

**THE STRATEGIC RESPONSES ADOPTED BY VIVO  
ACTIVEWEAR TO CHANGING EXTERNAL ENVIRONMENT**

**BY:**

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## DECLARATION

This is my original work and has not been presented to any other university for award of a degree.



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## **DEDICATION**

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## **ABSTRACT**

Business organizations in the contemporary world have continuously faced rapid, exciting, and dynamic challenges presented by external environments, compelling managers to critically assess and strategically respond to the challenges thrown at them by the external environment. Organizations that fail to respond to the disruptions caused by the external environment are rendered maladaptive and cease operations. Strategic responses guarantee the survival and success of firms. The objective of this project was to establish the strategic responses adopted by Vivo Activewear to the changing external environment. The research design employed a case study, and the firm under study was Vivo Activewear. The researcher amassed both primary and secondary data whereby the scholar employed an interview to gather the information from the respondents. Thereafter, the scholar employed content analysis to analyze the collected data because this research is qualitative in nature. The study results indicate that Vivo Activewear faces various changes in its external environment, including social, technological, economic, industrial, changes in customer preferences and tastes, and rules and regulations. Therefore, it takes various strategic responses to contend with these challenges such as product differentiation, product innovation, technological advancement, e-commerce, social media, digital marketing, go-to-market strategy, staff management, customization of products, and diversification. Based on the research outcomes, the academic recommends that strategic responses to changes in the external environment are a necessity for all firms; thus, it is vital for enterprises to adopt strategies such as product innovation, social media marketing, differentiation, e-commerce, employee reward and motivation systems, and others as deemed fit.



# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

Business organizations in the contemporary world have continuously faced rapid, exciting, and dynamic challenges presented by external environments, compelling managers to critically assess and strategically respond to the challenges thrown at them by the external environment. Organizations that fail to respond to the disruptions caused by the external environment are rendered maladaptive and cease operations. The external environment consists of the outside factors or forces that shape an organization but are beyond its control. These factors affect the functions of the business, its objectives, and its strategies. Businesses as open systems do not exist in a vacuum but continually interact with the external environment. Firms receive inputs like raw materials, technology, and labor from the external environment. They convert the inputs into outputs, which they release back to customers in the external environment at a profitable price. As a result of the interdependence with the relatively uncertain external environment, it is imperative, therefore, that business firms adopt strategies that empower them to remain focused within the market at times of risk, thus cooperating with their environmental variables to survive in the market (Ansoff & McDonnell, 2010). The MTP III Review report 2022 shows that Covid-19 pandemic, and the subsequent containment measures, affected the economy negatively in the year 2020. However following relaxation of the Covid-19 measures in 2021, economy grew rebounding by 7.5 percent in all sectors except Agriculture. (State Department for Planning, 2022)

The textile industry in Kenya faces stiff competition since many textile firms import garments from cheaper international firms, yet local enterprises exist too. The external factors that hugely affect business operations include social, demographic, economic, legal, technological, competitive and global factors. This means that the changes in external environment have great influence on and determines whether fashion industry thrives or collapses. Thus, its critical and necessary, that textile enterprises of all sizes employ strategic response tools to adapt and navigate the uncertain external environment for their survival. Vivo Activewear has been successfully operating for the last ten years. Whilst various apparel and textile enterprises have shut doors in past years, Vivo Activewear is still thriving and expanding to new markets evoking the researcher's attention.

This study was guided by two theories: The environment dependency theory which discusses the interdependence of an organization (as an open system) with its external environment; and the institutional theory that describes how culture, values, rules and regulations, economic ideologies and other social prescriptions shape an organization strategic response.

### **1.1.1 Concept of Strategy**

Strategy is the blueprint of decisions made within a company that demonstrates its goals and objectives, key policies, and plans for achieving these goals. It defines the type of business the corporation will conduct; the type of organization it wants to be; and the contribution it plans to make to customers, shareholders, and society (MBA Knowledge Base, 2021). The term strategy is a military word derived from two Greek words: "Stratus," which means "army," and "ago," which means "to lead.". However, the

strategy concept has evolved to become an indispensable tool that managers must have; to ensure that their organizations compete effectively in the marketplace, and survive in any turbulent external environment.

Strategic management is the process through which an organization formulates and achieves its objectives; while strategy is the means of achieving those objectives. Strategy, thus, is an overall plan or magnificent design which a firm selects to move towards the attainment of its set objectives. An efficient corporation characterizes itself by proper coordination between its objectives and strategies. Strategy assists the firm to accomplish its ambiguous situations with due diligence. Without a strategy, a corporation is like a ship without a radar, having no destination (MBA Knowledge Base, 2021). It follows then that, if an organization fails to define and effectively implement an appropriate strategy, its future will always be murky and, chances of failure very high.

In coming up with the organizational strategy, the first step is to decide on the objectives. Then the management has to plan how to achieve those objectives. Strategy is both a science and an art. Strategy is a science since it needs analytical and organizational skills to analyze information, and make prudent decisions (MBA Knowledge Base, 2021). Strategy is an art since one needs thinking, imagination, and the ability to envisage the future and to reassure and link those who will implement the strategy. An organization that has no strategy is meaningless and weak in the face of any changes in its business external environment. Strategy offers a direction for the firm and designates what it must do to survive turbulent forces, and become profitable.

### **1.1.2 Strategic Responses to External Environment**

The business environment can involve turbulent forces with different traits that require diverse strategic matches. Sequentially, the strategies ought to be matched by a suitable organizational ability to survive, grow and develop (Ansoff & McDonnell, 2010). According to Ross (2011), change cannot be a sporadic occurrence in the firm's life operating within a fast-paced global economy. Therefore, firms with inflexible structures risk being swept away, while those with cultures that can adapt to external environment will survive and thrive. Mitchell, Shepherd & Sharfman (2011) explain that change is the only constant in today's life for people and corporations. Hence, managers have a responsibility to detect when new developments necessitate strategic responses and when they do not require them. Consequently, managers are responsible for an organization's progress: identifying problems early, observing the external market environment and changes in customer needs, as well as, making adjustments.

Peace & Robinson (2011) note that companies are open systems that influence and are impacted by external environments, mostly beyond their control. Therefore, their strategies must focus on their customers to survive within a dynamic environment (Ansoff, 2003). Strategic responses therefore, enable firms to capitalize on their core competencies to offer value-adding goods and services. There is a perception that companies that embrace strategic responses experience a healthier performance (Greenberg, 2011). Clothing enterprises in Kenya and the whole world experience fast-changing environmental conditions; thus, they must enhance their strategies to increase their performance within the competitive environment. These may include, product development, market penetration, diversification, and market development.

### **1.1.3 Overview of the Textile and Apparel Industry in Kenya**

The textile industry in Kenya is a multi-million-dollar sector whereby many people are involved in selling both new and second-hand clothes. The textile industry comprises three key segments: textile mills, textile production mills, and apparel manufacturing (Matheka, 2021). Textile mills offer the raw material to produce apparel/clothing and textile products. The textile product mills transform the raw textiles into finished goods, except apparel. The products include curtains, carpets, towels, rugs, and sheets. Apparel manufacturing then converts fabrics produced by the textile manufacturers into finished clothing and accessories. Then, they sell some of these goods directly to the consumer, and others as inputs for the manufacture of other products.

Kenya grows cotton as a cash crop and sends some of it for spinning outside the country. It is then, brought back as fabric. Most Kenyans ill-afford the new clothes made in Kenya. Therefore, apparel is exported to foreign countries. According to the Ministry of Industrialization, Trade and Enterprise Development (2020), Kenya is a beneficiary of AGOA (African Growth and Opportunity Act). Hence, it is one of the leading African apparel exporters to the United States. Some textile and apparel businesses import fabrics for making their products. This means that the clothing industry in Kenya has competition from all corners involving the firms selling fabrics and apparel.

### **1.1.4 Overview of Vivo Activewear**

Vivo Activewear was founded in 2011, and had its first shop in the Junction Shopping Mall in Nairobi. It then expanded to fourteen branches. Eleven in Nairobi and, one each, in Nakuru, Mombasa and Eldoret specializing in ladies' apparel. Currently, it has established twenty-three (23) retail stores across Kenya and Rwanda and is set to set

foot in United States sometime in the year. The company started by importing garments but then grew to manufacture most of its clothes in Kenya (Maritzon, 2020). In December 2019, it launched its Shop Zetu online store where it sells its own brands plus other Kenyan made apparel. Vivo handpicks the brands it sells on its Shop Zetu platform and stocks them in its warehouse. The company was awarded the Kenyan Fashion Brand of the Year Award in 2016 and 2017.

## **1.2 Research Problem**

Businesses operate in a continuously changing environment, yet firms have no control over their external environment. The external environment includes customer needs, globalization, politics, deregulation of business sectors, pandemics, climate change, and lingering competition. Hamel & Prahalad (2014) state that a firm must adapt to its external environment by adjusting its structure, processes, and strategy. When operating in a stable external environment, a firm can calibrate over time to attain optimal alignment with the surrounding, thus heightening its performance. But the external environment is rarely stable over a lengthy period. So, the inability to anticipate, re-strategize, and re-evaluate its response mechanisms to the external environment can cause an organization to deteriorate, thereby forcing exit from the market. Turbulent forces characterize the current external business environment in Kenya such that businesses arise daily, while several shut their doors too. For example, renowned firms have exited the Kenyan market, including Nakumatt, Tuskys, Uchumi, Shoprite, and Choppies. According to Larnyoh (2020), Deacons, a Kenyan fashion giant, is set to close due to rising liabilities. Ngugi (2021) also notes that Massmart declared its plan to exit the Kenyan market. These closures of establishments point to a need for

businesses to consistently align their strategies with their external environment to remain competitive.

The textile industry in Kenya faces stiff competition since many textile firms import garments from cheaper international firms, yet local enterprises exist too. Vivo Activewear has successfully been in operation for the last ten years. Various enterprises have shut their doors during the past year due to external environmental factors, while Vivo Activewear is still thriving and expanding to new markets. This means the business has been able to adapt and navigate the rapid changes in external environment to survive and remain in business.

The current literature unveils that most studies on strategic responses to changing external environments have focused on other sectors, with limited research in the textile and apparel industries. Kimunguyi (2013) discovered that agrochemical firms frequently adopt go-to-market and differentiation strategies. Kilonzi (2012) established that National Industrial Credit (NIC) bank employs differentiation and diversification strategies.

The review revealed, that organizations change strategies in response to the changes in external environment but they do so differently, and a firms' continuous success and development would be possible only if, they responded strategically to changes in their external environment. The external environment plays a notable function in profitability and growth (Mohammed, 2014). The researcher's quest, thus, is to answer this research question: What are the strategic responses adopted by Vivo Activewear to the changing external environment in Kenya?

### **1.3 Research Objectives**

This research has one objective. To establish the strategic responses adopted by Vivo Activewear to changing external environment.

### **1.4 Value of the Study**

This study intends to provide data on how the changing business environment has influenced Vivo Activewear, and the strategic responses which the firm has adopted to retain its competitive advantage within the market. The study will assist the management of Vivo Activewear to evaluate their strategic management decision-making skills in view of the ever-changing external environment.

Additionally, the study will be helpful to practitioners i.e., business people and upcoming entrepreneurs in textile and apparel industries. It will offer them vital information on the strategic responses that they can consider adopting to help them grow and thrive.

Further, researchers and policy makers in this area of interest will also find this study helpful. Findings may raise the need for further research; and reveal gaps that may need to be addressed to provide a greater understanding of strategic responses in textile and apparel firms.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Chapter Two offers comprehensive coverage of the literature review relating to strategic responses taken by firms in response to changes in the external environment. The chapter covers the theoretical framework, organization, and the external environment. It also includes major strategic responses businesses adopt to respond to the external environment and a chapter summary.

#### **2.2 Theoretical Foundation of the Study**

##### **2.2.1 Environment Dependency Theory**

Organizations are open systems, being both environmentally dependent and environmentally serving. They depend on the external environment for inputs such as labor and raw materials. They then process the inputs into outputs for the external environment to consume. Consequently, it is sufficient to say that no organization is ever self-sufficient or reliant. An understanding of the external environment surrounding an organization is salient to the management of a business entity if it is to survive in an unpredictable, dynamic, external environment. The environment provides the resources to produce goods and services and presents opportunities and threats to the organization. The former enhances the performance of the business entity, the latter undermining its performance. These, thus, shape the strategic decisions taken by the management to lead the organizations to success.

Business entities, as open systems, depend on resources from the environment to

produce goods and services. Lamb & Boyden (2011) assert that resources are vital in the attainment of organizational success; hence, access and control of resources are the basis of power. The firm's ability to gather, exploit, or alter resources faster than competitors is of absolute necessity in responding to external environmental changes. The overall thrust of this theory is that a firm's harmonious, adaptive co-existence with its external environment is vital for its survival. The external environment is indispensable to the survival of business entities as it is the source of limited resources such as raw materials, skilled and unskilled labor, and machinery. Thus, an organization will only be successful to the extent that it is able to recognize the changes in the external environment and adjust itself accordingly.

Environments with low levels of resources intensify competition among businesses, whereas environments with high levels of resources are less hostile to the stability of companies. An environment that has strict or severe government regulations might choke businesses to death. On the other hand, an external environment that has favorable regulations fosters rivalry and stiff competition amongst and within the various industries. A firm, therefore, will need to develop and sustain effective relations with the external environment to minimize the effects of environmental uncertainty (Pfeffer & Salancik, 2003). Accordingly, this theory posits that the customer is the ultimate resource that firms depend on.

### **2.2.2 Institutional Theory**

Organizations do not exist as standalone. They constantly deal with external influences such as cultural values, religion, economic and political systems, and colonies. This theory acknowledges that institutionalized symbols, including rules, values, meanings,

and others, explain a cultural validation (DiMaggio & Powell, 1983). Meyer & Scott (2011) accentuate that companies must comply with environmental pressures to survive. For example, businesses in Hong Kong had to adhere to China's rules and regulations after it was handed over back to China by the United Kingdom. These pressures encompass the changes in the business environment that hinder the survival of corporations. It is, therefore, essential for businesses to respond to external environmental changes so that they can gain a competitive advantage against their competitors. For instance, reinforcement of Islamic values in Afghanistan, Egypt, or Dubai may strongly affect the fashion and textile industries and customers' tastes and dislikes.

This theory posits that the institutional environment can powerfully impact the development of formal structures in a firm. Founded and changed organizations are less driven by functional considerations and more driven by external influences and symbolic actions (Meyer & Rowan, 1991). The theory asserts that legality within the institutional environment assists in ensuring that firms survive. Nevertheless, the formal legality structures might hamper efficiency and hamper the competitive position of a company within the technical environment of a company. Therefore, firms will tend to dissociate or adapt to legal structures to lower their negative impact. This theory is relevant to Vivo Activewear since it illustrates the environments in which the firm operates. The external business environment in Kenya unceasingly changes, and firms must keep formulating strategies to remain competitive and successful.

## **2.3 Strategic Responses to External Environmental Changes by an Organization**

No organization can operate in a vacuum; Organizations are environment serving. Thus, an organizational success is determined by an organization's ability to maintain a harmonious relationship with its immediate environment. Since the environment is constantly changing, management must persistently adapt to the environment. The changes in the external environmental shape the opportunities and threats that any business organization faces (Kanyotu, 2017). Business entities must, therefore, study the external environment, reconfigure their strategies to place themselves in the best position to meet external environmental needs.

Changes in the external environment are usually difficult to predict and are beyond the control of the firm, changes may range from fairly predictable environment to a turbulence one. In addition to Covid-19 adverse effects on economy, Kenya faced and had to contend with the invasion of swarms of desert locusts that damaged crop; and floods following receipt of more than normal rainfall in May 2020. (State Department for Planning, 2022) Thus, the external business environment is multi-faceted and very dynamic and hard to envisage changes in the business environment (Markides & Williamson, 2012).

Strategic response is the tool by which an organization respond to an unpredictable external environmental change. The inability for an organization to effectively employ proper strategic response to the changes in the external environment likely will run the company aground. Thus, changes in the external environment that may require organizations to reconsider and re-evaluate their strategies which may include

customer needs, regulatory requirements, political risks, pandemics, innovative technologies, and globalization. Customer needs keep changing, and enterprises must cope with them to remain relevant and competitive. According to Hamel & Prahalad (2014), customers possess different tastes and preferences, so companies divide them into segments to broaden the scope of their target market to meet their unique needs. However, how a firm responds to a specific situation it faces will determine its fate in the long term. In an ideal world, organizations would capitalize on their opportunities, then eliminate or minimize their threats and risks. For instance, changes in innovative technologies require companies to adopt these technologies to enable them to remain relevant and competitive within the industry. These innovative technologies enable firms to exploit their core competencies and develop high-quality products and services while minimizing costs.

Political risks also interrupt business operations, thereby either compelling investors not to make long-term financial commitments or warding off potential investors. Political risks also make customers avoid spending, which can affect businesses. Nations that have unstable political environments attract no investment and vice versa. Moreover, pandemics threaten the survival of firms across all sectors and industries at a global scale. As previous crises have shown, such threats not only provoke major economic recessions, but also have severe societal repercussions when household incomes break away. The kind of ‘shocks’ arising from pandemics, tend to be perceived by organizational members as sudden, unexpected, and massively disruptive (Mathias Wenzel, 2020) Subsequently, most people only buy the necessities at cost-effective prices. Therefore, all organizations, whether public or private, large or small, must

carefully consider the elements that comprise their external environment and be able to identify and evaluate how they affect an organization's operations and profitability.

Ansoff & McDonnell (2010) state that tactical reactions comprise alterations to the planned conduct of firms, which might take several forms, depending on the corporation and the environment it functions in. Properly-established and smart strategic reactions are dynamic weapons for a company in obtaining and supporting a viable competition in the market. The deliberate responses include, but are not limited to, different markets, different products, different services, new processes, and new strategies for handling the markets. There are numerous strategic reactions that firms adapt to tackle turbulence in the trade atmosphere, but this research will discuss just eight: product differentiation, go-to-market strategy, research and development, product innovation, social media marketing, motivation, and reward.

According to Porter (2008), firms adopt the product differentiation strategy to react to variations in the business situations. Under such strategy, companies uniquely design their products and services to ascertain they become more appealing to the target market. The enterprise distinguishes its products or services from the offerings of its competitors (Markides & Williamson, 2012). However, some firms are quick to copy the differentiation techniques of other businesses. This means that companies ought to add into their investment for research & development so that they can continuously improve their products and services (Thompson, 2008). Corporations can also adopt the differentiation strategy to enter new markets or industries, and then generate just same but slightly differentiated items and services.

Product innovation involves the delivery of new or improved items or amenities to the

market. The key objective of the product innovation strategy is to refine the superiority and worth of a firm's goods and services for the intended customer base. Firms must invest in research and development to achieve product innovation. This may require firms to invest in the most current technologies and hire competent and talented employees who have specialized skills to contribute effectively to the firm's processes. Managers can use product innovation strategy to make use of externally and internally obtained resources like competencies, organizational expertise, and properties by positioning them on the way to shared targets and goals (Lamb & Boyden, 2011). One benefit of creation of a new item is that it is not easy to copy (Scott, 2010). According to Salim & Sulaiman (2011), companies can respond to changes in the business environment through product innovation, which is so difficult to duplicate by rivals, that it then offers the business a competitive edge over the rest because the strategy can provide distinctive and affordable products or services.

Motivated employees perform better and help the firm achieve its goals. It follows, therefore, that businesses should establish effective motivation and rewarding systems to retain their top performers. This can be done by setting up recognition and rewarding systems for good performance and employee satisfaction. Stenard (2012) explains that the survival of a corporation and its prosperity depends on how well it treats its employees, how it implements its reward and recognition programs, and how it communicates the rewarding strategies to the employees. Prais (2011) stresses that managers ought to reward staff to motivate them, thus exploiting their maximum potential.

The Government of Kenya is determined to create and achieve Digital Superhighway and creative economy under Bottom Up Transformation Agenda (BETA), allocated Ksh 15.1

billion to the Ministry for Information Communication & Technology (ICT) to drive this agenda in the 2023/2024 budget (The National Treasury and Economic Planning, 2023)

Almost all sectors of the world economy are now leveraging and advancing on the use of internet, mobile technologies and robotics. As evidenced and necessitated by the Covid 19 pandemic, the digital economy provided socio-economic resilience during the tough period experienced by all world economies. Organizations that quickly adopted to the use of digitalization, social media and other technologies were able to survive and made massive profits as a result of strategically aligning their responses to adopt to the harsh macro-economic environment.

Social media communication thus, offers varied opportunities for firms in all industries and can help customers become active influencers of a particular brand (Hanaysha, 2016). Social media also influences consumers through their direct participation and enables companies to receive feedback on their brands (Hoffman, 2017). Therefore, social media marketing enables firms to attain a good differentiation strategy, good benchmarking and positioning since they can effortlessly monitor competitive brands and respond to any changes in their market swiftly (Santos, 2017). Hence, firms need to use social media platforms like Twitter, Facebook, Instagram, or YouTube for marketing in bid to get to a substantial customer base (Gascón, Rodríguez, Bernal, & González, 2017).

## **2.4 Empirical Studies and Research Gaps**

Vikhanskiy et al. (2012) investigated the organizational reaction to environmental hurdles in the business atmosphere by 3 Russian engineering firms. Their findings showed that technological changes and government policies were the major



environmental challenges affecting the companies. Kimalel, Kihara & Muriithi (2017) conducted a study to determine if strategic responses adopted affect the performance of SACCOs (Savings and Credit Corporative Organizations) within Nairobi County. Their findings indicated that there exists significant progressive link between market expansion and cost-cutting strategies with the performance of SACCO.

Matabishi (2015) assessed the tactical actions to business climate problems by the International Award Foundation (IAF) in Kenya. Alterations in the IAF exterior business climate comprised of technological, monetary, societal, political, and legal. IAF adopted a differentiation strategy, information technology, organizational structure, strategic partnership, organizational restructuring, resource mobilization, innovation strategy, cultural practices and management, and adjustment handling, to respond to the external environmental modifications. Henderson (2013) researched planned counter-actions that United States seed-germ firms employ. He found out that goods differentiation and item innovation are the mainly adopted strategic responses.

Kimunguyi (2013) revealed that agrochemical firms mostly adopt strategic responses like go-to-market and differentiation strategies. Kilonzi (2012) determined that National Industrial Credit bank uses diversification and differentiation as its main strategic responses. Muraya (2010) researched strategic responses by Davis & Shirtiff to environmental shifts in Kenya. Discoveries indicate that pricing, government funding, legal, political, customers taste, and preferences are the most influential external environmental factors.

Denton & Vloeberghs (2010) investigated the strategic responses applied by organizations in South Africa to handle modifications in the environment. Results show

that the main strategies which the companies adopted were product innovation, differentiation, and the formation of alliances. Greenberg (2011) assessed the practices that Slovakian medium-sized firms implement to manage business climate problems. The researcher used a cross-section design and selected 100 Small Medium Enterprises (SMEs). Findings reveal that most SMEs use product differentiation and information communication technology to respond to the challenges. Murule (2011) researched the strategic responses that pharmaceutical production organisations use in Kenya. Results show that pharmaceutical firms use strategic alliances, pricing, and marketing for retaining competitiveness.

In summary, this chapter covered the institutional theory and environmental dependency theory relating to the topic of study. The Chapter discussed concepts of the external environment and organization & strategic responses that enables the two have harmonious relationship hence survival of business. Equally highlighted are some response strategies taken by firms to tackle changes in their environment. These include product differentiation, innovation, go-to-market strategy, social media marketing, motivation, and reward. The chapter also reviewed studies connected to the present one. The literature review demonstrated that there are numerous studies already done on the strategic responses to changing external environment. The studies reveal that organisations do respond to the changes in external environment but they do so differently, thus conclusively recommend that it's imperative for a business entity to carefully study its external environment and align its strategies to match it, if it is to survive. The research findings also concur with study theories: That an organization is environment dependent and harmonious relations through strategic response will guarantee its survival by enabling it exploit opportunities and minimize threats. In the

same wavelength, findings reveal that rules, norms, regulations culture, and laws existing within the external environment do affect the survival of organisation, hence need for an entity to adopt to the existing institutional framework, or strategically navigate through them, if it is to continue its operations.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The research methodology provides details of the approach used in the study. The chapter deals with how the research design has been determined, the sampling design chosen for the study and where data was sought from.

#### **3.2 Research Design**

Research design refers to the overall strategy a researcher chooses to integrate the various components of a research in a consistent and logical manner. This allows one to address the research problem more effectively, and formulate a plan for gathering, measuring, and analyzing data. The research problem determines the type of design to use. The researcher employed a case study research design for this project. This is because a case study offers a comprehensive research of a specific research problem, and it assists narrow down a very extensive research field into an easily researchable topic. According to Cooper, & Schindler (2011), a case study design helps bring out an understanding of a complex problem by offering a chance to give a detailed contextual analysis of the variables of study and their relationship.

Additionally, a case study research design is suitable for testing whether a particular model or theory can be applicable to phenomena in the real world. This became handy because the researcher was studying a specific clothing business firm. Moreover, a case study ensures that one adds strength to what is previously known via previous research. It is effective in scrutiny of contemporary actual situations and offer the basis for applying concepts and theories.

### **3.3 Data Collection**

The researcher amassed both primary and secondary data to utilize in the study. The primary data refers to first-hand data that a researcher collects by herself. Secondary data is information that someone else has already gathered. The secondary data sources encompassed relevant books, company websites, company records, journal articles and internet searches.

The researcher employed an interview to collect the primary data, and the interview guide had two sections. The first part entailed questions on the demographic information of the respondents. The second part encompassed queries on how the changes in the external environment have affected the business and the strategic responses adopted by the company. The interview guide enabled the respondents to provide the first-hand information.

Population (respondents) refers to the specific people about whom one desires information. Cooper & Schindler (2011) define a population as a set of well-defined elements: people, events, services, groups of things, or households under investigation. The respondents for this study were a few Vivo Activewear management and staff, who understand the company very well.

### **3.4 Data Analysis**

The researcher employed content analysis to analyze collected data because this research was qualitative in nature. It is a research method used to identify variable relationships in recorded communication, by analyzing content and its features. Also, it is an approach used to quantify qualitative information by sorting data and comparing different pieces of information to summarize it into useful information. This content analysis helped the researcher to get exhaustive information about the firm particularly on the study variables.

The researcher chose content analysis because it made it possible to quantify and analyze the existence and relationships of strategic responses and the external environment. Moreover, content analysis was preferable since the scholar wished to determine the existence of certain concepts in each qualitative data. Besides, content analysis usually helps identify the focus, intentions, or trends of a firm or individual which this research needed. Content analysis also aids in the analysis of open-ended questions; thus, it complements quantitative data (Cooper & Schindler, 2011). Therefore, the researcher applied the content analysis to evaluate the strategic responses that Vivo Activewear uses to respond to the turbulent external factors. Afterward, the scholar drew inferences based on the results.

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1 Introduction**

The chapter lays down the results for the research. First, the study presented the demographic and general information of respondents. Additionally, it provides the analysis of data, presentation and discussion of the findings.

#### **4.2 General Information about respondents**

The researcher administered the interview guidelines to a few respondents, in management and senior employees of Vivo Activewear who understands the operations of the company. The researcher interviewed respondents from Head Office and a few store/shop managers. Those interviewed held positions such as Managers and Assistant Managers in charge, Administration, Sales & Marketing, Information Communication and Technology (ICT)-digital content, operations, customer care, Production and Human Resource, Research and Training and store managers. Majority of the respondents were females at 70% while 30% were male. This infers that both genders were engaged in this study; thus, the findings of the project did not suffer from any gender bias. Besides, the results deduce that individuals who occupy the strategic management positions in Vivo Activewear were mostly female.

The aim of the researcher was also to determine the period which the respondent had worked in the firm, so the respondents were requested to indicate the number of years they had worked in the firm. Results indicate that 70% were females. Most respondents (45%) specified that they have worked there for a period of 1 to 3 years; 38% of the

respondents had worked for a period of 3 to 5 years; 17% have worked there for more than 5 years. Therefore, most of the respondents have been working at the firm for a substantial period. This suggests that most of the respondents had worked for the company for a good period, so they could offer vital information for the research. Additionally, it signified that the respondents had satisfactory experience to accomplish their tasks aptly.

### **4.3 General Information of the Company**

The scholar sought to learn more about the company and what guides its operation. For that reason, the respondents were asked whether Vivo Activewear have a clear mission and vision statement. The result indicated that Vivo Activewear has a clear mission and vision statement which is to see Africa dress the world, through contributing to the development of the African fashion sector, promotion of intra-African trade, and building and offering support to African brands by creating economic opportunities in Africa through fashion. The mission and vision statement of Vivo Activewear has not changed much over the years; thus, the company still aims to fulfil its original mission and vision.

Another question asked was on what guides the firm in what it does and ensure it bear fruits. The respondents stated that Vivo Activewear is guided by its mission, values, and goals, which shape its decision-making and operations. The company's commitment to quality, sustainability, and customer satisfaction drives its efforts to create and deliver top-rated products. To ensure its efforts bear fruit, Vivo Activewear regularly assesses its performance and adjusts as necessary to remain competitive and meet the evolving needs of its customers. The company also invests in research and



development to continuously improve its products and stay at the forefront of industry trends. Additionally, Kenyan Vivo Activewear considers the unique cultural, social, and economic context of the Kenyan market to ensure its products are relevant and well-received by customers.

#### **4.4 Strategic Responses Adopted by Vivo Activewear to Changing External Environment**

The project aimed at establishing the strategic responses adopted by Vivo Activewear to changing external environment. This section offers the analysis of various responses from queries directed to respondents to discover how Vivo Activewear respond to the changes in the external environment.

##### **4.4.1 Strategic Responses to Changing Technological Environment**

The first question inquired how the changing technological environment affected Vivo Activewear and the strategic responses which the firm has taken towards that change. According to respondents, technological environment has had a significant impact on the Vivo Activewear in various ways. For instance, there is an augmented utilization of technology in retail business which has contributed to more convenient and personalized shopping experiences for customers, besides more efficient supply chain management for retailers. Thus, there are changes customers' purchasing behavior, preference and tastes. In response, the participants mentioned that Vivo Activewear has adopted new technologies to stay competitive in the market, and the strategic responses comprise the following:

E-commerce platforms: Vivo Activewear has established its own online stores and has its presence in various online platforms to reach a wider audience. It has its own e-commerce store called Shop Zetu where it lists its products and sells across Africa and beyond. Moreover, it uses the Shop Zetu platform to list other products from other retailers which consequently help it increase its sales revenues. Shop Zetu enhances online shopping experience by ensuring customers can effortlessly put together the perfect outfit without having to look through various online stores to pick out different clothing that suit one's style and social engagements. They offer more customer consumer visibility of what is available in the market while also giving other vendors access to a bigger market. Apart from Vivo Activewear, there are various brands hosted on the Shop Zetu online shopping platform like City Walk, Intimate Kenya, Ikojn, King's Collection, Salok Havilah, African Yuva, Uncover, and others. Furthermore, Vivo Activewear has social media accounts including Facebook, Instagram, Tikotok where it continuously posts the products on offer and communicates with the clients.

Digital marketing: Vivo Activewear invests in digital marketing mainly through social media and its e-commerce platform Shop Zetu to reach their customers and promote their products. With the technological advances and increased use, most people have turned to online channels where they search for clothing and process their purchases at their convenience. Vivo Activewear has capitalized on this; thus, it invests in digital marketing strategies to reach a wider audience and meet the needs of the customers, subsequently increasing the sales revenue. They monitor behavior and preferences of the customers then create personalized content targeting specific customer segments. The digital marketing platforms run these targeted campaigns that resonate with their followers and driving their engagements. One of the ways it does this is through social

media platforms majorly on Facebook where it has a big following so Vivo Activewear show-cases its collections to the clients. It utilizes videos and high-quality pictures to display the latest collections.

Data Analytics: Vivo Activewear monitors its customers preferences using their shopping data and analyze it to make informed decisions about their designs and marketing. From the data they can monitor shopping trends, what is selling more and incorporate these in the next collections which guarantee them frequent and repeat customers.

#### **4.4.2 Strategic Responses to Changing Economic Environment**

The respondents were also asked how the changing economic environment has affected Vivo Activewear and the strategic responses it has taken towards the change. The results indicate that the changing economic environment has brought in different customer preferences and changed their purchase behavior. Due to the rising inflation, costs of production have skyrocketed making the prices of items increase significantly. For that reason, most people buy only what they need to survive and Vivo Activewear has taken strategic response of making more reasonably priced options for customers who are on tight budgets. Hence, they have various alternatives to meet different demands.

#### **4.4.3 Strategic Responses to Changing Legal and Political**

##### **Environment**

Another query to the respondents was how the changing legal and political environment has affected Vivo Activewear and the strategic responses that Vivo Activewear has taken towards the change. The findings demonstrated that changes in laws and

regulations have affected the cost and availability of raw materials and finished products needed in the company's production process. In response, Vivo Activewear has adjusted its business strategies to comply with new regulations and protect its bottom line. Some of the strategies it has taken are staying informed with changes in laws and regulations to avoid non-compliance. Also, it diversifies its operations across different places and now considering going outside Kenya to reduce the impact of changes in laws and regulations in the country. For that reason, the most recent branch was opened in Rwanda with an aim of expansion and exploration of other markets with fair business policies apart from the Kenyan marketplace.

#### **4.4.4 Strategic Responses to Changing Customer Preferences and Tastes**

The scholar also asked the respondents to state how the changing customer preferences and tastes has affected Vivo Activewear and the strategic responses that firm has taken to survive the change. From the respondents, the changing customer preferences and tastes has had a substantial impact on Vivo Activewear operations. First and foremost, there are constant changes in fashion trends and styles, so Vivo Activewear invests in research and development to ensure that it stays ahead of the market. Some other strategic responses that Vivo Activewear has taken towards changing customer preferences include diversification of products, personalization of products, collaboration with designers, content creators, and influencers as well as extensive market research. The firm conducts wide market research to comprehend the latest fashion trends, customer preferences, and unique styles then integrate these in the designs.

Moreover, Vivo Activewear diversifies its product offerings which has ensured that its apparel always appeals to a broader range of clientele; thus, it remains ahead of changing preferences. For instance, during the Covid-19 pandemic, the sales volume was affected by the challenges but Vivo Activewear was quick to adjust its production to include designer masks which ensured that it gained back its momentum and thrived in business. Besides, Vivo Activewear works on personalization of clothing as per customer requests and needs. Also, the corporation utilizes all information available and data analytics to offer personalized experiences to the customers thus those who buy from the store always come back. Besides, the firm avails variety to choose from in that one fabric can be utilized in coming up with different designs and outfits for different occasions and needs. Subsequently, the customers have access to a wide variety of styles to select when they shop.

Lastly, the firm collaborates with influencers, models and designers to stay on top of the latest fashion trends and bring fresh ideas to the market. They have unrivaled designers who generates top-rate apparel. Furthermore, they engage different models who offer their products an impressive appeal to the public to entice them to purchase from them. In addition, Vivo Activewear works with influencers with excellent command of massive public opinions which help the firm to market and turn them into revenues.

#### **4.4.5 Strategic Responses to Changing Social Environment**

**(Population Increase, Demographics, Income of buyers)**

Another question directed to the participants was how the changing social environment affected Vivo Activewear and the strategic responses the firm has adopted to the changing social environment.

The respondents indicated that the changing social environment in Kenya has extremely affected consumer preferences and behavior. For example, changes in income levels continuously influence the demand for clothing, and due to rising inflation numerous individuals have cut costs they spend on attire. Also, some companies restructured during covid-19 pandemic; thus, they reduced the wages they give to employees and this affected various consumers and their spending abilities. In response to the changing social environment, Vivo Activewear has taken varied strategic responses. One is the company targets different income groups; thus, it develops products and devices categorical pricing strategies to target distinct income groups including high-end, budget-conscious, and luxury market segments. Hence, people from all income groups can get what works for them while retaining the quality and style. It also runs numerous special offers, discounts, and after-sale services like free delivery for certain number of acquisitions which fascinates more clients especially those on budget.

Additionally, the firm embraces diversity and inclusivity in its business which corroborate that it responds to changing social attitudes. Therefore, it offers a wider range of styles, sizes, and colors, and promotes diversity in its marketing and advertising efforts. For instance, there are various videos that exhibit the products in different sizes, colors, styles which then means that clientele with different needs are all catered for.

#### **4.4.6 Strategic Responses to Changing Environment due to Covid-19**

The participants were also asked to indicate how the Covid 19 Pandemic affected Vivo Activewear and the strategic responses that enterprise adopted to deal with the pandemic.

The results designate the COVID-19 pandemic had a profound impact on Vivo Activewear business since it brought about disruptions to supply chains and key changes in consumer shopping behavior and spending habits. This made the firm have the worst financial performance in 2020. Despite these challenges, Vivo Activewear firm demonstrated resilience and weathered through the storm which saw it start stabilizing again in 2021 and experienced approximately 70% growth in 2022. The respondents noted that one of the vital ways that Vivo survived the COVID-19 pandemic is through a shift towards the new reality of remote work and social distancing. Hence, the company decided to temporarily shut down its physical stores in mid-March and embraced e-commerce. This allowed business to continue to sell the products and generate revenue, even when physical storefronts were closed. Moreover, the company reassessed its growth expectations for 2020 and incorporated other measures to protect itself. For example, after reopening about a month later after closure of physical stores, it implemented precautions such as not allowing customers to try on clothing.

In response to the pandemic, Vivo Activewear also diversified its product offerings to include more casual, comfortable, and home-wear outfit which reflected the changing needs and preferences of consumers during the pandemic. Additionally, with changes in consumer purchasing behavior during the pandemic, Vivo Activewear adapted to

meet new demands such as offering new product lines like masks. So, rather than being inactive during the store closures, Vivo Activewear utilized some of its production capabilities to make reusable cloth face masks. As a result, the firm generated over 200,000 masks, which it sold through its pop-up stalls, stores, and online platform. Besides, Vivo Activewear received large orders of masks from banks, farms and other employers which gave it more sales revenue. This strategic decision was timely since mask sales accounted for a significant amount of revenues in 2020 like masks brought around 65% of the company's revenue in April alone.

#### **4.4.7 Strategic Responses to Changing Industrial Environment**

Additional query that was steered to the respondents was on how Vivo Activewear was affected by the changes in industrial environment and the strategic responses the firm adopted towards the changes. The respondents held that the industrial environment has seen different changes including globalization, technology, consumer behavior, and supply chains. The participants mentioned that the advent of globalization has made Vivo Activewear get exposed to new market trends, consumer demands, and stiff competition which has initiated a shift towards fast fashion. Also, technological advancements have affected the firm in that the rise of social media and e-commerce platforms has altered the way consumers shop and changed marketing of products. The company has also experienced hurdles in supply chain because of the disruptions in the global supply chain that the COVID-19 pandemic caused. The company has also been affected by changes in consumer behavior because the customers have become more mindful of their spending, and most clients prefer affordable, durable and versatile clothing. Besides, the changing industrial environment have affected Vivo Activewear by exposing it to more competition.



In response to changes in the industrial environment, Vivo Activewear have taken strategic responses such as embracing technology. The firm has invested in new technologies such as computer-aided pattern-making software to streamline production processes, boost efficiency, and stay ahead of the competition. The corporation is also trying to build strong sustainable supply chains that can be resilient to disruptions and ascertain the availability of high-quality raw materials. This is because producing in Kenya is quite expensive which affects the prices of the end-products, and their aim is to be able to meet the needs at affordable costs for all. Additionally, Vivo Activewear has responded through production of some cheaper clothing at a lower rate to meet the consumer demands and have quick sale turnovers. It also does unique apparel, customizes some attire as per the customers' demands and incorporates product innovation to beat the competition.

#### **4.4.8 Effectiveness of the Strategic Responses to Changing External Environment**

The study also sought to establish whether the strategic responses adopted by Vivo Activewear brought results in terms of performance. Therefore, there was a question for the respondents to state and explain if the strategic responses adopted to the changing environment brought results in terms of performance.

According to the majority of the participants (90%) the strategic responses adopted have proven to be effective as the company has been able to remain operational, open new branches and continue making high revenues. In 2022, the company growth rate in terms of sales revenues was 70% indicating that its performance is good. There were however, 10% participants who felt the adopted responses have not been effective

which indicates the external environment is turbulent, complex and dynamic; so, it can sometimes render some strategic responses unproductive. However, since a higher percentage is successful, the firm just needs to work on the few areas which could drag it behind.

The strategic responses to changing environments by Vivo Activewear involves adaptation and innovation. Vivo Activewear through adaptation made some changes to existing business processes and products to better fit the new environment for instance, during Covid-19 which brought in results. Through the adaptation to produce new products which are cheaper to ensure affordability and subsequently get customers buying from the company. This is because Covid-19 disrupted operations and affected many financially meaning that some people bought only necessities and considered costs, so the more affordable the better. Besides, they employed innovation of new products and business models to exploit opportunities presented by the changing environment for instance, Vivo Activewear resorted to produce masks; thus, the firm was able to boost its sales revenue and remain operational amidst the pandemic. For example, in April 2020, a high amount of the firm's sales (approximately 65%) came from masks.

Therefore, Vivo Activewear successfully adapted and innovated in response to a changing environment, so it achieved success. The firm also adapted to its supply chain to manage with disruptions caused by the COVID-19 pandemic; hence, it was been able to maintain its production levels and meet customer demand. Also, since the sales of the usual products reduced, Vivo Activewear introduced new product lines (masks) to tap into the increasing demand. Besides, it continued to streamline its e-commerce

platforms to take advantage of the growing trend towards online shopping which helped to enhance revenue and profit margins.

#### **4.4.9 Full Response to the Changing External Environment**

The final question was whether Vivo Activewear has fully responded to changing environment. All the respondents mentioned that vivo has fully responded to the changes in its external environment and below is the analysis of the same.

Due to changes in the business environment like shifts in customer preferences, new competitors, and business policies, Vivo Activewear has fully responded to maintain and improve its competitive position, sales revenue, and profitability. It has invested in computer-aided software to ensure efficiency in its design. Moreover, it has fully embraced e-commerce platforms and social media to create brand awareness and increase the sales revenue. Also, it continuously invests in research and design to keep up with the fashion trends, produce apparel that meet the customer needs and beat the stiff competition in the market. Another thing that has kept Vivo Activewear ahead of the competitors is efficient staff management and rewards. The firm rewards its employees well, ensures that they work only 5 days per week and all are under medical cover insurance. This ascertains that the employees are motivated to deliver to the highest standards which in turn translates to good firm performance.

Additionally, what has worked for Vivo Activewear is product differentiation strategy since the firm is able to create designs and products and styles that are tailored to the market. It considers particular tastes of the customers, their body types, colors and fabrics that speaks to the audience. They listen to that and respond to it then ensures

that it is factored to the product offerings. Moreover, it diversifies its markets. For example, it opened the first store in Rwanda making it go beyond Kenyan market and have a sum of 22 physical stores because they have studied customer analysis and preferences to determine that majority even the online buyers still prefer to see the clothing, feel the fabric and try them before completing their purchases.

On sustainability, Vivo Activewear produces in smaller batches because it is closer to its target market so it does not have to take massive production at once because it can make products, put it in the market and see how it runs. If it does not move then the company does away with a small number of pieces, and if it moves well then, it can generate more. It also uses digitalization and localization of production ensures it has less negative impact on the environment.

#### **4.5 Discussion of Results**

The research established different strategic responses to changing environment which ensures success of a firm. First, the findings demonstrated that innovation as strategic responses boost performance and sustainability of business. For instance, through the product innovation by Vivo Activewear, the enterprise delivers new and improved products to the market, and it also polishes the quality and value its products and services for its target markets which offers the business a competitive edge. Therefore, it has been able to improve its performance even post the pandemic and was able to experience growth of 70% in 2022.

Moreover, the study determined that product differentiation strategy as a response to changes in the environment ascertains its survival rate and performance. Vivo Activewear uniquely design its clothing to ensure they become more attractive to the

target market. By considering the unique demands of the customers, the company has been able to differentiate its products from those of its competitors which has given it a competitive advantage.

Also, the research established that efficient motivation and rewarding systems ensures business success because when employees are motivated, they tend to perform better towards achieving the company's goals. Vivo Activewear has been able to set up standard motivation and reward system for all its employees that has helped it remain operational amidst challenging business environment. Additionally, the researcher found that social media marketing is a response strategy which enhances sustainability of a company because it creates brand awareness and provides a great communication channel between the firm and the clientele. Most respondents agreed that social media use boosts brand awareness which is vital in business today as it increases sales revenue. Besides, go-to-market strategy as a response to changing external environment has worked for Vivo Activewear in ensuring continuity of operation and excellent performance. Again, adoption of technology including social media presence, data analytics, and utilization of computer-aided software for its designs and e-commerce for the sales have greatly bore fruits and ensured it is ahead in the marketplace. For that reason, Vivo Activewear has adopted various strategic responses to adapt to the changing environment and excel in its operations. This means that businesses need to continuously study their external environment and take the necessary responses that can ensure they gain sustainable competitive advantage, remain efficient and successful. The findings of this study concur with previous scholars who established the strategic responses that have been implemented by different establishments to adapt to changes in the external environment. The studies comprise Aketch (2014) who investigated the

response strategies taken by Sony Sugar to manage the changes in external environment, and established that the company examines its environment then crafts varied response mechanisms to gain a sustainable competitive advantage. Some of the strategic responses included differentiation, modernization, partnership, optimization, bench marking, outsourcing, market & product development, backward integration & diversification, total quality management and others. Another study by Njiru (2012) revealed that the universities in Kenya incorporates different strategic responses to cope with the challenges in the external environment. Some of the strategies were creating relationships with cooperates and other institutions, enhancing governance and resource management, diversifying and increasing the revenue base, innovation and technology, promoting research, and consultancy. Mugondo (2012) equally found that Matatu Saccos have formulated different response strategies to tackle to the turbulent external environment. Evusah (2013) also determined that the University of Nairobi has adopted numerous strategic responses to tackle the changing external environment. From all these studies, it is evident that firms experience turbulent forces from the external environment which needs constant review to adopt the essential strategic responses to guarantee their survival. There is no one specific strategic response that works for all companies and it all depends with the particular case at hand.

## **CHAPTER FIVE**

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

#### **5.1 Introduction**

This segment of the research project outlines the researcher's summary, conclusions, and the implications of the results. The summary of the findings is presented in section 5.2, while the conclusions drawn from the study's findings are presented in section 5.3. Recommendations are highlighted in section 5.4 The study's limitations are discussed in section 5.5 lastly, in this Chapter, suggestions for further research are provided in section 5.6

#### **5.2 Summary of Findings**

The study aimed to establish the strategic responses adopted by Vivo Activewear to changing external environment. The researcher utilized an interview to collect the primary data, then applied content analysis on the data gathered.

The result indicated that technological environment significantly impacts Vivo Activewear through changes customers' purchasing behavior, preference and tastes. Therefore, the firm has undertaken deliberate steps to remain competitive in the market by utilizing e-commerce platforms where it has established an online store (Shop Zetu) and using social media including Facebook and Instagram to reach a wider market. Vivo Activewear has also adopted to digital marketing whereby the firm invests in online marketing through social media and its e-commerce platform Shop Zetu to reach their customers and promote their products. Additionally, the enterprise utilizes data analytics to monitor its customers preferences through the shopping data thus making informed decisions about their clothing designs and marketing.

Findings also demonstrated that the changing economic environment has affected customer preferences and altering the customers' purchase behavior. Therefore, Vivo Activewear has taken strategic response to make more cost-effective fashion choices for customers to select from as per their demands.

The scholar also established that the changing legal and political environment has affected Vivo Activewear through alterations in the cost and availability of raw materials and finished products needed in the production process. Hence, Vivo Activewear has responded by adjusting its business strategies to conform to the new regulations and protect its bottom line. Further, the enterprise has taken steps to stay informed about changes in laws and regulations to avoid any non-compliance. Vivo Activewear has also diversified its operations in various places and has even started venturing outside Kenya to minimize the effect of changes in laws and regulations in the nation.

In order to adopt to the changing and varying customer preferences and tastes, the firm has intentionally invested in research and development, diversified and personalized its products, and collaborated with designers, content creators, and influencers to present desired fashion to its customers.

In response to the changing social environment, the research ascertained that Vivo Activewear tactically responded by employing pricing strategies to target distinct income groups, special offers, discounts, sales, and after-sale services to attract more customers. Furthermore, diversity and inclusivity in the business cloth line have helped the corporation respond to changing social attitudes.



The study revealed that COVID-19 pandemic profoundly impacted Vivo Activewear through disruptions of supply chains and sudden changes in consumer spending and shopping habits. In response, the enterprise shifted to remote operation briefly, reassessed its growth expectations, diversified its product offerings, and provided new product lines like masks and revamped online marketing.

Changes in the industrial environment exposed the enterprise to new market trends, consumer demands, stiff competition, and hurdles in the supply chain. In response, Vivo Activewear has intentionally embraced technology, building strong, sustainable supply chains, producing more affordable clothing, developing unique apparel, customizing some apparel, and incorporating product innovation.

The findings showed that approximately 90% of the respondents felt that Vivo Activewear strategic responses adopted, brought the firm commendable results and that the enterprise remained operational even during movement restrictions brought about by the Pandemic, expanded to other locations, made high revenues, and had 70% growth in 2022.

In summary, the findings revealed that, the corporation fully responded to the changing external environment by investing in computer-aided software for efficiency in its designs, embracing e-commerce platforms and social media for its brand awareness and sales drive, differentiation, research, and design, diversification of markets, small-batch production, and efficient staff management and rewards.

### **5.3 Conclusions**

The study concludes that Vivo Activewear has incorporated various strategic responses to respond to changing technological, industrial, social, economic, and other changes in the external environment to boost its performance and gain a competitive edge. At the fore front is product differentiation which the study revealed enabled the company meet its customers demand and increase sales revenue.

Additionally, the study concludes that Vivo Activewear has adopted a product innovation response strategy that has helped it survive the turbulent marketplace even during the COVID-19 pandemic. Also, the study strongly inferred that technological enhancement has ensured that Vivo Activewear retains its market share and expands its business operations. The company has successfully incorporated the use of e-commerce platforms and social media to reach a massive number of clients, which has aided in its adaptation to the changing external environment. Besides, the company has researched and determined that a good number of its customers still prefer physical stores. For that reason, it has equally implemented a go-to-market strategy to meet the needs of the clients and marketing it itself wider reaching out to neighbouring countries like Rwanda, whereby in 2022, Vivo Activewear launched a shop. Also, the researcher concludes that effective staff management, customization of products, and diversification have been successful in helping the enterprise adapt to the changes in the external environment.

### **5.4 Recommendations**

The project investigated the strategic responses adopted by Vivo Activewear to the changing external environment. From the results, the scholar recommends that strategic

responses to changes in the external environment are a necessity for any firm that wants to be survive turbulent macro environment. Therefore, it is imperative for enterprises to adopt the strategies such as product innovation, social media marketing, differentiation, e-commerce, employee reward and motivation systems, necessitated by external environment. By doing so, they can survive any challenges in the market and come out successful.

With regards to that, firms should invest in research and development so that they can innovate and differentiate their products and services as needed. Besides, there is need to invest in social media marketing since times have changed with many people preferring to source most stuffs at the comfort of their homes/offices. With rapid advancement and use of Artificial Intelligence (AI) globally, technology adoption is fundamental in enhancing production and streamlining processes, and e-commerce is recommended for firms that want to create more brand awareness and reach a wider market.

### **5.5 Limitations of the Study**

The study encountered financial and time constraints which limited its scope. As a result, the study was designed to conduct interviews at the company's major stores since this is where strategies are formulated and executed. The study was limited by time since the research was done in a short time.

Additionally, the study employed an interview method that relied heavily on the opinions and attitudes of the respondents. Thus, the responses obtained may only reflect the opinions of the participants rather than the actual situation. Strategic management

is an ever-changing and dynamic activity that is influenced by various internal and external factors. However, this study only focused on a specific period when the interviews were conducted, which might restrict the applicability of the findings to other contexts or times.

## **5.6 Suggestions for Further Research**

The scholar proposes further research on how strategic responses to changes in the external environment change over time to offer insights on how corporations adapt their strategies to the evolving external factors and how efficacious these adaptations are in realizing the anticipated outcomes.

Moreover, the researcher recommends that future studies should aim at comparing the strategic responses of firms in different regions, industries, and contexts to help identify factors that influence the effectiveness of their strategic responses to a changing external environment. This would help with the generalizability of the findings.

Another recommendation for future researchers is to conduct mixed-method investigations, whereby the research should combine both qualitative and quantitative methods to establish how corporations respond to their changing external environments. For instance, the studies can combine case studies and interviews to identify the strategic responses, and then quantitative methods like regression analysis can be employed to measure the impact of the strategic responses on organizational results and profitability.

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## APPENDIX I: INTERVIEW GUIDE

### PART A: Demographic Information

1. What is your gender?  
Male ( )      Female ( )
2. Which position do you hold in Vivo Activewear? (*Mark where applicable*)  
CEO ( ) Managerial ( ) Operations ( ) Sales Personnel ( ) Customer Care  
Other, please specify .....
3. How long have you been working in Vivo Activewear? (*Mark where applicable*)  
1-3 years ( )      3-5 years ( )      5-10 years ( )

### PART B: Strategic Responses by Vivo Active Wear to changes in External Environment.

This part evaluates how changes in external environment has affected Vivo Activewear and the strategic responses which Vivo has adopted to survive the changes. Please provide answers to the following questions:

1. Does Vivo Activewear have a clear mission and vision statement?  
Yes ( )      No ( )  
If yes, kindly state it
2. Has the mission and vision for Vivo Activewear changed over the years?  
Yes ( )      No ( )  
If yes, what led to the change? Was it due to the changing environment?  
Yes ( )      No ( )
3. Do you participate in development of response strategies for the firm?  
Yes ( )      No ( )  
If yes, how do you ensure the strategies are implemented effectively?



4. What guides the firm in what it does and ensure it bear fruits?
5. How has the changing technological environment affected Vivo and what the strategic responses has Vivo Activewear taken towards that change.

***How***

***Strategic response(s)***

6. How has changing economic environment affected Vivo Activewear and What are the strategic responses that Vivo Activewear has taken towards the change?

***How?***

***Strategic Response(s)***

7. How has changing legal and political environment affected Vivo State the strategic responses that Vivo Activewear has taken towards the change?

***How?***

***Strategic Response(s)***

8. How has changing customer preferences and tastes affected Vivo Activewear? State the strategic responses that Vivo Activewear has taken to survive the change?

***How?***

***Strategic Responses(s)***

9. How has the changing Social Environment affected Vivo activewear and state the strategic responses adopted by Vivo Activewear to changing social environment (Changing social environment to mean population increase, demographics, income of buyers)

***How?***

***Strategic response(s)***

10. How has the Covid 19 Pandemic affected Vivo. State the strategic responses Vivo Activewear has adopted to deal with the current pandemic?

***How?***

***Strategic Response(s)***

11. How has Vivo Activewear been affected by the changes industrial environment Please State the Strategic responses adopted by Vivo to the changes

***How?***

***Strategic Response(s)***

12. Have the strategic responses adopted to the changing environment brought results in terms of performance? Explain

13. Has Vivo Activewear fully responded to changing environment?

Yes ( )      No ( )

14.If no, please state the changes in the environment that the firm has not addressed

**I am so grateful you accepted and participated in my research.**