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EFFECTS OF GENERIC COMPETITIVE STRATEGIES ON ORGANIZATIONAL PERFORMANCE IN THE MANUFACTURING INDUSTRY: A CASE OF BAMBURI CEMENT LIMITED, HEAD OFFICE, NAIROBI

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Abstract

A strategy is integrated actions, decisions, or plans designed to set and achieve organizational long-term goals. It is necessary for the business to analyze their environment with a view to creating strategies that will set them apart from their competitors. This research focused on the effects of generic competitive strategies on organizational performance in the manufacturing industry a case of Bamburi Cement Limited. This study aimed at investigating how the generic strategies; cost leadership, products differentiation and market focus strategies affect organizational performance. A survey research design was used. Stratified and purposive sampling methods were used to select an appropriate sample population of all 61 managers from a population of 453 employees. Data was analyzed by use of descriptive measures. Correlation was used to determine the strength of the relations while regression analysis determined the relationship between the variables. The findings of the study revealed that, the cost leadership strategy had a weak effect on achieving organizational performance. Differentiation strategy proved to have a significant effect on organizational performance with high quality product of cement. Market focus was discovered to have a significant effect on organizational performance. The study recommends companies to appropriately embrace cost leadership strategy as it assists in achieving competitive prices to customers. Improvement of differentiation strategy was necessary to drive up sales.

Keywords: Strategy, Cost focus, differentiation, market focus, organizational performance

BACKGROUND TO THE STUDY

Over the years, the global activities and environmental issues relating to business have greatly changed at a remarkable intense pace to manage competitiveness, volatility and unpredictability all affecting business operations (Acquaah &Yasai, 2014). Companies operate within a dynamic environment where changing is constantly. Strategic planning and management have developed a strategy to help firms to cope with environment turbulence by designing an appropriate strategy to respond to these challenges caused by the environment (Coulter, 2010). The managers of a company have the main question that should they should be responding to; on how they expect to create shareholder value. The main function of any company is to attain its financial goals as

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well as remain relevant. This how the problem is tackled and cascaded from the broad vision and mission statements, providing overall direction to where the company will go to invest, when it will achieve sustainable profitability, and how a company should perform in the long run (Gordon, 2009). According to Johnson and Robinson (2014), they analyzed that every company requires a strategic program, and this program should be dynamic and developing as continuous work process. In the competitive economy, firms expect a lot of work, skills and efforts to survive and defeat their competitors in the market.

According to Thompson and Strickland (2014) in crafting and executing strategy, the world economic arena is no longer concentrated in North America, Japan, Western Europe, and South America. In the future, additional emerging markets will command significant attention. The growth of such large markets has led to the emergence of powerful global competitors, many of whom emphasize production for export markets. For nearly three centuries, manufacturing industries have contributed to drive the growth of the economy and have increased the living standards in developing economies. The level of competition has increased in the market place creating diminished returns. This competition has stimulated players to come up with ways to gain and maintain the unique positions and business advantage. It is therefore crucial for an organization to come up with different strategies, and make choices that are conducive for purposes of survival in the business environment (Johnson & Scholes, 2012).

According to Banutu-Gomez and Rohrer (2012), the Coca-Cola Company is one example of a big global international company manufacturing non-alcoholic soft drink manufacturers that has managed to stay in business due to unique strategies. Its products have been established over two hundred countries around the world and its products have a strong presence in many countries throughout the globe. Coca-Cola applies product differentiation strategy to improve on value on its products by producing quality drinks and unique beverages. The product differentiation strategy of Coca-Cola Company is attained through its product brand. It is not only the product differentiation strategy that Coca-Cola has used, but the company also maintains a low-cost distribution strategy by owning most of its bottling companies. The company continues to grow and increase its profit through high innovation technology and dominating the market. These strategies contribute to the success of Coca- Cola Company and preserve its dominance over its competitors in the market (Banutu-Gomez & Rohrer, 2012).

A study carried out in Kenya, by Ndambuki (2016) about Safaricom Kenya limited indicates that Safaricom has gained strategic leadership in the market. The different strategies that assist the company to survive in the competitive internet market are: innovation, technology leadership, new products, segmentation, and product differentiation strategy. To stay ahead in the competitive market, the company provides important products or services and ensures that client relationships are managed. Recent developments have been noticed in the area of real estate development in progressive and modern construction. This explains the reason why the country is a home for cement manufacturing companies. In Kenya, cement manufacturing is an aspect that has been quite on going for some time now. The manufacturing cement sector in Kenya is comprised of six large companies namely: Bamburi Cement Limited, Athi River Mining

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Limited, Mombasa National Cement Limited, National Cement Company Limited, East Africa Portland Cement Company Limited and Savannah Cement Company. Bamburi Cement Limited takes the largest market share followed by Mombasa Cement Limited and East Africa Portland Cement Limited is in the third place with the rising demand for cement (Dyer & Blair, 2014).

Bamburi cement limited has diversified its operations by producing special products through its subsidiary Bamburi special products limited that has enabled the company to have a competitive advantage over other rivalries. With unique products such as power max premium cement, precast molded products, ready Mix concrete which is weight-batched and Bamburi blocs used in proving the company is determined to win new customers as well as retain the existing ones (Lafarge, 2016). Bamburi Cement is associated with the Nguvu brand. It is the largest industry in cement sector in Kenya, having a local dominance in production and market share. Bamburi controls 40 % market share with estimated 33% production capacity

Statement of the Problem

Johnson and Scholes (2011), in exploring corporate strategy, analyzed that, an effective positioning strategy in the organization is to make a sustainable strategy decision about when, where, and how to compete and win against competition in the market. The manufacturing sector in Kenya grew at 3.2 % in 2014, 3.5 % in 2015 and contributing hence drawing organizations to compete in the market 10.3 % to the gross domestic product (KNBS, 2016). The rising cement demand in the region has attracted new market entrants, intensifying competition among the cement producer. Even with the mentioned growth above, there is a negative, effect on the market share of Bamburi cement limited leading to decreased sales and reduction in profits. The entry of companies such as Dangote a Nigerian owned Company, the Indian based Sanghi group of company who are putting up twelve billion shillings plant in Pokot County, and other players in the region over the past five years has led to increased competition which has led to a continuous decrease in cement prices (Dyer Blair, 2014).

Research Questions

i. What are the effects of cost leadership strategy on organizational performance of Bamburi Cement Limited?
ii. How does differentiation strategy affect the organizational performance of Bamburi cement Limited?
iii. To what extent does market focus strategy affect the organizational performance of Bamburi Cement Limited?

EMPIRICAL LITERATURE

Generic Competitive Strategies on Organizational Performance

In a competitive industry, a generic strategy contributes to achieving a superior performance. Following a change in the business environment and to obtain higher-level in terms of performance, firms are required to come up with different activities as competitive strategies to deal with the dynamic environment (Barney, 2010). Porter explained that a strategic target is a choice between cost leadership and differentiation strategy. He found out that a company should decide which strategy is a benefit to the firm and select one of the three generic strategies. Some researchers support the statement by Porter that an organization has to select only one of the generic strategies and give most of the energy in the commitment of resources. Ogot and Mungai (2012) attempted to find out the long-term effect of Porter's generic competitive strategies on performance of a firm. They studied the analysis on informal sector based on micro- enterprises furniture manufacturers in Nairobi. They found out that the informal sector employed generic competitive strategies within the essentials categories of low-cost and differentiation strategies of Porter's analysis.

Dess and Davis (2014) discovered that firms can be classified into four groups according to the strategies they adopt. These can be classified according to: cost leadership, product differentiation, and focus and stuck in the middle (which is a situation when a company has not developed a low cost or a differentiation competitive advantage). Acquaah and Yasai (2014) in the journal of business research about the implementation of a combination competitive strategy in Sub-Saharan Africa argued that a company has to adopt one of the Porter's generic marketing strategies so as to keep away immanent difference within the divergent strategies, thereby empowering the organization to attain excellent achievement. However, this statement is not supported in most of the present research. In these conditions, the company will need brand name and quality image.

Owiye (2013) discussed why Kenyan companies are defecting to compete adequately within the environment liberalized trading. The research revealed that generic strategies will be indispensable to a company while evolving its basic theory to achieving competitive advantage (low-cost, differentiation, and focus). If a firm does not apply one of these strategies in their business activities, it will be stuck-in-the-middle and will continue to lose profit when compared to companies that develop a generic strategy. Mary (2014) in her study on 'analysis of the relationship between generic strategies and competitive advantage among the tourism company in Kenya' found out that, compared to other generic strategies, market focus was the factor that had the most remarkable influence on the company's competitive advantage.

A study carried out by Omwoyo (2016) on 'how generic strategies influence competitive advantage on firms in Kenya's airline industry', identified several issues. The research discovered that companies in airline organizations strife to give a form of quality comprising of high end and intensive services at the most affordable and attractive prices to clients. The cost factor is a key element and a strategy that makes companies to benchmark themselves against competing companies to access their respective costs. The companies that focus on low cost create a special product that increase profit to the organizations.

Cost leadership Strategy on organizational performance

According to Ireland and Hitt (2011) a cost leadership strategy is a correlated arrangement of a move made to provide products or services with components that are satisfactory to buyers at the most minimal cost, as regards to that of competitors. The objective of developing a cost leader is to make a great effort to achieve the less total unit cost in the industry. In other words, the cost leader is seeking to minimize the total unit costs in the production. A cost leadership strategy focuses on how to achieve a competitive advantage by using the lowest cost the production (Mary, 2010). David (2008) found out that, to understand the concept of cost leadership strategy an industry intends to be the lowest -cost producer in the market so as to gain competitive advantage without sacrificing the quality of the product. An organization can achieve a cost leadership strategy by conducting efforts in any of the following areas: reducing cost, mass production, capacity to use the resources, mass distribution, and accessibility to raw materials (Porter, 2008).

Mutunga and Minja (2014) focused on competitive strategies that Kenyan beverage industry adopts in their business. The findings of this study indicated that most of the beverage industry embraced cost leadership and differentiation strategies simultaneously and few of them applied cost leadership strategy exclusively. A study described by Hyatt (2008) on access to capital explains that for a company to be successful in business, it must be able to acquire capital easily. This then becomes an internal strength for the organization that cost leadership strategy will give. According to Porter (2012), the cost leadership strategies give several advantages to the company such as high profit and market share that can be enjoyed. The cost leadership strategy in an organization tends to dissuade new companies from joining in the market because they would strive to attract customers by undercutting the cost leader's prices. A lower price leads to higher demand of the product or service and, therefore improves, market share. The cost leadership strategy does have some disadvantage. It makes little customer loyalty such that if the lower price is too much, a firm may lose revenues due to customers shying off from purchasing excessively low priced goods with the fear that the products could be of low quality (Johnson & Scholes, 2012).

Sande (2014) in her study on 'competitive strategies developed by Airtel Limited Kenya' discovered that Airtel company used differentiation and cost leadership strategies simultaneously. These strategies enable the organization to reduce costs, outsource services, efficient delivery systems, ensuring market penetration and development to be able to compete effectively with other telecommunication companies. Muluku (2013) investigated 'how competitive strategies affect the organizational performance of Dairy firms in Kenya'. The research found out that cost leadership when applied had a positive relationship that was significant with organizational performance. To be specific, most of the Dairy organizations were creative and custom made products and used those automated or mechanized systems that were specific to their needs. This was an indication of cost reduction measures that later improved the firm's performance and hence increase in profits.

Mutiso (2014) in his study on 'the cost leadership strategy on sustainable competitive advantage of Naivas supermarket', found out that Naivas has used cost leadership strategy in their business retail and also cost leadership with the Porter's five forces model were integrated in business. It also created some sort of a price barrier for the new players to join the retail market. David (2008) analyzed that low price led to higher demand of product or service and will result to a target market share within the environment. With cost leadership strategy, a business can actually have a barrier against new market entrance that may need large amount of capital to make an entry. Moreover, cost leadership is related to cost facilities, operation, overheads, and cost saving from experiences and is relatively economical in areas like training and development, advertising.

Product Differentiation Strategy on organizational performance

Differentiation strategy is suitable where there is no low price, where competition exists in the market, where target customers have a specific need which is not yet served and the firm has absolute resources to satisfy those needs in the best way possible that it will be difficult for the rivalry to copy. The product differentiation strategy has therefore allowed firms to insulate themselves partially from rivalry in the industry. According to Thompson and Strickland (2012) in their study on product differentiation, they suggest that to be successful it is necessary for a firm to find out durable resources which are unique and cannot be quickly imitated by others competitors. The imitation is fast when a firm has never achieved a real differentiation and hence will keep changing the brand to create uniqueness and in the process, may lose the customers.

The differentiation strategy is beneficial to the organization by perceiving the quality of the product and brand image of the organization. It also preserves the organization from the five forces threats that establish the position of competition in the current market (Grant, 2013). Some organizations that achieve a differentiation strategy often have access to guiding a scientific research frequently, high quality product, cooperative sales team, a good corporate reputation etc. Robinson (2015) emphasizes that a successful differentiation strategy enables a business to supply a product or service of identified higher value to customers. Thompson (2014) added also that for an organization to have a successful differentiation strategy, it requires to consider these three aspects such as: to get a superior price for its product, the company increases sales because of additional customers are attracted by the differentiation of the qualities and obtain buyer loyalty to its brand products. Kamau (2013) in his study about the effect of differentiation strategy on sales performance in Supermarkets, he found that: Increased competition in the current market is influencing supermarkets to seek how to differentiate their products or services to maximize sales performance. To success in the differentiation strategy, the managers have based their study on customers' needs and also their behavior. They do it in order to learn what the customers appreciate and consider important and valuable (Barney, 2011).

A study carried out by Dirisu and Ibidunni (2013) about 'the influence of product differentiation strategy as a competitive advantage in Unilever performance in Europe' found out the following: Differentiation was defined as inventive product development, high production, product design, and distinctive products qualities. On other hand, organization performance was indicated as increase in sales, the needs of the customers are satisfied. The findings of this research indicated that there is an important and favourable relationship between unique product attribute, inventive product development and organization performance. Atikiya (2015) examined also the relationship between differentiation strategies on firm performance a case of a manufacturing in Kenya. The findings of this study discovered that the differentiation strategy was allocated as

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heedful of product differentiation, by having a capacity to innovate its products compared to rivalries, sustained process of developing a new product, high innovation productivity. All these attributes were integrated to make an indication of differentiation strategy.

In the case of Bamburi cement limited, the organization has taken different capabilities to differentiate itself from others players in the market, including strict allegiance to the distinctive standards. Bamburi is the biggest cement manufacturing in East Africa region and now is an entirely owned subsidiary of Lafarge-Holcim. The company has specialized in the production of paving blocks concrete for makers, the development of power Crete implemented in 2014, which is an extremely high –quality type of cement to meet raising demands. These innovations have largely contributed to the firm's performance. The company makes an effort to focus its production techniques according to their customers' requests and demands thereby giving quality and improving on the overall acceptance of its products in the market place (Lafarge, 2016).

Market Focus Strategy on organizational performance

Coulter (2010) in strategic management in action, illustrated that, a market focus is when an organization concentrated within a limited group of consumers by pursuing either a cost leadership or differentiation advantage. There are three broad ways for a firm to segment their market. The first segmentation is based on geographical area, the second type is about customer needs, and the third is focused on product line segment. Market segmentation gives some advantages for a company; the manager knows it market niche well. According to Pearce and Robinson (2011), the marketer can stay close to buyers and he has an opportunity to respond very fast to the changing needs of their customers. This is often much quicker than a company pursuing a broad market.

Firms can build a market focus strategy by adopting firstly a cost-based focus where a firm has an opportunity to sell a particular product in the segment market. Secondly, the company can also adopt a differentiation strategy in terms of the scope of the target market. In an organization a market focus strategy can be based on low-cost or in the differentiation. When a segment market is based on low- cost, it indicates the presence of a customer segment whose demands or needs are easily satisfied than other consumers who may not be targeted in the other markets. On the other hand, a segmented market focuses on unique items and selected clients. The differentiation aspect will focus on the presence of a ready customer to select from different products and specifically customized goods. In this situation a change in customer needs or any technology or innovation could cause such a firm's niche to disappear (Porter, 2010).

They are many research studies done on competitive strategies and organizational performance. International studies done by Li and Schultz (2007) on how a cement company operates and markets its products within the construction industry provided some ideas as to whether it is feasible for an industry to create value for each segment within the construction industry. His motivation was to shed light in the area of marketing, which gets very little attention in marketing literature this particular area Business to Business (B2B) in commodity industry and how it can be fully utilized to beat competition. They have developed their own model to represent the different segments. They considered an interesting and rewarding object for a case study due to this remarkably ambitious goal as well as the company's high market share. Dubrin (2007) did a study on effective leadership and it was determined by the level to which market focus strategy facilitates adequate or high productivity of cement in Portland industry.

Kotler and Keller (2016) analyzed that market segmentation based on brand identity and brand name is important for customers because it helps them in the process of identifying the information needed and associated to products. The information also helps to explain and conduct customer surveys on purchase as well as sound decision making in target marketing. A product or a service that has a good brand image will assist to minimize customer risk and intensify the confidence to buy the products. For most manufacturing industries, corporate brand image is more dominant than the image of the packaging of the actual product. For example, an industry with a strong brand may assist customers to create a tangible interpretation of the intangible services or products. It also increases customer conviction for the intangible purchase. Kinyua (2010) released a research paper on "competitive strategies adopted by small supermarkets in Nairobi" and found out that most of these small supermarkets had embraced product differentiation as a competitive strategy. However, branding of an outlet differentiates it from other competitors. Changing of prices during seasons, ensuring good customer services, reducing the prices of goods in order to attract customers, improving goods quality before selling, convenience and ease of accessibility, increased advertising and staff training were also used across the supermarkets to achieve competitive advantage.

Njunguna (2012) while examining the competitive strategies adopted by Safaricom Kenya limited to confront competition discovered that the formulation of procedures and directions that helped the efficiency of Safaricom resulted from an application of superior strategies such as reduced cost, segmented markets, and market penetration. However, the company was still facing different challenges in implementing the strategies because of its nature of organizational structure and organizational culture. On the aspects of market segmentation based on customer demand, an organization can identify the customer demand and constant market research, which are necessary for the business evolution. Forecasting of the demand is an important element as well since it is a base for product development, marketing communication and the marketing decision. An industry is continually trying to meet the demand of customers by modifying its service arm, innovating its products or making a completely new product as indicated by Clow & Baack (2010) in their study on product modification and engineering.

Sheila (2017) carried out a study on the 'analysis of value chain in organizations and strategies that competitors employed to gain customers in the manufacturing industry; a case of Bamburi cement'. The study disclosed that Bamburi used cost reduction strategy and this had an important influence on competitive advantage in the industry. Alliance strategy was noticed to possess a significant impact on competitive advantage and partnership engagement was highly graded. Gathoga (2011) on the other hand did a study on "the concept of how to beat competition among deposit taking commercial Banks in Kenya". The results indicated that Banks in Kenya applied different methods in order to stay competitive such as: coming up with new products, improving visibility and reaching out the customers. He added that extension into other areas through opening up of new outlets has proved to be a significant aspect in accessing unreached and new markets.

Theoretical Literature

Porter's Five Forces Theory

The five forces model developed by Michael Porter (1980-1985) to assess an organization's specific business operating circles are: bargaining power of buyers, the threat of new entrants, bargaining power of suppliers, the threat of substitute products or services, and competitor among existing companies. The external environment of the firm has an effect on the strategy that the firm developed. It is one of the assumptions of this theory. In any industry, the five forces define the rules of competition. It also determines firm profitability and some company may be more attractive than others. The important question in discovering the profitability of the organization is; how much of this value will be reproduced? And how much value an organization can make for their customers.

An organization can apply the five forces through investigation and understanding of their own strategies. The five forces model emphasizes what is necessary, and guides management staff towards those situations that are most important for long-term benefit for the organization.

Managers in the cement sector can elaborate and choose strategies by distinguishing the competitive pressures that exist first in the market, assessing the virtual strength of each and obtain a great interpretation of the sectors. From the five forces analysis, management can conclude whether to exploit or influence a specific characteristic of their industry. It can reveal an instance of apprehending the true about possible future attractiveness of the industry. To survive in the dynamic market, the cement sector must adjust their strategies. It is also important for the company to develop an option that influences the different forces occurring in the market. The aim is to decrease the power of competitive forces.

The Resource Based-view Theory (RBV)

The resource based -view model is a model aimed at achieving a competitive advantage that was presented in 1980 and 1990 after the first concept undertaken by Werner felt in 1984. This theory persuades researchers that an organization can acquire some advantages in the market through utilization of intangible and tangible resources recognized from within the firm itself. The resources owned and acquired by the firm have to bare four distinctive characteristics: the resources must be valuable, rare, inimitable, and non-substitutable (VRIN) (Werner felt, 2011). The RBV theory puts a big importance attached on the identification of the internal resources as tangible and intangible resources. The model emphasizes on the identification and deployment of resources to exploit the different opportunities offered by the external environment more accurately than sourcing auxiliary external resources (Ovidijus, 2013).

Barney (2012) identified VRIN framework that considers resources in the firms are valuable if the resources help an organization to increase the value provided to the customers. The resources should also be rare, such that, they can only be acquired by one or just a few firms in the industry. If a company wants to attain sustained competitive advantage the resources must be costly to imitate and non-substitutable. The RBV model was later revised from VRIN to VRIO (Value, Rarity, Imitability and Organization), adding an element of whether the organization is planned adequately to use the suitable resources available to it. The theory further argues that competitiveness ought to be supported by a culture that encourages sharing and exchanging skills, competencies, and capabilities through organizational learning (Grant, 2010).

In summary, this theory is pertinent to the study because, the resource-based view model emphasizes the crucial rule of employing internal resources immediately available to the company in exploiting generic strategies, rather than sourcing them externally. Bamburi is a relatively large manufacturing firm with adequate resources and may therefore focus on cost leadership to gain competitive advantage. From external competitive threats a company can take an advantage by exploiting the heterogeneous resources, capabilities, skills to obtain competitive advantages, defecting, of course, these capabilities are heterogeneous and produce more explicit forecast about the future value.

RESEARCH METHODOLOGY

This study adopted a survey research design since the study sought to explore and to describe given characteristics in both qualitative and quantitative terms (Kothari, 2009).

This study was conducted in Nairobi, Bamburi Cement Limited head office, upper hill. For this particular research, the target population was 453employees of Bamburi Cement Limited. Stratified sampling was used to categorize the staff as per departments and purposive sampling was carried to select managers of the organization who were 61 in number.

STUDY FINDINGS AND PRESENTATION

According to the information, a larger part of the respondents was male as represented by 65.5 %. The rest of the respondents were female as presented by 34.4%. This indicated a highly dominated male representative either to the nature of the job that required a lot of travel or highly technical jobs due to manufacturing and engineering aspects.

Background information

Respondent's Position

Figure 1 below presents the employment level of respondents who participated in the study.

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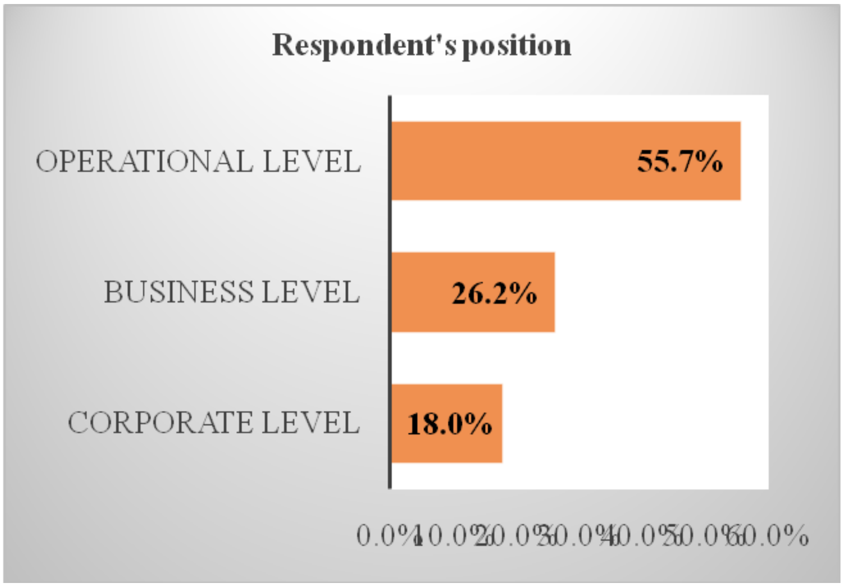

Figure 1: Employment level

This figure indicates that 55.7% of the respondents were at the operational level of management, 26.2% at business level of management and 18.0% at the corporate level of management.

Forms of Departments

The figure below (2) indicates the different departments in the company during the research period.

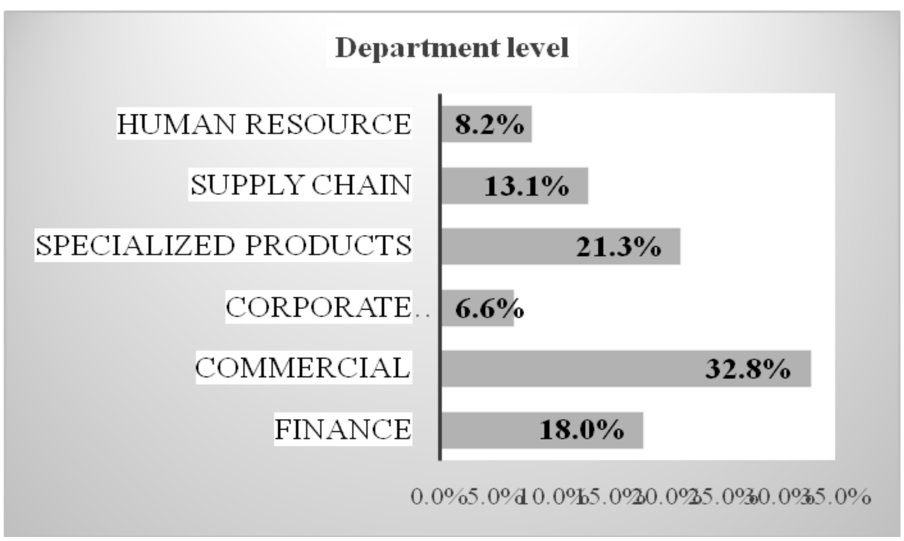

Figure 2: Department level

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According to the information in figure 2 above, 32.8 % of the respondents work at commercial department, 21.3 % in Bamburi special products, 18.0% in finance, 13.1% in supply chain, 8.2% in human resource management and 6.6% in corporate communication and sustainable development.

Number of years served in the organization.

Table 1 below shows the number of years the managers had worked for Bamburi.

Table1: Working duration

Years	Frequency	Percent
1-11 months	9	14.8
1-4 years	14	23.0
5-10 years	10	16.4
Over 10 years	28	45.9
Total	**61**	**100.0**

Majority of the respondents as shown on table 1 above had worked in the company over 10 years as expressed by 45.9%, 23% had worked between a period of one and four years, 16.4% had worked for a period of five to ten years, 14.8% of the respondents had worked for less than one year. This reveals that they were well informed about the operations of the company.

Education level

72.1% of the respondents possessed a master degree and 27.9% have a bachelor's degree. This involves that the employees at Bamburi are well educated.

Cost Leadership s\Strategy on Organizational Performance

This question sought to investigate the production of the company to justify mass production. All the respondents affirmed that the production of the cement was enough for the market to justify mass production. This implies that the company produced enough cement for the market.

Improvement in production

The findings show that 59% of the respondents intend to improve production by use of technology, 27.9 % intend to improve production by opening more markets and 13.1% by improving the distribution of the products.

Reduction in prices and fixing of Price based on competitors

According to the information, majority of respondents indicated that they did not reduce the price of their products in the past, and 18.0% reduced. 100% of respondents confirmed that they did not fix the price of their products according to other manufacturing industry in the market. This implies that the organization did not fix the price of cement according to competitors.

Methods of Production

The study indicated that 70.5% of respondents sourced locally, followed by use of technology as shown by 18% and outsourced services as shown by 11.5%. This implies that the production method used by Bamburi cement is sourcing locally.

The Model used to fix prices of the products

This question sought to analyze how the company fixed the price of the cement to beat competition in the current market. 68.9% of the respondents indicated that the method used by the company to fix the price of their products was cost control method, 31.1% of the respondents denoted that the second method was based on market demand. The respondents indicated that they did not fix price of their products based on competition. This implies that the price of the cement produced by Bamburi does not depend on the competition pressure in the market.

Descriptive analysis of variable cost leadership strategy on organizational performance.

The research sought information from different parameters selected in the research to measure the effects of cost leadership strategy such as capacity utilization of resources, mass production method, application of mass distribution, reducing in operation time and costs and industry always charges low price than our competitor in the market. The results for variable cost leadership were provided in terms of mean and standard deviation. Capacity utilization of resources affect the organizational performance to a great extent as expressed by a mean score of 4.5082, mass production, mass distribution, reducing in operation time and costs and economy of scale affect performance of Bamburi to great extent as expressed by a mean score of 4.3115,3.7377,3.5902,3.5410 respectively. It was also evident that the industry charges lower price as expressed by a mean score of 1.6557.

Regression analysis of cost leadership strategy on organizational performance

Analysis of regression was done in this study to establish the relationship between cost leadership strategy and organizational performance. Cost leadership strategy as a predictor variable against performance represented by sales volumes.

Table 2: Model summary of cost leadership strategy on organizational performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

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1	.321[a]	.103	.056	.63228

Predictors: (Constant), Reducing in operation time and costs, the industry always charge lower price than our competitors, Mass production.

Table 2 above shows that adjusted R^2 is 0.056, which is equivalent to 5.6% of the variations in the performance achieved as a result of execution of cost leadership strategy of the company. The 94.4 % dissimilarity is expressed to factors not estimated in this model represented by the error term. Since the R is .321 a conclusion can be made from this model that cost leadership strategy is positively correlated with performance

Table 3: ANOVA results of cost leadership strategy on organizational performance

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	2.623	3	.874	2.187	.099[b]
	Residual	22.787	57	.400		
	Total	25.410	60			

a. Dependent Variable: Sales volume

Predictors: (Constant), The industry always charge lower price than competitors, Mass production, reducing operation time and costs.

The table (3) above shows a p-value of 0.099 hence concluded that cost leadership strategy does not have a significant effect on achieving organizational performance.

Coefficients results of cost leadership strategy on organizational performance

From the coefficient model below (table 4), it can be concluded that: for every one-unit lower price charged by competitors there is -0.085 likelihood of improved performance; Similarly, on average, for every one-unit mass production, there is a 0.051 increase in the likelihood improved performance and lastly for every one-unit reduction in operation time and costs, there is 0.0276 improved performance

Table 4: Coefficients results of cost leadership strategy on organizational performance

Coefficients[a]

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Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig	95.0% Confidence Interval for B Lower Bound	upper B
1	(Constant)	3.029	.839		3.610	.001	1.349	4.709
	The industry always charge lower price than competitors	-.085	.088	-.123	-.960	.341	-.262	.092
	Mass production	.051	.179	.036	.282	.779	-.308	.410
	Reducing in operation time and costs	.276	.131	.273	2.114	.039	.015	.538

Dependent Variable: Sales volume

The correlation results of cost leadership strategy on organizational performance

According to the study, there was a positive influence of magnitude 0.134 of industry competitive pricing and performance. There was a slight positive of 0.155 of mass production and performance and 0.297 reduction on costs on performance. This means that as industry competitive pricing increased, performance improved and similarly effects were noticed in the mass production and reduction in costs. Similar effects were noticed at a significance level of 0.05 as represented by a strength of .188, 233 and slight magnitude of .020 respectively of capacity utilization, mass production and reduction operation time/costs. In summary, there was a weak but significant relationship in the variables studied.

Differentiation Strategy on Oorganizational Pperformance

The second objective of this study was to analyze the effect of differentiation strategy on organizational performance of Bamburi cement.

Main differentiation factor as regards the company's products

The study sought to identify how the customers were able to identify the Bamburi product in the market. 62.3 % of respondents indicated that their customers were able to identify the Bamburi products in the market compared to those of competitors, 37.7% of the respondents denoted that customers were not able to identify easily the brands.

A large majority of respondents, 65.6% attributed packaging as the main identification of its products by the customers, followed by design at 24.6% and 9.8% attributed to the color of the packet. From the findings, 73.8% of respondents affirmed that the packaging of cement was distinct to clients and 26.2% of respondents said it was not distinct. All the respondents indicated that firm produced high quality cement products in the current market.

From the research findings, 49.2% of the respondents affirmed that the production of high quality is the principal key factor of the differentiation, 37.7% of the respondents indicated the innovation, and 13.1% of the respondents denoted brand loyalty. Quality indicators were: durability of cement in the construction, strength of the cement in the procedure of mixture, and the percentage of debasement established within it.

Descriptive analysis of differentiation strategy on organization performance

The study sought to investigate the extent to which differentiation strategy affects organizational performance in Bamburi Cement Limited. The findings showed that differentiation strategy based on development and advanced research affected the performance of Bamburi to a very great extent as expressed by a mean score of 4.7869. The respondents also indicated that differentiation strategy based on packaging of its products, production of high quality cement, brand loyalty, and adherence to international quality standard affected the organizational performance of the company to a great extent as expressed by a mean score of 4.5089, 4.3115, 4.1639, and 3.9016 respectively. The respondents indicated that differentiation based on production of green cement moderately affected performance as expressed by a mean score of 2. 9344. This indicates that the factors had remarkable effect on differentiation strategy excluding the concept of green cement, which is fully moderate.

Regression analysis of differentiation strategy on organizational performance

Table 5: Model summary of differentiation strategy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.750[a]	.563	.540	.44144

a. Predictors: (Constant), High quality product, Brand loyalty, packaging of its products

According to table 5 above, the coefficient of determination for the relationship between differentiation strategy and performance is 0.540, which is equivalent to 54% explained by the differentiation strategy. The remaining 46 % was described by other factors not considered in the model. Since R is 0.750 this means there was a positive relationship between differentiation strategy and organizational performance.

ANOVA results of differentiation strategy on organization performance

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The table below presents the results of analysis about differentiation strategy applied by Bamburi Cement Limited to achieve performance.

Table 6: ANOVA of differentiation strategy on organizational performance

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.302	3	4.767	24.465	.000[b]
	Residual	11.108	57	.195		
	Total	25.410	60			

a. Dependent Variable: Sales volume

b. Predictors: (Constant), High quality product, Brand loyalty, packaging of its products

Table 6 disclosed that differentiation strategy was statically significant in describing organizational performance in the company. An F statistic of 24.465 showed that the model was significant. This was reinforced by a probability value of 0.000.

Coefficient results of differentiation strategy on Organizational Performance

The coefficient model below (table 7) concluded that: for every one-unit production of high quality product, there was 0.804 likelihood of improved performance; similarly, for every one unit packing done, there was a -0.221 increase in the likelihood improved performance and lastly for every one-unit association with brand loyalty, there was -0.156 improved performance. This means the packaging and brand did not significantly affect performance of the organization unlike as experience by production of high quality product

Table 7: Coefficients results of differentiation strategy on Organizational Performance

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	2.278	1.317		1.730	.089	-.358	4.914
	High quality products	.804	.168	.577	4.797	.000	.468	1.139
	packaging of its products	-.221	.162	-.171	-1.366	.177	-.545	.103
	Brand loyalty	-.156	.104	-.140	-1.498	.140	-.364	.052

a. Dependent Variable: Sales volume

Correlation analysis of differentiation strategy on organizational performance

Correlation matrix showed a positive influence of 0.720 of quality product on performance. There was a high negative of -.612 of packaging on performance and a negative .307 brand loyalty effect on performance. This means that as quality of product increased, performance improved and no positive effects were noticed in the association of packing and performance or brand loyalty and performance. Similar effects were noticed at a significance level of 0.05 as represented by a strength of .000, -.684 and -.191 respectively of product quality, effect of packaging and brand loyalty.

Market Focus Sstrategy on Oorganizational Pperformance

The third objective of this study was to assess the extent to which market segmentation affects organizational performance of Bamburi cement.

The different strategies by the organization to target customers

This question sought to investigate the different competitive strategies implemented by the organization to target segment. They were: purchase of products, target segmentation, particular clientele, brand identification, and brand image.

62.3% of respondents indicated that the organization had customers who purchased their products on regular basis. According to the information 55.7% of respondents indicated that the company used segmentation based on customer demand, 27.9% of respondents pointed segmentation based on geographical area, and 16.4 % of respondents indicated segmentation based on product line.

According to the findings, 37.3% of respondents said the organization does not have a particular clientele who only order their products on regular basis, the rest of respondents as shown by 62.3 % denoted that the company has a particular clientele. From the analysis, 45.9% of respondents said they could identify the company's brands, followed by 37.7% of respondents who said they were not sure if its brands were easily identified, 16.4% of respondents disagreed with this statement. The respondents indicated that mixed marketing was the method used by the company to maintain its brand image as expressed by 47.5%, providing a unique product represented by 27.9%, and advertising expressed by 24.6%.

Descriptive analysis of market focus on Organizational Performance

The research sought to find out the level of agreement on diverse aspects of market focus. From the analysis, the respondents strongly agreed on the aspect of segmentation based on customer's demand as expressed by a mean score of 4.8361, the respondents agreed that the company had identified a market niche for buyers and the company sought to provide products in different geographical locations as shown by a mean score of 4.2951, 4.2131 respectively. The

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respondents disagreed that segmentation was based on brand product as indicated by a mean score of 2.8852.

Regression analysis of market focus strategy on organizational performance

Table 8: Model summary of market focus strategy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.757[a]	.573	.550	.43633

According to table 8 above, the coefficient of determination for the relationship between market focus strategy on organizational performance was 0.550 which is equivalent to 55% of performance was explained by the market strategy. The remaining 45 percent was explained by other factors not considered in the model.

ANOVA results of market focus strategy on organizational performance

The results provide the summary of the parameter used to measure the market focus strategy applied by the company on organizational performance.

Table 9: ANOVA results of market focus strategy on organizational performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.558	3	4.853	25.488	.000[b]
	Residual	10.852	57	.190		
	Total	25.410	60			

a. Dependent Variable: Sales volume
Predictors: (Constant), The company has identified a market niche for buyers, Segmentation based on customer's demand, Segmentation based on brand product

The ANOVA above shows the general model was significance with a p-value of 0. 000. The study hence concludes that market focus strategy had a significant effect on achievement of performance of the company.

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Coefficient analysis of market focus strategy on organizational performance

From the coefficient results it can be concluded that: for every one-unit segmentation based on customer's demand there is -.239 likelihood of improved performance. Similarly, for every one-unit segmentation (based on brand product), there was a -0.118 increase in improved performance. Lastly, for every one-unit association with a market niche, there was 1.285 improved performances.

Correlation analysis of market focus strategy on organizational performance

The correlation matrix indicates there is a positive effect of magnitude 0.349 of segmentation based on customers' demand on performance. There is a positive of 0.286 of segmentation based on brand product on performance and a positive slight magnitude of .067 of market niche on performance. This means that as market segmentation based on customers' demand increased, performance improved and positive effects were noticed in the association of segmentation based on brand product on performance and slight positive based on market niche on performance. Similar effects were noticed at a significance level of 0.05 as represented by a strength of .006, 0.025 and 0.605 based on segmentation based on customers' demand, segmentation based on brand product and segmentation based on market niche respectively.

Organizational performance of Bamburi Cement Limited

This question sought to determine the growth of the branches in the company for the last ten years. Bamburi cement limited has not opened any new branches for the last ten years with 100% of the respondents disagreeing to the statement. This implies that the growth of the branches in the company remain constant.

Table 10 : Descriptive analysis of organizational performance of Bamburi

	N	Sum	Mean		Std. Deviation	Skewness	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error
Sales volume	61	250.00	4.0984	.08332	.65077	-.472	.306
The growth of branches in the company	61	122.00	2.0000	.00000	.00000	.	.
Valid N (list wise)	61						

From the findings on the table 10 above, it was evident that the sales volume was the performance measure applied by the company as expressed by a mean score of 4.0984. The findings depict that organizational performance of Bamburi had improved on sales volume but the growth of the branches in the company had remained constant.

DISCUSSIONS OF THE RESULTS

Cost leadership strategy on organizational performance

It is distinct that manufacturing cement industries are progressively adopting new and advanced competitive strategies to be successful in the current market. In this study, the level of competition in the cement industry in Kenya has been discovered by the entry of new players in the cement sector particularly for the last five years. From three dominant cement companies the number has increased to over six cement manufacturing companies an evidence that firms have had to come up with new strategies that will give their cement products competitive edge over competitors. Bamburi Cement hence adopted different competitive strategies to face off the market competition. The results indicated that there was a fairly significant relationship between the cost leadership strategy and Bamburi performance. The study found out that the company did not fix a lower price of its cement that implies the competitive pressure in the current market does not influence the decision making of price fixation.

Differentiation strategy on organizational performance

Differentiation strategy is an important factor that helps the company to distinguish its products in the market. The study found out that differentiation strategy was being taken into consideration by the organization. The industry applied differentiation by used of various factors such as: differentiation based on development and advanced research, packaging of its products, adherence to international quality standards and brand loyalty these were affected the achievement of organization performance by a great extent. According to the information indicated on the annual report of the company by Lafarge (2017) the industry was developing a new brands called Tembo lunched in 2017. This indicated that the organization continues to do advanced research and development and also to remain competitive in the current competitive market.

Differentiation strategy assists also the organization to consolidate quality that intensifies customer's satisfaction during use in intangible or tangible ways. The research revealed that Bamburi used technology to stay on cutting edge of innovation accelerates development of new product and allows an organization to stay in connection with customer's needs and market trends. According to the results of ANOVA analysis, the model revealed that the relationship between differentiation strategy and performance was statistically significant. A research conducted by Rahman (2011) denoted that if an industry based its differentiation strategy on high quality product in the competitive market, this assist the company actually increased market share resulted in significantly increased on profitability. This provides sustenance for the findings in way the company indicated the differentiation strategy applied by the industry was based on production of high quality cement in Kenya market.

Market focus strategy on organizational performance

From the research results, the respondents informed that the company applied market focus strategy based on customer demand, identification of a market niche for buyer and also providing a product in different geographical areas. These different factors affected the organizational performance of the company to a significant extent. Bamburi cement adopted different competitive strategies to face off the market competition. These strategies involve market segmentation in which it has developed products that meet the needs of various markets such as the road sector, Park for tourism, block etc. The study confirmed that the company is using focus strategy by identify a market niche for buyers and also targeting the future demand of customers.

Lynch (2016) affirmed that the firms adopting the focus strategy by determining a niche or a category of niches in the industry and customizes it strategy to serving them to the exclusion of others. The study revealed that focus strategy enables an organization to specialize in activities in ways that other firm cannot perform. Zekiri and Nedelea (2011) argued that firms with distinctly refined focus strategy or specialization of a specific target of customers. They have succeeded in distinctive competence in preserving their niches from larger firms that have problem to understand or serve their target customers.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions of the study

In conclusions, the study focused on the manufacturing industry, a case of Bamburi Cement Limited, Nairobi. The study concluded that, the different parameters selected in the research to measure the effect of cost leadership strategy on organizational performance of Bamburi were indicated by the ability to use the resources effectively, reducing in operation costs and time, mass production technique, mass distribution and economy of scale. These factors were applied by the company to achieve performance. But these factors were not statistically significant to improve the relationship between cost leadership strategy and performance. Bamburi should have low cost strategy in order to attain a low cost advantage, low operation with unified workforce devoted to the low cost strategy. Economy of scale gives a manufacturing a competitive advantage as compared to other industry. Cost leadership strategy showed a weak relationship with the performance of Bamburi according to the correlation analysis. The results of the study disclosed that differentiation strategy affect performance of Bamburi through differentiation based on development and advanced research, production of high quality products, packaging of its products, and brand loyalty. In the market an organization can adopt differentiation strategy by developing a unique products or services for different customer segments. Differentiation strategy in Bamburi Cement had a statistically significant relationship with the organizational performance. The research also found that market focus strategy affected performance of Bamburi through diverse aspects. The study indicated that market focus strategy was significant relationship with organization performance of Bamburi. The research indicated that the performance measure used by the organization was sales volumes of its products. The growth of new branches in the company remained constant in the last ten years.

Recommendations of the study

The study recommended that the following measures be embraced by other industries in the manufacturing sector. It thus recommended an assertive adoption of the strategy by other companies concentrating principally on capacity utilization of low energy in the different processes of production and increase in production volumes. The study recommends also the managers of Bamburi and other organizations to appropriately select cost leadership strategy as it helps the firm to provide a stand of favorable quantity of products at the most competitive prices to buyers. In this case the company should consider offering special discounts for low cost housing projects; this would improve the company's image with the local community.

To improve the quality of their products to international standards, it is recommended that more manufacturers to bring up sales, principally with the raising demand for high standard cement. Bamburi Cement Limited needs deal more in green cement production. The implementation of this idea by the company may be one of key factor of differentiation strategy and this could create more opportunities for sales.

The study recommends the use of market focus strategy to other industries because the approach can either focus on low cost or differentiation strategy. The organization should offer different pricing structures for different markets, for example retailers and once off buyers. It suggested that although the industry is a market leader they should also consider other competitor's prices.

The study helps policy makers to understand that competitive strategies are necessary to improve organizational performance. To further research; the study was only carried out in one industry (Bamburi Cement Limited) hence further research on the effects of generic competitive strategies on organizational performance should be carried out in other sectors like agricultural, hotel industry etc. The study motivates future scholars to investigate the different elements that intensify an effective implementation of generic competitive strategies on organizational performance.

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