation for high-quality products. However, it was noted that the focus strategy has reduced product variety, indicating a potential trade-off. Overall, the focus strategy has yielded positive outcomes regarding differentiation and customer satisfaction, but careful consideration is needed to balance limited product offerings.

Respondents strongly agreed that the supermarkets have effectively implemented the cost leadership strategy. They perceived higher profit margins, a rise in clientele base., lower prices, and a positive impact on product quality. However, there was agreement that the cost leadership strategy has decreased customer service levels. The findings emphasize the need to carefully balance cost reduction and customer satisfaction to ensure long-term success.

For the differentiation strategy, respondents agreed that it has made price comparisons difficult and resulted in increased customer satisfaction. They also acknowledged a more loyal customer base, a unique shopping experience, and a strong brand image. However, the differentiation strategy was associated with higher prices, which generated varying opinions among respondents. This highlights the importance of effectively implementing differentiation strategies while considering customer perceptions and price sensitivity.

The focus strategy has effectively differentiated the surveyed supermarket and yielded positive customer loyalty and reputation outcomes. Still, there may be a trade-off with reduced product variety. The cost leadership strategy has led to higher profit margins and increased customers, but customer service levels have been affected. The differentiation strategy has made price comparisons challenging and enhanced customer satisfaction but has also resulted in higher prices. These findings emphasize the need for supermarkets in Kenya to carefully balance competitive strategies to optimize performance and meet customer expectations.

The findings from the four perspectives of organizational performance indicate strong positive outcomes resulting from the competitive strategies employed by supermarkets in Kenya. From a financial standpoint, respondents strongly agreed that the supermarkets were profitable, experienced revenue growth, and had a high return on investment. These results demonstrate the effectiveness of competitive strategies in driving favorable financial performance. From the customer perspective, respondents strongly agreed that the supermarkets offered high-quality products and excellent customer service. Although there was some variation in responses regarding the supermarkets' ability to meet diverse customer needs, the overall perception was positive, highlighting effects of competitive strategies on satistification and loyalty of a customer.

From the internal processes' perspective, respondents strongly agreed that the supermarkets had effective inventory management and efficient internal processes. While there was slightly more variation in responses regarding supply chain management, the findings underscore the positive influence of competitive strategies on optimizing internal operations and workflows. Lastly, from the learning and growth perspective, respondents strongly agreed that the supermarkets fostered a positive work environment that promoted employee satisfaction, engagement, and innovation. Although there was some variation in responses regarding employee training and development opportunities, the overall findings emphasize the positive impact of competitive strategies on employee learning and growth.

The findings across the four perspectives indicate that the competitive strategies implemented by supermarkets in Kenya have positively influenced their organizational performance. These strategies have improved economic advantage, enhanced contentment of customers, optimized inner workings, and facilitated employee satisfaction and innovation. The results highlight the importance for supermarkets to continue implementing and adapting competitive strategies to sustain their success in Kenya's highly competitive supermarket industry.

5.3 Conclusion

In conclusion, the study analyzed how stores in Kenya's capital city responded to different competitive strategies. The findings demonstrated a significant correlation between the implementation of a strategy on focus (customer-centered), cost leadership (price-centered), and differentiation (product centered), to the success of an organization. According to the data, the method of narrowing attention significantly affected productivity within the business. Supermarkets can improve their results by focusing on specific types of customers or market niches. Further supporting the significance of providing products or services that stand out, the strategy on product differentiation approach also had a notable performance effect.

While the cost leadership strategy had a smaller effect than the other two, it still showed a moderate positive relationship with organizational performance. Implementing cost-effective measures and competitive pricing can contribute to improved performance, albeit to a lesser extent. The study highlights the importance of selecting and implementing effective competitive strategies in the context of Kenyan supermarkets. Supermarkets can leverage these findings to align their competitive strategies with their performance goals strategically. Emphasizing focus and differentiation strategies can significantly improve organizational performance while implementing cost leadership strategies can contribute to moderate enhancements.

These insights provide valuable guidance for supermarkets in Kenya, enabling them to make informed decisions and adapt their competitive strategies to achieve sustainable growth and success in the market. By focusing on customer segmentation, cost-effectiveness, and differentiation, supermarkets can position themselves strategically and enhance their overall performance in the competitive landscape.

5.4 Recommendation

Supermarket management should consider implementing a focus strategy by targeting specific customer segments or market niches. This strategy allows supermarkets to differentiate themselves and cater to the unique needs of their target customers, ultimately improving their performance. Additionally, emphasizing differentiation is crucial for supermarkets to stand out in the competitive landscape. Investing in product innovation, branding, and enhancing the overall customer experience can create a strong competitive advantage. While cost leadership strategies have a relatively smaller impact, supermarket managers should find ways to balance cost-effective measures with differentiation strategies for optimal results.

For academia, the study suggests conducting further research to explore additional factors that may influence supermarkets' success in connection to competitive tactics. Comparative studies across different regions or industries can also offer worthy perspectives on the effectiveness of different strategies and their implications for performance. These endeavors contribute to a more profound comprehension of the dynamics within the retail industry and inform strategic decision-making.

Regarding policymakers, creating an enabling environment that fosters healthy competition and innovation within the retail sector is recommended. This can be achieved through policies encouraging entrepreneurship, fair competition, and consumer protection. Providing resources, training, and support programs to supermarkets can enhance their competitiveness and contribute to overall sector growth. Policymakers must consider the specific characteristics of the retail industry when designing policies, considering the impact of competitive strategies on supermarket performance. This will ensure that the guidelines support the long-term sustainability and success of the retail sector in Kenya.

5.5 Suggestions for Further Research

Researchers can employ a mixed-methods strategy that combines quantitative analysis with qualitative techniques. By conducting interviews, case studies, or focus groups, researchers can delve into the strategic decision-making processes of supermarkets and explore the contextual factors that shape their outcomes. This strategy can provide a deeper understanding of the complexities and nuances of competitive strategies in the supermarket industry.

With the increasing digitalization of the retail sector, it would be valuable to identify the influence of digital transformation on the connection between competitive strategies and supermarket performance. Researchers can investigate how adopting e-commerce, online marketing, data analytics, and emerging technologies influence the effectiveness of different strategies. This research can shed light on supermarkets' evolving dynamics and challenges in the digital age.

Given the growing importance of sustainability and social responsibility in the business landscape, further research can examine the influence of these aspects regarding the correlation between competitive advantage strategies and performance of the supermarket. Researchers can investigate how supermarkets' commitment to environmental sustainability, ethical sourcing, social initiatives, and community engagement affects their competitive advantage and overall performance. This line of research can contribute to understanding the impact of responsible business practices on supermarkets' success and their ability to meet the expectations of environmentally and socially conscious consumers.

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APPENDICES

Appendix I: Questionnaire

Responses to the following queries would be greatly appreciated. The confidentiality of each respondent's answers will be strictly maintained while the data they provide is used for research.

Part A: Demographics

Tick appropriately in the spaces provided.

Variable	Respondents Grouping	Tick
Work Experience	5 years and less	
	6-10 years	
	11-15 years	
	16-20 years	
	More than 20 years	
Education	Certificate	
	Diploma	
	Graduate	
	Post Graduate	
	Other (Specify)	
Position	General Manager	
	Finance Manager	
	Management Accountant	
	Finance Officer	

Part II: Competitive Strategies by Supermarkets

Answer the following questions regarding the competitive strategies employed at your supermarket.

Section B: Focus Strategy

Guided by the Likert Scale, 1 is Strongly Disagree, 2 is Disagree, 3 is Neutral, 4 is Agree and 5 is Strongly Agree for the focus strategy adopted by supermarkets, kindly answer the questions that follow by ticking appropriately.

Focus Strategy	**1**	**2**	**3**	**4**	**5**
The supermarket provides a unique identifier from other supermarkets in the area					
There are modalities/avenues employed by supermarkets to increase customer loyalty.					
Specific customer segment is factored in meeting the user needs.					
Market branding has improved the sales of the supermarket					
There is an improved overall shopping experience for customers					
The product variety is at the core of the supermarket operations mandate.					
High-quality products have been prioritized in ensuring the supermarket's reputation is increased.					

Section B: Cost leadership strategy

Guided by the Likert Scale 1=Strongly Disagree, 2=Disagree, 3=Neutral 4=Agree and 5=Strongly Agree for Cost leadership strategy adopted by supermarkets, kindly answer the questions that follow by ticking appropriately**.**

Cost leadership strategy	**1**	**2**	**3**	**4**	**5**
There is adoption of a lower-price strategy for a variety of products.					
A wider variety of products is based on the economies of scale					
Cost leadership strategy has helped the supermarket remain competitive					
Cost leadership strategy has led to a rise in clientele base that is increased shopping at the supermarket.					
Cost leadership strategy has negatively impacted the quality of products the supermarket offers.					
The cost leadership strategy has decreased the level of customer service at the supermarket.					
A cost leadership strategy has allowed the supermarket to achieve higher profit margins.					

Section C: Differentiation Strategy

Guided by the Likert Scale 1=Strongly Disagree, 2=Disagree, 3=Neutral 4=Agree and 5=Strongly Agree for differentiation strategy adopted by supermarkets, kindly answer the questions that follow by ticking appropriately.

Differentiation Strategy	**1**	**2**	**3**	**4**	**5**
The differentiation strategy adopted by the supermarket has led to a unique and appealing shopping experience.					
Differentiation strategy has resulted in higher prices for products the supermarket offers.					
Differentiation strategy has helped the supermarket build a strong brand image.					

Differentiation strategy has enabled the supermarket to attract and retain customers who value quality and uniqueness.					
Differentiation strategy has increased the overall level of customer satisfaction.					
The differentiation strategy has made it more difficult for customers to compare prices with other supermarkets.					
The differentiation strategy has resulted in a more loyal customer base for the supermarket.					

Part III: Organizational Performance

Kindly answer the following questions regarding your supermarket due to the competitive strategies employed.

Section D: Organizational Performance

Guided by the Likert Scale 1=Strongly Disagree, 2=Disagree, 3=Neutral 4=Agree and 5=Strongly Agree for organization performance due to competitive strategies adopted by supermarkets, kindly answer the questions that follow by ticking appropriately.

Organization Performance					
Financial Perspective	**1**	**2**	**3**	**4**	**5**
The supermarket is profitable					
There is high revenue growth in the Supermarkets over the past year.					
There is a high return on investment?					
Customer Perspective	**1**	**2**	**3**	**4**	**5**
High-quality products are offered to its customers					
Excellent customer service is offered in the supermarket					

Customer needs are adequately met					
Internal Process Perspective	**1**	**2**	**3**	**4**	**5**
There are efficient supermarket internal processes					
There is effective inventory management in the supermarket					
There is effective supply chain management in the supermarket					
Learning and Growth Perspective	**1**	**2**	**3**	**4**	**5**
Employee innovation and creativity are encouraged					
There is a provision for professional growth and development for employees					
Employee satisfaction and engagement are fostered in a positive work environment.					

Thanks for your time

Appendix II: List of Supermarkets Kenya

1. Afco Supermarket
2. A-one Supermarket
3. Bacchus Supermarket
4. Bei Nafuu Supermarket
5. Bin Athman household store Supermarket
6. Carrefour Supermarket
7. Chandarana Supermarket
8. Cleanshelf Supermarket
9. Downtown supermarket
10. Eastmatt Supermarket
11. Fast mart Supermarket
12. Kaatar Supermarket
13. Kengeleni Supermarket
14. Khetias Supermarket
15. Kitchen Supermarket
16. Kwick save Supermarket
17. Maathai Supermarket
18. Maguna Supermarket
19. Naivas Supermarket
20. Nawal Centre
21. Nick’s mini Supermarket
22. One Stop Supermarket
23. Quick Mart Supermarket
24. Shivling Supermarket
25. Society Stores Supermarket
26. Waecon Supermarket
27. Woolmatt Supermarket
28. Zola Supermarket