

Effect of Generic Strategies on the Performance of Petrol Stations in Nairobi County,  
Kenya

by

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APPROVAL

EFFECT OF GENERIC STRATEGIES ON THE PERFORMANCE OF PETROL STATIONS IN NAIROBI COUNTY, KENYA

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In accordance with Daystar University policies, this thesis is accepted in partial fulfillment of requirements for the Master of Business Administration degree.

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## DECLARATION

EFFECT OF GENERIC STRATEGIES ON THE PERFORMANCE OF PETROL  
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I declare that this thesis is my original work and has not been submitted to any other colleges or universities for academic credit.

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## Table of Contents

APPROVAL .....	i
DECLARATION .....	iii
ACKNOWLEDGEMENTS .....	iv
LIST OF FIGURES .....	viii
LIST OF TABLES .....	ix
LIST OF ABBREVIATIONS/ACRONYMS .....	x
ABSTRACT .....	xi
CHAPTER ONE .....	1
INTRODUCTION AND BACKGROUND TO THE STUDY .....	1
Introduction.....	<u>1</u>
Background to the Study.....	2
Generic Strategies .....	2
Organisational Performance.....	4
Generic Strategies and Organisational Performance .....	4
Petroleum Industry .....	5
Petrol Stations in Kenya.....	6
Petrol Stations in Nairobi County .....	8
Statement of the Problem.....	10
Purpose of the Study .....	11
Objectives of the Study .....	11
Research Questions .....	11
Justification of the Study .....	12
Significance of the Study.....	12
Assumptions of the Study .....	12
Scope of the Study .....	13
Limitations and Delimitations of the Study .....	13
Definitions of Terms .....	13
Summary .....	14
CHAPTER TWO .....	15
LITERATURE REVIEW .....	15
Introduction.....	15
Theoretical Literature.....	15
Dynamic Capabilities Theory .....	15
Stakeholders Theory .....	16
Porter’s Generic Strategies Model.....	17
General Literature .....	18

Generic Strategies .....	18
Organisational Performance .....	22
Empirical Literature .....	26
Conceptual Framework .....	28
Summary .....	28
CHAPTER THREE .....	29
RESEARCH METHODOLOGY .....	29
Introduction .....	29
Research Design .....	29
Population .....	30
Target Population .....	30
Sample Size .....	31
Sampling Techniques .....	32
Types of Data .....	33
Data Collection Instrument .....	33
Data Collection Procedure .....	34
Pretesting .....	35
Instrument Validity .....	35
Instrument Reliability .....	36
Data Analysis Plan .....	37
Ethical Consideration .....	38
Summary .....	39
CHAPTER FOUR .....	40
DATA PRESENTATION, ANALYSIS AND INTERPRETATION .....	40
Introduction .....	40
Response Rate .....	40
Demographic Information .....	41
Respondents' Demographics .....	41
Organisational Demographics .....	43
Generic Strategies .....	48
Cost Leadership .....	48
Differentiation .....	50
Focus .....	52
Organisational Performance .....	54
Regression Analysis on the Effect of Generic Strategies on Organisational Performance .....	55

Effect of Moderating Factors on the Relationship between Generic Strategies and Organisational Performance.....	59
Summary of Key Findings .....	61
Summary .....	62
CHAPTER FIVE .....	63
DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS .....	63
Introduction.....	63
Discussion of the Key Findings .....	63
Objective 1: To assess generic strategies adopted by petrol stations in Nairobi County.....	63
Objective 2: To evaluate the performance measures adopted by petrol stations in Nairobi County.....	64
Objective 3: To determine the effect of generic strategies on the performance of petrol stations in Nairobi County. ....	65
Conclusions .....	66
Recommendations .....	67
Areas for Further Study.....	67
REFERENCES .....	68
APPENDICES .....	74
Appendix A: Questionnaire .....	74
Appendix B: Sample Population.....	78
Appendix C: Research Authorisation by Nairobi County Government .....	80
Appendix D: Research Permit.....	81
Appendix E: Ethical Clearance .....	83
Appendix F: Daystar University Introduction Letter .....	84
Appendix G: Anti-Plagiarism Report .....	85



LIST OF FIGURES

Figure 2.1 *Conceptual Framework* ..... 28

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## LIST OF TABLES

Table 3.1	<i>Target Population</i> .....	31
Table 3.2	<i>Sample Size</i> .....	32
Table 3.3	<i>Reliability Analysis</i> .....	36
Table 4.1	<i>Response Rate by Individual Respondents</i> .....	40
Table 4.2	<i>Distribution of respondents by Gender</i> .....	42
Table 4.3	<i>Distribution of respondents' experience in years</i> .....	42
Table 4.4	<i>Distribution of respondents' level of education</i> .....	43
Table 4.5	<i>Distribution of existence of petrol station in years</i> .....	44
Table 4.6	<i>Distribution of number of pumps at petrol stations</i> .....	45
Table 4.7	<i>Distribution of the petrol stations based on the number of pumps</i> .....	45
Table 4.8	<i>Distribution of nature of ownership of petrol stations</i> .....	46
Table 4.9	<i>Distribution of petroleum products sold at petrol stations</i> .....	46
Table 4.10	<i>Distribution of non-petroleum products and services offered at petrol stations</i> .....	47
Table 4.11	<i>Distribution of petrol stations employing cost leadership strategy</i> .....	48
Table 4.12	<i>Distribution of cost leadership indicators employed at petrol stations</i> ..	49
Table 4.13	<i>Distribution of petrol stations employing differentiation strategy</i> .....	50
Table 4.14	<i>Distribution of differentiation indicators employed at petrol stations</i> ...	51
Table 4.15	<i>Distribution of petrol stations employing focus strategy</i> .....	52
Table 4.16	<i>Distribution of focus indicators employed at petrol stations</i> .....	53
Table 4.17	<i>Distribution of performance measures employed at petrol stations</i> .....	54
Table 4.18	<i>Model summary</i> .....	56
Table 4.19	<i>Analysis of Variance (ANOVA)</i> .....	56
Table 4.20	<i>Regression Coefficients</i> .....	57
Table 4.21	<i>Distribution of the moderating effect of political, economic and technological factors in the relationship between generic strategies and organisational performance</i> .....	59

## LIST OF ABBREVIATIONS/ACRONYMS

ANOVA	Analysis of Variance
AGO	Automotive Gas Oil
DPK	Dual Purpose Kerosene
FO	Fuel Oil
KIPPRA	Kenya Institute for Public Research and Analysis
KNBS	Kenya National Bureau of Statistics
KPC	Kenya Pipeline Company
KPI	Key Performance Indicators
KPLC	Kenya Power and Lighting Company
KPRL	Kenya Petroleum Refinery Limited
LPG	Liquefied Petroleum Gas
NACOSTI	National Commission for Science, Technology and Innovation
NOCK	National Oil Corporation of Kenya
OPEC	Organisation of Petroleum Exporting Countries
OSHA	Occupational Health and Safety Administration
PMS	Premium Motor Spirit
SPSS	Statistical Package for Social Sciences
UN	United Nations

## ABSTRACT

With the liberalisation of the petroleum industry and regulation of the sale of petroleum products by the Energy Regulatory Commission, there has been stiff competition among industry players thus impacting on the performance of petrol stations. Organisations employ various strategies to survive in the industry. The purpose of this study was to determine the effect of generic strategies on the performance of petrol stations in Nairobi County, Kenya and the objectives were: To assess generic strategies adopted by petrol stations in Nairobi County, to evaluate the performance measures adopted by petrol stations in Nairobi County and to determine the effect of generic strategies on the performance of petrol stations in Nairobi County. This study adopted a descriptive research design. The sample size was 63 petrol stations in Nairobi County and the respondents were the petrol station managers or supervisors. Questionnaires were the primary data collection instrument. The data was analysed using descriptive and inferential statistics. The results showed that cost leadership and focus were the dominant generic strategies adopted by petrol stations in Nairobi County at 79% and 32.8% respectively. Sales volume and profitability were the most common measures of performance used by petrol stations in Nairobi County with respondents agreeing 98.3% and 96.7% respectively with their use. Based on the findings, the research concluded that there was a positive and significant relationship between generic strategies and performance of petrol stations in Nairobi County. The research recommended that petrol stations should increase the presence of other businesses within the petrol stations' premises to increase their sales volume so as to improve their performance.

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