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INFLUENCE OF COMPETITIVE STRATEGIES ON GROWTH OF MEDIUM-SIZED MANUFACTURING FIRMS IN NAKURU TOWN, KENYA

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Abstract

Organizations regardless of their size face competition of varied degree in their respective sector as long as they are operating in a competitive market where competition is determined by the power of supply and demand. This study analyzed the effect of competitive strategies on growth of medium-sized manufacturing firms in Nakuru town, Kenya. It specifically focused on examining the effect of differentiation on growth of medium-sized manufacturing firms. The study was guided by theory of competitive advantage and resource-based view theory. A survey research design was adopted. The study targeted the 176 managers working with medium-sized manufacturing firms in Nakuru town. A sample of 64 respondents was drawn simple random sampling. The study used a structured questionnaire to collect primary data. The structured questionnaire was pilot tested before it was used for the main study. Data were analyzed by use of both descriptive and inferential statistics using SPSS. The study established that differentiation strategy influenced growth of firms significantly. The study concluded that the competitive strategies were important in enhancing firm's growth. It is recommended that manufacturing firms should emphasize more on differentiating their products as opposed to adopting other competitive strategies in their attempt to enhance their growth.

Keywords: Competitive Advantage, Competitive Strategies, Differentiation Strategy, Medium-Sized Manufacturing Firms, Firm Growth

INTRODUCTION

There are three major competitive strategies commonly referred to as 'Porter's Generic Strategies' that firms adopt either singularly or as a hybrid of two or all of them. These strategies include cost leadership, focus and differentiation (Porter, 1985).Cost leadership majorly focuses on reduction of cost and its structure. In other words, firms seeking to adopt this strategy purposes to produce products at the lowest cost possible which in turn enables them to acquire a competitive edge of their rivals in the industry. Cost leadership strategy is underscored to be very crucial particularly to the firms in the manufacturing sector where the probability of cutting down on production costs is more pragmatic than in other sectors. Firms that embrace focus strategy target a specific market segment or untapped area of market. Effectively, an enterprise can opt to concentrate its resources on a specific set of customers with related characteristics, product, geographic locations, or a particular service, or market segmentation. On the other hand, firms that adopt differentiation strategy customize their efforts towards creation of products that are very distinctive from competitors' in order for them to achieve competitive edge (Richard, Denney & Johnson, 2008).

Organizations regardless of their size face competition of varied degree in their respective sector as long as they are operating in a competitive market where competition is determined by the power of supply and demand. To this effect, firms are obliged to adopt strategies that can enable them to respond appropriately to the prevailing competitive forces (Baines & Langfield-Smith, 2002). The authors further stated that many small and medium enterprises (SMEs) in the manufacturing sector have indeed made significant investments in integrated manufacturing.

Moreover, Rosli (2012) analyzed competitive strategy of Malaysian SMEs. The study established that various firms adopt different competitive strategies especially in regard to innovation and global orientation. Cheng, Kadzirina and Abdul (2013) concurred with the foregoing findings in their study on hybrid strategy and competitive strategy as evidenced by Northern States SMEs in Malaysia. They admitted that due to the ever increasing complexity in business environments, many firms are continuously exploring business plans that they could possibly adopt in order to survive particularly the SMEs. In Malaysia, it was noted that many SMEs have adopted a hybrid of Porter's generic strategies of cost leadership, focus and differentiation where only less than half of the firms focused on exclusively one strategy.

An empirical study was conducted on themes of business strategy and leadership style and how they affect organizational performance in the manufacturing firms in Ghana (Yanney, 2014). The foregoing study was necessitated by the scarcity of previous research work on how specific leadership style and strategy impacted on organizational performance amongst manufacturing SMEs. The study revealed that indeed leadership style and strategy statistically and significantly affected organizational performance albeit strategy had greater impact than leadership style. A previous study had indicated that only transformational leadership had significant implication on organizational performance while other types of leadership such as transactional leadership did not (Yang, Zeki, Lubatkin & Veigo, 2008).

In Kenya, the small and medium manufacturing firms refers to those enterprises that has a fulltime workforce that does not exceed 100 or whose annual sales turnover is capped at Kshs. 150 million. The SMEs in this and other sectors have been at the core of the Kenya's economic development. These firms have played and continue to play a pivotal role in enhancing global competitiveness of the country and are deemed to be fundamental in realization of Vision 2030 (GoK, 2007). Yet, the SMEs in the country have been momentum challenges that have led to collapse of several firms even before they break even. It is, moreover, stated that only those SMEs with the capacity to adopt technology and requisite knowledge to come up with value added products for superior quality will effectively compete on the global stage (Wanjau, Gakure & Kahiri, 2009).

Statement of the Problem

Small and medium enterprises compete for the same customers with larger firms in the same sector. This is in spite of the obvious constraints that limit their competitive capacity. Large firms have huge financial muscle, ability to attract the best human resources, ability to access credit facilities, ability to acquire the most advanced technologies, ability to have well-laid down distribution channel, and capacity to enjoy both economies of scale and scope. Nevertheless, SMEs are not in the same league as these firms and such may fail to enjoy the aforesaid benefits. Resultantly, these firms are limited in their growth and most stagnate in the status for a long period of time which may run into years.

Indeed, some are out-competed in all facets that they are obliged by stiff competition in their sector to close down. The implications of SME to close shop or stagnate in their growth are far reaching. The sector employs thousands of Kenyans while millions others indirectly depend on the same for their daily livelihoods. Moreover, the sector is very crucial to the socio-economic development of the nation as exemplified by Normah (2006) in the context of Malaysia that SMEs are the mainstay of the country's economic growth in advancing the nation's industrial development. Therefore, it is important to understand how the various competitive strategies adopted by these SMEs particularly in the manufacturing sector impact on their growth. The findings thereof will enable the pertinent stakeholders particularly the owners of these enterprises to adopt and implement the best strategies that will not only ensure they remain afloat in the otherwise competitive industry, but more importantly facilitate their growth.

General Objective

To analyze the effect of competitive strategies on growth of small and medium-sized manufacturing firms in Nakuru town, Kenya

Specific Objectives

To establish the effect of differentiation strategy on growth of small and medium-sized manufacturing firms in Nakuru town

Research Hypothesis

H_0: There is no statistically significant effect of differentiation strategy on growth of small and medium-sized manufacturing firms in Nakuru town

THEORETICAL FRAMEWORK

Theoretical framework represents a review and discussion of theories that are concerned with competitive strategies and growth of firms particularly SMEs. Specifically, two theories are reviewed and discussed. These are the theory of competitive advantage and resource-based view theory.

Theory of Competitive Advantage

The theory of competitive advantage was pioneered by Porter (1985) and is founded on the porter's five forces models. According to Porter, firms face five different forces which threaten its existence and growth. These include threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitutes, and industrial rivalry. These forces are ordinarily present in a perfect market which is similar to the one small and medium manufacturing enterprises operate their businesses. The firms do not have any control over the aforestated competitive forces and it is up to them to come up with measures or strategies of countering them.

According to Wernerfelt (1995), a firm ought to adopt the generic strategies proposed by Porter (1985) in order to counter the competitive forces in the market and as such create a sustainable competitive advantage. These strategies include cost leadership, differentiation and focus strategies or a mix of these strategies. Competitive advantage is described as superior performance relative to other competitors in the same industry.Jim (2012) defined it asan advantage over competitors gained by offering consumers greater value, either by means of lower prices or by providing greater benefits and service that justifies higher prices. According to Barney (1991), a firm is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential player.

In light of SMEs in the manufacturing sector, they can gain competitive advantage if they adopt either of the aforestated strategies. Cost leadership strategy should be adopted by those firms that have requisite financial resources to produce products at low costs in order for them to enjoy a higher profit margin or price the same lower than their competitors. Firms with expertise may be in terms of skilled human resources or/and advanced technology may differentiate their products from their competitors in order to mitigate the threat of substitutes. On the other hand, small firms whose resources are constrained may opt to adopt focus strategy where they can zero in on a narrow market segment or produced a limited line of products. A firm endowed with required resources in terms of capital, human resources, technology, distribution channels, etcetera may has the capacity to adopt a hybrid strategy where either two or all the three generic strategies are adopted.

Resource-based View Theory

The resource-based view (RBV) theory was proposed by Penrose (1959). The theorist argued that it is the heterogeneity of the firm's productive services available from its resources that give each firm its unique character. The idea has since been recognized by most of the RBV proponents who include Rumelt (1984), Barney (1991) and Wernerfelt (1995). The theory postulates that resources, skills, and both core competences and distinctive competences are crucial for firms to gain competitive advantage over their rivals. The theory further states that it ought to be costly to copy the attributes of a firm's resources for the firm to achieve superior performance and competitive advantage (Barney, 1991). According to Heaphy and Gruska (1995), resource-based theory states that the performance of an organization depends on the resources available internally in the firm.

The RBV is said to complement the Porter's (1985) generic model of competitive strategies. Porter's argued that for a firm to have a competitive edge over its rivals, it must adopt either of the three generic strategies (cost leadership, differentiation, or focus strategies) or hybrid of two or all of these strategies. RBV, on the other hand, states that the competitiveness of a firm depends on the uniqueness of the resources at its disposal. This implies that the generic strategy that a firm can adopt is limited to the kind of resources it possesses. In tandem with Wernefelt's (1984) and Porter's (1985) postulation, the various bundles of resources and capabilities possessed by various firms can enable them to achieve and sustain competitive advantage by deploying those resources. In respect of SMEs, these firms have different capabilities and resources depending on their backgrounds. For instance, medium-sized firms are endowed with more resources than small firms which can enable them to have an advantage over the latter. On the other hand, the small firms, though short of capital, may have expertise human resources which if and when appropriately deployed may enable them to have a competitive edge over their rivals.

EMPIRICAL REVIEW

Differentiation Strategy and SMEs' Growth

Rosli (2012) investigated competitive strategy of Malaysian SMEs. The study involved a total of 212 respondents in the F&B and T&C manufacturing industries throughout Malaysia. The study findings indicated that the two firms adopted different competitive strategies. The study further noted that as opposed to Porter's exclusive competitive strategies, the SMEs surveyed employed a hybrid of competitive approaches. These included cost minimization, product differentiation and market niche simultaneously with the aim of competing in the marketplace. This results from the author's argument that though Porter's (1980) generic strategies which differentiation is part of, may be essential; they are likely to be inadequate for small and medium enterprises to be sustainable competitive.

An empirical study conducted in Slovakia examined competitive strategy and competitive advantages of small and mid-sized manufacturing firms (Papulova & Papulova, 2006). The study observed that in order for an enterprise to be successful, such a firm ought to be strategically aware of the prevailing market conditions. As such, the managers are supposed to think and make decisions strategically. This is due to the reasoning that managerial decisions have a strategic impact and contribute to strategic change. The authors further asserted that in order for strategic thinking to prevail, there should be awareness of optional strategic purposes and objectives and also the capacity to critically recognize different environments. The degree of differentiation and market growth are some of the factors that affect the competitive environment.

An empirical study was conducted on competitive strategy and business environment influencing performance of SMEs in the manufacturing sector in Zimbabwe (Chadamoyo & Dumbu, 2012). The study focused on SMEs in Mucheke light industry. Alongside cost leadership and focus strategies, the study established that differentiation strategy was employed by SMEs. The adoption of generic strategies is occasioned by the prevailing harsh environment; legal, political, economic and social. In light of these findings, the study recommended that SMEs ought to enter into strategic alliances in order for them to cover diverse markets.

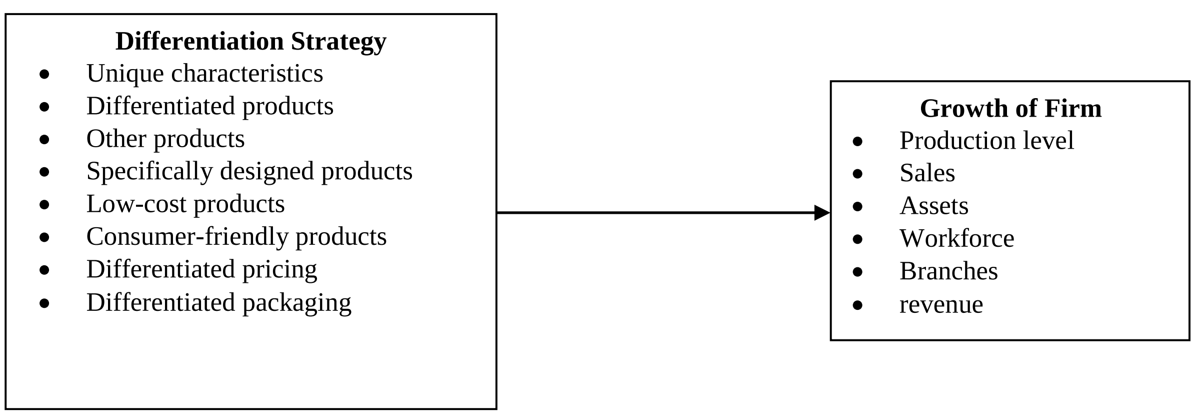
Moreover, the study findings were found to concur with a previous empirical study by Tang et al (2007) which had indicated that there exist a positive relationship between overall firm performance and cost strategy differentiation and innovation.

In addition, Oyedijo (2012) analyzed the competitive strategy orientations of small and medium business owners and their performance impacts. The study targeted paint manufacturing SMEs in South-Western Nigeria. The study involved a total of 92 firms. 28 out of these adopted differentiation strategy against 33 and 31 that adopted low cost and mixed strategies respectively. The study findings revealed that there exists a significant difference between the performance of SMEs that adopted differentiation and low cost independently and the performance of those firms that used a hybrid of the two generic strategies. The performance parameters of these firms include sales growth and revenue growth.

In the Kenyan context, Mutemi, Maina and Wanyoike (2014) conducted a study on strategic management practices and performance of small-scale enterprises in Kitui town. The study involved a survey of 99 small firms. One of the specific objectives of the study was to examine how product differentiation influenced performance of enterprises. The study indicated that a whopping 95.5 per cent of the respondents concurred that product uniqueness influences strategic management practice and performance of small firms. In tandem with the study findings, the authors concluded that product differentiation is one of the strategies that firms can use to manage the performance of small enterprises. It was revealed that product differentiation ensures that a small firm is relevant and competitive even in a highly competitive environment.

Conceptual Framework

Figure 1: Conceptual Framework



The conceptual framework indicates that there is one independent variable which is one of the Porter's generic competitive strategies. The generic strategy examined is differentiation strategy. On the other hand, the dependent variable is the growth of medium-sized manufacturing firms. According to the framework, it is assumed that the differentiation strategy influences the growth of the aforesaid firms in Nakuru town. The foregoing hypothesis guided the study.

RESEARCH METHODOLOGY

Research Design

Research design is essentially described as the blueprint of conducting research, in the context of the current research study. A survey research design was adopted. This was due to the fact that the study was conducted over a given period of time (Kothari, 2004). More so, the study drew respondents from an array of manufacturing SMEs in Nakuru town. Majorly, the study relied on primary data and quantitative approach. This was in tandem with survey research.

Target Population

The target population describes members of a population who are homogenous in that they have certain similar characteristics (Kothari, 2004). The study targeted the management team of small and medium-sized manufacturing firms in Nakuru town. They were 176 in total. The essence of opting for these prospective respondents was based on the premise that the managers were, needless to say, the most conversant stakeholders of issues touching on competitive strategies.

Sample Size and Sampling Technique

A sample is portion or subset of the study population. Sampling is necessitated by the relatively large population (Kothari, 2004). Nassiuma's (2000) formula was employed to calculate the size of the sample as shown below.

$$n = \frac{NC^2}{C^2 + (N-1)e^2}$$

Where n, N, C, and e represent sample size, size of target population, coefficient of variation (21% ≤ C ≤ 30%), and error margin (2% ≤ e ≤ 5%).

Therefore,

$$n = \frac{176\,(0.25)^2}{0.25^2 + (176-1)0.025^2}$$

n = 64 respondents

The 64 respondents were obtained from the study population using simple random sampling technique. This method ensured that all members of the study population (176) had equal chance of participating in the study.

Research Instrument

The study used a structured questionnaire to collect primary data from the respondents. A questionnaire is the most appropriate tool of collecting primary data in survey research (Mugenda & Mugenda, 2009). The questionnaire was structured in a way that it contained questions that were clear and understandable to the respondents. The research instrument enabled collection of data relative to the study objectives.

Pilot Testing

The structured questionnaire was pilot tested before its use in the collection of data for the main study to assess the instrument's reliability and validity. The pilot study involved administration of the questionnaire on managers of SMEs in manufacturing sector in Molo town, Kenya. This was important given that the participants in pilot study did not take part in the main study.

Reliability of the Research Instrument

A reliable instrument is that tool that can be employed to collect consistent data. Reliability is vital since it enhances the generalizability of the findings. In this study, the Cronbach alpha (α) was used to test the instrument's reliability. The reliability threshold was alpha equal to or greater than 0.7. Table 1 shows the findings of the reliability testing.

Table 1: Reliability Test Results

Study Variable	Test Items	Alpha (α)
Differentiation Strategy	8	0.76
Firm Growth	6	0.82

Validity of the Research Instrument

A valid instrument is one that measures what it is intended to measure. For an instrument to be valid, it must first be attain the reliability threshold. In this study, the content validity was determined by seeking the relevant expert opinion of the assigned university supervisor.

Data Collection Procedure

Data collection was preceded by obtaining of the necessary permits and consents. First, the researcher notified the administration of Jomo Kenyatta University of Agriculture and

Technology of the intent to collect primary data upon which formal consent was issued. This was followed by seeking necessary consent of the management of firms to be surveyed. Research questionnaires were administered to the respondents personally by the researcher. The filled questionnaires were collected the same way they were issued.

Data Processing and Analysis

The collected data was cleaned in order to get rid of extreme outliers. Such involved getting rid of incorrectly and incompletely filled questionnaires. The cleaned data was then analyzed using both descriptive and inferential statistics. This was electronically carried out with the help of the Statistical Package for Social Sciences (SPSS) tool. Descriptive analysis entailed measures of distribution, central tendencies and variation. On the other hand, inferential analysis was in form of Pearson's correlation coefficient and regression. The study findings were presented in form of tables that reflected both descriptive and inferential summary statistics. The following multiple regression function was adopted.

$Y = \beta_0 + \beta_1 X_1 + \varepsilon$

Where:

Y = Financial management

β_0 = Constant

X_1 = Différentiation strategy

E = Error term

β_1 = Regression coefficient of independent variables.

ANALYSIS AND FINDINGS

Response Rate

The researcher issued a total of 64 questionnaires to the sampled respondents. From the questionnaires issued, 52 were filled and collected from the respondents. This translated to 81.25%.

Descriptive Findings and Interpretations

Differentiation Strategy

The responses of the study participants in regard to differentiation strategy in the firms were assessed and analyzed. Table 2 depicts the relevant outcomes.

Table 2: Descriptive Statistics for Differentiation Strategy

		n	Min	Max	Mean	Std. Dev
i.	Our firm produces products with unique characteristics	52	2	5	4.27	.770
ii.	Our firms' products are differentiated from those of competitors	52	1	5	3.94	.978
iii.	Our firm offers services besides manufacturing	52	2	5	4.12	.704
iv.	The products manufactured by our firm are designed to suit different markets	52	1	5	4.21	.997
v.	Our firm has differentiated from rival firms by producing low-cost products	52	2	5	3.50	1.057
vi.	Our firm manufactures consumer-friendly products	52	1	5	3.12	1.231
vii.	Our firm prices its products differently	52	1	5	3.67	1.184
viii.	Our firm packages its products in different ways	52	1	5	3.35	1.385

The study found out that respondents admitted (mean ≈ 4.00; std dev < 1.000) that the firms' products were differentiated from those of competitors and that the products manufactured by the firm were designed to suit different markets. It was also agreed (mean ≈ 4.00; std dev < 1.000) that the firm produced products with unique characteristics and also offered services besides manufacturing. Moreover, respondents concurred (mean = 3.50; std dev = 1.057) that the firm had differentiated from rival firms by producing low-cost products. Further, they agreed (mean = 3.67; std dev = 1.184) that the firm priced its products differently. However, it was unclear (mean ≈ 3.00; std dev > 1.000) whether the firm manufactured consumer-friendly products and whether the firm packaged its products in different ways. In light of the above findings, it is noted that small and medium sized manufacturing firms used differentiation strategy in bid to stand out in the market and outsmart competitors in the industry.

Firm Growth

The results in relation to the growth of the small and medium sized manufacturing firms in Nakuru town are illustrated in Table 3.

Table 3: Descriptive Statistics for Firm Growth

		n	Min	Max	Mean	Std. Dev
i.	Our firm has increased its production over the past few years	52	1	5	3.94	.998
ii.	The firm has posted increased sales over the past few years	52	1	5	4.15	.958
iii.	The assets of our firm have increased significantly	52	1	5	3.96	.907
iv.	Our firm has increased its workforce over the past few years	52	1	5	3.37	1.010
v.	Our firm has opened new branches in recent years	52	1	5	3.58	1.109
vi.	Our firm has posted increased revenue in recent years	52	2	5	4.08	.737

The findings indicated that respondents concurred (mean = 3.94; std dev = 0.998) that the firms had increased production over the past few years. In addition, it was agreed (mean = 4.15; std dev = 0.958) that the firms had posted increased sales over the past few years. Further, respondents admitted (mean ≈ 4.00; std < 1.000) that the assets of the firms had increased significantly and that the firms had posted increased revenue in the recent past. Moreover, it was agreed (mean = 3.58; std dev = 1.109) that the firms had opened new branches in recent years. Respondents were non-committal (mean = 3.37; std dev = 1.010) on the opinion that the firms had increased workforce over the past few years. It is observed that small and medium sized manufacturing firms have been registering growth in terms of productivity, turnover, workforce and expansion as witnessed by the study respondents. The significant growth could be presumed to be as a result of competitive strategies adopted by the firms.

Inferential Findings and Interpretations

This part concerns with inferential output where the nexus between differentiation strategy and focus strategy and firm growth are outlined. The interpretation of the existing relationship between the variables is also provided and discussed. The findings are as illustrated in Table 4.

Table 4: Correlation between Differentiation Strategy and Firm Growth

		Firm Growth
Differentiation Strategy	Pearson Correlation	.804**
	Sig. (2-tailed)	.000
	n	52

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

The study noted that there was a positive, strong and statistically significant ($r = 0.804$; $p < 0.05$) relationship between differentiation strategy and firm growth. Differentiation strategy therefore influenced to a great extent the growth of the firms. It can be argued that through differentiating products for different markets and designing new products to suit market needs, the firms were able to increase their market share and therefore increase customer base and revenue.

Effect of Differentiation Strategies on Firm Growth

The study further examined the effect of differentiation strategy on growth of medium-sized manufacturing firms in Nakuru town, Kenya. The pertinent results are as shown in Table 5.

Table 5: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.485	.360		1.349	.184
	Differentiation Strategy	.724	.138	.683	5.259	.000

a. Dependent Variable: Firm Growth

The study established that differentiation strategy significantly and positively influenced firm growth ($t = 5.259$; $p < 0.05$). In order to ensure 1 unit growth in firms, it was noted that differentiation strategy was supposed to be increased by 0.724 unit while holding other factors constant. The findings further led to rejection of the null hypothesis.

SUMMARY

It was absolutely concurred that loan repayment was determined by the amount of loan and that the study ascertained that the firms' products were differentiated from those of competitors and that the products manufactured by the firm were designed to suit different markets. Respondents agreed that the firms produced products with unique characteristics and also offered services besides manufacturing. It was noted that firms had differentiated from rival firms by producing low-cost products and also priced products differently. However, it was unclear whether the firms manufactured consumer-friendly products and whether the firms packaged products in different ways. The study noted that there was a positive, strong and statistically significant relationship between differentiation strategy and firm growth.

The findings indicated that respondents concurred that the firms had increased production over the past few years. In addition, it was noted that the firms had posted increased sales over the past few years. Further, it was observed that the assets of the firms had increased significantly and also firms had posted increased revenue in the recent past. More so, it was established that firms had opened new branches in recent years. Respondents were indifferent on the opinion that the firms had increased workforce over the past few years. Differentiation strategy significantly influenced firm growth. The most important competitive strategy was differentiation strategy as it largely enhanced growth of the firms. Therefore, medium-sized manufacturing firms ought to concentrate more on differentiation strategy in order to further enhance their growth.

CONCLUSIONS AND RECOMMENDATIONS

Differentiation strategy adopted by firms can emanate from existing products, market or development of new products. It was observed that small and medium sized manufacturing firms had adopted this strategy and mainly differentiated their products and designed products to suit different markets. The study inferred that the strategy was the most important in firms in the manufacturing sector as it largely contributed to growth of the firms.

The study made a number of recommendations relative to competitive strategies and growth of small and medium-sized manufacturing firms. Manufacturing firms are advised to differentiate their products so that they can have diverse lines from which they can remain competitive. Given that manufacturing firms deal in various products, it is quite easy and feasible for them to focus on certain products for particular market niche. This is indeed likely to enable to not only outcompete their rivals in the sector but will ultimately enable them to grow through increased revenues and profits.

Manufacturing firms are further advised to adopt other competitive strategies besides differentiation. These may include cost leadership strategy or focus strategy in tandem with Porter's observations and recommendations. The competitive strategy adopted by any of these firms should be subject to a number of factors including the resources available to the firm and also the kind of market the firm wants to venture into. For instance, the manufacturing firms that are endowed with massive resources are better placed to adopt cost leadership strategy while those with limited resources can either adopt focus strategy or differentiation strategy.

LIMITATIONS OF THE STUDY

Some respondents were reluctant to take part in the study. Moreover, some firms were unwilling to disclose their strategies in fear of the fact that it may be leaked to other competitors. However, the researcher convinced the respondents in the letter of introduction that all matters were to be treated with confidentiality. There were instances of the lack of cooperation by the respondents and as such the researcher strived to convince the staff how the study was important and beneficial to them.

SUGGESTIONS FOR FURTHER RESEARCH

It is suggested that an investigation on how competitive strategies influence organizational performance of firms in the service sector be carried out in Kenya. A research study focusing on firm competitiveness and how it influences sustainability of manufacturing firms in Kenya should also be conducted. Moreover, it would be interesting to conduct an investigation on organizational determinants of firm growth preferably in the insurance sector

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