EFFECTIVENESS OF COMPETITIVE STRATEGIES ON BUSINESS PERFORMANCE OF KENYAN BETTING COMPANIES

BY

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DEDICATION

This project is dedicated to my family at large for their unwavering encouragement and support. I also dedicate it to my dear friend and confidant Francis Kimani for his great support all the way.
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ABSTRACT

The current business structures are characterized by competitive dynamics as firms struggle each day to offer products that are suited to fill the market niche. Every organization is a pool of capabilities and resources that determine strategies and performance of an organization. The desire of firms to increase capacity and capitalize on emerging opportunities depends on sound strategizing and the ability to check on the internal capability as it is more advantageous to evaluate the implemented strategies. Kenya’s betting industry currently plays a significant role in the economic growth and has continued to register continued growth. Given the competitive nature of the betting industry, the firms has to monitor their strategies in terms of predominance performance and responses to increase market share, increased profitability, improved market performance and improved product quality. The study was to evaluate the effectiveness of the strategies that betting firms have adopted for competitive advantage and performance. The study used a survey research design of seven betting firms that form the industry which are licensed to operate in Kenya targeting 105 employees from the middle level managers and the top level managers. A census of 105 employees was conducted on the betting company. The research employed a survey research design. Data was collected through the use of a self-administered questionnaire: coded and analyzed through the use of statistical package for social sciences (SPSS). The Data was then displayed in tables. From the results, the main strategies that are mainly used by betting firms are differentiation strategy, cost leadership strategy and innovation strategy. Findings showed that there was relationship between differentiation strategies on business performance where Chi square (X²) was (0.00 ≤ .05). It was further established that there was an association between product innovation strategy and business performance Chi square (X²) was (0.00 ≤ .05). Cost leadership strategies had influenced business performance Chi square (X²) was (0.00 ≤ .05) and finally focus strategy did not contribute to business performance at coefficient index Chi square (X²) was (0.00 ≤ .05). The study concluded that strategies improved the overall performance of the firms. The performance indicators that the strategies affected were: profitability, market performance, market share and product quality. This study recommends continuous monitoring of markets and firms to invest more on innovation so as to gain customer loyalty also the betting minimum amounts should be set at lowest possible as this will have a tendency to attract more customers. Recommendation for further research more research needs to be carried out on competitive strategies adopted other organizations such as financial institutions to allow for comparison of findings.
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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Today’s multi disciplinary world is characterized by disorderly dynamics with firms existing in a competitive environment each day. Unlike in the past, today’s firms offer goods that are suited to fill the market niche. The firms ability to resist the environmental and market forces must be able shape the business enterprise with consider to the competitive game. The business should compose and implement strategies that are stable to withstand the firms agility to perform as intended (Clark and Fujimolo, 2011). The challenges of the current business environment starts from increased number of competitors, changes in technology, changing policy and more so the fragmentation of the markets which triggers an environment that monitors the competitiveness of the implemented strategies continuously.

A study by Drucker (2011) noted that implementation of effective strategies as a preliquisite for improved performance in many organizations. Thus firms desire to increase its capacity and capitalize on emerging opportunities depends solely on application of sound competitive strategies. Due to the expanded and dynamic nature of the business environment, firms have to do constant redesigning of their strategies so as to remain competitive (Mutua, 2014). In designing the competitiveness of the strategies the strategists must be able to respond to pressures and influences from the environment this helps in cropping strategies that create a lasting competitive advantage. As porter (1985) explains...
that to create competitive advantage a firm must conceive new ways to deliver additional value to its customers.

As it is vital to check on the internal capability of a firm, it is more advantageous to evaluate the scope of the strategy and the effectiveness so that a firm becomes saturated with unique competitive advantage vis a vis its resources and capabilities (Peter, 2014). To achieve a competitive advantage, an organization must offer value creating products to its customer at a cost that produces superior economic performance (Walker, 2014). The most important aspect of sustaining competitive advantage mix is offering an effective product line than competitors and keeping a defensive position of the market against rivals. The betting industry has attracted a lot of attention recently and has contributed to economic development. It has witnessed an increased number of entrants. With the industry seemingly lucrative and to fill the gap on the need to serve the many betting customers.

1.1.1 Competitive Strategy Concept

Businesses play an important role in the lives of the society and a performing business is a valuable ingredient for developing countries every organization looks forward to continuous performance through progressive growth therefore business performance is the most important valuable in the research by management. Business performance involves a set of performance management and analytical processes enabling an entity achieve its selected goals. Therefore the management are the key drivers of performance since the results of the implementation of their decisions is the business performance. The information relevant to achieving the goals and the intervention the managers in line with
the information. Business performance entails a holistic activity that extends to every aspect of the business divisions.

The business performance involves the voluntary association of productive assets (Barney, 2012). It is a multi dimensional construct that allows the different dimensions of the created value. Different measures have been used to measure business performance (Murphy, 2015) with different demonstration of the empirical measure of constructs used in measuring business performance. There is no measure that has been agreed as the accurate measure performance since the business performance measures has been changing over time in 1960 and 1970’s the measure used was the measure of how the organizations exploited its resources however this changed after identifying that business objectives are more complex than the initial consideration managers began to understand that a business is successful if its goals are achieved with minimum resources (Campbell, 2011) it is clear that different measures are used according to the circumstances being measured. Therefore this study will adapt market share and profitability as the measure for business performance. When a firm increases its profits this shows that the strategies are positively affecting the business also an increased market share is an indicator that the business is adding value in the market it is operating and customerization.

1.1.2 Betting companies in Kenya

BCLB is a regulatory Board established by an Act of Parliament Chapter 131 Laws of Kenya of 1966, revised in 1991. The board is entrusted with the regulation and control of the Gaming, Betting, Public and Private Lotteries as well as any form of prize competitions in Kenya. Regulation involves the authorization of the said activities by licensing, issuing
of permits and controlling how the activities are run to comply with the government laws through direct supervision and inspection. It also entrusted with the prevention and eradication of unlicensed and unpermitted related activities.

There has been an increase in the number of betting companies increase significantly within a short time while revenues received has grown from 10 million dollars in 2008 to 26 million dollars in 2015 (Statistics report, 2015). The trends in strategic application shows that the applicability of effective strategies revolve around copy and pasting the strategies from one organization to the other. An example of the case is the establishment of a jackpot games by Mcheza meant to counter the sportpesa jackpot games. As the betting industry continue to grow in a market characterised by globalozation, liberalization and technological growth. The industry has been faced with challenges of difficulty in operating environment, overhead costs and competition from entrants (Pwc outlook, 2015).

Murage (2011) focused on the competitive strategies in the petroleum industry, a study by Gathoga (2011) focused on competitive strategies by commercial banks in Kenya and Karanja (2012) studied competitive strategies within the real estate firms in the perspective of Porter’s generic model. The current study aim to assessing at effectiveness of competitive strategies on business performance of Kenyan betting companies.

1.2 Statement of the problem

Creating a long lasting relationship with customer is a critical value to any organization. This starts with creating a brand that adds value to the consumer as firms look for ways to enhance their competitive fit (Monica, 2014). In an expanding Betting market, strategist
are becoming more rooted to creativity and seizing every opportunity that arises in form of a market niche that may arise.

Kenya’s betting industry currently is a major contributor in the growth of the economy has continued to register continued growth (Pwc report, 2015). The industry has lately experienced increased competition as the industry saw many firms enter the industry therefore shaking off the growth and exhibiting decreased revenues. This has seen firms struggling to stay afloat in the industry, an example being just bet which recently went under. Since the driver of any firm is its strategy, it therefore necessitates the need to evaluate the implemented strategies to counter the competition in the industry.

Various studies have been done on competitive strategies in Kenya. Towet (2012) carried out a research on competitiveness of mobile phone industry and found that competition was crucial for sustainability and survival for the players. Kaburu (2015) did a study on the effect of marketing strategies on financial performance of media houses and found that there was significant relationship between market strategies and financial performance. Kiragu (2016) did a study on market penetration strategies used by football betting firms in Kenya and found that increasing customer usage, sourcing new customers and enhancing website features were the widely used tactics. No study has been done focusing on effectiveness of competitive strategies on business performance of betting companies in Kenya. This study seeks to carry on the effectiveness of competitive strategies on business performance.
1.3 Objectives of the study

1.3.1 Main objective

The main objective of the study was to determine the effectiveness of competitive strategies on business performance of Kenyan betting companies.

1.3.2 Objectives of the study

The study adopted the objectives below

i) To establish the effects of differentiation strategy on business performance in Kenyan betting companies

ii) To assess the effectiveness of cost leadership strategies on business performance in Kenyan betting companies.

iii) To establish association between focus strategy and business performance in Kenyan betting companies.

iv) To determine the association between product innovation strategy and business performance in Kenyan betting companies.

1.4 Research Questions

i) What is the effect of differentiation strategy on business performance in Kenyan betting companies?

ii) What is the effectiveness of cost leadership strategies on business performance in Kenyan betting companies?

iii) What is the association between focus strategy and business performance in Kenyan betting companies?
iv) What is the association between product innovation strategy and business performance in Kenyan betting companies?

1.5 Significance of the Study

The study will assist the managers in coming up with strategies and implement the strategies and will be able to assess various strategic options before implementation and after implementation.

The study will lead to strategic continuous improvements of products since the organizations will want to remain competitive. It will reach the consumer as an advantage in improved quality products.

The study findings will be of great benefit in implementation and formulation of business strategies and will be used by competitors to know to know how the market structure is and the applicability of different strategies.

In addition, scholars and researchers will find this study useful if they wish to use the findings as a basis for current and further research on the subject. The study will assist other scholars who wish to pursue other researches in the same field. The study will assist them gain knowledge and get some literature which may be of a great to them in their researches.

1.6 Scope of the Study

The scope of the study was to assess the effectiveness of competitive strategies on business performance. The study found out how effective is the strategies that are implemented by betting firms. The study was conducted in 7 betting firms in the betting industry. The study was conducted from the months of July 2017 to August 2017.
1.7 Limitations of the study

The study was limited to effectiveness of competitive strategies on business performance of Kenyan betting companies; the sensitivity and confidentiality of the management might restrict most of the respondents from answering some of the questionnaires since it is considered to be against the organization confidentiality policy to expose the organization confidential matters. Therefore, confidentiality will be assured to the respondents to achieve results of the study.

1.8 Assumptions of the study

This study assumed that other variables such as government policies did not affect the competitive strategies and business performance of betting firms in the Kenyan industry.

1.7 Operational Definition of Terms

Betting: Is predicting a sport result and placing a wager on an outcome

Cost leadership: Offering products to low levels in the market.

Differentiation strategy is an integrated set of action designed to produce or deliver goods or services that customers perceive as being different in ways that are important to them.

Focus strategy Marketing strategy in which a company concentrates its resources on entering or expanding in a narrow market or industry segment.

Performance: A measure of how a firm can use assets well from its initial mode of business to generate revenues.
**Product differentiation**: This entails offering a product or service to the market that is unique or has unique factors.

**Product Innovation**: Marketing strategy in which it involves creation of ideas that make specific and tangible results in the innovation dominion.

**Product promotion**: Raising customer awareness about a product or brand in order to generate sales.
CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical review

In Michael porters article, he gives a vivid description on how a strategic mission of a business entity is different from a potential effectiveness. Porter continues to argue that when an organization is developing strategic plans, the planers should avoid having a macro view of the industry but should be more focused on the core strategies and the valuable factors of success in the business. This approach gives way to a sustained strategic fit as a competitive advantage. The strategic fit identifies the areas of strength and weakness. In areas of weakness and the changing market structure, therefore outsourcing may be beneficial to reduce wastage. The study will be based on resource based theory and porter’s five forces theory.

2.1.1 Resource based theory

The theory is a base for competitive advantage of a firm lies primarily in the application of a bundle of valuable or intangible assets at the firm’s disposal. The theory was developed by Peter Coase (1937) and has been analyzed in broader rationale in different academic fields before being adopted by Rumelt (1984). This theory mostly places the ability for a firm to deliver sustainable competitive advantage on managing the resources such that the outcomes are not limited to competitors. The theory assumes that a firm is heterogeneous with respect to the resources it controls, it also assumes that the resources are not mobile therefore the longer lasting heterogeneity. In the perspective on competitiveness of the
strategic fit adapted by firms, the main driver of an organization competitive advantage is the internal resources available in implementing the strategies (Mburugu, 2015).

The study by Hockinson theory mostly relied on the effect of firms internal environment to form a section of resourceful advantage. In the conceptualization by potter (1983), the continuum about an organizations effectiveness and for firms to produce an above average profits then it must be able to illustrate the effectiveness of its strategies while to avoid being tracked in the middle of operationalization however the potters conceptualization is not supported by Herbrick (2013) suggesting that as the competitive strategy are compatible in general, they do not produce single results, Rachel (2016) posits that the core competence of a business model must be shaped to withstand the market forces while not exposing its business model if it is to achieve profitability above the industry’s average. The competitive strategies represent circularity of the resource basis is that a resource that is variable is rare proposing a narrow definition of a competitive advantage (Priem & Burtler, 2011) the tautology of determining the exogenous value of an entity conclude that the resource based theory has only contributed little on the competitive advantage therefore recommending a scholastic address of the relationship between the resources of an organization and the environment it operates (Priem & Burtler, 2011)

It is of necessity to balance between the internal resources and external recourse whilst monitoring the effectiveness of strategies adapted. Every organization is a pool of capabilities and resources that determine strategies and performance of an organization thus if firms have the same recourses and performance then the values created in the market is the same and there is no competitive advantage (Barney, 2011).
For success to occur in a firm there must be development of unique capability to determine the competitiveness in future. The strategic recourse is redistributed heterogeneously across the organization. This theory also suggests that the consequences of a firm specific recourse and capability are consequential of competitive advantage and performance. Therefore to maintain a competitive advantage, every firm should try as much as possible to come up with strategies that are valuable, effective and difficult to copy by other competitors since it would be too costly to the firm should that occur (Kariuki, 2014). The current study focuses on the importance of resource based theory which remain as a famous theoretical model for analyzing the effectiveness for strategies and resources, it has not escaped criticism from other scholars with others suggesting in effectiveness since it focuses on internal capabilities and resources of a firm (Hooley, 2016). The current study will utilize the effectiveness of competitive strategies on business performance of Kenyan betting companies. The underlying assumptions makes the theory lose a bit of its shape since resources such as entrepreneurship are highly mobile as they can be easily accessed or can easily change hands.

This theory was relevant to the study because betting companies have a bundle of resources and capabilities made up of physical, financial, human and intangible assets which can be translated into a strategic advantage by exploiting these resources for continued performance and produce above average profits.

2.1.2 Dynamic Capabilities theory

This theory refers to the ability to create new wealth and customer capture methods by private companies that predominantly operate in a much changing legal, technological and economic environment, (Teece, 2011). The dynamic capabilities theory offers wide comprehensive overview of how a firm will develop its innovation, path dependency and
the available assets of knowledge available to a particular firm. The dynamic capabilities theory extends the resource based theory on how valuable a company’s resources can be maintained or sustained and redeveloped in the ever changing environment. Dynamic capabilities theory may assume various positions to the firm overall competitive strategy. The capabilities of the firms to increase their capacities and to take advantage of the market niche may include integration of competitive strategies on business performance of Kenyan betting companies (springs, 2017).

This theory is critical in this study because, according to Ambrosini and Bowman (2006) sees the theory as the best in giving the correct way to think about new customer capture methods through reconfiguring the operation of a firm in order to meet the changing business environment while assessing the effectiveness of the company which is the main objective of the study, he suggest that the theory gives a robust way of building on entrepreneurship practices and theory this is because it’s risky to engage in entrepreneurship hence should be avoided.

2.1.3 Porters Five Forces Model

The theory defines the five forces of competitive position and provides a model with a simple perspective for assessing and analyzing the competitive strength and position of a business organization. The model was developed by Michael E. Porter in 1979. It gives insights on elements of macro and micro environment. The model attempts to give an analysis of the competition facing the industry and the strategy development. It brings the economies that derives the forces that shape up the competition intensity and the suitability of the industry. The five forces try to bring down the performance by watering down the profitability starting from the ability to apply its core competence while not exposing its business model if it is to achieve profitability above the industry’s average. Porters analysis of the airline industry is a classical example where although the industry is complex and with low profitability register
returns in excess of the market average. The promulgated forces are classified as either vertical or horizontal. The vertical are bargaining power of buyers and bargaining power of suppliers. The horizontal are rivalry between existing firms, threat of substitute products and threat of new entrants. The need for firms to analyze the forces is so as to take advantage of its strength and to re-check its weakness since where the forces are weak, then a compiling firm develops its market (Porter, 1990). As porter emphasizes on the need to analyze the forces so as to come up with effective strategies, the unpredictable nature of the pedagogy calls for sound ways to evaluate the effectiveness of the strategies currently in place.

The adoption of the theory has been seen to work on market penetration strategies used by football betting firms in Kenya where they target increasing customer usage, sourcing new customers and enhancing website features (Kiragu, 2016). The theory enables the betting companies to use their bargaining power of buyers and includes customers seeking higher quality products at much lower prices. The customers are sensitive to price changes. This power is higher if the product being offered is differentiated. Betting companies can reduce the bargaining power by incorporate loyalty program. The power of the buyer is high if the customers has many options. In the betting industry the power is reduced by offering a varied betting products. Factors that hinder include degree of dependency on existing channels of distribution, buyer switching costs and availability of information.

Bargaining power of suppliers includes the suppliers ability to raise price of inputs. When there are few suppliers the power over the firm is high and can be a source
of power. This can happen in form of the supplier raising prices and lowering the quality for the supplies.

Rivalry between the firms involves the intensity of the rivalry which manifests itself using elements like competition on pricing, customer service, new product, competition in advertising. These pressures limit the profits for all the players. The industry of competitive rivalry in the betting industry remains muted by the fast developing disciplines of professional games. The companies are less concerned with competing with each other and are more involved in establishing traction in the open market betting spill over.

Threat of substitutes refers to another product that can be used in place of the one being offered by the firm. Thus it has an effect of reducing the profits since the competitors product is sold at a lower price. The propensity to switch to the substitute products defines the competitive advantage of the firm. Other factors that have effect on the substitute are the ease of substitution, quality depreciation and perceived level of product differentiation.

Threat of new entrants as a result of attractiveness of the market determines whether other firms may come on board, an attractive market will attract many firms which decrease the incomes and market share. Although competition can be healthy, it can kill other firms notes Stuart (2010). However, there are a number of factors may discourage new entrants for example barriers to entry, government policy, capital requirement among others.

The porter’s five forces management tool remain one of the strongest tool in assessing the strengths and weaknesses and applicability of the chosen strategies. Nevertheless, it has not highlighted the problems in the higher competition dynamics since the model is static.
and does not take into account the changing market trends in the present time. This is because the business of today must be characterized by occasional assessments of strategies and continuous innovation with digitization an ingredient of the organization.

The theory was relevant to this study because it offers a number of new insights, analytical methods and conceptual frameworks on how betting firms respond to market dynamics. According to Caldart, Adrian and Ricart (2004) every firm must be able to take advantage and capitalize on emerging opportunities. The theory will enable the betting companies to use their bargaining power of buyers and includes customers seeking higher quality products at much lower prices. The customers are sensitive to price changes. This power is higher if the product being offered is differentiated. Betting companies can reduce the bargaining power by incorporate loyalty program. The power of the buyer is high if the customers has many options. In the betting industry the power is reduced by offering a varied betting products and by responding effectively and spontaneously self-organize into organized forms that stand a better chance of adapting to their environments, also the theory enables the enhancement of creativity, learning and adaptation in the betting industry.

2.2 Empirical Review

2.2.1 Betting industry

Sports betting have been in existence for more than a thousand years and people have occasionally wagered on their favorites on an outcome between competitors. Since the time of emperor in the name circus and has evolved to modern times. The early betting were not much more like betting of today. The early betting was mostly characterized on bowling and horse races at the same time there was development of new interests and there was an expansion of organized sports betting with expansion of other sporting activities such as boxing, darts, ice skatting, hockey and cycling. The Kenyan betting industry has grown from individual grassland based casinos gambling to a new form of incorporated and
innovative betting thanks to new technologies and regulations. It has attracted a lot of attention recently, the industry was established in 1969 and has contributed to development of economy. The revenue are expected to continuously grow from Ksh 2b in 2014 to 2.9b in 2016 (Pwc outlook report, 2015). The betting industry is regulated by BCLB. The sport betting industry has gained great popularity and has become part of the lively in many Kenyan lives. As compared to the current manufacturing industry’s segmented growth, betting has become part as parcel of Kenyans as they try to take money to themselves therefore receiving a widespread interest by betting companies. Kenyan players have enjoyed online and mobile phone betting with many operator operating through betting shops and mobile phones well as online platforms. Although the betting industry has experienced constant growth, it has also received challenges such as higher fixed cost, technological challenges, complex regulations, increased competition and tax policies complexity.

Sportpesa was started as a brand by Pevans Kenya limited in 2014 with a capital of ksh 400 million in an attempt to tap into the Kenya’s betting industry. As a diversification from gambling product, the company has transformed a local and ripe soccer fan base to a national obsessed betting. The sportpesa’s return on investment has continued to grow with the help of modern marketing niches. The success of sportpesa can mainly be attributed to employing proper strategies and its desire to take risks. Currently sportpesa serves a customer base of 2m registered customers. Sportpesa has contributed to continue to grow despite all odds and has continued to bet big. It has sponsored the Kenyan premier league which saw it rebrand from Kenya premier league to sportpesa league. Also it has sponsored the top premier league clubs Gor mahia and AFC leopards a deal worth millions not being
unabated by a partnership with Arsenal an English premier league. The company has in recent days entered into a gaming industry with a new brand by the name pambazuka.

Betway was initially royal bet company that offered a variety of betting products. The brand has a global experience since the mother name betting has a global setting and it is owned by Jambo marketing company and is regulated by BCLB the brand is now in the Kenyan market with an expectation to exploit the Kenyan market. Betway has continuously and tireless continued to market its products which are available in either mobile phone and online platforms rigorously to counter the exploits of other betting firms.

Mcheza is betting franchise that was started through partnership among the partner being Julie Gichuru in December 2015. It sort to create an interactive platform for football fans across the world. It has formed partnership with global gaming companies intralot and acumen communications limited a move seen as an aim to transform the gaming sector in Kenya.

Betin Kenya brands itself as the number one betting website offering highest betting odds and above all offering live bets. The company is owned by game code limited and it has tried to reach out to many customers through advertisement on local dailies. Since there is no limitation on gaming firms to operate in Kenya, there are many other players that include elite bets, bet yetu and betika.

2.2.2 Competitive strategies

The organization’s performance depends more on the operating environment. The aims of competitive strategies are to provide an economic position that keeps an organization to a

### 2.2.3 Differentiation Strategy

This entails offering a product or service to the market that is unique or has unique factors. It is the creation of distinguishing qualities that makes a product to send out from the available options (Pearce & Robinson, 2014). Kiragu (2016) on market penetration strategies used by football betting firms in Kenya. A firm that offers differentiated products benefits from customer loyalty. To implement the differentiation strategy, the firm requires a special consideration to the structure of the organization, the varying market trends in the industry puts the firms at a corner where the main drivers are increasing customer usage, sourcing new customers and enhancing website features were the widely used tactics. This makes a product to be noticed easily within the market. The main aim of differentiation is to take advantage of the exclusive markets which in turn leads to higher profits than normal market profits. The unique setting of differentiation focuses more on customers needs and desires on performance and usefulness. The basis to differentiate can be viewed in three ways; the implementation of differentiation while focusing direct on the product features, the firm focuses on the relationship of the firm and the customers for example the customized features, reprecion among others. Then the implementation of linkages within the product mix and the distribution channels.

Aliqah (2012) examined the empirical evidence between differentiation strategy and organization firm performance among Jordanian manufacturing firms. The study used primary data which was collected using a closed-ended questionnaire. The study adopted
measures of product differentiation strategy using Chenhall and Langfield-Smith (1998) five product differentiation tool, "providing high-quality products, fast deliveries, making changes in design and introducing new products and providing unique product features". Factor analysis was used to consolidate the parameters and form a single index. Firm performance was operationalized as return on assets, sales growth rate, cash flow from operations, customer satisfaction, product quality and market development, all of which were measured using a five-point Likert scale whereby the respondents were requested to indicate the effect of each in relation to differentiation. The results of the study revealed that there was a positive and significant relationship between differentiation strategy and organizational performance.

Product differentiation was measured by growth in productivity, innovation in developing product and production of unique product. On the other hand, firm performance was operationalized as sales growth, customer satisfaction. Regression analysis was used to analyze primary data which was collected using closed-ended questionnaire. Results of the study showed that there is a positive and significant relationship between product design, unique product features, innovative product development and firm performance. Kamau (2013) study of Nakuru Supermarkets in Kenya found that increased competition is causing supermarkets to differentiate their products and services to maximize sales performance. In a dataset of 11 supermarkets that involved branch managers, technical officers and production life staff found that product differentiation and physical differentiation (in terms of the characteristics of the products) played a major role in activating annual sales performance as compared to service differentiation (Kamau, 2013).
This study was a case study of Nakuru supermarket, however the current study aims to focus on the insurance sector.

Barney and Hesterley (2016), explains that differentiating a product is an expression of creativity in the groups operating within a firm and therefore creates opportunities in the industry in particular. Differentiation may generate superior profitability since it provides insulation against competitive rivalry because of the customer loyalty which leads to the customers not being sensitive to price changes (Porter, 2000). It produces higher margins to deal with the power of the supplier which mitigates the power of the buyer since they lack alternatives. A firm that offers differentiated products benefits from customer loyalty. To implement the differentiation strategy, the firm requires a special consideration to the structure of the organization, management controls and the implementation of cost leadership strategies (Martina, 2014). The implementation and the arrangement of the organization should reinforce the implemented strategies and not only to fit the setting. An organization that supports differentiation is characterized by a cross function not development of complex structures (Barney & Hesterly, 2016).

Porter (1980) argues that strong marketing abilities creativity and product re-engineering are main ingredient for differentiation. The broad guidelines for decision making by management and policies for experimenting may be elements that support differentiation. The prosperity to take risk and rewarding of risk takers reinforces the product differentiation. The success of differentiation is partially related to product focus. The approach of focus involve identifying the market for segmentation and coming up with products that satisfy the need. The application of the strategy in the betting industry saw the establishment of various betting markets for examples half time results among others.
The current study will be focusing on product differentiation strategy as a competitive strategy among betting companies in Kenya.

2.2.4 Product Innovation strategy

This is a plan to grow profits or market share through product and service innovation. It involves creation of ideas that make specific and tangible in the innovation dominion (Davila et al, 2016). It is the implementing creative ideas successfully in an organization. Innovation is critical for growth and effectively performing firms. In an organization that is self aware of its goals the innovation is an engine. Innovation is concerned with improving the market mix to serve market better (Kim & Morborge, 2011). Innovative process has two segments; inventive which is associated with creation of new ideas and innovative which is the invention with market driven implementation. A study by Drucker (2015) found that innovation is a fundamental component in entrepreneurship and a valuable component of success in business. It facilitates continuous change in the business environment to produce new dis equilibrium leading to higher profits and new opportunities the change rate and need to innovate is exponentially increasing due to changes in technologies. Developing a powerful innovation capability is not an easy task, in the research by Pwc (2011), the innovation practice has continued to demonstrate that there is no correlation between the money spent on research and design with financial performance but success depend on the company’s flexibility to new ideas. The betting firms have continued to innovate while being able to incorporate the technological aspects e.g. the digitalization of the betting platforms, mobile phone bet among others.

As it has been noted by Waiyaki (2014) different cost structures in different market segments allow a firm to use cost focus strategy. Due to the differences in the market
segment the need and wants also remain different and hence companies should take
advantage of the differences to design products and services to be offered to the customers
so as to fulfill their need and wants. In an industry where economies of scale play an
important role, the focus strategy on cost may be hard to evaluate. Empirical evidence too
has shown that there exists a danger if a niche disappears over time since the preference
and taste of customer keeps on changing with the business environment (Lynch, 2013).

According to Doyle, (2012), the ability of a company to outperform its competition
depends on ability to take advantage of market activity trends; ability to capture and protect
‘unfair share’ of markets; ability to capture premium pricing; prudent creation and
introduction of new products.

Porter (1998), firms have to do constant redesigning of their strategies so as to remain
competitive. In designing the competitiveness of the strategies the strategists must be able
to respond to pressures and influences from the environment this helps in cropping
strategies that create a lasting competitive advantage. As porter (1985) explains that to
create competitive advantage a firm must conceive new ways to deliver additional value to
its customers.

Breene and Nunes (2014), The most important aspect of sustaining competitive advantage
mix is offering an effective product line than competitors and keeping a defensive position
of the market against rivals. The betting industry has attracted a lot of attention recently
and has contributed to economic development.

This is a strategy used by organization to create an operation niche. The main aim of the
strategy is to gain advantage over competing by reducing operation costs as compared to
other players in the industry. The concept was developed by Michael Porter as a business strategy. Business seeks to dominate their markets through offering their process to low levels in the market spectrum. Firms focuses more on reducing operation costs (Porter, 1980). The costs involved in production are lowered by developing a cost control curve and coming up with mechanisms to minimize costs.

Barney and Hesterley (2014) gives the main cost advantages that a firm needs to adopt this as :economies of producing in large scale, the diseconomies of scale and the size differences, the learning curves and experiences, access to productive inputs and technological advancements which are independent from scale. A cost leadership strategy aims to exploit scale of production.eg good purchasing approach using high technology .In the past years firms whose strategic mix to get market leadership. The pattern entails a mixture of offering superior customer service, cost leadership and product leadership. Cost leadership is much more different from price leadership since the company can produce its product at lowest cost in the market and still not be the lowest cost seller. If that happens then it gets more than average profits .As such, cost leader companies do not compete on price and offer effective products ,this can be got through structures and management.

Jiri, Stanislav, and Petr (2013) observed that the organizations operating in a transformation economy ascertain that the strategies used to date, especially the low-cost strategy, is losing strength. This leaves behind questions on the ability to adapt to a new situation once the lowcost strategy is pursued. In other surveys, the cost leadership strategy has been mostly affected by the access to financial sources leading to question of capital strength to support demand from existing and new customer as result of new pricing strategy.
Although Cater and Cater (2009) noted the differentiation strategy is, on the contrary, mostly affected by the access to an intellectual capital and the financial strength of the organization itself, some prior surveys have realized that in developed countries low-cost strategy is more affected by capital (Auzair, 2011). This study tends to contradict previous once and hence there is a need to carry out further research to establish whether differentiation or cost leadership is more dependent on capital or financial strength.

Leitner and Güldenberg’s (2010) study in Austria found that bigger organization benefit from adopting one strategy where cost leadership strategy was found to be favorite of many companies while small and medium enterprises undertook a combination of cost leadership and differentiation strategy. This prompts a question on whether the low-cost strategy is a thing for the big company. And then the other question is the impact of the "Stuck in the middle" strategy in comparison to a low-cost and a differentiation strategy in CEE countries (Pertusa-Ortega et al., 2007). The survey looking for the answer to this question based on above-mentioned knowledge is the key topic of this paper.

Minarick (2015), concludes that low cost position places a firm in a favorable position because it can reduce the threat of new entrants which may pose threat to the entity.. For a firm to survive using the overall cost leadership, the firm need to an insight of the competitors products and if the competitors are offering differentiated product then the strategy might not work since the customer can chose to get the value of the product even at high prices. In case the products in the market are standardized, then the market will favour the products with low prices (Thompson, 2015). However the current study will be focusing on cost leadership strategy as a competitive strategy among betting companies in Kenya.
Huo, Qi, Wang, and Zhao (2014) discovered that firms following a low-cost strategy stress operational efficiency which a firm can achieve by modernization, mechanization of the firm equipment, economies of scale, and applying experienced. Kim et al. (2004) consider these issues in the context of e-business firms. Nevertheless, each of these pros could be temporary and not durable. Otherwise, the strategy based on differentiation through products, brand building, and reputation, and strong provider and customer connections, provided more lasting rewards that allow performance in the long run.

### 2.2.6 Focus strategy

The strategy aims at serving a target market of segment well by coming up with niche buyers and more appealing products to the chosen market. It involves targeting a particular market (Porter, 1985). A more focused approach includes its attractiveness in a niche market that is big since it offers a good growth potential. A study by Gichuhi (2015) explains that a firm concentrates its resources on expanding or entering the chosen market. A firm employing this strategy enjoys a wide range of customer loyalty which discourages other competing firms.

As Chronicle (2015) explained, focus strategy is different from the first two strategies, that is differentiation and cost strategies, in that these strategies proportion. With focus strategy, companies begin by identifying the specific market segments where they can compete effectively (Wanjira, 2011). Chronicle (2015) adds that company needs to choose a market where the strategy matches market characteristics. Jacob and Chase (2011) reiterate that the ultimate goal of any organization is to add value to their customer as defined by the ratio of quality to cost. An organization with this goal always aim to remain at the competitive edge by cutting down prices of the production costs or product premium.
Homogeneous commodities are seen to increase competition environment since they make it difficult to customize these commodities and hence have to set their price below others to make a sale since the customer have high bargaining power. Therefore, for a seamless linkage between formalized process and information, an organization must have to be strategically oriented and organizational atmosphere has to provide an appropriate context.

Arasa and Gathanji (2014) examined the relationship between focus leadership and firm performance in the telecommunication industry in Kenya. Both correlation and regression analysis revealed a positive and significant relationship between focus leadership and firm performance. Aykan and Aksoylu (2013) examined the effect of competitive strategies and strategic management accounting techniques on perceived performance of business. The study grouped competitive strategies into three; cost leadership, focus leadership and differentiation strategy from manufacturing firms in Turkey. Regression analysis revealed that there was a positive and significant relationship between focus leadership and firm performance.

Carolina (2014), the successful application of the strategy depends mostly on the availability of buyer segment looking for qualities or the seller capacities on the organizations capability to over do the competitors in the same industry. Firms are able to pass high costs to the customers since there are no close substitutes. The limitation of the strategy is that competitors will soon catch up with the firm and water down the profits made by serving customers in a more better ways or offer products with higher quality features. Firms can capitalize on the strategy by specializing on a specific market and offering consumerized products Cavusgil et al (2013). Also over time the needs for a specific customers shift over time and the satisfaction will also shift hence the insatiable
nature of customers. The betting firms have continued over time to come up with markets suiting the customer needs e.g. correct predictions scores, odd and even scores. The current study will be focusing on cost leadership strategy as a competitive strategy among betting companies in Kenya.

2.2.7 Concept of Effective Competitive Strategies

Gerry and schools (2014) defines effectiveness as the degree to which objectives are achieved and the extent to the targeted problems is solved. It refers to how the firm is matching its product offering to the customers’ needs and the firms competencies. Effectiveness can be determined using the quality measure as doing the thing right. Porter (1980) defines effectiveness as how strategy leads to the firms to perform better than normal. A study by Morgan (2013) gives a vivid description on the numerous ways to conceptualize a model on business effectiveness. The concept typically deals with the form of organization structure and the activities happening in the organization. Therefore the management mechanism for control seeks to maximize the standard of the product for efficiency.

Pearce et al., (2015) a study done on competitive strategy has been associated with the field of strategic management from its earliest foundations. According to Porter (2000) strategists must assess the forces affecting competition in their industry and identify their company's strengths and weaknesses, then strategists can devise a plan of action that may include first, positioning the company so that its capabilities provide the best defense against the competitive force, influence the balance of the forces through strategic moves, thereby improving the company's position, and, anticipate shifts in the factors underlying
the forces and responding to them, with the hope of exploiting change by choosing a strategy appropriate for the new competitive balance before opponents recognize it.

A study by Pooley (2015) observed that the prevailing paradigm for measuring effectiveness mimicked the paradigms that existed in earlier days. While considering the needs and the interest of the organization model that encourage participation (Mayo, 2011) the study gives a similar result concurring that change and strategy formulated since the shapers of competitive forces being bargaining power of the buyers, bargaining power of the suppliers, rivalry between the firms, the threat of new entrants and threat from substitute products. Organizations should conduct an assessment of competitive strength, availability of resources, and the rigidness versus the dynamism of the ingredients with the organization strategic fit. Application of the value chain helps in determining the value addition (Hellen, 2015). The current study will be focusing on effective competitive strategies as a competitive strategy among betting companies in Kenya that the study will aim at filling the gap left by the discussed authors.

### 2.3 Research Gap

Many studies have been conducted on effectiveness of competitive strategies on business performance. Yasar (2010) focused on analyzing the competitive strategies and the firm performance of a carpeting sector in Beijing. The researched annulled any relationship between competitive strategy and the firm performance of the carpeting industry. The research found out that competitive strategies are outlived by transient management theory which holds that competitive advantage may not be sustainable in the long run hence not suitable to influence performance on a carpeting industry. Yasar left a gap that need to be
filled in the current study on influence of differentiation strategy on business performance in Kenyan betting companies

Jonsson & Devonish (2013) did an exploratory study of competitive strategies on product innovation strategy among hotels in Malaysia. The study identified that firms that correctly applied competitive models of strategy experienced superior performance compared to those that didn’t have clear competition models of strategy. The research confirmed existence of a relationship between organizational performance, client satisfaction and improved competitive position of a company’s activity.

Arasa and Gathinji (2014) focused on the correlation between competitive strategies and firm performance in Telecommunication industry in Kenya. The study outlines that competition was steep in the mobile telecommunication sector and only firms that developed competitive strategies that focused on cost leadership and differential tactics will survive the steep competition in the sector. The current study aim to fill the gap left by Arasa and Gathinji (2014), on the influence of cost leadership strategies on business performance in Kenyan betting companies.

Ilovi (2011) examined how to sustain a focus strategy and business performance in reference to the insurance industry in Kenya. The study recommended that players in the insurance sector should constantly evaluate their strategies with the aim of outdoing competition. In light of the foregoing, the author suggested adoption of cost reduction strategies, focus strategy and investing in resources as some of the measures of addressing issues of competition in the industry. Strategies Adopted to ensure a competitive position in an industry that is faced with lower penetration, prejudice from potential customers and
public perception and internal deterrents like fraud, slow claims processing and limited market opportunities.
2.4 Conceptual Framework

The following diagram shows two variables, independent and dependent variables. The dependent variable represents the competitive strategies. The dependent variable represents the organizational performance of the firm.

**Independent Variables**  
(Competitive Strategies)

- Differentiation strategy
  - branding
  - advertising
  - features
  - many betting markets

- Cost leadership strategy
  - low prices
  - minimum charges in bets
  - product discontinuation
  - product sensitive

- Focus strategy
  - low income markets
  - high income markets
  - substitute products
  - superior customer products

- Innovation strategy
  - invention of technology
  - different betting platforms
  - products development
  - product innovations

**Dependant Variable**  
(Business Performance)

- Market share
- Profitability
- Market performance
- Product quality

Fig. 2.1  Conceptual Framework
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

The study used a survey research design. A survey is a method for gathering information from individuals, institution or phenomenon (Mugenda and Mugenda, 2009). This helps to explain the cause and impact relationship of the study, data collection method and selection of the constructs to achieve conclusive and accurate result (Patton, 2000). The main idea behind the research design is to measure variables relating to the dependent and independent variable. Since this study sought to assess the effectiveness of competitive strategies on business performance, a survey study design is deemed the best design to fulfill the objectives of the study and the information on the current status of main betting firms in Kenya.

3.2 Target population

Target population contains members of a group that a researcher is interested in studying. It is a subset of the population and should be a typical representation of the larger group. This study targeted the 7 betting firms that are licensed and are operating in Kenya. These are Sport pesa, Betway, Mcheza, Betin Kenya, Bet yetu, Betika and Elite bet. Within the betting firms, the study will target 105 employees from the middle level managers, top level managers other employees as shown in the table below.
Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Betting company</th>
<th>Operation manager</th>
<th>Head of strategy</th>
<th>Business development manager</th>
<th>Senior manager</th>
<th>General manager</th>
<th>chief marketing manager</th>
<th>Services delivery manager</th>
<th>Football development</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sportpesa</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>26</td>
</tr>
<tr>
<td>Betway</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>19</td>
</tr>
<tr>
<td>Betin Kenya</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Elite bet</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>Mcheza</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Bet yetu</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Betika</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>7</strong></td>
<td><strong>10</strong></td>
<td><strong>16</strong></td>
<td><strong>10</strong></td>
<td><strong>7</strong></td>
<td><strong>13</strong></td>
<td><strong>23</strong></td>
<td><strong>19</strong></td>
<td><strong>105</strong></td>
</tr>
</tbody>
</table>
3.4 Data Sampling Procedure Description

The main factor to considered in determining the sample size to be used in research is the need to make it manageable enough (Newman, 2000). In selecting the respondents, the study employed a census technique of top managers and middle level managers in the betting companies. A census is a study of every unit, everyone or everything in a population. The primary premise for using census method involves actual count to make sure inclusion of all respondents (Stevenson, 2005). This is used primarily when there was limited number of people that have expertise in the area being researched, or when the interest of the research is on a specific field. Therefore the census method suited to help achieve the objectives of this study.

3.5 Data Collection Instruments

This is tools that are used to collect data from intended target population. The study used a questionnaire to collect primary data and an interview guide to supplement the data. This is because the questionnaires collect a lot of information within a short time (Mugenda and Mugenda, 2003). The respondents were given adequate time to fill and return the questionnaires for analysis. The questionnaire had five sections: The first was the general information and profile such as name, gender age among others. The second part had questions on the first objective which is the effect of overall cost leadership on business performance. The third part of questions was on focus strategy while the fourth was on the third objective. The structured questions were used to minimize time for answering and easier analysis. The unstructured part encouraged the respondent to answer the questions while giving an in-depth on the information being given (Baars and Kemper, 2008).
3.6.1 Validity of Instruments

Validity is used to determine whether the research truly did measure what it was intended to measure and how are the results of the research truthful (Joppe, 2000). In research, construct validity determines the data to be gathered and how to be gathered. Golafshani (2003) notes that the interplay between the constructs and the data in order to validate the tests greatly reduces the validity of the test being conducted. A test is valid if it measures what it claims to measure (Best, 2006). The idea of validity rests on the extent to which research data are deemed accurate, honest and on target (Best and Kahn, 2006).

The instruments for data collection were sub-divided as per the variables and objectives to ascertain whether the content comprehensive and representative of the behavior domains to be measured. According to Kothari, C. (2005) Content validity of the instrument was determined through expert judgment which will involve discussing the items in the instruments with the supervisors, lecturers and colleagues. Their suggestions for improvement were incorporated in the final instruments used in the study.

3.6.2 Reliability

This is the measure of the degree to which a research instrument yields consistent results or data after repeated trials thus giving it accuracy or precision. In research, reliability is influenced by random error (Mugenda, 2003). There is need for testing the instruments reliability to ascertain the results. The instruments was pre tested for reliability by first conducting a pilot study on 15 respondents composed of employees of shabiki.com betting company which was excluded in the sample. The pilot study ensured clarity and suitability of the questions on the instruments designed, relevance of data being sort and the language from the responses given. In addition measure internal consistency using cronbach alpha.
formula will be determined as a test of reliability. Cronbach alpha is widely believed to indirectly indicate the degree to which a set of items measure a single uni-dimensional latent constructs. The instruments generated a coefficient of 0.89 was realized which was above was 0.8 as it was considered the instruments as reliable. Because inter-correlation among test items are maximized when all items measure the same constructs, higher value of confidence, the better the measuring instrument (Zinbargetal, 2005).

3.7 Data Analysis and Presentation

Data analysis is the process of transforming and modeling data with the goal of discovering useful information suggesting conclusions and support decision making (Romuel, 2003). Descriptive statistics was used to analyze the data with the help of Statistics Package of Social Science (SPSS) in determining the extent of implemented competitive strategies on Kenya’s betting firms. The data was collected and a descriptive statistical analysis was run. Then a correlation analysis was performed to ascertain whether there is a relationship between the variables, then SPSS was tabulating the data using frequency tables. This method summarizes data to make it easier to interpret, and present in a more manageable form summarized and presented using tables and used to answer the study questions. Chi square ($X^2$) was computed in determining the interdependency of variables. This involved the use of expected frequencies and observed frequencies at 5% significance levels for which its value is available in the statistical tables. The chi square model that suits the test of independent variables (overall cost leadership strategy, product differentiation strategy, innovation strategy and focus strategy) and their effects on (business performance). The computation formula is :

$$X^2 = \sum (O - E)$$
$X^2 = \text{Business performance}$

$O = \text{Observed frequency}$

$O_1 = \text{Overall cost leadership strategy}$

$O_2 = \text{Differentiation strategy}$

$O_3 = \text{Innovation strategy}$

$O_4 = \text{Focus strategy}$

$E = \text{Expected frequency}$

Data was presented in frequencies and percentages to classify the responses with tables, pie charts and bar graphs being used to make it easier to interpret and visual impression. This is because it facilitates relevance, accuracy and comprehensibility regardless where the data is disseminated (Statistics Canada, 2010).

### 3.8 Ethical Consideration

The ethical consideration promotes pursuit of knowledge and truth which is the fundamental principle in research. The researcher first sought permission from the management and the respondents who are to participate in the study since the study involved interaction with individuals as the participants; it is of great importance to establish trust with the respondents. This was achieved through ensuring the information provided remained confidential and the respondent is anonymous since there was no name reflected in the questionnaire. To achieve this, the researcher explained the research
process to the respondents the aim and the objectives without influence. Special attention was given when required in case the respondent has impairment.
CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, AND INTERPRETATION

4.1 Response Rate

From a target population of 105, a sample size of 105 respondents from Kenyan betting companies was drawn. Out of the 105 respondents who were expected to participate in this study, 90 (85.7%) responded by fully completing and returning the questionnaires while 15 (14.3%) failed to complete or submit the questionnaires. They were discarded for either lack of response, being improperly filled, or being incomplete.

Table 4.1: Overall response rate

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sampled</td>
<td>105</td>
</tr>
<tr>
<td>Realized</td>
<td>90</td>
</tr>
<tr>
<td>Response rate (%)</td>
<td>85.7%</td>
</tr>
</tbody>
</table>

The 90.4% response rate falls within the confines of a large sample size. According to Babbie (2002) any response of 50% and above is adequate for analysis thus 85.7% is even better. This reasonable response rate was made a reality after the research assistants made personal calls and visits to remind the respondent to fill-in and return the questionnaires. Also during the data collection clarifications were made on the questionnaire statements.

4.2 Descriptive Statistics

The study sought to examine the demographic characteristics associated with the respondents to ascertain that the methodology employed was not biased based on any of
the demographics. The study data was analyzed by use of descriptive statistics which includes; frequency, percentages, standard deviation and mean. The study was interested in the respondents’ characteristics which include; gender, highest level of education, working experience, in the service in the company. The study findings were as indicated in the section that follows.

### 4.2.1 Gender of the Respondents

The gender of the respondent was vital for the study as the results are shown in table 4.1 below:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>66</td>
<td>73.3</td>
</tr>
<tr>
<td>Female</td>
<td>24</td>
<td>26.7</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the study it was important to seek for information on the gender of respondents because it ensures elimination of any gender biasness. The findings revealed that out of 90 respondents 66(73.3%) of the respondents were male and 24 (26.7%) of the respondents were female. This implies that the researcher was able to minimize the influence of gender biasness by collecting data across all genders. This was interpreted to mean that the data collected represented the views of both genders and hence was not biased. Also, the
population of females less than one third of staff population. This suggests the organization has not adhering to the principle of gender parity in employment and the decisions made by the organization are bound to be gender sensitive.

4.2.2 Work Experience

Table 4.3: Work Experience

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 years</td>
<td>30</td>
</tr>
<tr>
<td>4-6 years</td>
<td>48</td>
</tr>
<tr>
<td>7-9 years</td>
<td>6</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
</tr>
</tbody>
</table>

Respondents experience was essential to avoid any influences resulting from gained organizational competitive strategy in Kenya betting companies as a result of little knowledge pertaining to the subject area as a result of been relatively new in the organization (Chenhall, 2013). The study sought to collect data from respondents with different experiences working at the organization.

The study finding revealed that out of 90 respondents 30(33.3%) of the respondents had worked for the institution for less than one 3 years, while respondents who had working experience of between 4-6 years were 48(53.3%) , those employees who had worked for 7-9 years 6 (6.7%) and of responses had experience of over 10 years were 6 (6.7%) .This implied that the study obtained responses from all the levels of working durations. This implied that the study was able to collect varied opinions from the respondents and the responses collected were a true representation of the happening of the institution without
influences resulting from being at the organization for too long or being relatively new in the organization.

4.2.3 Level of education

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate</td>
<td>30</td>
<td>33.3</td>
</tr>
<tr>
<td>Diploma</td>
<td>42</td>
<td>46.7</td>
</tr>
<tr>
<td>Degree</td>
<td>18</td>
<td>20.0</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100.0</td>
</tr>
</tbody>
</table>

From the study respondents education level was important because it showed respondents knowledge to answer the questions posed to them in the questionnaire. Data from respondents of different education levels would ensure even representation of opinions from respondents.

The findings revealed that out of 90 respondents 30(33.3%) of the respondents had attained certificates, 42(46.7%) were diploma holder, 18(20.0%) were holding degrees. This implies that the researcher was able to obtain responses from all the levels of education backgrounds. The findings implied that data collected represented the opinions of all respondents from different education levels. This was important because it meant that the data collected represented the opinions of respondents with different academic qualifications and hence it was a true representation of the happenings at the organization. This concurs to Awiti (2012) who stated that a respondent who is adequately educated gives credible and reliable results.
4.2.4 Position Held

The study sought to assess the Position of the Employees in the Kenyan betting companies, results were as illustrated below:

Table 4.5: Position of the Employees

<table>
<thead>
<tr>
<th>Ranks</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation manager</td>
<td>7</td>
<td>7.7</td>
</tr>
<tr>
<td>Head of strategy</td>
<td>10</td>
<td>11.3</td>
</tr>
<tr>
<td>Business development manager</td>
<td>14</td>
<td>15.5</td>
</tr>
<tr>
<td>Senior manager</td>
<td>8</td>
<td>8.8</td>
</tr>
<tr>
<td>Chief marketing manager</td>
<td>13</td>
<td>14.4</td>
</tr>
<tr>
<td>Service delivery manager</td>
<td>21</td>
<td>23.3</td>
</tr>
<tr>
<td>Football development manager</td>
<td>22</td>
<td>23.1</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>100</td>
</tr>
</tbody>
</table>

From the study respondents position of the employees in the Kenyan betting companies was important as it shows the various positions that employees were holding. This profile distribution was important since the study aimed at capturing the opinions of all cadres of employees in the organization as a unit of observation. The findings revealed that out of 90 respondents operation managers were 7(7.7%), those who were from Head of strategy were 10(11.3%), business development manager were 14(15.5%), senior manager were 8(8.8%), Chief marketing manager were 13(14.4%), Service delivery manager were 21(23.3%)
and football development manager22(23.1%). According to Mobley (1977), factors such as added responsibilities, staff training, performance and evaluation as well as the company’s succession plans have been suggested as competitive strategies that an organization can use against other companies.

4.3 Analysis of Variables

The study sought to find out the effects of determining the effectiveness of competitive strategies on business performance of Kenyan betting companies. This was done by determining the descriptive measures of the study variables (Differentiation strategy, cost leadership strategy, Focus strategy, Innovation strategy and their effects on Business Performance) which were tested by the questionnaire. The analysis was done using descriptive statistics; mean and standard deviation with a Likert scale of 1-5, the scores of which a weak association was taken to represent a variable which had a mean score of 0 to 2.5 on the continuous Likert scale. On the other hand, scores of 2.5 to 3.5 represented moderate significance and mean scores of 3.5 to 4.8 on the continuous Likert was taken to have a great and strong effect.

4.3.1 Influence of Differentiation Strategy on Business Performance

Pearce & Robinson, (2014) said that differentiation Strategy entails offering a product or service to the market that is unique or has unique factors. It is the creation of distinguishing qualities that makes a product to stand out from the available options. The study sought to establish the influence of differentiation strategy on business performance in Kenyan betting companies.
Table 4.6 Differentiation Strategy on Business Performance

<table>
<thead>
<tr>
<th>Differentiation Strategy</th>
<th>Resp</th>
<th>SD</th>
<th>D</th>
<th>UN</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising has persuaded the public to use the company’s products. The company’s products has offered unique value to the customer needs</td>
<td>F</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>68</td>
<td>22</td>
<td>4.2444</td>
<td>0.4321</td>
</tr>
<tr>
<td>%</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75.6</td>
<td>24.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company’s products has continued to stand out due to proper branding. The company’s introduction of many betting markets has a positive impact on the company incomes.</td>
<td>F</td>
<td>22</td>
<td>-</td>
<td>-</td>
<td>68</td>
<td></td>
<td>3.2667</td>
<td>1.2964</td>
</tr>
<tr>
<td>%</td>
<td>24.4</td>
<td>-</td>
<td>-</td>
<td>75.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company is sensitive product offering in different market segments. Advertising has persuaded the public to use the company’s products. The company’s products has offered unique value to the customer needs</td>
<td>F</td>
<td>68</td>
<td>15</td>
<td>-</td>
<td>2.2</td>
<td>2.2</td>
<td>3.7444</td>
<td>1.3785</td>
</tr>
<tr>
<td>%</td>
<td>75.5</td>
<td>16.7</td>
<td>-</td>
<td>5.6</td>
<td>5.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company’s products has continued to stand out due to proper branding. The company’s introduction of many betting markets has a positive impact on the company incomes.</td>
<td>F</td>
<td>2</td>
<td>29</td>
<td>-</td>
<td>18</td>
<td>41</td>
<td>2.8222</td>
<td>1.5475</td>
</tr>
<tr>
<td>%</td>
<td>22</td>
<td>32.2</td>
<td>-</td>
<td>20</td>
<td>45.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company’s products has continued to stand out due to proper branding. The company’s introduction of many betting markets has a positive impact on the company incomes.</td>
<td>F</td>
<td>20</td>
<td>34</td>
<td>-</td>
<td>14</td>
<td>22</td>
<td>1.4556</td>
<td>1.0294</td>
</tr>
<tr>
<td>%</td>
<td>22.2</td>
<td>37.8</td>
<td>-</td>
<td>15.6</td>
<td>24.4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the findings the influence of differentiation strategy on business performance in Kenyan betting companies. The study established that majority of the respondents agreed
that advertising has persuaded the public to use the company’s products as shown by 75.6% agreed and 24.4% strongly agreed with a mean of 3.86 and a standard deviation of 1.245.

They also agreed on the statement that the company’s products have offered unique value to the customer needs as shown by 24.4% who strongly disagreed and 75.6% who agreed with a mean of 3.2667 and a standard deviation of 1.29649.

Furthermore it was agreed that on the statement that the company’s products has continued to stand out due to proper branding as shown by 75.5% of the respondent who strongly disagreed and 11.2 on agreement side with a mean of 3.7444 and a standard deviation of 1.37850.

The company’s introduction of many betting markets has a positive impact on the company incomes, it was agreed 65.5% and 54.2% who disagreed, as shown by mean of 2.8222 and a standard deviation of 1.54758 and finally they agreed that the company is sensitive product offering in different market segments, 60.0% of the respondent disagreed whereas 40% agreed. This was as shown by mean of 1.4556 and a standard deviation of 1.02947.

The above findings were inline with Barney and Hesterley (2015), who explained that differentiating a product is an expression of creativity in the groups operating within a firm and therefore creates opportunities in the industry in particular. Further an agreement was seen by Porter, (2000) who stated that differentiation may generate superior profitability since it provides insulation against competitive rivalry because of the customer loyalty which leads to the customers not being sensitive to price changes .It produces higher margins to deal with the power of the supplier which mitigates the power of the buyer since
they lack alternatives. A firm that offers differentiated products benefits from customer loyalty. To implement the differentiation strategy, the firm requires a special consideration to the structure of the organization, management controls and the implementation of cost leadership strategies as it will impact business performance.

The success of differentiation is partially related to product focus. The approach of focus involve identifying the market for segmentation and coming up with products that satisfy the need. The application of the strategy in the betting industry saw the establishment of various betting markets for examples half time results.

4.3.1.1 Chi-square analysis on Differentiation Strategy on Business Performance

Table 4.7: Chi-square analysis on Differentiation Strategy

<table>
<thead>
<tr>
<th>The company’s products has offered unique value to the customer needs</th>
<th>The company’s products has continued to stand out due to proper branding.</th>
<th>Company introduction of many products in the market has a positive impact on the company incomes</th>
<th>The company is sensitive product offering in different market segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising has persuaded</td>
<td>23.511&lt;sup&gt;a&lt;/sup&gt;</td>
<td>23.511&lt;sup&gt;a&lt;/sup&gt;</td>
<td>36.667&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Chi-Square</td>
<td>df</td>
<td>Asymp. Sig.</td>
<td>df</td>
</tr>
<tr>
<td>23.511&lt;sup&gt;a&lt;/sup&gt;</td>
<td>1</td>
<td>.000</td>
<td>23.511&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

From table 4.7 showed that all the statements on differentiation strategy on business performance were significant (p ≤ .05). This implies that all variables on differentiation strategy had relationship on business performance. the above findings was inline with the success of the strategy depends on the ability to deliver enhanced benefits to customers.
together with low prices whilst achieving sufficient margins for reinvestment to maintain and develop the bases for differentiation. Miller, (2012) argued that if differentiation can be achieved there should be no need to have a lower price since it should be possible to obtain prices at least equal to competition, if not higher. However, Johnson and Scholes (2015) countered that the hybrid system can be advantageous if much greater volumes can be achieved than competitors then margins may still be better because of a low cost base.

4.4 Product Innovation Strategy and Business Performance

Product Innovation strategy as highlighted by (Davila et al, 2016) is a plan to grow profits or market share through product and service innovation. It involves creation of ideas that make specific and tangible in the innovation dominion. It is the implementing creative ideas successfully in an organization.

The study sought to determine the association between product innovation strategy and business performance in Kenyan betting companies. The results were as shown in the table 4.8 below:

Table 4.8 Product Innovation Strategy and Business Performance

<table>
<thead>
<tr>
<th>Product Innovation Strategy</th>
<th>Resp</th>
<th>SD</th>
<th>D</th>
<th>UN</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The use of technology has led to incremental in revenues due to meeting the customers expectation</td>
<td>F</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>68</td>
<td>1.9222</td>
<td>1.64370</td>
</tr>
<tr>
<td>The company develops products that satisfies the market segment.</td>
<td>F</td>
<td>2</td>
<td>7</td>
<td>-</td>
<td>18</td>
<td>68</td>
<td>1.4667</td>
<td>.99662</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>24.4</td>
<td>-</td>
<td>-</td>
<td>5.6</td>
<td>75.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>2.2</td>
<td>-</td>
<td>-</td>
<td>14.4</td>
<td>75.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Development of new products and value addition have led to positive on business performance the company.

Innovation has led to increasing market share along with added corporate outputs.

Innovation projects has contributed materially to overall business performance.

<table>
<thead>
<tr>
<th></th>
<th>F</th>
<th>1.9</th>
<th>-</th>
<th>-</th>
<th>3</th>
<th>68</th>
<th>1.9444</th>
<th>1.67842</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of new</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>products and value</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>addition</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>positive on business</td>
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<tr>
<td>performance</td>
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<td></td>
<td></td>
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<tr>
<td>the company</td>
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<tr>
<td>Innovation</td>
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</tr>
<tr>
<td>has led to</td>
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<tr>
<td>increasing market share</td>
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<td>with added</td>
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<tr>
<td>corporate outputs</td>
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<td></td>
</tr>
<tr>
<td>Innovation projects</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>has contributed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>materially to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>overall business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>performance</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

On finding the association between product innovation strategy and business performance in Kenyan betting companies. The study sought to assess on whether company’s identification of particular customer based segments has helped in coming up with products that suits the segment. This was with an agreement as 75.6% and disagreement of 24.4% as shown by mean of 1.9222 and a standard deviation of 1.64370. The study further asked on whether the company had targets superior customer product segment by offering their product, the respondent at 97.2% who agreed and 2.2% who disagreed the findings was supported by a mean of 1.4667 and a standard deviation of 0.99662. Findings on the company assigns resources to increase customer focuses on high customer services on low income markets. 75.6% agreed and 21.1% disagreed. This was supported by shown by mean of 1.9444 and a standard deviation of1.67842.

On whether the company targets promotional activities to increase knowledge on product quality and availability, this was in support of the majority who agreed 75.6% and 24.4% disagreed. This was as shown by mean of 1.72866 and a standard deviation of1.9778.
Lastly on whether the targeted market segments were not vulnerable to competition and substitute products, produce an increase in return. 60% of the respondent disagreed whereas 40% agreed. This was as shown by mean of 1.6444 and a standard deviation of 1.45580. A study by Drucker (1995) found that innovation is a fundamental component in entrepreneurship and a valuable component of success in business. It facilitates continuous change in the business environment to produce new dis-equilibrium leading to higher profits and new opportunities the change rate and need to innovate is exponentially increasing due to changes in technologies.

Research by Pwc (2011), the innovation practice has continued to demonstrate that there is no correlation between the money spent on research and design with financial performance but success depends on the company’s flexibility to new ideas. The betting firms have continued to innovate while being able to incorporate the technological aspects for example the digitalization of the betting platforms, mobile phone bet.

This findings was inline with dynamic Capabilities theory adopted by Teece (2011), refers to the ability to create new wealth and customer capture methods by private companies that predominantly operate in a much changing legal, technological and economic environment. The dynamic capabilities theory offers wide comprehensive overview of how a firm will develop its innovation, path dependency and the available assets of knowledge available to a particular firm. The dynamic capabilities theory extends the resource based theory on how valuable a company’s resources can be maintained or sustained and redeveloped in the ever changing environment.
4.4.1 Chi-square analysis on Product Innovation Strategy and Business Performance

Table 4.9: Chi-square analysis on Product Innovation

<table>
<thead>
<tr>
<th>Statement</th>
<th>Chi-Square</th>
<th>df</th>
<th>Asymp. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The use of technology has led to incremental in revenues due to meeting the customers expectation.</td>
<td>74.600a</td>
<td>2</td>
<td>.000</td>
</tr>
<tr>
<td>The company develops products that satisfies the market segment.</td>
<td>125.378b</td>
<td>3</td>
<td>.000</td>
</tr>
<tr>
<td>Development of new products and value addition have led to positive on business performance the company.</td>
<td>76.467a</td>
<td>2</td>
<td>.000</td>
</tr>
<tr>
<td>Innovation has led to increasing market share along with added corporate outputs.</td>
<td>23.511c</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td>Innovation projects has contributed materially to overall business performance.</td>
<td>103.267a</td>
<td>2</td>
<td>.000</td>
</tr>
</tbody>
</table>

From the table 4.9 showed that all the statements on product innovation strategy and business performance were significant (p ≤ .05). This implies that all variables product innovation had relationship on business performance. All these studies have focused on different areas, other than the correlation between innovation strategy and performance. Kenya betting companies. The above findings did not agree with Obiero (2008) looking at innovation strategies adopted by cement manufacturing firms in Kenya observed that pricing of products, low cost of materials and proximity to customers were among the key competitive strategies adopted. Within the industry, Mwikali (2011) researched on innovative strategies and processes within insurance companies in Kenya. The outcome of the study was that betting companies had not varied so much on innovation processes.
4.5 Influence of Cost Leadership Strategies on Business Performance

The costs involved in production are lowered by developing a cost control curve and coming up with mechanisms to minimize costs. The study sought to assess the influence of cost leadership strategies on business performance in Kenyan betting companies, this is presented in table 4.10 below:

Table 4.10: Cost Leadership Strategies on Business Performance

<table>
<thead>
<tr>
<th>Cost Leadership</th>
<th>Resp</th>
<th>SD</th>
<th>D</th>
<th>UN</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company’s has introduced new dimensions in pricing which has created new market segments.</td>
<td>F</td>
<td>68</td>
<td>15</td>
<td>-</td>
<td>2</td>
<td>5</td>
<td>1.4889</td>
<td>1.03038</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>75.6</td>
<td>16.7</td>
<td>-</td>
<td>2.2</td>
<td>5.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company aims at being the market leader in lowest cost of production</td>
<td>F</td>
<td>68</td>
<td>12</td>
<td>-</td>
<td>8</td>
<td>2</td>
<td>3.0889</td>
<td>1.37100</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>75.6</td>
<td>13.3</td>
<td>-</td>
<td>8.9</td>
<td>2.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low pricing in minimum bet amounts determine our market edges</td>
<td>F</td>
<td>6</td>
<td>40</td>
<td>6</td>
<td>16</td>
<td>22</td>
<td>2.0333</td>
<td>1.71215</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>6.7</td>
<td>44.4</td>
<td>6.7</td>
<td>17.8</td>
<td>24.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company has discontinued a service or outsourced services which do not seem to achieve low cost strategy.</td>
<td>F</td>
<td>63</td>
<td>5</td>
<td>-</td>
<td>22</td>
<td></td>
<td>2.0333</td>
<td>1.71215</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>70</td>
<td>5.6</td>
<td>-</td>
<td>24.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adoption of lowest product or service unit has helped the company keep competitors at bay.</td>
<td>F</td>
<td>30</td>
<td>32</td>
<td>6</td>
<td>22</td>
<td></td>
<td>2.4667</td>
<td>1.55209</td>
</tr>
<tr>
<td>%</td>
<td></td>
<td>33.3</td>
<td>35.6</td>
<td>6.7</td>
<td>24.4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
From the descriptive statistics table 4.4 above most of the respondents strongly agreed that, the company’s has introduced new dimensions in pricing which has created new market segments, the response were as follows 75.6% strongly disagreed , 16.7% disagreed whereas 7.8% agreed, with a mean of 1.4889 and standard deviation of 1.03038.

The respondents also agreed that cost leadership strategies on business performance aims at being the market leader in lowest cost of production 75.6% strongly disagreed and 13.3% with a mean of 3.0889 and standard deviation of 1.37100.

On lowering the price in minimum bet amounts determine our market edges the respondent agreed 17.8% and strongly agreed 24.4% and those who disagreed 51.1% with a mean of 2.0333 and standard deviation of 1.71215.

The respondents also disagreed the company has discontinued a service or outsourced services which do not seem to achieve low cost strategy with 75.6% and 5.6% a mean of 2.0333 and standard deviation of 1.71215.

Finally adoption of lowest product or service unit has helped the company keep competitors at bay with 33.3% and 35.6% who strongly disagreed and 24.4% agreed mean of 2.4667 and standard deviation of 1.55209.

This implied that most of the respondents agreed that rational of the influence of cost leadership strategies on business performance since their responses were between mean scores of 3.5 and 4.8 on the continuous Likert scale.

Minarick (2015) conducted a study on Cost leadership is much more different from price leadership since the company can produce its product at lowest cost in the market and still not be the lowest cost seller. The study that concluded that low cost position places a firm in a favorable position because it can reduce the threat of new entrants which may pose
threat to the entity. To achieve an effective cost leadership, a firm must employ cheap manufacturing techniques and sensitization of cost objectivity through the review of business processes and also optimize the cost accounting methods. The result of the overall cost leadership can be best felt in a large market segment. For a firm to survive using the overall cost leadership, the firm need to an insight of the competitors products and if the competitors are offering differentiated product then the strategy might not work since the customer can chose to get the value of the product even at high prices.

This finding was further support with Michael E. porter in (1979), from the theory the betting companies to use their bargaining power of buyers and includes customers seeking higher quality products at much lower prices. The customers are sensitive to price changes. This power is higher if the product being offered is differentiated. Betting companies can reduce the bargaining power by incorporate loyalty program. The power of the buyer is high if the customers has many options.

### 4.5.1 Chi-square analysis on Cost Leadership Strategies on Business Performance

Table 4.11: Chi-square analysis on Cost Leadership Strategies
The company’s has introduced new dimensions in pricing which has created new market segments. Aims at being the market leader in lowest cost of production. Low pricing in minimum bet amounts determine our market edges. Adoption of lowest product or service unit or services which do not seem to achieve low cost strategy. The company has discontinued a service or outsourced services which do not seem to help the company keep competitors at bay.

<table>
<thead>
<tr>
<th>Chi-Square</th>
<th>df</th>
<th>Asymp. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>124.933a</td>
<td>3</td>
<td>.000</td>
</tr>
<tr>
<td>44.000b</td>
<td>4</td>
<td>.000</td>
</tr>
<tr>
<td>59.267c</td>
<td>2</td>
<td>.000</td>
</tr>
<tr>
<td>59.267c</td>
<td>2</td>
<td>.000</td>
</tr>
<tr>
<td>18.622a</td>
<td>3</td>
<td>.000</td>
</tr>
</tbody>
</table>

From the table 4.11 findings on Chi-square analysis on cost leadership strategies showed that all the statements on cost leadership strategies on business performance were significant (p ≤ .05). An association is also noticed on all variables on cost leadership strategies on business performance. Further, Ilovi (2011) examined how to sustain a competitive advantage in reference to the insurance industry in Kenya. The study recommended that players in the insurance sector should constantly evaluate their strategies with the aim of outdoing competition. In light of the foregoing, the author suggested Kenyan betting companies should adoption of cost reduction strategies, focus strategy and investing in resources as some of the measures of addressing issues of competition in the industry.

**4.6 Association between Focus Strategy and Business Performance**

This is marketing strategy in which a company concentrates its resources on entering or expanding in a narrow market or industry segment this was researched by Gichuhi (2015).
To establish association between focus strategy and business performance in Kenyan betting companies.

Table 4.12: Focus Strategy and Business Performance

<table>
<thead>
<tr>
<th></th>
<th>Resp</th>
<th>SD</th>
<th>D</th>
<th>UN</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company’s identification of particular customer based segments has helped in coming up with products that suits the segment.</td>
<td>F</td>
<td>68</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>8</td>
<td>1.6778</td>
<td>1.33094</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>75.6</td>
<td>5.6</td>
<td>3.3</td>
<td>6.7</td>
<td>8.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company targets specific market segment and identifies product loyalty.</td>
<td>F</td>
<td>12</td>
<td>22</td>
<td>-</td>
<td>34</td>
<td>22</td>
<td>3.3556</td>
<td>1.42459</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>13.3</td>
<td>24.4</td>
<td>-</td>
<td>37.8</td>
<td>24.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company’s products offer cut out for customers from a specific class</td>
<td>F</td>
<td>10</td>
<td>36</td>
<td>--</td>
<td>9</td>
<td>22</td>
<td>2.9667</td>
<td>1.39381</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>11.1</td>
<td>40.0</td>
<td>-</td>
<td>10.0</td>
<td>24.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The company pursues better pricing that are benefit to the offered products due to lack of many alternatives.</td>
<td>F</td>
<td>14</td>
<td>18</td>
<td>-</td>
<td>30</td>
<td>22</td>
<td>3.3111</td>
<td>1.43507</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>15.6</td>
<td>20</td>
<td>-</td>
<td>33.3</td>
<td>24.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The targeted market segments are not vulnerable to competition and substitute products, produce incremental returns.</td>
<td>F</td>
<td>22</td>
<td>-</td>
<td>2</td>
<td>66</td>
<td>2</td>
<td>2.0000</td>
<td>1.72229</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>73.3</td>
<td>-</td>
<td>2.2</td>
<td>73.3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The study sought to assess the association between focus strategy and business performance Company’s of Kenyan betting companies, the respondent were asked on whether identification of particular customer based segments has helped in coming up with products that suits the segment, the findings showed that those who agreed were at 75.6%
and 15.2 strongly disagreed with a mean score of 1.6778 was identified with a standard deviation of 1.33094.

On whether the company targets specific market segment and identifies product loyalty, the study found that 37.5% strongly agreed and those who disagreed were 90.2% a mean score of 3.3556 at a standard deviation of 1.42459.

Again respondents were asked on whether the company’s products offer cut out for customers from a specific class with 51.1% strongly agreed and 34.4% a mean score of 2.9667 at a standard deviation of 1.39381. On focus strategy and business performance, the company further asked on whether it had led to pursuesing a better pricing that are benefit to the offered products due to lack of many alternatives with a mean score of 3.111 at a standard deviation of 1.43507. Finally on whether the targeted market segments are not vulnerable to competition and substitute products, produce incremental returns this was supported with a 75.3% strongly agreed and 23.3% mean score of 2.0000 at a standard deviation of 1.72229.

The above finding concurred with a study conducted by Gichuhi (2015) which explains that a firm concentrates its resources on expanding or entering the chosen market. It is usually employed where the firm completely understands its segment and its products completely satisfy its needs. A firm employing this strategy enjoys a wide range of customer loyalty which discourages other competing firms.

Carolina (2004), agreed that the successful application of the strategy depends mostly on the availability of buyer segment looking for qualities or the seller capacities on the organizations capability to over do the competitors in the same industry. Firms are able to
pass high costs to the customers since there are no close substitutes. The limitation of the strategy is that competitors will soon catch up with the firm and water down the profits made by serving customers in a more better ways or offer products with higher quality features. The current study focused on effective competitive strategies as a competitive strategy among betting companies in Kenya that the study.

The above findings were inline with theory was developed by Peter Coase (1937) and has been analyzed in broader rationale in different academic fields before being adopted by Rumelt (1984). This theory mostly places the ability for a firm to deliver sustainable competitive advantage on managing the resources such that the outcomes are not limited to competitors. The theory assumes that a firm is heterogeneous with respect to the resources it controls, it also assumes that the resources are not mobile therefore the longer lasting heterogeneity. In the perspective on competitiveness of the strategic fit adapted by firms, the main driver of an organization competitive advantage is the internal resources available in implementing the strategies (Mburugu, 2015).

Herbrick (2013) suggesting that as the competitive strategy are compatible in general, they do not produce single results, with Dess and Davis (2014) suggesting the broad nature of strategic groups that competitive strategies represent circularity of the resource basis is that a resource that is variable is rare proposing a narrow definition of a competitive advantage (Priem & Burtler, 2011).
4.6.1 Chi-square analysis on Association between Focus Strategy and Business Performance

Table 4.13 Chi-square analysis on Focus Strategy

<table>
<thead>
<tr>
<th>Company's identification of particular customer based segments</th>
<th>The company targets specific market segment and identifies product loyalty.</th>
<th>The company's products offer cut out for customers from a specific class due to lack of many alternatives.</th>
<th>The targeted market segments are not vulnerable to competition and substitute products, produce an incremental returns.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-Square</td>
<td>174.333&lt;sup&gt;a&lt;/sup&gt;</td>
<td>10.800&lt;sup&gt;b&lt;/sup&gt;</td>
<td>28.333&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>df</td>
<td>4</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Asymp. Sig.</td>
<td>.000</td>
<td>.013</td>
<td>.000</td>
</tr>
</tbody>
</table>

Findings from Chi-square analysis showed that all the statements on association between focus strategy and business performance were significant (p ≤ .05). From the above result it showed that all focus strategy variables had an association with business performance. Companies are called to use effective means of communication to create or re-create awareness on their goods and services to sustain their adoption by clients (Doyle, 2012).

4.7 Business performance

Business performance involves a set of performance management and analytical processes enabling an entity achieve its selected goals. The study sought to asses the effects of Business performance in Kenyan betting companies. The results were as shown in table 4.14 below:-
On whether business performance was an application of the competitive strategies by the company has led to heightened market mixes and increased market share. The respondents strongly disagreed 11.1%, agreed and 75.6% agreed 13.3% with a mean score of 1.8444 and a standard deviation of 1.51332. The respondent were further asked on the implementation of strategies has led to increased profitability, 75.6% agreed and 24.4% disagreed the respondents agreed with a mean score of 1.9778 and a standard deviation of 1.72866. On the adoption of the strategies which had led to improved market performance 65.6 % strongly disagreed and 34.4%, the respondents agreed with a mean score of 2.0333 and a standard deviation of 1.43355. Finally on whether the strategies have led to improved product quality which has in turn led to growth in sales, the respondents agreed 70.6% and 29.4% agreed with a mean score of 2.0333 and a standard deviation of 1.43355.
Barney, (2002) the business performance involves the voluntary association of productive assets. It is a multi-dimensional construct that allows the different dimensions of the created value. Different measures have been used to measure business performance (Murphy, 1996) with different demonstration of the empirical measure of constructs used in measuring business performance. There is no measure that has been agreed as the accurate measure performance since the business performance measures has been changing over time in terms of years.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the findings

5.1.1 Influence of Differentiation Strategy on Business Performance

The first object was to establish the influence of differentiation strategy on business performance in Kenyan betting companies. The study showed that differentiation strategy was significant to business performance. This implies that all variables on differentiation strategy had relationship on business performance. The findings were inline with Porter, (2000) who stated that differentiation may generate superior profitability since it provides insulation against competitive rivalry because of the customer loyalty which leads to the customers not being sensitive to price changes. It produces higher margins to deal with the power of the supplier which mitigates the power of the buyer since they lack alternatives. A firm that offers differentiated products benefits from customer loyalty. To implement the
differentiation strategy, the firm requires a special consideration to the structure of the organization, management controls and the implementation of cost leadership strategies as it will impact business performance.

More importantly, Peng and Littlejohn (2001) posited that managerial knowledge about which tools to apply at each stage of the competitive cycle is equally critical. Strikingly, an organization fails to implement 70 percent of the strategies (Miller, 2002). They can respond through cost leadership strategy, focus strategy and differentiation or a combination of any of them as per the need of the firm and the competitive pressure experienced. Cost leadership involves a firm appealing winning the market share through low cost conscious or price sensitive customers. Differentiation strategy targets a mass market; its used to add customer added value, rather than the reduced cost, lower price of a cost leadership strategy. Differentiation can be actual and real or merely perceived by the customer. Real differentiation occurs when the company products or services are different and distractive from others in the market.

5.1.2 Product Innovation Strategy and Business Performance

The second objective of the study sought to examine the association between product innovation strategy and business performance in Kenyan betting companies. Findings indicated that product innovation strategy and business performance were also significant. This implies that all variables Product Innovation had relationship on business performance. this study differed by a Research by Pwc (2011), it was noted that innovation practice has continued to demonstrate that there is no correlation between the money spent
on research and design with financial performance but success depends on the company’s flexibility to new ideas.

Synergy is said to exist where it’s more advantageous to combine two or more activities than to undertake them separately. Synergy may be sales & distributions; production and investments. Majority of firms strive to remain competitive through cost effective avenues and through customer satisfaction practices. Competitive and innovative strategies become important in achievement of all the above goals. Failure to be innovative can be disastrous for the firm (Lacovok and Dexter 2015) notes, resulting effects range from loss of business to competition, loss of opportunities which could have led to organizational growth and create strong presence in the market place. Management can minimize the impact of these consequences through an elaborative innovation policy guidelines plus a revised strategy approaches to keep pace with the change in the business environment. Majority of firms strive to remain competitive through cost effective avenues and through customer satisfaction practices. Competitive and innovative strategies become important in achievement of all the above goals. Failure to be innovative can be disastrous for the firm (Lacovok and Dexter 2005) notes, resulting effects range from loss of business to competition, loss of opportunities which could have led to organizational growth and create strong presence in the market place. Management can minimize the impact of these consequences through an elaborative innovation policy guidelines plus a revised strategy approaches to keep pace with the change in the business environment. The betting firms have continued to innovate while being able to incorporate the technological aspects e.g. the digitalization of the betting platforms, mobile phone bet.

5.1.2 Influence of Cost Leadership Strategies on Business Performance
The third objective was to assess the influence of cost leadership strategies on business performance in Kenyan betting companies. Chi-square analysis also showed that cost on leadership strategies showed that all the statements on cost leadership strategies on business performance were significant. An association was noticed on all variables on cost leadership strategies on business performance. The above findings was backed by Minarick (2008) conducted a study on Cost leadership is much more different from price leadership since the company can produce its product at lowest cost in the market and still not be the lowest cost seller. The study that concluded that low cost position places a firm in a favorable position because it can reduce the threat of new entrants which may pose threat to the entity. For a firm to survive using the overall cost leadership, the firm need to an insight of the competitors products and if the competitors are offering differentiated product then the strategy might not work since the customer can chose to get the value of the product even at high prices.

Furthermore the finding was further support with Porter in (1979) .From the theory where betting companies can use their bargaining power of buyers and includes customers seeking higher quality products at much lower prices. The customers are sensitive to price changes. This power is higher if the product being offered is differentiated. Betting companies can reduce the bargaining power by incorporate loyalty program. The power of the buyer is high if the customers has many options.

Low cost focus is a specialization and meant to achieve maximum sales and benefits of the said markets the firm serves. A market well attended by competitors focus as a strategy is bound to succeed if it centers its efforts in a number of niche markets and serves them well to the exclusion of other broad market segments. According to Capon (2008) Porters three
competitive strategies centre on two issues; the scope of the market to be served and the basis of competition. The scope of the market can be either narrow or broad; on basis criteria it can be cost based or value added based.

5.1.4 Association between Focus Strategy and Business Performance

To establish association between focus strategy and business performance in Kenyan betting companies. Findings from Chi-square analysis showed that all the statements on association between focus strategy and business performance were significant. From the above result it showed that all focus strategy variables had an association with business performance.

These findings are consistent to that of Carolina (2004), who stated that the successful application of the strategy depends mostly on the availability of buyer segment looking for qualities or the seller capacities on the organizations capability to over do the competitors in the same industry. Firms are able to pass high costs to the customers since there are no close substitutes. The limitation of the strategy is that competitors will soon catch up with the firm and water down the profits made by serving customers in a more better ways or offer products with higher quality features.

The above findings were inline with a theory developed by Peter Coase (1937) and has been analyzed in broader rationale in different academic fields before being adopted by Rumelt (1984). This theory mostly places the ability for a firm to deliver sustainable competitive advantage on managing the resources such that the outcomes are not limited to competitors. The theory assumes that a firm is heterogeneous with respect to the resources it controls, it also assumes that the resources are not mobile therefore the longer
lasting heterogeneity. In the perspective on competitiveness of the strategic fit adapted by firms, the main driver of an organization competitive advantage is the internal resources available in implementing the strategies (Mburugu, 2015).

5.2 Conclusions

From the study it was concluded that for effective application of differentation strategy to be applied in abetting company. To involve themselves in advertising which is persuaded the public to use the company’s products. The company’s need to review products offered to be unique value to the customer needs. There is need for company’s products to continue to stand out due to proper branding. And that the company should be sensitive product offering in different market segments.

On product innovation strategy and business performance, for any betting company to position well in the market the use of technology is very important this can led to incremental in revenues due to meeting the customers’ expectation. There is need for company develops products that satisfy the market segment. To development of new products and value addition have led to positive on business performance the company. Regular innovation was emphasized in order to increasing market share along with added corporate outputs and innovation projects have contributed materially to overall business performance.

It was further concluded that cost leadership strategies on business performance. The costs involved in production are lowered by developing a cost control curve and coming up with mechanisms to minimize costs. The company’s need to introduced new dimensions in pricing which will create new market segments. Most of betting companies aimed at being
the market leader in lowest product service unit through lowing pricing in minimum bet amounts determine our market edges. Adoption of lowest product or service unit has helped the company keep competitors at bay.

Finally the study concluded that focus strategy this is marketing strategy in which a company concentrates its resources on entering or expanding in a narrow market or industry segment. Therefore it was concluded that company’s identification of particular customer based segments would helped in coming up with products that suits the segment. The company targets superior customer product segment in offering its product. The betting company should assign resources to increase customer focuses on high customer services on low income markets. The company targets promotional activities to increase knowledge on product quality and availability. Finally the targeted market segments are not vulnerable to competition and substitute products, produce incremental returns.

5.3 Recommendation of the Study

Based on the findings of the study the following recommendations were made on policy and practice. The study also made suggestions for further studies.

5.3.1 Managerial Implications

The study recommends that an organization to be successful of differentiation is partially related to product focus. The approach of focus involve identifying the market for segmentation and coming up with products that satisfy the need. The application of the strategy in that betting industry see and establishment of various betting markets for examples half time results. Managers need to ensure that the message of differentiation reaches the clients, as the customer’s perceptions. The betting companies may adopt Niche
market may result in changing a product in order to improve differentiation; the changes themselves are not differentiation. Marketing or product differentiation is the process of describing the differences between products or services, or the resulting list of differences. This is done in order to demonstrate the unique aspects of a firm's product and create a sense of value.

Furthermore betting company’s can adopt cost leadership strategies which has the possibility of charging a price premium. Where the customers value the firm's offer, they will be less sensitive to aspects of competing offers; price may not be one of these aspects. Cost leadership makes customers in a given segment have a lower sensitivity to other features (non-price) of the product.

The findings of the research made it clear that in formulating its cost leadership strategies, the Kenyan betting companies as organization will be required to assess the dynamic of each strategy so as to be able to respond quickly to market changes. This involves building and retaining the resources and capabilities required to successfully compete and succeed. A competing firm will be required to analyze and discover the functional area within the organization which has the greatest contribution in sustaining a firms competitive advantage

The study recommended that for all the betting companies need employed environmental analysis and response to changes and aggressive anti-competitors marketing campaigns form of market innovation strategies to earn more profit and increase number of customers base, for their business to grow further and also for them to invest more, they should embrace the adoption of technological advancement of market innovative strategies.
5.3.2 Theory/Practice Recommendations

This study has made several important contributions to the effectiveness of competitive strategies on business performance of Kenyan betting companies and the new ways of working literature. Firstly, this study confirms existing literature in terms of the positive effectiveness of competitive strategies on business performance of Kenyan betting companies. Scholarly research has clearly examined the link between resource based theory developed by Peter Coase (2018), the theory mostly places the ability for a firm to deliver sustainable competitive advantage on managing the resources such that the outcomes are not limited to competitors. However the potters conceptualization is not supported by Herbrick (2013) suggesting that as the competitive strategy are compatible in general, they do not produce single results. The underlying assumptions makes the theory lose a bit of its shape since resources such as entrepreneurship are highly mobile as they can be easily accessed or can easily change hands.

Secondly, this research helped to gain deeper insights into the recommendation as supported by Porters five forces model-Porter in (1979) who emphases on application of five forces of competitive position and provides a model with a simple perspective for assessing and analyzing the competitive strength and position of a business organization. From the theory it will enable the betting companies to use their bargaining power of buyers and includes customers seeking higher quality products at much lower prices. The customers are sensitive to price changes. This power is higher if the product being offered is differentiated. Betting companies can reduce the bargaining power by incorporate loyalty program. The power of the buyer is high if the customers has many options. In the betting industry the power is reduced by offering a varied
betting products. Factors that hinder include degree of dependency on existing channels of distribution, buyer switching costs and availability of information.

Ansoff et al. (1970) argued that long range competitive strategic planning does pay and further demonstrated that competitive strategies and operational measures require demand forecast accuracy, the perfect customer order, lead-time reduction, velocity, right first time (quality), schedule achievement and on-time new product introduction are core operational measures that can be leveraged to fine tune a company’s enterprise-wide business process and achieve a higher return on capital employed.

Teece, (2011) in a Dynamic Capabilities theory also urged on the ability to create new wealth and customer capture methods by private companies that predominantly operate in a much changing legal, technological and economic environment. The dynamic capabilities theory offers wide comprehensive overview of how a firm will develop its innovation, path dependency and the available assets of knowledge available to a particular firm. The dynamic capabilities theory extends the resource based theory on how valuable company resources can be maintained or sustained and redeveloped in the ever changing environment. Dynamic capabilities theory may assume various positions to the firm overall competitive strategy. The capabilities may include integration functions which incorporated bringing together segments operations to achieve a common goal, creation of new resources to support existing functions in an organization and finally reconfiguring the operation of a firm in order to meet the changing business environment (Ambrosini & Bowman).
Capital (2014) concluded that there is need to employ the resources at the disposal of the entity if the entity is to achieve a progressed performance. As many betting firms are employing many tactics to capture the market niches differentiation was seen as the main driver of the firms.

5.3.2 Recommendation for Further Research

Despite the contributions made by this study, it highlights a few aspects to be considered by future researchers. The propositions put forward in this study emphasize the importance of assessing the effectiveness of competitive strategies on business performance of Kenyan betting companies. More research needs to be carried out on competitive strategies adopted by other organizations such as financial institutions to allow for comparison of findings. The research employed a census survey and recorded a response rate of 90.4%. A case study would help in bringing to light the specific research findings in the in Kenya betting companies so as to avoid generalizations. This would enable complete capture of data as relates to all the players in the industry.
REFERENCES


Brush and Vanderwerf ; Murphy et al., (2013). Organizational characteristics and information systems planning: *Journal of International conference on management strategies*.


Dougherty and Hardy; Utterback (2016). Epistemological assessment of current business product innovation. Business review journal


Mfonobong Nsehe (2013), Global and Africa Social Business Intelligence Market Status and Future Forecast 2013-2023


Peter J. (2014). Competative strategies adopted Barclays bank. University of Nairobi Published MBA research project.


Priem and Burtler (2001). Enhancing sales and marketing effectiness: managing product Review.


Dear Respondent,

**REF: RE: Request for Participation in Research work**

My name is JAMES CHEGE, a student of Kisii University undertaking a course leading to the conferment of a Master’s Degree in Business Administration. I would like to request for your consent to provide data meant for purely academic purposes. My topic of research is: **EFFECTIVENESS OF COMPETITIVE STRATEGIES ON BUSINESS PERFORMANCE OF KENYAN BETTING COMPANIES.** Information provided will be treated as confidential and for purely academic purposes. Your consent will therefore be highly appreciated. I therefore request you to kindly facilitate the collection of the required data by answering the questions herein. Your assistance and cooperation will be highly appreciated. Thank you in advance.

Yours faithfully,

JAMES CHEGE,

MBA Student
APPENDIX 11: QUESTIONNAIRE

Please give answers in the spaces provided and tick (✓) in the box that matches your responses to the questions where applicable.

PART A: Demographic information.

PART A: GENERAL INFORMATION

1. Gender

   Male (    ) Female (    )

2. Level of education

   Certificate ( ) Diploma ( ) Degree ( ) Masters ( ) PhD ( )

3. Years of working experience

   0-3 years ( ) 4-6 years ( ) 7-9 years ( ) 10 years and over ( )

4. Position held in the company

   i. Operation manager (    )
   ii. Head of strategy (    )
   iii. Business development manager (    )
   iv. Senior manager (    )
   v. Chief marketing manager (    )
   vi. Service delivery manager (    )
   vii. Football development manager (    )
STRATEGIES AND THEIR EFFECTIVENESS

On a scale of 1–5 please tick a rate the most appropriate box on the effectiveness of competitive strategies on business performance, where; 5=strongly Agree, 4= Agree ,3=Neutral, 2= Disagree ,1= Strongly Disagree

PART B: DIFFERENTIATION STRATEGY

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<tr>
<td>The company’s products has continued to stand out due to proper branding</td>
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<td>Advertising has persuaded the public to use the company’s products.</td>
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<td>The company’s products has offered unique features value to the customers</td>
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<td>The company’s introduction of many betting markets has a positive impact on the company incomes.</td>
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Any other comment________________________________________________________________________

PART C: COST LEADERSHIP STRATEGY

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<td>The company’s low pricing methods has created new market segments.</td>
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<td>The company aims at being the market leader in minimum charge in bets.</td>
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<td>The company has discontinued a service or outsourced services which do not seem to achieve low cost strategy.</td>
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<td>The company is product sensitive which has helped the company keep competitors at bay.</td>
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Any other comment________________________________________________________________________

PART D: FOCUS STRATEGY
The invention of technology has led to incremental in revenues due to meeting the customers expectation and product quality.

The company’s development of different betting platforms has led to increased profitability.

Development of new products and value addition have led to positive on business performance the company.

Product Innovations has led to increased market share along with added corporate outputs and has contributed materially to overall business performance.

Any other comment
Firms aim to remain competitive in the business arena over time. Please tick where appropriate.

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<td>The application of the competitive strategies by the company has</td>
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<td>led to heightened market mixes and increased market share.</td>
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<tr>
<td>The implementation of strategies has led to increased profitability</td>
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<td>The adoption of the strategies has led to improved market</td>
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<td>performance.</td>
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<td>The strategies have led to improved product quality which</td>
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<td>led to growth in sales.</td>
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Any other comment_____________________________________________________
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Thank you for your time and inputs in the questionnaire
12th September, 2017

TO WHOM IT MAY CONCERN

Dear Sir / Madam,

RE: RESEARCH DATA COLLECTION PERMIT.

JAMES CHEGE REG. NO: CBM12/10762/15

The above named is a bonafide student of Kisii University – Eldoret Campus pursuing a Masters Degree Course in Business Administration (Strategic Management) in the School of Business & Economics.

He is working on his research entitled “Effectiveness of Competitive Strategies on Business Performance of Kenya Betting Companies” in partial fulfillment for the requirement of the Award of Masters in Strategic Management.

We are kindly requesting your office to provide him with the permit to proceed to the field for data collection and completion of his research.

Please do not hesitate to call the undersigned for any verification.

Any assistance extended to him will be highly appreciated.

Yours faithfully,

Dr. Charles O. Ongayo (0720986205)
DEPUTY DIRECTOR – ACADEMIC AFFAIRS
Ref. No. NACOSTI/P/17/90583/19212

Date: 21st September, 2017

James Chege Wanjira
Kisii University
P.O. Box 402-40800
KISII.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Effectiveness of competitive strategies on business performance of Kenyan Betting Companies,” I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 21st September, 2018.

You are advised to report to the Chief Executive Officers of selected Betting Companies, the County Commissioner and the County Director of Education, Nairobi County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The Chief Executive Officers
Selected Betting Companies.
THIS IS TO CERTIFY THAT:
MR. JAMES CHEGE WANJIRA
of KISII UNIVERSITY, 30-20303
KAGIO, has been permitted to conduct
research in Nairobi County

on the topic: EFFECTIVENESS OF
COMPETITIVE STRATEGIES ON BUSINESS
PERFORMANCE OF KENYAN BETTING
COMPANIES.

for the period ending:
21st September, 2018

Permit No: NACOSTI/P/17/96583/19212
Date Of Issue: 21st September, 2017
Fee Received: Ksh 1000

Applicant's
Signature

Director General
National Commission for Science,
Technology & Innovation
Dear Researcher,

The independent review upon your research article titled "EFFECTIVENESS OF DIFFERENTIATION STRATEGY ON BUSINESS PERFORMANCE OF KENyan BETTING COMPANIES," has been provided by the concerned referees. The referees have suggested Accepted your paper in IOSR Journals.

Reviewers Comments:

1. Quality of Manuscript is good.
2. Consolidated Decision: Accepted for publication

Kindly send the scan copy of filled & signed copyrights transfer form (can be downloaded from www.iosrjournals.org) along with bank receipt of manuscript handling charges USD 75 to the following Account.

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Account detail: You can deposit fees through your nearby bank or online/net banking transfer (for online fees transfer, please mail us transition id of payment transfer).

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