

**GENERIC STRATEGIES ADOPTED TOWARDS CREATION OF
COMPETITIVE ADVANTAGE AMONG SUPERMARKETS IN KENYA.**

A Survey of Tier 1 Supermarkets Headquarter in Nairobi, Kenya.

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ABSTRACT

This study sought to establish and present the generic strategies and their relationship towards competitive advantage among Tier one supermarkets in Kenya based on Neven and Reardon, 2004 in Kenya namely Nakumatt, Tusky's and Uchumi. A firm may achieve competitive advantage over rivals by incorporating lower, best cost, broad differentiation, focused differentiation and focused low cost strategies helping a business secure a superior market position, paramount skills, quality and adequate resources. Although Uchumi and Nakumatt supermarkets remain well known brands within East Africa and remain common over the region, it is evident that there is a manifest growing financial crisis facing two of the oldest chains in the country as evidenced by the continued branch closures, constant staff retrenchments, labor strikes, staff turnovers, regular management shakeups, and declaration of financial losses. However and unlike the competitor Tusky's, small and medium supermarkets and the evolution of the giant e-commerce platforms who continue to create footprint in and beyond Kenya as well as entry of international retail giants such as Carrefour, Choppies, LC Waikiki amongst others. The objective was to establish the relationship between generic strategies adopted and the performance of Supermarkets in Kenya with the respondents being marketing managers purposively selected from the supermarkets under study. a census sampling technique adopted. A descriptive research design and a historical research design were used in the implementation of the research and analysis of the acquired data. The data was analyzed using IBM-SPSS and interpreted using both descriptive and inferential statistics such as mode to ascertain patterns that emerged from the data. Inferential statistics techniques such as frequency distribution and percentages that were established from the responses of the sample allowed the researcher to make clear inference on the trends and occurrences on strategies used by supermarkets in Kenya. The results were presented using self-explanatory tables. From the research, differentiation was ranked as a major generic strategy influencing competitive advantage; high level differentiation on brand, operations, packaging, advertisement, security systems, supply and out bound logistics. It was established out that Broad Differentiation and Focused Differentiation especially along Niche markets were Nakumatt's and Tusky's favorable generic strategies whereas maintaining Low level of differentiation was practiced at Uchumi's which gave key interest in lowering cost amid business crisis. The findings of this study cannot be used to generalize the practice in the entire retail industry though it will help to develop concepts and theories that will help the management of the retail stores, students and researchers to understand the social and business world aiding to organizational strategic analysis and planning. Outsourcing technological aspects is a practice recommendable to supermarkets since it significantly improves organization performance. The results also showed that 42.3% of the variations in competitive advantage are explained by the variables in the model (generic strategies). The rest 57.7% of the variations in competitive advantage are explained by other factors not in this model hence a further research can be conducted to uncover these strategies.