COMPETITIVE STRATEGIES ADOPTED BY MAINSTREAM DAILY PRINT MEDIA FIRMS IN KENYA

By

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DECLARATION

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

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This project has been submitted for examination with my approval as a university supervisor

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DEDICATION

This project has been dedicated to my parents, Mr. and Mrs. Eliud Mbugua' Mutega, for their continuous belief in the power of education and for both financing and supporting me through prayers in all my education efforts.

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I would like to thank GOD for helping me throughout my period of study and for the comfort my prayers to him brought to strengthen my completion of this course,

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ABSTRACT

The daily print media industry has undergone a lot of changes that have affected the state of competition in the industry; issues such as liberalization, greater freedom of speech, higher literacy levels, more political intrigues and party alignment and the growing entertainment industry have increased demand for daily newspapers in Kenya to higher levels. The purpose of this research project is to study the competitive strategies practiced by major print media dailies in Kenya and to find out how they compete for greater market share presence. The sample included respondents from the leading dailies in Kenya namely "The Daily Nation, The East African Standard, the Kenya Times and the People daily.

I found that there existed a high degree of competition amongst the players in this industry and the firms that enjoyed economies of scale advantage dominated the industry. The other firms had to compete on other competitive edges like quality, content, distribution strategies, market segmentation gaps and cost focus strategies to gain market share. Social responsibility was also acknowledged by all the firms except one but their main focus for competitive strategies was profitability and increased market share presence.

The daily print firms also face common challenges that could be eased by more stringent policies from the government and the elimination of the media bill which seeks to curtail the media freedom currently enjoyed in the country. The licensing of more firms into the industry would be a positive move to level the playing ground and allow for more creativity and better quality of content in the products.

CHAPTER 1: INTRODUCTION

1.1 Background

Strategic planning is not a new management tool and its origins can be traced to the late 1950s and early 1960s. Under conditions of extreme competitive turbulence the rediscovery of the strategic planning concept is not unusual. In a stable environment, firms can exploit their historical strengths, but with increased levels of competition, what used to work, may not anymore. In Kenya, the daily print media industry is a busy and lucrative one that is attracting many players and threatening the existing status quo. The key players who are already in intense competition for increased circulation and advertising figures are faced by new competitors who enjoy economies of scale that outmatch them.

New strategies and operational plans have to be looked at to meet the challenges brought about by both increased activity from existing competitors as well as the threat of new stronger competition into the industry. The main players of the daily print industry include the Daily Nation, East African Standard, the People Daily and the Kenya Times who print and distribute copies daily to the Kenyan public. The biggest media print company in Africa is set to join the industry later this year and this sets the stage for intense rivalry and competition that would only mean that the firms have to brace themselves for tough times ahead or set down strategic plans that would steer them forward. In retaliation both the Nation Media Group and the East African Standard are in intense preparations of launching new daily papers into the market to counter the new entrants. This will effectively bring the daily publications Kenyans have currently from four publications to seven publications, all dailies.

Tanzania currently has eleven daily publications in Kiswahili and two in English while Uganda has six daily publications. Other markets in Europe and Asia face similar players into the print market industry and they all compete aggressively for both circulation and advertising revenues. This study aims at investigating the competitive strategies within the daily print media firms in Kenya and how well equipped they are to face the challenge of new entrants into the print industry.

1.1.2 The Print Media Industry In Kenya

The print industry in Kenya has improved over the last ten years especially after the government instituted several reasons to open the economy to market forces. By 1994, the government had dismantled most foreign exchange rates, removed importer licensing and liberalized domestic marketing of major products. The Kenyan print media has since become "vibrant" dynamic and economically sound. The mainstream daily print media firms include: the Daily Nation (with a daily circulation of close to 180,000 copies) the East African Standard (owned by Baraza Ltd) with a daily circulation of 55,000 copies," Kenya Times" newspaper (3500 copies daily) and the People Daily (with a circulation of 8,000 copies). The Nation Media group also publishes a *Swahili* language paper, *Taifa Leo* which reaches a circulation of 25,000 copies daily. The daily Nation having the largest circulation is independent and publishes articles critical of the government views. The East African Standard is controlled by Baraza Ltd and is also Independent so does not automatically support the government. There are also numerous weekly and monthly magazines covering current affairs business, social religious, and entertainment and leisure topics currently in the market.

The Nation Group started in 1960 through the launching of three newspapers. It was founded by His Highness the Aga Khan and has grown to become one biggest newspaper group in East & Central Africa. It all began in 1958 with the purchase of a small Kiswahili weekly Taifa (Nation), which is 1960 was turned into a daily vernacular paper taifa leo. On March 20, 1960, the Sunday nation arrived and on October 3rd 1960, the daily nation entered the Kenyan market. The aim of the Aga Khan was to produce newspapers "edited and staffed by Africans, containing news of specific interest to Africa and expressing an African point of view to the Kenyans. The circulation grew, hovering between 15000- 18000 copies by 1964. in 1968 it overlook the East African Standard whose sales were around 34000 copies then it celebrated its silver Jubilee with a circulation of 135, 000 copies and is now over 160,000 copies presently. The Sunday Nation experienced similar growth and is now at 200,000 copies. Taifa Leo, though hampered by high illiteracy rate and low interest in Kiswahili averages around 25,000 copies daily.

The Standard newspaper was started in 1902 and registered in 1960 as company, under the name of East African Standard Newspapers Limited. The Standard is owned by Baraza Ltd and was part of Lonrho group of companies before its sale in 1996.The Standard Newspapers has been in operation for the last 100 years with its circulation primarily in Kenya. The standard circulation has also grown over time to around 54000 copies currently. It has recently undergone significant transformation to remain competitive in the print daily market.

The people daily was started during the clamor for the introduction of multi-party politics in 1992 as a weekly and converted into a daily on 20th December 1998. It s run by a private investor (kalamka ltd) who is also a politician and averages 8000 copies daily. Kenya Times is run by the government and is a low key competitor that only produces 3500 copies daily.

Thus, the daily print industry in Kenya has had a long history of experience of serving Kenyan's needs for information and is still growing. The East African Standard is yet to achieve the growth levels that the Daily Nation has achieved to date. The success of the daily Nation is largely due to technological innovation which led to the Nation being among the first newspapers outside of North American to utilize photo type setting systems. The International Press Institute once described the Nation as "Unquestionably the best produced newspaper in Independent Africa".

There is therefore a need to investigate the strategies (if any) adopted in the competitive daily print industry and the effects competition has brought to the industry.

1.2 Statement of the Problem

The Daily print media industry in Kenya is thriving with many stakeholders placing advertisements, notices, comprehensive news updates, job seekers and entertainment news. In the last ten years, the industry has had new players joining in and creating intense competition and already the largest media company in Africa (johnic communications -SA) is gearing to join the industry later this year with another daily publication. The industry is thus thriving with competition and its imperative that the players start changing their operational strategies to be able to compete with this competitive challenges and remain in business.

Previous research has been done on the media and effects that competition has on different segments of media i.e., competitive intelligence practices by FM stations in Kenya, (Sang , 2001), there was a survey on advertising agencies in Kenya (Mbuthia , 2003) and also a study of the diversification strategy of the nation media group (Thuo, 2002). Other studies by Kandie (2002) and Kiptugen (2003) show the effects of environmental changes to firms in specific industries .However no study has been done on the daily print media firms in Kenya and the effects competition has on their operational activities and management styles.

It is crucial that an investigative study is undertaken to bring to light some aspects of the current market shares held by the Daily print media firms and see if any competitive strategies are practiced by the firms to maximize their profits and compete effectively. The study will determine if the industry is dominated by one key player or not, and how do the key big firms in the industry use their resources adequately to keep off new players.

The industry players have in common some challenges that affect them all and they include imitation of products by competitors, talent retention at top and middle management levels, high cost of print paper and production costs, a low reading culture amongst the youth and uncertainties in the legal environment.

1.3 Objectives of the study

1. To establish what competitive strategies the daily print media firms use in coping with the challenges of increasing competition in the industry
2. To establish challenges posed by the competition to the daily print media firms in Kenya.

1.4 Importance of the study

As stated earlier no study has been done on the daily print media firms and this will be an investigative study whose importance will include:

1. Provide the various firms active in the print media industry with crucial information highlighting the state of competition and the strategies other firms are using to compete in the industry.
2. Serve as a useful point of reference for future investors in the daily print media industry, be of use to government policy makers, academic scholars and key stakeholders in the industry.

CHAPTER 2. LITERATURE REVIEW.

2.1.1 Concept of Strategy

All organizations exist in complex commercial, economic, political, cultural and social settings that are rarely static but always under constant change that affect all the players. A firm must therefore maintain a strategic fit with the environment so as to survive. Firms also have to respond to the dynamism, heterogeneity, instability and uncertainty shown by the environment. The competitive environment continues to be driven by technological innovation, globalization, competition and extreme emphasis on price, quality and customer satisfaction. Firms must therefore innovate and create themselves in order to remain relevant.

Strategy can be defined as the broad program of goals and activities to help a company achieve success. It's the match between an organization's resources, skills, environment opportunities, risk and the purpose it wishes to accomplish (schendel & Hofer, 1979).In the context of the modern business organization the editor of the Harvard Business Review described strategic decision making as follows: "Agreement reached by the top management about the companies ability to out do its competitors as a result of having investigated market opportunity, appraised the distinctive competence and total resources of the company and combined opportunity and resources, consistent with the economic goals, personal values and ethical aspirations that defines the character of the company" (Andrews,1981, pg 180). Strategy is thus a game plan to outdo competitors.

Bunyon (1982) defined a market as consisting of particular groups of people who are willing to spend their money for a particular set of competing product brands. The print media market consists of newspaper readers who buy their dailies and weekly products to access information about their environment & corporate advertisers who want to reach huge numbers of the public through their advertisements. There is therefore an obvious need for the print media firms to maximize strategies that would ensure they had a larger market share presence than their competitors.

Print media firms, just like all other organizations have the key concern of being in continued existence over time. Since this is not guaranteed, the firms have to justify their continued existence by their activities (AOSA 1998).The firms are environmental dependant since they have their inputs from the environment and also after transformation, discharge the outputs into the same environment. (Porter 1985) The organizations external environment consists of all conditions & forces that affect its strategy options and defines its competitive situations (Pearce & Robinson, 1997).The success of every organization is determined by its responsiveness to the environment. The environment consists of variables that form the context within which firms exist (Hunger & Wheeler, 1999). Environmental conditions will affect and influence strategies developed for survival and success and may also affect strategy management practices. The environment for the daily print industry in Kenya is constantly changing and the players have to respond with strategic planning as key to combating with their competitors

Ansoff (1988) defined competitive strategy as the distinctive approach which a firm uses or intends to employ in order to succeed in the market. Michael porter defined competitive strategy as the art of relating a company to the economic environment within which it exists. Porter (1998) explains that every firm competing in an industry has a competitive strategy that may be explicit i.e. developed through a formal planning process or implicit i.e. evolved though the various functional planning activities of the firm. To be successful strategy must be designed to cope effectively with competitive pressures and the objective must be to build a strong, market position based on competitive advantage.

Mintzberg & Quinn (1991) have perceived strategy as a pattern or a plan that integrates organization's major goals, policies and action into a cohesive whole. Porter (1996) has defined strategy as a creation of a unique and vulnerable position of tradeoffs in competing, involving a set of activities that neatly fit together, that are simply consistent, reinforce each other and ensure optimization of effort. In the Daily Print Media Industry competitive strategies may involve taking into account four factors that may determine the limits of what a company can achieve given enough resources. This includes a firm's weaknesses and strengths and industry opportunities and threats caused by other forces, personal values of the key implementers of the proposed strategies and broader societal expectations.

2.1.2 Strategy and Competition

Strategy can be defined as the broad program of goals and activities to help a company achieve success. It's the match between an organization's resources, skills, environment opportunities, risk and the purpose it wishes to accomplish (schendel & Hofer, (1979.)Organizational goals should not be to maximize market share but rather to attain optimal market share. (Paul Bloom & Philip Kotter 1975). A company attains its optimal market share in a given market or products when a departure in either direction from that share would alter a company's long term profitability or risk in a negative way.

To analyze the level of competitive intensity within the media industry, it's useful to characterize the various competitors' for predicative purposes. According to snow & Mills (1978) competing firms within a simple industry can be categorized on the basis of their general strategic orientation into one of four basic types. This distinction helps to explain why companies facing similar situations behave differently and why they continue to do so over a long period of time. They include Companies with a limited product line and that focuses on improving the efficiency of their existing operations that are known as defenders. Analyzers, this are companies that operate in least two different product market area and efficiency is emphasized and in variable areas innovation is emphasized. Prospectors are companies with fairly broad product lines focus on products innovation and market opportunities while reactors are companies that lack a consistent strategy structure relationship and their responses to environment pressure tend to be piece meal strategic charges.

The division of competitors into these four categories helps the strategic managers to monitor and effectively charge strategic orientation to fit the environment. Porter further developed an analytical framework (1998) which can be applied to come up with competitive strategies in an industrial environment.

The five fundamental forces he focused that determine the state of competition is an industry include: Threat of new entrants and ease with which competitors can enter the industry, Threat of substitutes which make it impossible and difficult for firms to raise prices due to switching to substitute products., bargaining power of buyers, bargaining power of supplies and the extent of competition amongst existing firms.

The main goals of competitive strategy were to focusing on gaining competitive advantage, cultivating a clientele of loyal customers and out-performing rivals ethically and honorably. This will consist of moves by the firms to attract customers, withstand competitive pressures and strengthen their market positions. Porter further articulated the Key aspects of a times competitive strategies on what he called the wheel of competitive strategies which contained key aspect a firms competitive strategies such as product line, target markets, marketing rates, distribution, manufacturing, labor, purchasing, research and development, finance and control.

The hub of the wheel had the firm's goals which are its broad definition of how it wants to compete and its specific economic and non- economic objectives. The spokes of the wheel are the key operating policies with which the firm is seeking to achieve these goals. There operating policies vary from industry to industry. We shall identify key aspects that will be used to get the competitive strategies in the daily print media industry.

Competitive strategies identified with print products include giving customers high quality products, application of competitive pricing, identifying and using reliable suppliers, and having agreements with the distribution chain as well as good relationships, maintaining low overhead costs, hiring competent staff with good incentives, maintaining early arrival times for the product into the market and advertising and special promotions.

Market strategies for the print media include sales promotions, subscription, discounts, credit facilities, good public relations, social responsibilities practiced by the firm, using company colors, brand names, sponsoring events and running reader competitors to entice the public to buy the newspapers.

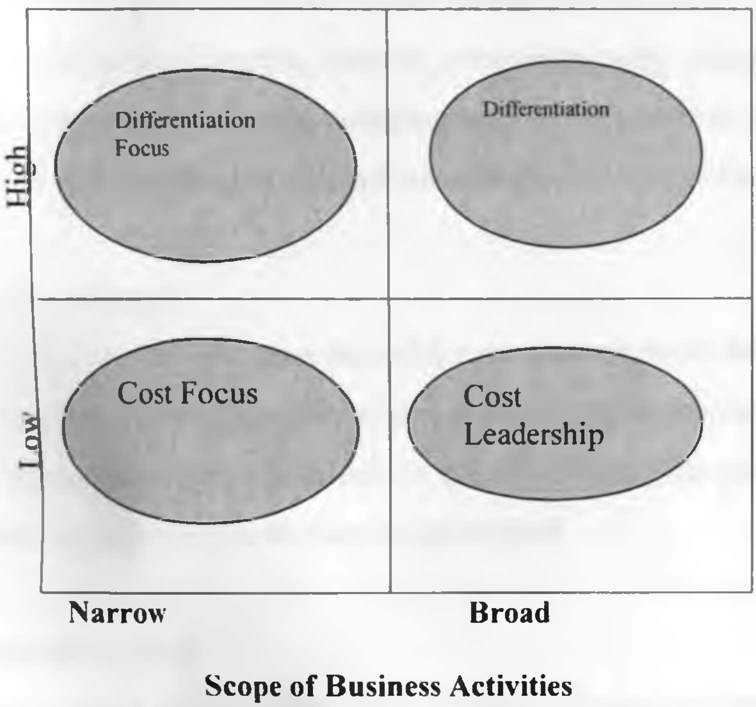
Davidson (1983) identified a company brand name as a key marketing asset that helps promote the company and creates a positive reputation in the industry. Various marketing companies run by print media firms also help create the perception of superior quality image.

2.1.3 Competitive strategies.

Porter (1998) states that the goals of a competitive strategy for a business unit in an industry is to find a position in the industry where the company can best defend itself against the five competitive forces –ease of entry, threat of substitution, bargaining power of buyers and suppliers and rivalry among current competitors. These five forces constitute the industry structure and it's from this industry analysis that a firm determines its competitive strategy.

Porter unveiled four generic competitive strategies that can be viable in the long term's business environment. They are cost- leadership strategy, differentiation strategy, cost focus strategy and differentiation focus strategy. Pearce and Robinson (1997) states knowledge of this underlying source of competitive pressure provides the groundwork for strategic agenda of action. The highlight of the critical strengths and weaknesses of the company animate the positioning of the company in its industry, clarify the areas of strategic changes and may yield the greatest payoff.
The differentiation and cost leadership strategies seek competitive advantage in a broad ran market or industry segments while in contrast, the differentiation focus and cost focus strategies adopted in a narrow market or industry. See the diagram below,

FIGURE 1 Porters cost and differentiation model.



SOURCE: Porter M.E (1998)

Cost-leadership strategy

The lowest cost producer in the industry enjoys the best profits. Minimizing of costs is a strategy that can be used by various firms so as to have a significant costs advantage over the competition and have a higher market share. This strategy is associated with large businesses offering standard products that are clearly different from competitors who may target a broader group of customers.

Differentiation strategy

Targeting smaller market segments to provide special customer needs is also a strategy widely used in the corporate scene. Media firms have taken up this strategy to create various products for different customers on a daily basis. They include magazine inserts like lifestyle, horizon, smart company, young nation, financial standard, pulse etc. It involves selecting one or more criteria that are used by buyers in a market and positioning the business uniquely to meet those criteria.

Cost Focus Strategy

Lower cost advantages to a section of the market segments with basic services offered to higher priced market leaders is also a strategy acceptable in the corporate world. It results to similar products to much higher priced products that can also be acceptable to sufficient customers in the market.

Differentiation focus

A business aims at to differentiate within just one or a number of target market segments. The special customer needs of the segment mean that there are opportunities to provide products that are clearly different from competitors who may be targeting a broader group of customers. It involves recognizing that customers do really have different needs and wants.

2.1.4 Strategic group and competitive challenges

A strategic group is formed by firms that pursue a similar range of competitive strategies in response to the particular industry conditions facing them. This is a result of strong economic forces acting easily in an industry that constrain firms from easily switching from one competitive position to another or seen often in firms that face similar economic conditions and constraints. This includes selling in the same price and quality range, covering the same geographic areas, having comparable product line breadth and emphasizing on the same types of distribution channels. They also offer buyers similar services and use identical technological approaches. Print media firms use the same distribution channels to get their products to the readers, with a vendor sometimes vending all the three key dailies together with no exclusivity of product.

In the implementation of competitive strategies, certain competitive challenges may hinder the effective utilization of strategies identified and employed. Challenges are defined as encounters an organization faces. These encounters could be problems or threats brought about by the environment in which the organization operates. According to Juach and Glueck (1998) organizations face many challenges among them being past and future economies that can affect the fortunes and strategy of the firm. The stages of a business cycle of a company can either be depression, recession, recovery stage or prosperity stage. Change in economic conditions can be good for one firm and bad for another. Strategists must determine what economic factors are most important to their business and attempt to predict changes which are likely in these conditions.

Newsman et al (1989) identified many challenges that may hamper a firm's ability to group new offers. These are financial requirements, technological advancement, regulatory issues imposed by the government and also structural and economic barriers inherent in the industry. Other challenges that affect companies include climatic and ecological concerns brought about by unforeseen weather changes and mainly influence firms whose products are seasonal, social factors that focus on values and attitudes of people, customers, employees and that can affect strategy, changes in technology also affect raw materials, operations, products and services can offer opportunities for improving goal achievements. Other challenges include demographic factors and government regulations and laws being changed adversely without prior warning.

CHAPTER 3: RESEARCH METHODOLOGY.

3.1.1 Research Design

The Research will be carried out through a census survey. This is because a survey research collects data from a broad number of members of a population which facilitates comparisons and this study will undertake to compare various strategies of population members with respect to the competitive strategies they use.

3.1.2 Population and sample design

The study will be based on the 4 main daily print media firms in Kenya namely the Daily Nation, East Africa Standard, People Daily and Kenya times. All the four firms will be studied by a census and this is because they are only four firms that print on a daily basis presently. The researcher will extend the study to talk to the heads of departments of the circulation, production, administration, editorial and advertising departments in each firm.

The study will be concerned with the competitive strategies adopted by daily print media firms to cope with competition in Kenya.

3.1.3 Data collection

The data will be collected using a self-administered semi-structured questionnaire. (See appendix attached). Data collection will be administered through a drop and pick method that's a variation of the mail survey method. This method will be appropriate because only the heads of departments of the circulation, production, administration, editorial and advertising of each firm will be asked to fill the questionnaire.

3.1.4 Data Analysis

Data will be analyzed by both inferential and descriptive statistics. Descriptive statistics include the mean score, standard deviation and frequency distribution will enable the researcher to meaningfully describe the distribution of measurement. This information will help determine the most common challenges faced in the daily print media industry.

The mean score will be used to determine the most common strategies used by the daily print media firms will inferential statistics to be used is the chi-square test which will enable the researcher to test whether there is a relationship between familiarity of a competitive strategy and its degree of adoption.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS.

4.1 Introduction

In this chapter , data pertaining to the competitive strategies information gathered from the respondents who currently have daily prints in Kenya has been analyzed and the relative importance attached to various aspects of competition has been shown. The companies that responded included the standard newspaper, the daily nation, the Kenya times and the people daily.

Respondents interviewed have worked for the company for periods ranging from 1-10years as shown below. None of the firms was owned by foreigners, 50% were locally owned and one is a listed company at the stock exchange with majority shareholding local.

Table 4.1: Title of respondent

Staff position .	frequency	Percentage.
CEO	1	6.6%
General manager	3	19.9%
Marketing manager	3	19.9%
Strategy manager	1	6.6%
Circulation manager	3	19.9%
Advertising manager.	4	26.4%
		100%

Table 4.2 Firms size and number of products

FIRM	Year of registration	No. of products	Turnover (2005)	No. of staff
1	1960	7	1billion	2000
2	1902	8	200 million	445
3	1992	3	35million	80
4	1975	3	5million	52

There was no correlation between the size of the firm, its date of registration and the number of products in the daily prints. 50% of the respondents had strongly competing products on each day of the week.

The following table (4.3) shows the reasons for expansion given by different firms and its analysis

Table 4.3 Reasons for expansion

FACTOR	FREQUENCY	RATE
Response to market demand.	4	25%
Improved management.	3	15%
Due to competition moves	3	20%
Fore planned strategy	4	20%
Economies of scale.	2	20%
		100%

The following were the key aspects highlighted in the company's mission statements as key indicators of their long term strategies,

Table 4.4 : key aspects highlighted in the company's mission statement

factor	frequency	Percentage.
quality	3	75%
profitability	4	100%
Regional coverage	1	25%
Customer satisfaction	4	100%
Social responsibility	2	50%

In 50% of the respondents, most staff were aware about the mission statements and it was continuously communicated during meetings. In one respondent, customer satisfaction and regional expansion was the most key organizational goal.

4.2 Competitive Strategies In The Print Media

75 % of the respondents indicated that they set up long term strategies to expand and also counter the competition moves. The main areas the different firms focused on are summarized in the table below

Table 4.5 strategy focus

factor	frequency	Percentage.
expansion	3	70%
profitability	3	75%
Improvement of quality	2	50%
Social / employee welfare	1	15%
Quantity of production	4	100%
marketing	2	40%
timing	3	71%
Customer service	4	100%

50% of the respondents said top management set up the objectives. In 75 % of the respondents, middle level management was involved. In only one respondent was employee participation highly requested for. The presence or absence of long term objectives had a strong correlation with the size of the company and its management structure.

Table 4.6 Effects of strategy on various factors.

Effect on strategy	Average ranking
Plays a role in budgeting	4.8
Ensures coordination of activities	3.7
Provides means to analyze opportunities	2.0
Inhibits adaptability & flexibility	1.5
Means of dealing with uncertainties	2.3
Diverts attention from operations	2.2
Best done by senior staff.	1.5

(A five point likert scale was used with the minimum score (1) used to represent " do not agree" and the highest (5) representing strongly agree.)

A correlation was found between the existence of strategy and the size of the firm. 75 % of the respondents said they had planned strategies. The strategies focused mainly on expansion of production and targeting new markets by introducing new products. 25 % had strategies that were not written down or communicated to staff. The presence or absence of planned strategy had no correlation with either the size or ownership of the firm.

The following table shows the rate of introduction of new products into the market.

Table 4.7: rate of introduction of new products.

Rate	frequency	Percentage.
As soon as possible	3	30%
Very often	2	20%
Often as necessary	4	40%
Not deliberate	1	10%

4.3 Competitive Challenges In The Industry

The following table shows the challenges the firms faced in application of competitive strategy.

Table 4.8: challenges faced in application of competitive strategies

	item	code	count	% of respondents	% of cases
1	Customer driven process	1	6	100%	52.5%
2	Difficulty changing	2	4	50%	38.2%
3	Ignoring customer suggestions	3	4	50%	26.5%
4	costs	4	3	100%	18.2%
5	competitors	5	4	100%	22.5%
6	Political reasons	6	2	75%	8%
7	Limited resources	7	3	100%	15%
8	Economic situations	8	1	75%	19%
9	Security issues	9	1	50%	10%

There was a lack of documentation and failure to incorporate customer ideas and suggestions from 50% of the respondents. The lowest challenge was political reasons and security issues.

Customer driven process and difficulties in change were given as highest challenges faced by all respondents.

Lack of resources and cost was a major challenge from 50% of the respondents.

CHAPTER FIVE: CONCLUSION

This chapter concludes by looking at the summary, discussions and conclusions from the research findings highlighted above and the recommendations for further study, policy and practice.

5.1 Summary, Discussions And Conclusions

The objectives of this study were to find out what competitive strategies the daily print media firms in Kenya were using to cope with the challenges of increased competition in the industry and to also find out what challenges are posed by the competition in the daily print media firms. The respondents covered were four in total and senior managers were interviewed in each firm to highlight different aspects of their operational strategies.

The two largest firms in the industry had similar number of print products despite one being in business for a longer period. The products competed on quality and content only and whereas this aspect had high competition, the number of copies printed between the firms had a huge disparity with the larger firm enjoying close to 75 % of the total market share. All the firms in the industry also gave varied reasons for their need to expand with the biggest reason being a response to market demands. Improved management and competition counter moves were also seen as catalysts for their expansion programs.

Quality and profitability were seen as key in all the firms' long term strategies with the less important factors being social responsibility and regional coverage. Only one firm had regional coverage of its products as key in its long term planned strategies. The main areas all firms shared in common where profitability, quality improvement, employee welfare, marketing issues, quantity of production and customer service.

The major challenges they all faced in application of their strategies was costs, having a customer driven process implemented and difficulties in change management. The least worried about challenge was political reasons and economic and security situations. Half the respondents had their strategies set up by top management only while the other firms were more employees inclusive in formulation. The two largest firms had strategy firmly imbedded in company policies while the last two smaller ones were introducing the concept at different stages. Ownership issues had no correlation with strategy existence.

In conclusion all firms were found to have strategies that were very competitor based and three of the firms were reactionaries to each others counter moves. The areas used to develop competitive advantage include quality of products , market segmentation, variety of products , costs and economies of scale and also location and convenience to the dealers.

In my view the market is dominated by one firm who sets the pace for the other three firms in the industry. The other firms then react by focusing on quality and content improvement of their products to have a formidable competitive edge because they simply can't compete on availability and distribution strategies used by the bigger firm who enjoys huge economies of scale.

5.2 Limitations Of The Study

I had problems with a number of non -responsive staff and also delays in filling questionnaires supplied to senior managers. A lot of coaxing had to be done to get all the information for analysis ready on time.

There are also few players on the industry and some are trendsetters for the small firms , meaning there lacks an equal playing ground for the firms chosen for this study.

5.3 Suggestions For Future Research

There is need to carry out a similar investigation after the new competitors have started operations and to check their effect on the current firms. A market share research needs to be undertaken to determine the market leaders in both circulation and advertising strengths. There is also need to investigate competing print media products across all the firms and their relevance i.e.(The Smart Company product and the Financial Tuesday standard.)

5.4 Recommendations For Policy And Practice

The daily print media industry needs to embrace competitive strategies wholly by all the firms to raise the level of both the quality and content of their products to meet market expectations. With growing population and high levels of literacy and knowledge, more is expected from the daily prints and their role as educators becomes more needed. The industry also faces a huge threat from other information sources currently available from improvements in information technology such as radios, televisions and wireless technology. The government should set up policies that will ensure the reading culture is not eroded in society so as to enhance the usefulness of the print media.

Challenges faced by the print media including high costs of print paper, media legislation by the government, high costs of daily print distribution caused by poor infrastructure should be addressed as a policy concern. Government interference with the freedom of press is also visible and policies should be put up to set a level playing field enjoyed by all firms in the industry.

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Appendix 1: Letter of Introduction

August 2006

Dear Respondent,

MBA -research project

I am a student at the University of Nairobi currently undertaking an MBA degree and majoring in strategic management. I am collecting information that will be used to analyze the effects of competition on the daily print media in Kenya.

Please find attached a questionnaire for you to fill.

This information will be used to write a strategic management project which is a requirement for the fulfillment of the Master of Business Administration Degree.

The information you will give will be treated in total confidence. Your cooperation in this exercise will be highly appreciated.

Thank you

Sincerely

A.M Mbugua'.

MBA student.

Appendix 2: Questionnaire for Heads of Departments/Senior Management.

INTRODUCTION

This questionnaire seeks to identify the strategic competitive responses that competition has caused in the daily print media firms in Kenya.

Please answer all the following questions by giving all the necessary details in the spaces provided.

Section I – Company Demographics

1. Name of the company

----

2. How long have you worked for the company? Please tick)

1-4 years ( )
5- 9 years ( )
10-14 years ( )
15- Above ( )

3. What position do you hold?

....
....
....

4. When was your company formed?

....
....

5. Is your company owned by Kenyan shareholders or is it a branch of an international media organization?

....
....

6. Does your company have a formal organizational structure?

....
....
....

7. How many employees does your company have ?

....
....
....

Section II

8. What products does your media house produce?

....
....
....

9. How many copies do you print on,

Mondays------	Fridays -------
Tuesdays ----	Saturdays-----
Wednesdays -----	Sundays ------
Thursdays ------	

10. Does your media house produce any other products?

Yes ( )

No ( )

11. If yes, which ones and how are they used to promote the print section?

....
....
....
....

12. Does your company use the different products to target different people?

Yes ( )

No ( )

13. If yes, how does it segment the customers?

....
....
....

14. Does your company have a mission and vision statement?

....
....
....

15. Is the above statement shared and known by all staff in the company?

Yes ( )
No ( )

16. What reasons have been given for your company s expansion in the last 5 years?

....
....
....

17. What font size do you use in your daily newspaper?

....

18. Does your company use different advertising costs in the different products?

Yes ( )
No ( )

19. If yes, what is the effect?

....
....
....

20. Does your paper target the public in general or different segments of the population?

....
....

21. In which of the following areas does your newspaper concentrate on the most daily?

Politics.... Business....... Crime ....
Entertainment..... Sports.......... Environment ......

22. Which of the following people do you consider most crucial in selling the newspaper?

Distributors.....
Agents ....
Vendors ....

23. Have you allocated the most crucial choice above the most profit margins for the paper?
Yes ( )
No( )

24. If no, please state why?

....
....
....

25. Does your company have a planning department?
Yes ( )
No ( )

26. If yes, who is in charge of strategy formulation and implementation and how big is the team?

....
....
....
....

27. Do you compete in any other way other than varying your products?
Yes ( )
No ( )

28. If yes, in what ways?
Variation in design ( )
Variation in quality of products ( )

Sales promotion ( )
Other (please specify)

....
....

29. If any, who implements them?

....
....
....

30. Has competition shaped your company and more so the quality of your products?

Yes ( )
No ( )

31. If yes, what changes has the company implemented to fight the competition?

....
....
....
....
....

32. How is your news coverage?

Local
International
Both local and International
Other (Specify)

....

33. Does your company have a customer service department?

Yes ( )
No ( )

34. If yes, what effect has the department made in increasing group earnings?

....
....
....

35. Do you have the printing section in -house or do you outsource the production?
Yes ( )
No ( )
36. If yes, do you own it or share with other competitors?

....
....

37. Is the print paper used similar across the media industry?

Yes ( )
No ( )

38. If no, what other types are there? (Please state)
....
....
....

39. Is the quality of the print paper crucial in the customer's choice of newspaper?

Yes ( )
No ( )
40. If yes, is your company using the best available print paper?

....
....

41. Are operational issues affected by strategy formulation in your company? And how?
Yes ( )

No ( )
If yes, name which areas are positively or negatively affected?
....
....
....
....

42. What was the company's turnover on sales in the last audited accounts ?

....

....

....

Thank you for your co-operation.

Appendix 3: List of Firms in the Daily Print Media Industry.

COMPANY	ADDRESS
NATION MEDIA GROUP	PO BOX 49010 NAIROBI
EAST AFRICAN STANDARD	PO BOX 30080 NAIROBI
KENYA TIMES LTD	P.O BOX 43800 NAIROBI.
THE PEOPLE DAILY	PO BOX 64900 NAIROBI