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INFLUENCE OF COMPETITIVE STRATEGIES ON PERFORMANCE OF LICENSED LOGISTICS COMPANIES IN KENYA

[1] Wangai, N. & [2] Kariuki, P.

[1] Masters Student, School of Business, Jomo Kenyatta University of Agriculture and Technology, Kenya
Email: wangai.nancy@gmail.com

[2] Lecturer, School of Business, Jomo Kenyatta University of Agriculture and Technology, Kenya
Email: paul.kariuki@jkuat.ac.ke

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ABSTRACT

Greater competition among logistics firms in Kenya has led to poor performance and eventually collapse of many businesses at a rate of twenty five percent per annum according to the Communications Authority report. This study therefore established the influence of competitive strategies on performance of licensed logistics companies in Kenya focusing on cost leadership strategy, differentiation strategy, innovation strategy and market focus strategy. The study targeted all the 1,472 licensed logistics companies according to the Communications Authority report of December 2019. Yamane formula was used to determine a sample size of 94 firms which were sampled randomly. The sample size of the study was 94 respondents. Quantitative data collected using a questionnaire was analysed through mean, frequencies and percentages. The study also used correlation and regression to achieve the specific objectives.

Analysis was conducted using SPSS version 24. The study found that firms that avoided marginal customer accounts and apply tight cost practices were great influence to the performance of licensed logistics companies in Kenya. The study also established that the firm offering distinguished and attractive products and services than other competitors influenced the performance greatly. The company investing in technology to expand access to its services had the also had the most effect. Market focus strategy improved the sales and profit significantly. The study concluded that Cost Leadership Strategy had the greatest influence followed by Market Focus Strategy, then Differentiation Strategy while Service Innovation Strategy had the least influence on the performance of licensed logistics companies in Kenya. The study therefore, recommended that management of licensed logistic firms to highly prioritize strategies formulation in their organizations plan. Further, the management of companies in Kenya should hire highly competent staff to implement the corporate growth strategy to achieve its success since it is the backbone of the other competitive strategies.

Key Words: P*erformance, Cost Leadership Strategy, Differentiation Strategy, Innovation Strategy and Market Focus Strategy*

BACKGROUND OF THE STUDY

The operations of companies are becoming more competitive with time since competition has demanded that firms put in effort in order to survive. Products no longer sell themselves regardless of its quality and therefore firms are forced to go an extra mile in strategizing how to compete (Kotler, 2011). As a result, the traditional role of the managers has gone beyond managing businesses to improve shareholders wealth to coming up with strategies to make themselves different, agile and flexible from their competitors (Mwasi, 2014). Therefore, currently, the investment decision of every firm is informed by the competitive advantage that the firm has in the market. Competition across the global firms doesn't choose the sector but cuts across the entire global world. Not left behind are the logistics firms who in the recent times have faced sharp competitive positions that has led to a number of them collapsing. The Council of Logistics Management in their 2010 report indicated that most logistics firms suffer challenges in their traditional roles of planning and effectively managing the flow of goods and services across the supply chain from the producers to the consumers.

The importance of logistics as a vale adding process cannot be ignored as documented by Panayides *et al.* (2007) who revealed that without logistics firms, the whole process of supply chain would be a mess. With better logistics process, a firm is able to cut on efficiency and effectiveness. The fact that logistics firms in Kenya are struggling is therefore a worrying trend across the entire corporate world given the crucial role logistics firm play (Hahn, & Powers, 2010). The report by the Communications Authority (2017), an authority that controls the transport and communications services in Kenya, revealed an alarming rate of collapse of logistics firms at a rate of 25% per annum. Similar reports had previously been put forward by Macharia, Wilson, Iravo, Tirimba and Ombui (2015) who had lamented of the inefficiency among these firms. It is argued that potential exist in the logistics business as the business around the world are increasing. However, the poor rate of keeping up with the trends in this industry is worrying and a need to find a solution is imminent.

Lester (2009) indicated that the competitive strategies are the main defining force of the markets in developing economies. It was argued that those firms which executed their strategies well, performed better than those that did not have strategies at all. Atikiya (2015) argued that among West African markets, the firms that had formulated and implemented strategies stood a chance of performing better than those that did not. In Cameroon, despite the importance of most small businesses in the region, the failure rate was high and is characterized by lack of appropriate strategies to compete (Acquaah, 2011).

It was built up that the majority of the organizations participate in choices without better arranging and execution of procedures. The greater part of the organizations did not have strategies management practices and as a result, performed poorly (Thompson, 2010).

In Gambia, Al-Debei and Avison, (2011) argued that most businesses have operational problems and that preoccupies the owners from taking part in formulation of key strategies to drive the businesses ahead. In most cases, it was established that many of the owners of those businesses lack knowledge on strategic planning and thinking. The same issues cut across the businesses in Ghana whereby it was established that there is a high failure rate among those organizations in the administration business for the most part due to transient objectives without a dream for the future over the long haul (Owusu-Nuamah, 2014). Because of high challenge and customer changes in preferences, most businesses lacked counter strategies and ultimately collapsed (Ghana Trade Portal, 2016).

Nderitu (2015) argued that the firms in the service and manufacturing industries in Kenya need more than making the customers satisfied. To compete, there is more than ever a need to develop strategies that can propel performance in the long run. The scholar argued that in the cement manufacturing business for instance, the competition was so still that application of one competitive strategy was not enough and there was a need to apply a number of strategies. Masila (2009) indicated that among the industries facing the severity of technological changes was the logistics industry where the process is more complicated than it was two decades ago. Notwithstanding, the industry continuous to change. To survive, there was a recommendation of innovation as a strategy together with service differentiating since those firms that were viewed as slow, remained behind. In other sectors in service such as banking, Simiyu (2013) emphasized on the need to adopt differentiation of services and incorporation of technology on operation since other strategies such as product innovation were not yielding in much revenue. There was also a need to have aggressive anti-competitors strategies in order to survive.

STATEMENT OF THE PROBLEM

The performance of licensed logistics firms in Kenya in the wake of extreme competitons continues to dwindle and close to 25% of the fail every year based on the statistics by the Communications Authority (2019). Macharia, Wilson, Iravo, Tirimba and Ombui (2015) had previously showed that the firms in this industry face inefficiency. A report by The Price Water Cooper (2015) showed deteriorating performance of the logistics firms in Kenya which has led to poor ranking globally from 76th globally in 2007 to 122nd out of 155 countries in the year 2015. This poor performance warrants an investigation into the competitive strategies the firms are adopting to survive. As Hood and Young (2005) argue, adoption of competitive strategies can enhance firm survival and performance. Porter (2008) also documented that in order to survive, functional competitive strategies are required by firms. This therefore triggered the study to find out some of the competitive strategies the logistics firms have implemented and the influence it has had on their performance.

The study was also motivated by knowledge gaps in the previous studies for instance Enrico and Hien (2011) which focused on diversification strategies and firm performance in Turkish firms, Busch and Kick (2009) on diversification strategies among firms in Germany and Lopez, Hart and Rampersad, (2007) which interrogated how cost leadership strategy was related to performance of United Kingdom firms. The findings of these studies cannot be generalized to a Kenyan case of logistics firms hence a need for this study.

OBJECTIVES OF THE STUDY

i. To establish the influence of cost leadership strategy on performance of licensed logistics companies in Kenya
ii. To determine the influence of differentiation strategy on performance of licensed logistics companies in Kenya
iii. To assess the influence of Service Innovation strategy on performance of licensed logistics companies in Kenya
iv. To examine the influence of market focus strategy on performance of licensed logistics companies in Kenya

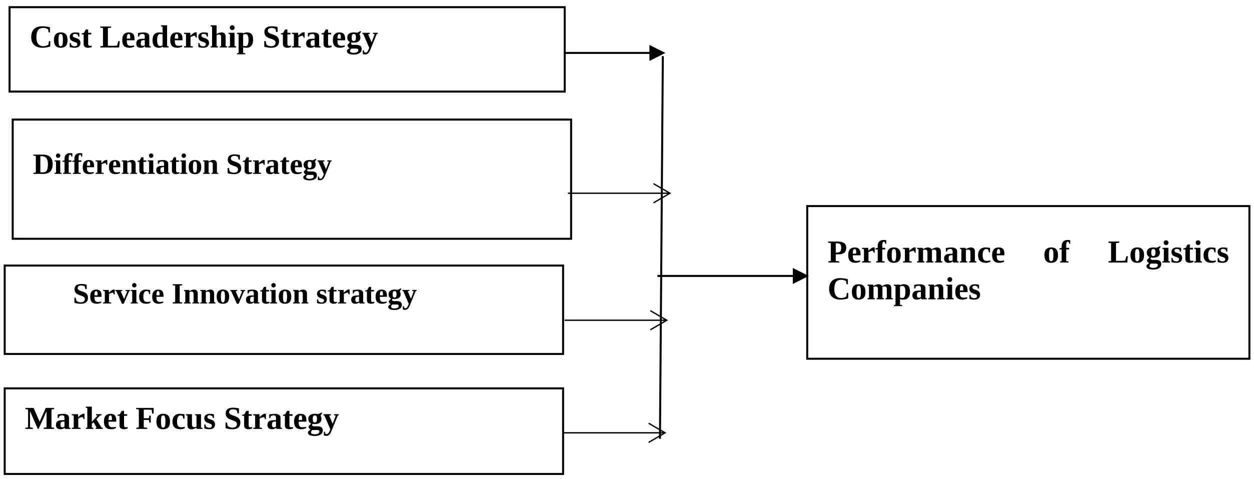
THEORETICAL REVIEW

This study focused on adopting the Porter's Five Forces Model, Dynamic Capability Theory, The Bowman's Strategy Clock Theory and Target and Segmentation Theory. The Porter's Five Forces postulated by Porter (2008), identifies forces of rivalry as risk to section, intensity of provisions, wild competition, intensity of purchasers and danger to substitutes. According to the model, understanding the determinants that defines competition in a particular sector forms the basis for strategy development. Having highlighted the forces that underpin competition in the market as above, the theory argues that there is a need to understand these forces before embarking on a journey to formulate strategies to counter them. It is argued that the forces affect the firms equally in that if extreme, all the firms are affected but if overcome, all the firms experience better returns. This is to say these forces are industry forces and hence there is a need for a firm to separately have its strategies to counter them otherwise the firms would register a reduction in returns. After analysis of the forces, a firm is able to choose the best strategy to counter it (Kitoto, 2005)

The Dynamic Capabilities Theory proposed by Teece, Pisano and Shuen (1997) explains the importance of dynamic capabilities on firm performance and competitive advantage. The theory argues that a firm can reconfigure its internal competencies to match the dynamic environment challenges. It is argued that a firm which has greater dynamic capabilities, to adjust accordingly according to the changing market dynamics stands to gain more. The theory argues that a firm needs to use its dynamic capabilities to be competitive. The whole argument is that of use it or lose it assumption. As a result, the theory recommends for continuous advancement so as to have the capacity to sniff out the difficulties in nature of activity and change in like manner so as to be aggressive (Teece, 2007). The Bowman's strategy clock theory pioneered by Bowman in the year 1997 provides an alternative theory to the porter's arguments and indicates that the firm's competitive position is determined by what the competitors are offering. The theory offers competitive position along the lines of cost advantage which is a similar argument as the cost leadership strategy by Porter. Among the strategic options provided by the theory is a 'no frills' strategy which indicates the combination of producing on low price and focusing on a rice sensitive market segment in order to maximize returns. As a result, that is easy to beat the competitors who are unable to survive in that market.

Targeting and segmentation theory arising from the work of Wagner (1998) argues that a firm can gain competitive advantage by segmenting the markets according to a number of factors such as consumer behaviour, geographical characteristics, preferences as well as demographic characteristics. After the division, each segment is evaluated and then specific strategies applied to it (Jones, Rees & Hall, 2005). It is argued that segmentation helps a firm to analyse and group services according to various cohorts which improves service delivery in the long run. It also helps a firm to gain a deeper understanding of the activities in the market, the consumer's needs, their wants and behaviours as well which can then be improved (Kotler, Robert & Lee, 2002). Segmentation helps a company to understand what the customers have and need and therefore presents a platform to build more on it and improve the service delivery.

CONCEPTUAL FRAMEWORK



Independent Variables **Dependent variable**

Figure 1. Conceptual Framework

EMPIRICAL REVIEW

Karabulut (2015) interrogated how implementation of focused systems affected on the execution of firms in the assembling segment in Istanbul. The examination led an overview on assembling firms in the capital and uncovered a high degree of selection of the conventional techniques beginning with cost authority procedures. The effect was also a significant improvement on performance. Karlsson, and Tavassoli, (2015) carried a study to examine the effect of cost leadership strategies of firms on their future performance, captured by labour productivity. The main study findings indicated that those firms that choose and afford to have a well-defined cost leadership strategy are better off in terms of their future execution contrasted with those organizations that decide not to embrace cost authority systems. Tuan, Nhan, Giang, and Ngoc, (2016) conducted a study on cost leadership strategies and their subsequent effects on firm's performance in respect to production, market, and financial performance.

Duran, and Yavuz, (2015) investigated the strategies being implemented by firms in Istanbul as well as its effect on performance. The study focused on the manufacturing firms and after analysis, it was revealed that a number of mix strategies are adopted with no single dominant strategy. However, differentiation was the strategy that appeared to be implemented by almost all the firms. In India, Ganapaiah, (2017) interrogated the strategies among the small businesses and revealed a stretch between generic, hybrid and grand strategies. After surveying the businesses, it was established that most of the businesses preferred their products to be unique as compared to that of their competitors hence ventured more on differentiation strategy. Kumar *et al.* (2007) linked generic strategies to performance in the British context. The study findings revealed that when hospitals follow an engaged cost initiative and separation technique, they display higher execution than those following crossover systems alone. The examination prompted ends that cost authority and separation procedures have a positive and noteworthy impact on execution of hospitals.

Enz (2012) interrogated the strategies that could be used in implementation of service innovations. Using a descriptive survey, the study realized that there is a need for collaborations with the customers, employees and the organization in order for the service innovation strategy to be a success and hence, a participative approach is required. Otherwise, the strategy would flop. Ian (2014) conducted a cross national survey on adoption of service innovation strategy among US based firms in the financial service industry. It was realized that the adoption of service innovation by most of the firms was at an advanced stage and it was a better suited strategy compared to the other strategies in the market. Lowry, and Owens (2011) conducted a study on developing a market focus strategy for a university. It was established that the universities after a thorough survey, analyse and formulate the strategies. It was also determined that quite a number of the universities had put this strategy in place. Atikiya, (2015) on the other hand interrogated the strategies among the manufacturing firms in Kenya. It was established that there is evidence of market focus strategies since most of the firms such as Unilever had focused on base of the pyramid markets to sell their items and the profits were worthwhile.

RESEARCH METHODOLOGY

This study adopted a descriptive research design. The study targeted 1,472 licensed logistics companies according to the Communications Authority report of December 2019. The companies were stratified into three main categories which is international, regional and national logistic companies according to their tariffs of operations. Table 1 provides a cluster of the target population.

Table 1. Target Population

Category	**Population**	**Percentage**
International Firms	94	6
Regional Firms	519	35
National Firms	859	58
Total	**1472**	**100**

This study used stratified random sampling technique to select respondents from the three main categories which is international, regional and national logistic companies according to the tariffs. This sampling technique was preferred because it is effective in primary data collection from geographically dispersed populations. The technique is also cost-effective and time-effective. There are different statistical formulas that can be used to measure sample size. This study used Yamane (1957) formula indicated below to determine a sample size of 94.

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

Where: n = sample size, N = Population size, e = Margin of error set at 10%

This study used a structured questionnaire. A questionnaire was better because it supports collection of a lot of information in a short period of time and in a less costly manner. Before its use, a pilot study was carried out in Nairobi town among 9 licensed logistics companies. The data was used to establish reliability where internal consistency method suggested by Cronbach (1951) was adopted. The threshold adopted was 0.7. In addition, content validity was conducted by giving the questionnaire to a group of experts to rate it. This study also relied on the comments of the supervisor and the lecturers to fine tune the questionnaire. The reliability analysis results showed that all the variables had a Cronbach Alpha value above 0.7 meaning that they were all reliable. This examination utilized Statistical Package for Social Sciences adaptation 21 to analyse the data. The findings were mostly presented through figures and tables. The following study multiple linear regression model was tested;

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X4 + \varepsilon$, Where: Y = Performance of Logistics Companies, X_1= Cost Leadership Strategy, X_2 = Differentiation Strategy, X_3 = Service Innovation Strategy, X_4 = Market Focus Strategy, ε is error term, β_0 = Constant and $\beta_{1,2,3,4}$ = regression coefficients.

RESEARCH FINDINGS

The questionnaires administered to head of operations from each company in the study targeted 94 respondents. Out of the issued number of questionnaires, A total of 67 respondents filled and returned the questionnaire. This represented a response rate of 72% which was within what Saunders (2011) prescribed as a significant response rate for statistical analysis and established it at a minimal value of 50%.

Respondents Demographic Characteristics

Table 2 indicates the Respondents Demographic Characteristics. From the findings, it was established that 34.7% (Majority) of the respondents had an undergraduate degree, 13.7% of them had a certificate and only 17.3% had a postgraduate degree. It was also established that 40% of the respondents had worked for a period between 1 and 5 years, 29% indicated to have worked for between 6 and 10 years, 27% of the respondents indicated to have worked for the organisation for a period less than one year while 4% indicated to have worked in the company for Above 10 years.

Table 2 Respondent's Demographic Characteristics

Level of Education	**Percent**
Certificate	13.7
Diploma	34.3
Undergraduate	34.7
Postgraduate	17.3
Work Experience	
Less than one year	27
1-5 years	40
6-10years	29
Above 10 years	4

Descriptive Statistics

Descriptive Statistics of Cost Leadership Strategy

The descriptive results on the rating of the statements on cost leadership strategy are presented in Table 3. It was demonstrated that there was a disagreement on whether the logistic firm constructs efficient scale facilities (M = 2.46), applies overhead cost control methods (M = 3.44), minimizes costs in research and development (M= 3.40) and advertisement (M = 2.34). The respondents however agreed that logistics firms have a vigorous pursuit of cost reduction from experience by our logistics firm (M = 3.65), apply tight cost practices (M = 4.09) and avoid marginal customer accounts (M = 4.18). This agrees with Barney (2014) on the need for cost management strategies to enhance performance in firms.

Table 3 Descriptive Statistics of Cost Leadership Strategy

Statements	Mean	Std. Dev.
Our logistic firm constructs efficient scale facilities	2.464	0.575
There is a vigorous pursuit of cost reduction from experience by our logistics firm	3.653	0.575
There is application of tight cost practices by the firm	4.095	0.806
Our firm applies overhead cost control methods	3.446	0.990
Our logistic firm avoids marginal customer accounts	4.180	0.774
Our firm minimizes costs in research and development	3.402	0.753
Our firm minimizes costs on advertisement	2.339	0.668

Descriptive Statistics of Differentiation Strategy

The respondents were asked to indicate the extent to which they agreed with statements in relation to Differentiation Strategy. The results are presented in Table 4. The results demonstrated an agreement that logistics firms develops unique services valued by customers (M = 3.77), offer innovative and improved services than other competitors (M = 4.03), focuses on offering wide range of logistic services than competitors (M = 3.68), offers distinguished and attractive products and services than other competitors (M = 4.23) and continuously innovates new ways of delivering services to customers (M = 3.65). This is consistent with Porter (2008) who indicated that differentiating is important in creation of a product or service that is unique when tested alongside that of the competitors.

Table 4 Descriptive Statistics of Differentiation Strategy

atements	Mean	Std. Dev.
Our firm develops unique services valued by customers	3.770	1.142
Our firm offer innovative and improved services than other competitors	4.033	.795
Our firm focuses on offering wide range of logistic services than competitors	3.682	.997
Our firm offers distinguished and attractive products and services than other competitors	4.232	.700
Our firm focuses on continuously improving the quality of services	3.310	1.087
Our firm continuously innovates new ways of delivering services to customers	3.650	1.231

Descriptive Statistics of Service Innovation Strategy

This study also sought to interrogate and rate statements on service innovation strategy on a scale of 1 to 5. The descriptive results on the rating of the statements are presented in Table 5. There was an agreement that logistics firms have invested in technology to expand access to its services (M = 4.04), invested in technology to improve effectiveness of internal operations (M = 4.00), invested in technology to provide more services (M = 3.62), are focusing more on productive services (M = 3.73) and trains its employees to improve their service delivery (M = 3.69). The results agree with Cadwallader *et al.* (2010) who demonstrated the need for service innovation for firms that sought to improve their competitive positions.

Table 5 Descriptive Statistics of Service Innovation Strategy

atements	Mean	Std. Dev.
e company has invested in technology to expand access to its services	4.040	1.038
e company has invested in technology to improve effectiveness of internal operations	4.000	2.783
e company has invested in technology to provide more services	3.620	1.098
e company is focusing more on productive services	3.730	1.041
e company trains its employees to improve their service delivery	3.690	1.192

Descriptive Statistics of Market Focus Strategy

The study sought to determine the extent to which the respondents agreed with statements in relation to market focus strategy. Table 6 illustrates the findings. There was an agreement that among the logistics firms, market focus strategy has significantly improved our sales (M = 4.24), market focus strategy has improved our profit significantly (M = 3.93), a good geographical positioning of the firms ensure effective delivery of our services (M= 3.77) and that market segmentation has enhanced competitive performance of our firm (M= 3.88). Kotler (2011) also revealed the importance of market focus for firms that aimed to improve their performance.

Table 6 Descriptive Statistics of Market Focus Strategy

tements	Mean	Std. Dev.
rket focus strategy has significantly improved our sales	4.24	0.73
rket segmentation has largely contributed to our overall performance	3.08	1.41
rket focus strategy has improved our profit significantly	3.93	1.09
A good geographical positioning of our company ensure effective delivery of our services	3.77	1.16
Market segmentation has enhanced competitive performance of our firm	3.88	1.15

Descriptive Statistics of Performance of Logistics Firms

The respondents rated statements on performance of logistics firms as shown in Table 4.8. As shown in Table 7, the respondents agreed that logistics firms have experienced an improvement in its returns on assets in the recent years (M = 3.57), an improvement in its operational costs in the recent years (M = 3.93), an improvement in its profits in the recent years (M = 3.79), an improvement in its market share in the recent years (M = 3.85) as well as an improvement in its efficiency in the recent years (M = 4.15).

Table 7 Descriptive Statistics of Performance of Logistics Firms

Statements	Mean	Standard Deviation
e firm has experienced an improvement in its returns on assets in the recent years	3.57	1.20
e firm has experienced an improvement in its operational costs in the recent years	3.93	1.05
e firm has experienced an improvement in its profits in the recent years	3.79	1.09
The firm has experienced an improvement in its market share in the recent years	3.85	1.08
The firm has experienced an improvement in its efficiency in the recent years	4.15	0.82

The respondents also indicated the percentage change in performance indicators for the last 5. The results in Table 8 demonstrates that 32% of the logistics firms recorded a decrease in their ROA by over 50%, 27% by less than 50% while only 35% had an increase by less than 50% in the last 5 years. In regard to profits, 26% of the logistics firms recorded a decrease in their profits by over 50%, 34% by less than 50% while only 30% had an increase by less than 50% in the last 5 years. For the case of market share, it was shown that 35% of the logistics firms recorded a decrease in their market share by over 50%, 27% by less than 50% while only 30% had an increase by less than 50% in the last 5 years.

Table 8 Percentage Change in Performance of Logistics Firms

Performance Measure	Decreased by Over 50%	Decreased by Less than 50%	Increased by Less than 50%	Increased by over 50%
Returns on Assets	32%	27%	35%	6%
Profits	26%	34%	30%	10%
Market Share	35%	27%	30%	8%

Correlation Analysis

The study conducted a correlation analysis to determine the influence of competitive strategies on performance of licensed logistics companies in Kenya. Pearson correlation was the most suitable and the results are indicated in Table 9. As indicated, cost leadership strategy has a positive and significant influence on performance of logistics firms in Kenya ($r = 0.727$; $P < 0.05$). This implies that implementing cost leadership strategy leads to a significant improvement in performance of logistics firms in Kenya. Karabulut (2015) also indicated that the effect of cost leadership strategy on performance of firms was significant. The results also showed that differentiation strategy has a positive and significant influence on performance of logistics firms in Kenya ($r = 0.581$; $P < 0.05$). This implies that implementing differentiation strategy leads to a significant improvement in performance of logistics firms in Kenya. The results are consistent with Duran, and Yavuz, (2015) who investigated the strategies being implemented by firms in Istanbul as well as its effect on performance and revealed that differentiation was the strategy that appeared to be implemented by almost all the firms and has impacted positively on performance.

It was also established that service innovation strategy has a positive and significant influence on performance of logistics firms in Kenya ($r = 0.696$; $P < 0.05$). This implies that implementing service innovation strategy leads to a significant improvement in performance of logistics firms in Kenya. Enz (2012) interrogated the strategies that could be used in implementation of service innovations and indicated that for service innovation to affect performance significantly, as it was established to do, there is a need for collaborations with the customers, employees and the organization in order for the service innovation strategy to be a success and hence, a participative approach is required. The results lastly demonstrated that market focus strategy has a positive and significant influence on performance of logistics firms in Kenya ($r = 0.436$; $P < 0.05$). This implies that implementing market focus strategy leads to a significant improvement in performance of logistics firms in Kenya. The results agree with Lowry, and Owens, (2011) who conducted a study on developing a market focus strategy for a university and indicated that quite a number of the universities had put this strategy in place to enhance their performance.

Table 9 Correlation Analysis

		Cost Leadership	Differentiation	Service Innovation	Market Focus	Performance
Cost Leadership	Pearson Correlation	1				
	Sig. (2-tailed)					
Differentiation	Pearson Correlation	.424**	1			
	Sig. (2-tailed)	0.000				
Service Innovation	Pearson Correlation	.629**	.513**	1		
	Sig. (2-tailed)	0.000	0.000			
Market Focus	Pearson Correlation	.378**	.264*	.349**	1	
	Sig. (2-tailed)	0.002	0.031	0.004		
Performance	Pearson Correlation	.727**	.581**	.696**	.436**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	67	67	67	67	67
** Correlation is significant at the 0.01 level (2-tailed).						
* Correlation is significant at the 0.05 level (2-tailed).						

4.7 Regression Analysis

Multiple regression analysis was conducted to determine the relationship between Cost Leadership Strategy, Differentiation Strategy, Service Innovation Strategy and Market Focus Strategy and performance of licensed logistics companies in Kenya. The model summary are indicated in Table 10. The R-square was 0.678 which implies that up to 67.8% of the variation in performance of the licensed firms is accounted for by the four competitive strategies. The remaining 32.8% can be accounted for by other factors or strategies other than the four.

Table 10 Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.823	0.678	0.657	0.315
Predictors: (Constant), Market Focus, Differentiation, Cost Leadership, Service Innovation			

The regression model fitness was also established through the ANOVA results shown in Table 11. It was indicated that the regression model linking competitive strategies to performance of licensed logistics firms was significant ($P < 0.05$).

Table 11 ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	12.953	4	3.238	32.641	.000
Residual	6.151	62	0.099		
Total	19.104	66			
Dependent Variable: Performance					
Predictors: (Constant), Market Focus, Differentiation, Cost Leadership, Service Innovation					

The regression model coefficient are indicated in Table 12. The study found that if all independent variables (Cost Leadership Strategy, Differentiation Strategy, Service Innovation Strategy and Market Focus Strategy) were held constant at zero, then the performance of licensed logistics companies in Kenya was 1.267 which is significant since $p= 0.000 < 0.05$. The findings obtained also show that Cost Leadership Strategy is 0.812 which is significant since p=0.000 is less than 0.05, meaning that when a unit change in Cost Leadership Strategy leads to 0.812 units change in performance of licensed logistics companies in Kenya. This is in line with Karlsson, and Tavassoli, (2015) who established that firms that choose and afford to have a well-defined cost leadership strategy are better off in terms of their future execution contrasted with those organizations that decide not to embrace cost authority systems.

The study further found that a unit change in Differentiation Strategy changes would lead to a 0.712 units change in performance of licensed logistics companies in Kenya. The variable was significant since $p=0.01<0.05$. This is in concurs Ganapaiah (2017) who established that most of the businesses preferred differentiation their line of products to be unique as compared to that of their competitors hence ventured more on differentiation strategy. Further, the findings show that a unit change in Service Innovation Strategy changes would lead to 0.568 units change in performance of licensed logistics companies in Kenya. The variables was significant since p-value=0.007 is less than 0.05. This concurs with Ian (2014) who revealed that the adoption of service innovation by most of the firms was at an advanced stage and it was a better suited strategy compared to the other strategies in the market. The study also found that a unit change in Market Focus Strategy changes would lead to 0.771 units change in performance of licensed logistics companies in Kenya. The variables was significant since p-value= 0.015 is less than 0.05. This is consistent with Atikiya, (2015) who established majority of firms adopts market focus strategies to sell their items and the profits were worthwhile.

Overall, cost leadership strategy had the greatest influence on performance of licensed logistics companies in Kenya followed by market focus strategy, then differentiation strategy while service innovation strategy had the least influence on the performance of licensed logistics companies in Kenya. All the variables were significant since their p-values were less than 0.05.

Table 12 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.267	0.182		6.962	.000
Cost Leadership Strategy	0.812	0.196	0.714	4.143	.000
Differentiation Strategy	0.712	0.208	0.611	3.423	.001
Service Innovation Strategy	0.568	0.208	0.462	2.731	.007
Market Focus Strategy	0.771	0.312	0.672	2.471	.015

The established model for the study was:

$Y= 1.267 + 0.812X_1 + 0.712X_2 + 0.568X_3 + 0.771X_4$

Where: Y= Performance of licensed logistics companies in Kenya, X_1= Cost Leadership Strategy, X_2= Differentiation Strategy, X_3= Service Innovation Strategy and X_4= Market Focus Strategy.

This model indicate that all the variables were positive and significant. The most significant was cost leadership followed by differentiation, service innovation then market focus.

CONCLUSIONS

The study concluded that Cost leadership Strategy had a great, positive and significant influence on performance of licensed logistics companies in Kenya. This was attributed to the great influence on performance of licensed logistics companies in Kenya by logistic firms avoiding marginal customer accounts, application of tight cost practices by the firm and the vigorous pursuit of cost reduction from experience by the logistics firm. The study concluded further that Differentiation Strategy had a significant effect on performance of licensed logistics companies in Kenya. This was due to the great influence shown by the firm offering distinguished and attractive products and services than other competitors, also offering innovative and improved services than other competitors, the firm developing unique services valued by customers, focusing on offering wide range of logistic services than competitors and continuously innovating new ways of delivering services to customers.

The study also concluded that Service Innovation Strategy has a positive and significant influence on the performance of licensed logistics companies in Kenya. This was clear as investing in technology to expand access to its services and also investing in technology to improve effectiveness of internal operations were of great significance. Additionally, focusing more on productive services, training its employees to improve their service delivery and investing in technology to provide more services proved also influenced the performance of licensed logistics companies in Kenya greatly. The study concluded that Market Focus Strategy significantly and positively influences performance of licensed logistics companies in Kenya. The study deduced that market focus strategy has significantly improved the sales, market focus strategy also improved the profit significantly, market segmentation has enhanced competitive performance of the firm and that a good geographical positioning of the company ensures effective delivery of our services.

RECOMMENDATIONS

Arising from the findings in this study, the study recommends that the management in these firms to closely evaluate these strategies so as to determine their effectiveness. This will enable the identification of any shortcomings related to the strategies or any potential strengths that may be exploited. To boost and increase the utilization of the strategies, the study recommends that the management of licensed logistic firms to highly prioritize strategies formulation in their organizations plan. Further, the management of companies in Kenya should hire highly competent staff to implement the corporate growth strategy to achieve its success since it is the backbone of the other competitive strategies. Thus, through staff training in areas that need more impetus the staff can be even more efficient and effective to deliver a competitive advantage over rivals.

The study recommends that firms should introduce unique products so that they can differentiate themselves. The companies could also adopt benchmarking their differentiation strategy with other licensed logistic firms in the East African Market that have successful differentiation strategies to improve on their current strategy. The strategies should aim at enhancing organisation performance and competitive advantage. The study recommends that the management of licensed logistic firms in Kenya should continuously evaluate the implementation of cost leadership strategy to undertake the necessary correctional measures as the industry is highly dynamic. Hence, there is need for customer orientation. This can be done by unveiling even more attractive products and services that are appealing to customers, as well as frequently running programs and initiatives that reward customers and increase their loyalty. This is important to ensure that they remain competitive and change the perception which customers have regarding the pricing of products. The association should likewise be happy to cease any exercises in which they don't have a cost favorable position and ought to consider redistributing exercises to different associations with an expense advantage.

The study recommends that the management of licensed logistic firms in Kenya should conduct a research on the focus strategy to respond to the different market niches effectively as any gap in customer centric products would yield customer non responsiveness. They can do this by investing more in research and development in order to develop even more innovative products and services if they want to maintain a competitive edge over its competitors. The study recommends appropriation of incredible quest for cost decreases, arrangement of remarkable client administration, improving operational proficiency, controlling nature of items/administrations, exceptional supervision of forefront staff, and improvement of brand or organization name distinguishing proof, focusing on a particular market specialty or section and giving forte items/administrations. A greater amount of the expressed procedures the recorded coordinations organizations embrace, the more aggressive they will be.

The examination additionally prescribes appropriation of mix methodology by blending of the previously mentioned nonexclusive techniques. For instance, a firm may have an engaged separation system. This implies the association has a one-of-a-kind item offered to a focused-on market portion. An association may likewise have an engaged cost-administration technique. In this example, an association would utilize a cost initiative technique focused to a particular market fragment. This will enhance competitive advantage in the market. The study recommends the need for government to get involved in the process of strategy implementation so as to enhance the chances of the organizations to thrive in the turbulent environment which is becoming competitive given that they operate in environment full of challenges. The government needs to put into place legislation that ensures that they create an environment that is conducive for all licensed logistic firms in Kenya. The study also recommends for lobbying by the various players in the industry in order to find solutions to the various legislations that have acted in a manner to undermine the performance of the industry that aids in strategy implementation.

CONFLICT OF INTEREST

No potential Conflict of interest was recorded by the Authors

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