

**INFLUENCE OF PRODUCT DIFFERENTIATION STRATEGIES ON THE  
MARKET SHARE OF SELECTED BAKERIES IN MERU COUNTY, KENYA**

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**A Thesis Submitted to the School of Business and Economics in Partial Fulfillment  
of the Conferment of Master Degree in Business Administration of Kenya  
Methodist University**

**JUNE, 2018**

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5415.15  
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2018

## ABSTRACT

Product differentiation strategies are thought to influence market share of larger and small bakeries even though there exist contradictory findings on the relationship between product differentiation strategies and market share of bakeries in Kenya. Based on this premise, the study sought to establish the influence of product differentiation strategies on market share of bakeries in Meru County. The first research objective that informed the study was to establish the influence of customer service delivery on market share of bakeries in Meru County. The second objective was to examine the influence of market segmentation on market share of bakeries. The third objective was to determine the influence of pricing strategies on market share of bakeries and the fourth objective was to establish the influence of unique product features on market share of bakeries in Meru County. The theories which the study utilized to inform variables of the study includes relationship marketing, brand equity, consumer utility and Porter's theory of competitive advantage Theories. The study adopted cross-sectional survey research design and the qualitative and quantitative approach in data analysis. The target population of the study was comprised of top managers of bakeries, supervisors' pastry chefs and customers who dealt with bakery products. The sample size of the study involved respondents selected from top managers, supervisors, pastry chefs and customers who dealt with bakery products. Stratified sampling was used to pick the respondents of the study since it provided equal opportunity to select respondents. Questionnaires with open and closed-ended questions were used to collect data while an interview guide was used to collect data from the chefs in the study locale. Qualitative data was analyzed using content analysis method while quantitative data was analyzed using descriptive statistics such as mean scores, standard deviation and percentage. T-test analysis was adopted to establish the hypothetical relationship between each independent variable of the study on the dependent. The findings of the study revealed that there exists a positive significant relationship between product differentiation strategies and market share of bakeries in Meru County. The study concludes that bakeries are likely to enhance their performance in terms of market share by improving customer service delivery, developing brands that are difficult to imitate, establishing pricing tactics to stimulate more sales and rebranding their products to gain competitive edge in the market. The study recommends that for bakeries sustainability, top management of bakeries should not only focus on improving product quality but also conduct consumer satisfaction surveys to identify ways of positioning their products in the market using product, pricing, distribution and promotion dimensions.