EFFECT OF COMPETITIVE STRATEGIES ON ORGANIZATIONAL PERFORMANCE OF RETAIL BUSINESSES IN KENYA: A CASE OF CARREFOUR KENYA

by

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EFFECT OF COMPETITIVE STRATEGIES ON ORGANIZATIONAL PERFORMANCE OF RETAIL BUSINESSES IN KENYA: A CASE OF CARREFOUR KENYA

I declare that this thesis is my original work and has not been submitted to any other college or university for academic credit.

Signed:______________________ Date:______________________

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LIST OF ABBREVIATIONS AND ACRONYMS

GDP	Gross Domestic Product
ISERC	Institutional Scientific and Ethical Review Committee
NACOSTI	National Commission for Science, Technology and Innovation
RBV	Resource Based View
VRIO	Value, Rarity, Imitability, and Organization

ABSTRACT

Kenya's Vision 2030 highlights the important role of the retail sector in providing consumer goods to citizens and supporting other aspects of the economy. The objectives were to evaluate the competitive strategies, measure organizational performance and to determine the effect of competitive strategies on organizational performance at Carrefour Kenya. Carrefour is the current best performing retail store in Kenya. The study's underpinning theories were; Michael Porter's Theory of Competitive Advantage, Theory of the Firm and Resource-Based View Theory. The study was restricted to 12 stores in Nairobi, which is 75% of the total Kenyan stores. The target population was 12 general managers, 71 line managers and 73 supervisors and a subset of 112 respondents of the total population was the sample size. The study used descriptive research design, questionnaires for data collection. Inferential statistics was used to analyze the data and a model to test the relationship between the independent and dependent variable. Cronbach's alpha was employed to evaluate the internal consistency and reliability of the questionnaire. The model tested the strength and direction of the relationship between competitive strategies and organizational performance at Carrefour Kenya at 5% level of significance and results were presented through a combination of pie charts and tables. The study used Statistical Package for Social Science Version 27 for data analysis and pretest was conducted in Naivas Supermarket. The study concluded that Carrefour Kenya's adoption of competitive strategies; cost leadership, differentiation, and focus, significantly impacts its organizational performance. The study recommended that Carrefour Kenya should prioritize streamline its supply chain to maintain competitive pricing, enhance communication of its unique value proposition and focusing on specific

market segments.

DEDICATION

I dedicate this research thesis to my family, my father Kinyanjui Kinuthia, my mother Esther Kinyanjui and my sister, Wanjiru Kinyanjui for their prayers, love, support, and encouragement that they gave me as I continued with my studies. I will forever cherish their encouragement when I nearly lost hope and their endless support when I needed it most.

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

Introduction

Organizations do not exist in isolation. They operate as part of a greater complex system that affects how people within them interact and how they employ their resources. Due to the complex interrelations between the organizations and their environment, they use strategies that guide them towards attaining their goals (Afsar, 2021). A strategy is a course of action that is taken by managers towards the achievement of organizational goals (Lynch, 2018). Strategic decisions deal with these directions that firms take in the long run and thus, require a significant commitment of time and resources.

Strategies have always been important for business organizations. They define the scope of organizational activities, define a firm's competencies indicate the appropriate patterns of deploying resources and help organizations establish a competitive advantage, ahead of their rivals (Volberda, Morgan, Reinmoeller, & Hitt, 2021). Today, with the transformative trends within the environment of businesses such as globalization and technological development, strategies have become even more important for organizations. Today, the market has changed from a seller to a buyer's market (Picot, Reichwald & Wigand, 2018). These changes have led to transitions in the business environment, driving fierce competition among countries, increased globalization, availability of more information and timely availability of goods and services, thus raising the need for more aggressive and effective strategic management.

There is a myriad of strategies that organizations can choose to work with at several levels of their structures. Firms can formulate and implement strategies at the functional, business and corporate levels of the strategy pyramid. Corporate level strategies are broad strategies at the top of the strategy pyramid determining the firm's main purpose and the types of business that an organization wants to be in (Moore, 2019). Business level strategies operate at the middle level of the strategy pyramid consisting of techniques that organizations use to attain competitive advantage against their rivals (Volberda *et al.,* 2021). Lastly, functional level strategies exist at the lowest level of the strategy pyramid ssssconstituting of tactics that departments use to support the business level strategies of the firm (Bruin, 2020). Of the three levels of strategy, business strategies are the most common because they determine how an organization will compete in the market (Govindarajan, 2020). Unfortunately, some organizations do not recognize the competitive strategies that would influence their performance most effectively. With this in mind, this research has the objective of establishing how competitive strategies affect the organizational performance of retail businesses in Kenya.

Background of the study

The research was conducted based on Michael Porter's Theory of Competitive advantage developed by Porter (1985). According to Porter, the author of Competitive Advantage (1985), he stated that competitive advantage is developed by virtue of an organization having the ability to create value for its customers without exceeding the cost of providing the said value.

Several studies have investigated the link between competitive strategies and organizational performance. A study by Hosseini, Soltani, and Mehdizadeh (2018) in the

United States demonstrated the importance of competitive strategies for product-based firms through using additional services through the product life cycle. By analyzing peer reviewed literature, that differentiation through additional services did have an impact on a firm's competitive position by increasing revenues and profits, increasing the survival rates of a firm and facilitating the adoption of products within a market. Brenes, Montaya, and Ciravegna (2018) focused on the differentiation strategy that give firms using an edge over their competitors. Using interviews among 66 agribusiness firms in Latin America, the researchers reported that firms that use differentiations have high innovation capability, strong marketing skills, focus more on forward vertical integration, are highly invested in their production process and are more responsive to corporate social responsibility needs and environmental changes (Brenes et al., 2018).

Little literature exists regarding African use of competitive strategies and how they impact performance. A study by Brett (2018) in South Africa sought to investigate the influence of competitive strategies on game reserve performance. The study argued that tourists had a strong preference for cheaper accommodation units, thus favoring a low-cost strategy. However, Brett (2018) emphasized that the context is an example of a cost focus strategy adoption since the Mkhuze Game Reserve tried to attract local tourists with lower cost structures.

In Kenya, several studies have sought to investigate the nexus between competitive strategies and organizational performance. Makina and Oundo (2020) focused on the sugar manufacturing sector in Kenya and used a desktop analysis methodology to address issues and concepts related to the three competitive strategies of focus, cost leadership and differentiation and how they impact organizational performance. The study revealed that competitive strategies gave companies superior performance as compared to their rivals who did not use them. However, while there was consensus about the positive correlation between cost leadership and sugar industry performance, differentiation did not always contribute to positive organizational performance. From the paradox in the aforementioned literature, it is therefore imperative to conduct a study aiming to ascertain how competitive strategies affect organizational performance in Carrefour Kenya.

The study was guided by competitive strategies as the independent variable (cost leadership, focus strategy and differentiation strategy) while the dependent variable was organizational performance which was measured through awards and recognitions, customer satisfaction and new products. It was anticipated that the independent variable would have a positive correlation with the independent variable, however, this research was designed to truly show the actual correlation and to what extent, between the two variables. From the literature discussed below, it was evident that competitive strategies did have an influence on organizational performance, however, the influence varied in different contexts. Case in point, Onditi (2023) concluded that the influence of competitive strategies on performance depended on the type of industry since they had significant differences in competition levels and structures.

Competitive Strategies

Competitive strategies are long-term tactics that firms employ to defend themselves within the market and maintain a competitive advantage (Porter, 1980). Competitive advantage provides a firm the capability to distinguish itself from rivals and it may be attributed to cost factors such as economies of scale and scope, technological factors such as disruptive and sustainable technologies, or the quality of products derived from the firm's core competencies (Christensen, 2001).

Most recently, experts have emphasized the importance of competitive strategies. Michael Porter's concept of "strategic positioning" continues to be influential, with a focus on creating a unique and valued offering in the market. McGrath (2018) further expanded on this idea by advocating for continuous reconfiguration of competitive advantages. They argued that organizations should strive for dynamic capabilities to adapt and differentiate themselves in an environment that is always changing. This perspective highlighted the need for organizations to constantly innovate and evolve their value proposition to gain a competitive edge.

The rise of digital technologies has also shaped competitive strategies in the past few years. Parker and Alstyne (2014) emphasized the importance of platform-based competitive strategies. They argued that successful companies leverage digital platforms to create ecosystems that bring together consumers, producers, and other stakeholders. This approach allowed companies to capture network effects, scale rapidly, and create sustainable competitive advantages. Understanding how to build and manage platforms has become crucial for organizations seeking to thrive in the digital age.

This study focused on assessing the effect of competitive strategies at Carrefour Kenya as a way of attaining superior performance. The study focused on the three competitive strategies; low-cost leadership, differentiation and focus strategies, because they are the underlying strategies under our core theory, Michael Porter's theory of competitive advantage.

Organizational Performance

An organization may have different goals but organizational performance remains a key objective of activities across all industries because it entails the ability of firms to meet their intended output (Almatrooshi, Singh & Farouk, 2018). The performance of a firm is indicative of its ability to survive and grow, fit within its environment and relevance within the market.

According to Luo, Huang and Wang (2018), the main dimensions of measuring organizational performance are non-financial performance measures which are indices within an organization's day to day activities. Experts recommend that organizations rely on a variety of non-financial measures as opposed to only one measure because they provide information about the different functions or aspects of a firm and are thus, more valuable in directing future corrective action,

According to Kovaleva *et.al* (2019), non-financial measures were in fact drivers of financial measures as they provided an opportunity for strategy alignment, greater efficiency and effectiveness towards achieving better organizational performance. Smith (2019) and Indeed (2022) studied non-financial measures in-depth and came to a conclusion that the following three measures were core to efficiently measuring organizational performance; The customer satisfaction where customers are asked to give feedback on various aspects of services or goods they purchase from an organization r (Franklin, 2022), new products, in this case, a firm with successful new products gives it the chance of creaming off large profit before effective competition develops (Birkett, 2022) and awards and recognitions where an organization that receives industry awards and recognitions is deemed an good performer in terms of efficiency, service delivery and customer satisfaction (Holliday, 2021). The various aforementioned non-financial measures of organizational performance shall be employed in this study so as to have a balanced measure of organizational performance.

Essentially, these are measures that can be used to gauge the performance of organizations. The applicability of these measures is influenced by various factors such as the strategic choices, the business environment, the stakeholders involved, and the range of organizational resources (Richard *et al.,* 2019). The study adopted the various measures of organizational performance as explained.

Competitive Strategies and Organizational Performance

Powers and Hahn (2023) supported pure over hybrid strategies in influencing firm performance. Porter (1980, 1985) argued against combining differentiation and low-cost leadership citing that the tradeoffs between the two strategies are incompatible. Dess, Lumpkin and Covin, (1997) have however, argued about the viability of a hybrid between low-cost and differentiation since for these firms, all the generic strategies have low or medium scores making it impractical to pick one and overlook the rest.

From a theoretical point of view, hybrid strategies with all three (cost leadership, focus strategies and differentiation strategies) seem to bear more benefits to the organization as a result of employing a combination of strategies (Alnoor *et al.,* 2023). However, they are more time-consuming, cost consuming and require extra managerial attention for the hybrid approach to succeed (Barotto, Hui, *et. al,* 2012). On the other hand, application of a singular competitive strategy yields minimal benefits to the organization as a little goes a short way. However, one strategy is more efficient, cost-saving and quick to employ which means an organization can easily apply one strategy after another and reap great benefits (Ali & Anwar, 2021).

Retail Industry in Kenya.

In Kenya's Vision 2030, the retail sector has been highlighted as one of the main drivers towards transforming the Kenyan economy into a competitive force that supports adequate outlets for offering goods and services acquired through both local production and importation of goods (Government of Kenya, 2018). There are various factors driving the growth of the retail sector in Kenya. For instance, the Kenyan population has increased over the years to provide demand for retail goods, there has been a rise in middle-class population who have an increased power to purchase from retail outlets, the urbanization rate in Kenya has increased, thus raising the need for more retail stores and lastly, digitization of the economy has supported electronic retail options (Mutisya, 2018).

As the industry becomes more vibrant, so does the level of competition from both domestic and international companies. Some of the key players within Kenya's retail industry include Quick Mart, Carrefour, Naivas and Chandarana (Cytonn, 2020). The intensity of rivalry within the industry is evidenced by frequent price wars, heavy investment in customer service, support services, adoption of technological tools and differentiation of goods (Kamau, 2017). Each of the stores have adopted their preferred competitive strategies. However one Kenyan retail stores have failed to realize their organizational performance goals. For instance, Nakumatt – one of the former largest supermarket chains closed all of its stores in Kenya and the greater East African region due to claims of poor management and large amounts of money owed to creditors (Mirir, 2020).

Carrefour Kenya

Carrefour Kenya is one of the retail industry giants operating in Kenya (Maloba, 2021). From the Majid Al Futtaim (2020) website, the international company joined the Kenyan market in 2016 under the ownership of Majid Al Futtaim. Operating as a franchise of the French company- Carrefour Group. Carrefour Kenya runs hypermarkets dealing in electronics, food products, furniture and cleaning essentials in the country's three largest cities- Mombasa, Nairobi and Kisumu (Majid Al Futtaim, 2020). The total employee population at Carrefour consists 32 employees at top level management, 96 line managers, 153 supervisors and 289 junior employees. Additionally, the retailer has ventured into the online shopping space to capture more clients.

In Kenya, Carrefour is one of the leaders as it aims at providing quality goods to consumers at the lowest possible rates, thus providing a competitive edge over their clients (Romain, 2018). Carrefour has had outstanding organizational performance, making it the current best-performing retail store in Kenya. Business Daily (2022) stated that Carrefour Kenya recorded an all-time high revenue of KES 41.1 billion, additionally, a survey by Majid Al Futtaim (2020) revealed that in their branches, they had multiple return clients, most would shop in two-weeks intervals.

This study shows significance, if any, of aligning all three competitive strategies on the retail industry's performance. It shall also bring to light actual implications of decisions made by managers regarding competitive strategies and how they affect performance of the retail industry. The study was narrowed down to Carrefour as it is the market best-performer compared to fellow rivals in the retail industry.

Statement of the Problem

In Kenya, among other sectors, the retail industry makes the fifth largest contribution to the Gross Domestic Product accounting for about 8.4% of the country's GDP as well as employing almost 300,000 of the country's citizenry (Kenya Private Sector Alliance, 2021). According to Kapeli (2018), research showed that there is a 34.3% failure rate of strategy implementation effort within retail stores within the Kenyan market. These failures occurred due to a number of issues, with the leading cause being poor implementation of strategies. Case in point; the giants such as; Shoprite, Tuskys and Uchumi have closed down their Kenyan branches due to poor strategy implementation (Mutisya, 2018). Carrefour is the performing best hypermarket with a Kshs 41.1 Billion revenue recorded in 2022 (Trendtype, 2022), approximately 25% increment observed each year since 2020.

Therefore, it was imperative that a study was conducted on Carrefour chain of retail stores, to evaluate their internal competitive strategies, more so how they execute their internal competitive strategies (cost leadership, differentiation strategy and focus strategy) and their effect on the company's organizational performance. It was done in order to assess the risk of organizational failure and come up with strategies to better adopt competitive strategies to mitigate the possibility of failure in Carrefour, since it has been recording an upward performance since 2020. This study was keen on competitive strategies since they are the greatest determinant of revenue growth, client retention rate and rate of customer satisfaction which in turn greatly affects a company's organizational performance. Carrefour is new in the Kenyan market (Romain, 2018) and is currently the best performing in the retail industry in Kenya. Therefore, it was necessary to conduct research of the aforementioned to prevent possible failure of the current best performer, Carrefour, as witnessed with former market leaders including Nakumatt and Tuskys (Mutisya, 2018), that have been run down due to poor strategy. Knowledge on how the stores decide on their competitive strategies and their implementation of the same shall give an insight and help in coming up with recommendations aimed at increasing organizational performance at Carrefour, thus increasing probability of survival in the Kenyan Market.

Scholars have studied competitive strategies and performance of organizations in Kenya. However, there exists a knowledge gap especially since very few studies have focused on retailers in Kenya. Omwonyo (2016) has focused on the airline industry, Muia (2017) on the insurance industry, Atikiya (2015) on the manufacturing industry and Nyaga (2015) in the public vehicles industry. Wambugu (2014) and Oyando (2018) have focused on the agricultural sector. However, there exists a contextual gap. A study by Adjei and Mensa-Bonsu (2018) revealed that the competitive strategies are more valuable in manufacturing firms as opposed to service-providing firms. A study by Mensah (2019) revealed that hybrid strategies (a combination of all three strategies) is ideal for the success of an organization. Therefore, since none of the studies have focused on Carrefour Kenya as a retail business, this study attempts to fill the gap by investigating the effect of competitive strategies on the organizational performance of retail businesses in Kenya, focusing on the case of Carrefour Kenya.

Purpose of the Study

The purpose of the study was to investigate the effect of competitive strategies on organizational performance of retail businesses in Kenya.

Objectives of the Study

The study was guided by the following objectives:

1. To identify the competitive strategies adopted by Carrefour Kenya.

2. To measure organizational performance of Carrefour Kenya.

3. To determine the effect of competitive strategies on organizational performance at Carrefour Kenya.

Research Questions

The study sought to answer the following research questions:

1. What are the competitive strategies adopted by Carrefour Kenya?
2. How is organizational performance of Carrefour Kenya?
3. What is the effect of competitive strategies on organizational performance of Carrefour Kenya?

Justification of the Study

The study investigated competitive strategies (cost leadership, differentiation and focus strategy) on organizational performance of retail businesses in Kenya. Many studies have been conducted to investigate the effect of competitive strategies; however, few have focused in the retail industry, specifically, Carrefour Kenya.

Carrefour Kenya recently made its entry into the Kenyan market in 2016 but has managed to maintain consistent growth with its unique niche and target market. Therefore, understanding the effect of competitive strategies on its performance would help the organization understand which of the competitive strategies could be most effective in enhancing its performance in the increasingly competitive retail sector.

Significance of the Study

The results of the research shed light on the competitive strategies that they implement and how they affected their performance for retail stores in Kenya. This information supports their bid for survival and potential expansion into other areas in the country. Other retail companies, especially the management will use these findings as they are able to establish best industry practices regarding the formulation and implementation of competitive strategies and the impact on their performance. Specifically, the study is a blueprint about the competitive strategies that should be adopted and the effect that is expected on their performance.

The study is of importance to mall developers and management as they will understand the strategies of their tenants and how they influence their performance. Through this understanding, they will be able to align their strategies to those of their tenants to enhance growth. Consultants in the retail industry will also be able to apply the findings of this study as they will be useful in advising their clients about which competitive strategies, they can adopt to gain a competitive edge over their rivals.

The government will use the results of this study in designing policies for the retail industry, in relation to the value that it brings to broader national goals such as Vision 2030. The policy makers within the government will be able to create effective policies regarding issues such as competitiveness within the industry, building of infrastructure and protection of industry players and actors.

The study is invaluable for scholars as it will add to the knowledge regarding competitive strategies by enhancing knowledge about the relationship between the competitive strategies and the performance of organizations. It will create a foundation for further studies regarding strategies that retail companies can use to avoid failure.

Assumptions of the Study

1. Competitive Strategies were constantly applied in Carrefour Kenya.
2. The respondents would cooperate by giving the required information to conduct the research.
3. There was a correlation between competitive strategies and organizational performance at Carrefour Kenya.
4. There were measures used to gauge organizational performance at Carrefour Kenya.

Scope of the Study

The research was conducted in Nairobi and expressly cantered on Carrefour Kenya as an enterprise in Kenya. The study was restricted to the 12 stores in Nairobi since these represent 75% of Carrefour Kenya Stores (Ayega, 2021). The study respondents were Carrefour Kenya managerial staff. The time scope of the research and proposal writing was estimated to be no longer than 12 months. It began in August 2022 and is expected to be completed August 2023 with the target population being 156 managers at Carrefour Kenya. The empirical scope in this case is competitive strategies adopted by retail Carrefour Kenya and the impact on organizational performance. The theoretical scope involved exploring the theories related to competitive strategies and organizational performance, considering the existing literature on how these concepts interrelate in relation to Carrefour Kenya. The time scope of the research was one year, between September 2022 and October 2023.

Limitations and Delimitations of the Study

The researcher experienced non-cooperation from the participants (Carrefour Managers) as they feared disclosing information, they considered confidential. However, to address this issue, the researcher worked closely with the Daystar Research Office that introduced the researcher to management as an academician, and the assurance that any information given would be treated as confidential and for academic purposes.

The study was that it was restricted to three geographical regions Nairobi, Mombasa and Kisumu. The researcher considered the possibility of expanding the study to other retail stores in other regions in the near future.

Definition of Terms

Cost Leadership*:* A strategy that entails firms becoming a low-cost leader within the industry through the pursuit of technological innovations, economies of scale or cost cutting measures in its upstream activities (Porter, 1985).

Differentiation Strategy: It denotes a strategy which ensures that a firm provides uniqueness to customers according to the range of dimensions that they value highly and the firm is rewarded with the ability to charge high or premium prices for these products and services (Porter, 1985).

Focus Strategy: It denotes a strategy which entails addressing the needs of a narrow, small niche within the market depending on its capabilities, those of its competitors and the specific needs of the target market (Porter, 1985).

Competitive advantage: It refers to a positive position for a firm to remain profitable

(Laskowski, 2010).

Summary

This chapter defined the background to the study, the problem it addresses and the objectives. This formed the groundwork for developing the research area and the remaining chapters. The next chapter focuses on relevant literature that lay the foundation for the study, thus providing sufficient evidence for the information gaps in the research.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter presents an analysis of the theoretical, empirical, general and conceptual framework that shapes the study. The study is based on the Kenyan retail industry, specifically Carrefour Kenya.

Theoretical Review

Theoretical review discusses the main theories that are going to support the study (Turner *et al.,* 2018). In this study, we shall focus on include Michael Porter's theory of competitive advantage, Max Weber's Modern Organizational Theory, the Theory of Natural Selection in the Retail Industry, Theory of the Firm and Resource-Based View Theory.

Michael Porter's Theory of Competitive Advantage

Michael Porter's theory is the anchor theory that posits that businesses ought to pursue those policies which allow for the creation of high-quality goods to leverage on the same and sell at high prices in the market (Porter, 1980). This is the anchor thesis' anchor theory. In this theory, competitive advantage takes place when a business either develops or obtains an attribute(s) that it uses to perform better than its rivals. Such attributes may entail things such as having access to natural resources with examples here including a company having access to a less expensive source of power or the ability to access highly skilled human resources (Works, 2021). When such policies are implemented effectively, the firm will be elevated to a superior position, and it will have a competitive advantage and be in a pole position to outperform both current and potential industry players. As Ford, (2020) notes, to gain a competitive advantage, a company's business strategy ought to make use of and control the varied resource that it has access to since these resources impact competitiveness.

From the understanding of Porter (1980) competitive advantage, a firm's advantage lies in its ability to stay ahead of both present and future competition. Further, a firm's natural resources as well as its business strategy play a significant role in determining its competitive advantage. As Negulescu, (2019) also notes, business strategies are the tools that manipulate resources and help a firm to have a competitive advantage. As such, a sound business strategy would be inadequate unless such a strategy involves the control of exceptional resources which will help the firm have an exceptional advantage over competitors (Edwards, 2014).

This theory supports the study on Carrefour Kenya as it lays the groundwork for determining how efficiently Carrefour competes in the market. In this study, we delve into the intricate interplay between competitive strategies and organizational performance. By examining how firms' strategic choices influence their performance outcomes, we aim to contribute to the understanding of how Porter's theoretical framework manifests in Carrefour. This means that the success of competitive strategies at Carrefour Kenya is highly dependent on the success of the policy implementation and resource availability at Carrefour according to Michael Porter (1980). Competitive advantage, at Carrefour enables them to lower prices, higher quality goods, better services and innovation (House, 2021), which have been used as analytical instrument to gauge competitiveness in the Retail industry. The theory has been influential in strategic management, but it also possesses some weaknesses. Firstly, the theory assumes a relatively stable and predictable business environment, disregarding the dynamic and rapidly changing nature of industries today (Carl, 2020). This can limit its applicability in industries characterized by disruptive technologies, emerging markets, and evolving customer preferences.

Theory of the Firm

The theory comprises of several economic theories which explain the nature of firms, such as their structure, existence in the market and relationship to other factors within the industry. The first postulation of theory of the firm was by Ronald Coase in 1937. Coase (1937) hypothesized the transaction cost perspective which argues that firms are established because their transaction costs are lower than those of the market. Organizations incur transactional costs through market mechanisms especially, while looking for potential trade partners, formulating and implementing contracts with other stakeholders. Firms, therefore, choose to engage in long term contracts with stakeholders such as customers and suppliers so as minimize their costs and maximize their value (Holmstrom & Tirole, 1989).

Baumol (1962) argues that managers in organization seek to maximize their utility and their utility increases as the firm's size, profit and market share increases. Thus, rather than focusing on the sole objective of maximizing profits, managers may pursue their interests through maximizing on other objective functions such as increasing salaries, getting more benefits and perks and gaining prestige and power. Simon (1990) introduces the idea of bounded rationality which describes the limitations that individuals within organizations face when making decisions due to the complexity and uncertainties of the external business environment. In such contexts, managers make decisions that focus on objective and realistic utilities rather than on profit maximization.

The theory of the firm, in relation to the other related neoclassical perspectives such as transaction cost theory influence crucial organizational decisions such as allocation of resources, techniques used in production, price and volume decisions. (Karagianis, 2017) It is important for this study as it sheds light on the important abstract factors that have direct implications on the competitive strategies that firms select. These factors include; their primary goal of existence, internal organization and firm boundaries versus the prevailing external market conditions. As firms select the appropriate competitive strategy, they ought to consider key factors in theory of the firm such as their existence, boundaries, internal organization, and the factors that drive their actions.

Central to the theory is the exploration of how firms create and sustain their competitive advantage (Dignos, 2018). This strategic pursuit naturally intertwines with the concept of competitive strategies, which encapsulate the deliberate actions and choices that firms undertake to carve a unique niche within their respective industries. By examining how competitive strategies impact organizational performance, we shall contribute to the discourse surrounding the theory of the firm, unraveling the mechanisms through which strategic decisions translate into tangible outcomes at Carrefour Kenya.

In Carrefour, the theory of the firm provides a perspective for thinking about organizational objectives and a framework for analyzing useful economic theories existent in the retail business. The theory of the firm, while valuable in explaining various aspects of firm behavior and organization, has certain limitations. It assumes perfect information, rational decision-making, and costless transactions, which do not fully capture the complexities and realities of real-world business environments (Furubotn, 2019). The theory typically focuses on market-based interactions and may overlook non-market factors, such as political, social, and cultural dynamics, which can significantly influence firm behavior.

Resource-Based View Theory

Resource-Based View Theory was proposed by Barney (1991). Barney argued that organizations that were in possession of key strategic resources had the opportunity to develop significant competitive advantage over other firms (Barney, 1991). The performance outcomes of firms are not limited to competitors or a firm's external environment. They could take advantage of their resources to create competitive advantage that could help them have significant profits over a period of time. As suggested by Kay (2000), the theory is based on the idea that companies are a combination of capabilities which makes them different from others within the industry. The theory also assumes that the resources within a firm should be strategic. Resources are either tangible or intangible and the strategic resources are those that are non-imitable, valuable, rare and difficult to substitute (Black & Boal, 1994). These are resources that organizations incur high costs to acquire, are difficult to imitate by competitors, and are difficult to substitute by alternatives that provide similar benefits. A combination of the four factors creates sustained competitive advantage for firms.

The theory is important for this study as it helps in understanding how the resources can create competitive advantage. The competitive strategies are internal resources that are unique to a firm and thus, are investigated as a possible source of competitive advantage for firms, thus, enhancing their performance. Firms are heterogeneous due to the differences in their resources and capabilities and these differences influence the diversity in their profit margins (Barney, 1991). Thus, as a firm makes an effort to develop competitive advantage, it is imperative that it establishes the resources that it owns and how they can be strategically used to enhance its performance.

The VRIO framework is a strategic management tool that is often used in conjunction with the RBV theory (Zahra, 2021). When considered in relation to the RBV, it offers a structured approach to assessing a firm's resources and capabilities. By evaluating their Value, Rarity, Imitability, and Organization (VRIO), the framework helps identify ways of outperforming rivals. However, a critique of this framework is that it primarily focuses on the internal analysis of resources and does not fully account for the dynamic and complex nature of the external environment. In today's rapidly changing business landscape, firms must also consider factors such as industry dynamics, customer preferences, and technological advancements. Therefore, while the VRIO framework provides a valuable starting point for resource analysis, its application should be complemented by a broader strategic perspective (RBV in this case) that considers both internal and external factors for a comprehensive understanding of competitive advantage.

The intricate synergy between competitive strategies and organizational performance, unveils the mechanisms through which the allocation and utilization of resources contribute to a firm's strategic success (Parker, 2023). This exploration will contribute to the scholarly discourse surrounding the RBV theory, deepening our understanding of how firms capitalize on their unique resources to drive superior organizational performance. This theory can be used to explain the application of resources in Carrefour Kenya to adapt to Kenyan market, which over the years has led to the registration of excellent performance in the retail industry. The utilization of these resources, give the company a competitive edge in and has a positive impact on their organization performance.

RBV does not explicitly address how firms can adapt and develop new capabilities in response to changing environments (Mandhani, 2021). This omission hinders the RBV's applicability in rapidly evolving industries and uncertain markets. In today's dynamic business landscape, the ability to sense, seize, and reconfigure resources to exploit emerging opportunities or mitigate threats is crucial. The RBV's static focus on existing resources may lead firms to overlook the necessity of continuous learning, innovation, and the ability to reallocate or acquire resources strategically. By not accounting for the ongoing process of capability development and adaptation, the RBV's explanatory power becomes limited in situations where firms need to proactively adjust their resource base to maintain competitiveness.

Competitive Strategies

Porter (1980) theorized the existence of 3 strategies that organizations could implement; focus, differentiation and cost leadership. These are strategies that determine a firm's positioning within an industry. The ability to maintain an above-average industry performance over time is termed as sustainable competitive advantage (Porter, 1980). Each organization may have unique strengths and weaknesses; however, these aspects are only as important as they relate to the cost or differentiation advantage that a firm has over its competitors and the overall industrial structure as depicted by the five forces.

Cost leadership

Cost leadership is a competitive strategy that emphasizes on efficiency (Porter, 1980). Scholars define efficiency as a product of the volume of resources that have been expended in attaining organizational goals (Wilson *et al.,* 2018). Efficiency measures resource inputs into an organization in relation to their outputs and outcomes (Palmer & Torgerson, 1999). Cost leadership allows firms to take advantage of cost advantages to drive efficiency levels in their operations. The goods or services for the firms end up being produced at relatively lower costs and sold in bulk to a large customer base, thus driving profits.

Strategists agree on the existence of varied routes to attaining cost leadership depending on the industry structure. Most organizations tend to have a short-term perspective in cost analysis, focusing on manufacturing and production and overlooking other aspects on the value chain that may affect costs (Porter, 1980). The value chain framework identifies the primary and secondary activities that contribute to the addition of value to create an end product that fulfills customer needs. (Porter, 1980) By assigning costs to each of the activities of the value chain, strategists can conduct cost analysis with an aim of attaining efficiency. Disaggregating the chain activities into single activities depicts the cost size of each of the activities, how it changes over time, competitor costs in performing the same activities and their cost behavior (De Grave & Pontoh, 2019). An analysis of these factors depicts the existence and level of cost advantage whereby firms attain competitive advantage by attaining a lower cumulative cost as compared to their competitors.

The cost behavior of activities on the value chain is determined by multiple structural factors called cost drivers. According to Porter (1980), cost drivers are structural units that cause changes in the cost of activities along the value chain. One of the most discussed cost drivers is economies of scale which are benefits that firms experience as they increase the volume of their production (Morden, 2016). Essentially, the efficiency levels of organizations increase as their volumes increase. However, Porter (1980) warns about diseconomies of scale that may arise due to an increase in an organization's production, output or size. It is important, that companies the type of scale that maximizes their economies without bringing diseconomies of scale. Some firms attain cost leadership through operating for a long time.

Learning advantages come over time as firms establish better ways of doing things, for instance how to structure their layout, improve their labor efficiency, or modifications on product design (Leiblein, Chen & Posen, 2021). Learning can also come from spillovers from other players in the industry, for instance, competitors, customers and suppliers among others. Scholars also affirm the importance of linkages and interrelationships in attaining low-cost advantage. Linkages are opportunities of cost reduction that come as a result of linking activities within a value chain or between different actors on the supply chain (Porter, 1980). In this view, cost minimization in a single activity is not adequate to attain low-cost leadership. Instead, firms should establish linkages between internal and related external activities to cut on value chain costs.

Companies striving for cost leadership employ several key strategies. First and foremost is the pursuit of economies of scale. By producing goods or services in larger quantities, organizations can significantly reduce per-unit costs (Bernardelli, Kortt, & Dollery, 2020). This, however, often requires substantial initial investments in technology, facilities, and resources. Operational efficiency plays a pivotal role in attaining cost leadership (Khan *et al*., 2021). This entails streamlining processes, reducing waste, optimizing resource allocation, and continuously seeking ways to improve efficiency. Technological advancements are crucial in gaining a competitive edge. Embracing the latest technology can enhance production efficiency, reduce labor costs, and improve product quality (Bordoloi *et al*., 2019). Companies that invest in research and development often discover innovative ways to cut costs. Vertical integration is another strategy used by companies. This involves controlling more elements of the supply chain, such as acquiring suppliers, distributors, or even retail outlets. By eliminating intermediaries, companies can reduce costs and maintain greater control over pricing. Outsourcing non-core functions is another avenue for cost reduction. By delegating tasks like customer service, IT support, or manufacturing to specialized external vendors, companies can focus on their core competencies, reduce overhead, and increase efficiency (Bordoloi *et al*., 2019).

The pursuit of cost leadership offers various advantages to companies that successfully implement this strategy. One of the primary benefits is competitive pricing. Cost leaders can offer products or services at lower prices than their competitors, making them attractive to price-conscious consumers (Bernardelli, Kortt, & Dollery, 2020). This, in turn, leads to an expansion of market share. Importantly, cost leaders can maintain competitive profit margins while offering lower prices, which often results in increased sales volumes and higher overall profitability. Furthermore, cost leadership enables companies to access new markets and customer segments, including budget-conscious consumers and price-sensitive businesses (De Grave & Pontoh, 2019). Moreover, companies that attain cost leadership tend to be more resilient in the face of economic downturns, as they continue to attract consumers seeking value (Bordoloi *et al.*, 2019). The increased profitability resulting from this strategy can also provide the resources for further growth, innovation, or expansion into new markets or product lines.

Despite its many advantages, cost leadership is not without its challenges. Competitive response is one significant challenge that cost leaders often face (Bernardelli, Kortt, & Dollery, 2020). Competitors may respond with price wars or by differentiating their products or services to challenge the cost leader. These actions can erode profit margins and require continual cost-cutting efforts to maintain competitiveness. Quality sacrifice is another challenge. Achieving cost leadership through extreme cost-cutting can lead to compromises in product or service quality, potentially alienating consumers who prioritize quality over price (Khan *et al.*, 2021). Additionally, in highly competitive markets, the relentless pursuit of cost leadership can result in constant price erosion, making it challenging to maintain profitability (Bordoloi *et al.*, 2019). Cost leaders often offer standardized products, limiting their ability to differentiate their offerings from competitors and thus reducing brand loyalty. Overreliance on specific suppliers or markets can create supply chain vulnerabilities, and supply chain disruptions can disrupt cost leadership advantages. Another major challenge lies in achieving and maintaining cost advantages over competitors. Sustaining cost leadership may require significant investments in technology, process optimization, and economies of scale, which can be financially demanding and time-consuming. Moreover, there's a risk of compromising product quality or innovation in the pursuit of cost reductions, which can negatively impact customer satisfaction and brand reputation (Jerab & Mabrouk, 2023). Additionally, as markets evolve, maintaining cost leadership might become increasingly difficult, as competitors adapt, and new cost drivers emerge. To successfully navigate these challenges, organizations need to strike a delicate balance between cost-cutting measures and value creation, continuously innovate, and stay attuned to market dynamics to retain their competitive edge. Finally, rapid technological change can quickly erode the cost advantage, necessitating continual investment in technology to stay competitive.

Differentiation Strategy.

Differentiation is another competitive strategy proposed by Porter (1980) that entails creating unique value for customers. It entails identifying attributes of products or services that are highly valued by customers and positioning a firm to meet these unique needs. Any of the activities in a firm's value chain can be sources of differentiation due to a series of unique drivers that may be integrated to the activities (Treece, 2023). Organizations can use policy choices that make their value chain activities aim for differentiation, such as the type of product features, performance attributes of their products, type of services offered, quality of inputs they use for their production processes, skill and expertise of their staff, and the use of technology in activity performance (Padgett & Mulvey, 2007; Morden, 2016; Porter, 1980).

Organizations can also obtain differentiation through proper timing of products and services, linkages and interrelationships with other actors on the value and supply chain, scale, integration, and learning and spillovers (Porter, 1980). Firms that successfully differentiate themselves from their rivals are able to charge premium prices for their products and services, thus providing the organizations with above-average returns. Moreover, the organizations enjoy customer loyalty which lowers their sensitivity to prices (Stock, 2005). If a firm selects a differentiation strategy, it hopes that the customers will be willing to pay for the additional costs that it has incurred in customizing the products and services to provide unique value.

In the literature on competitive strategies, differentiation is widely recognized as a prominent approach adopted by companies seeking to gain a competitive advantage. Extensive research documents various methods through which organizations can achieve differentiation, each contributing to the creation of a distinct identity in the market. Scholars concur that one of the primary routes to differentiation is through product innovation (Haque *et al*., 2021). Researchers agree that companies can set themselves apart by consistently innovating and developing unique, cutting-edge products, thereby providing something new and valuable to consumers. Quality excellence is another extensively studied path to differentiation. The literature suggests that delivering high-quality products or services can be a powerful differentiator, fostering customer loyalty and creating a reputation for excellence (Kankam-Kwarteng, Osman, & Acheampong, 2021). Additionally, researchers emphasize the critical role of brand identity and image in differentiation. Building a strong and recognizable brand identity is pivotal; when customers associate a brand with particular values, quality, or experiences, it becomes distinct in their minds (Ugaglia, & Ouvrard, 2021). Moreover, the literature underscores the importance of exceptional customer service as a key aspect of differentiation. The research indicates that providing personalized, efficient, and attentive service can create a lasting positive impression on customers. Lastly, customization is recognized as a viable differentiation strategy. Researchers note that offering customized products or services to meet individual customer needs can set a company apart, fostering a sense of uniqueness and exclusivity (Haque *et al*., 2021).

The benefits of differentiation have also garnered attention in the literature. Scholars agree that one of the primary advantages of differentiation is the flexibility it affords in pricing. Extensive research suggests that companies successfully implementing differentiation can price their unique and high-quality offerings at a premium, leading to higher profit margins (Haque *et al*., 2021). Customer loyalty is another well-documented benefit. The literature indicates that differentiation fosters strong customer loyalty, with customers being more likely to become repeat purchasers and advocates for the brand when they have a distinctive and positive experience (Kankam-Kwarteng, Osman, & Acheampong, 2021).

Additionally, researchers highlight the potential reduction in direct competition as an advantage of differentiation. When customers perceive a product or service as unique, they may be less inclined to make direct price comparisons, reducing competition driven by price (Haque *et al.,* 2021; Ugaglia, & Ouvrard, 2021). The creation of barriers to entry for new competitors is also widely discussed in the literature. Researchers contend that differentiation can deter new entrants from the market, as building a distinct brand image and a loyal customer base is a challenging endeavor (Kankam-Kwarteng, Osman, & Acheampong, 2021). Lastly, premium pricing is a common benefit. The research demonstrates that differentiated products or services often command premium prices, resulting in higher profit margins and better returns on investments (Haque *et al.,* 2021).

Nevertheless, the literature also highlights the challenges associated with differentiation. It is well-documented that achieving differentiation can be a costly undertaking. Extensive investments are often required in research and development, marketing, quality control, and customer service (Haque *et al.,* 2021). Kankam-Kwarteng, Osman, & Acheampong (2021) concur that the success of differentiators often makes them prime targets for imitation by competitors, necessitating ongoing innovation to maintain distinctiveness. Market size limitations are also acknowledged. The literature suggests that differentiation strategies may limit a company's potential market size, as products or services that are highly unique may have a smaller target audience (Ugaglia, & Ouvrard, 2021). Furthermore, researchers highlight the need for customer education as a challenge. Sometimes, differentiation requires educating customers about the unique features or benefits of a product, which can be a time-consuming and costly endeavor (Haque *et al.,* 2021). The ever-changing landscape of customer preferences is recognized as another challenge. The literature underscores that customer preferences can change rapidly, rendering what was once a unique offering less appealing (Hussain & Azmi, 2021). Lastly, the competition from established brands is well-documented. Researchers emphasize that competing with established brands that have already gained a strong market presence can be arduous, as building a reputation as a new entrant takes time and resources.

Focus Strategy

Focus strategy is closely related to low-cost leadership and differentiation because the organizations practicing focus strategy aim at attaining advantage in their niche market segment through either low-cost leadership or differentiating the products to meet the unique needs of the narrow segment (Wang, Lin & Chu, 2011). Therefore, one variant of the focus strategy is cost focus whereby an organization seeks to attain low-cost advantage within a particular market segment while the second variant is differentiation focus whereby firms seek to attain differentiation advantages in their selected market segment. The firm attains competitive advantage from selling low cost products to a certain market segment or fulfilling the unique needs of a particular market segment (Morris, 2019).

The three strategies; cost-leadership, differentiation and focus strategy are each a source of sustainable competitive for firms. However, Porter (1980) emphasizes the importance of attaining parity with competitors. For instance, a firm should not entirely focus on differentiation and overlook prevailing costs or a firm should not overlook differentiation and only focus on costs. Additionally, (Corporate Finance Institute, 2023) suggest that a combination of two of the competitive strategies so as to attain superior performance. Among all the possible combinations, White (1986) argues that low-cost plus differentiation may be the hardest to attain; however, it brings the highest return on investment if successfully implemented.

A focus strategy aims to target a specific market segment or niche with unique needs, effectively catering to them in a way that larger, more generalized competitors cannot (Anwar & Shah, 2021). Extensive research in the literature reveals several key methods through which organizations can implement this strategy. One of the primary routes is through niche market identification. Researchers concur that to successfully employ a focus strategy, a company must first identify and understand a particular market segment with distinct characteristics and unmet needs (Islami, Mustafa, & Topuzovska Latkovikj, 2021). This involves conducting thorough market research and customer analysis. Once the niche market is identified, researchers emphasize the importance of tailoring products or services specifically to meet the unique demands of that segment. Customization plays a crucial role in the focus strategy. The literature suggests that by delivering tailored offerings, a company can stand out as a preferred choice for the targeted customer group. Moreover, researchers assert that effective communication and branding are fundamental to the success of a focus strategy. Companies that employ this approach must clearly convey their specialization and expertise in the chosen niche, establishing a reputation that differentiates them from broader competitors (Anwar & Shah, 2021; Lorenzo, 2021). Finally, the literature highlights the significance of cost leadership within the focus strategy. Researchers agree that cost leadership is not exclusive to broader competitive strategies. Even within a focused niche, cost-efficient operations can provide a competitive advantage by enabling a company to offer competitive pricing or superior value.

The literature provides comprehensive insight into the advantages of employing a focus strategy. Researchers unanimously agree that focus strategies can result in superior customer satisfaction. By concentrating on a specific market segment with unique needs, companies can provide highly tailored solutions, often exceeding customer expectations and fostering loyalty. The research suggests that within a niche, there is often less direct competition, providing companies with a better chance of becoming the preferred choice of customers (Islami, Mustafa, & Topuzovska Latkovikj, 2021). Moreover, the literature emphasizes that focus strategies can lead to enhanced resource allocation. By narrowing their market scope, organizations can allocate resources more efficiently, concentrating on what truly matters to their target market (Anwar & Shah, 2021). This streamlined resource allocation can translate into better product or service quality and faster innovation. Furthermore, the literature underscores that focus strategies can lead to a deeper understanding of the market. Researchers suggest that by specializing in a particular niche, companies can develop expertise and knowledge that competitors in broader markets may lack (Lorenzo, 2021). Finally, cost leadership in the focus strategy is well-documented as an advantage. Scholars concur that cost-efficient operations can enable companies to offer competitive pricing, even within a niche, and still maintain profitability.

While the literature highlights the advantages of a focus strategy, it also acknowledges the challenges associated with this approach. Researchers concur that market size limitations are a significant challenge. Companies that focus on a narrow niche risk restricting their potential market size, which can impact revenue and growth potential (Anwar & Shah, 2021). The literature also emphasizes the potential risks associated with market dynamics. Niche markets can be vulnerable to rapid changes, making adaptability and continuous market analysis crucial (Lorenzo, 2021). Additionally, researchers highlight the competition from other niche players. The literature suggests that as companies employ focus strategies, competition within niches may intensify, requiring companies to continuously differentiate themselves (Islami, Mustafa, & Topuzovska Latkovikj, 2021). Furthermore, the potential for imitation by competitors is documented. Successful niche strategies can attract the attention of other companies, leading to imitative efforts. Lastly, the literature underscores that companies employing a focus strategy must maintain high standards in their chosen niche. Failing to meet customer expectations in a specialized segment can result in significant reputational damage (Lorenzo, 2021).

Organizational Performance

The measurement of organizational performance is a multifaceted undertaking, with numerous methods and indicators available for assessment. Traditionally, financial metrics have been the primary yardstick for evaluating an organization's performance (Lasater, Jarrín, Aiken, 2019). These metrics include profitability, return on investment (ROI), revenue growth, and cost-efficiency. While financial measures offer valuable insights into an organization's fiscal health and bottom-line results, they do not encompass the entirety of performance assessment (Helmold & Samara, 2019).

In recent years, there has been a growing recognition of the limitations of exclusively relying on financial measures to gauge organizational performance. Scholars and practitioners alike have emphasized the importance of complementing financial metrics with nonfinancial measures (Helmold & Samara, 2019). Nonfinancial measures encompass a wide array of qualitative and quantitative indicators, such as customer satisfaction, employee engagement, innovation, sustainability practices, and market share. These measures provide a more comprehensive view of an organization's performance by encompassing not only financial outcomes but also the underlying drivers that contribute to long-term success and sustainability (Cho, Ibrahim & Yan, 2019).

Using nonfinancial measures offers several advantages in assessing organizational performance. First, they provide a more holistic perspective, enabling organizations to capture both tangible and intangible aspects of performance that are often overlooked by a focus on financial metrics alone (Cho, Ibrahim & Yan, 2019). For instance, customer satisfaction metrics reflect the quality of products and services, directly impacting revenue and profitability. Employee engagement and satisfaction contribute to improved productivity and innovation, thus indirectly affecting financial performance (Fusbi, 2022).

Second, nonfinancial measures facilitate forward-looking insights. Financial metrics tend to be lagging indicators that reflect past performance, whereas nonfinancial metrics can provide early warning signals and predictive insights into potential future financial outcomes (Camilleri, 2022). Third, nonfinancial measures allow organizations to align their performance assessment with their strategic objectives. While financial metrics are critical, they often reflect the outcomes of past strategies (Camilleri, 2021). Nonfinancial measures can be tailored to reflect the achievement of specific goals and initiatives, offering a more direct link between actions and outcomes.

In the context of this study, a reliance on nonfinancial measures was appropriate for several reasons. It acknowledges the importance of a comprehensive evaluation of organizational performance, going beyond mere financial outcomes (Cho, Ibrahim & Yan, 2019). Nonfinancial measures enabled a deeper exploration of the underlying factors that contribute to performance. By doing so, the study provided a more nuanced understanding of organizational performance, capturing the complexities and nuances that financial metrics alone may overlook. Ultimately, this approach aligned with the contemporary perspective that performance assessment should be multidimensional, reflecting the diverse dimensions that a firm operates and its efforts to achieve long-term success (Helmold & Samara, 2019). Organizational performance was measured using non-financial measures including; customer satisfaction, new products, awards and recognitions. This is because data on the aforementioned components of the variable can be easily acquired for analysis.

Customer Satisfaction

Customer Satisfaction is highly influenced by the products and services offered by Carrefour Kenya. Research has shown that when customers are able to access premium services and products at a low cost, they are more likely to be satisfied and remain loyal to the organization (Fusbi, 2022). Customer satisfaction rating (CSAT) measures how a client is satisfied with an organization (Mariani *et al.,* 2018). This metric is computed by asking clients their experience which is measured using a scale, specifically with the values of 1-3, 1-5, or 1-10. Researchers also prefer the five-point scale that ranges from very unsatisfied, unsatisfied, neutral, satisfied, and very satisfied. The metric measures the threefold touchpoints during the client's journey that are before making a purchase, during, and after a purchase is made. As such, it is hard to have a seamless customer experience. Despite this fact, ensuring good customer service will enable a company to have a client who is loyal to the brand. A company can also re-strategize based on this metric by knowing what works and what doesn't. Through this score, therefore, clients can both buy products as well as give insights on how to retain them. For a company, this insight is invaluable.

The significance of customer satisfaction as a critical metric for evaluating organizational performance, particularly in the retail sector, is widely acknowledged in the literature. The retail industry is inherently customer-centric, making customer satisfaction a paramount indicator of success (Pamaltier, Morman & Lee, 2019). Research indicates that content clients are not only more likely to make recurring purchases but also to become brand advocates, driving customer loyalty and word-of-mouth recommendations (Gupta & Ramachandran, 2022). Customer satisfaction is linked to the bottom line of a company through either enhancing or reducing its revenues and profits.

Moreover, the literature underscores the role of customer satisfaction in fostering a competitive advantage. Satisfied customers are less likely to explore alternative options and are more forgiving of occasional shortcomings, which can be a substantial strategic advantage (Gupta & Ramachandran, 2022). Studies have also emphasized the importance of using customer satisfaction as a predictive metric, allowing retailers to proactively address issues and improve service quality (Pamaltier, Morman & Lee, 2019). To this end, numerous tools and models, such as the "American Customer Satisfaction Index (ACSI)" and "Net Promoter Score (NPS)" have been developed to gauge customer satisfaction effectively. In sum, the literature establishes that customer satisfaction is an indispensable metric in the retail sector, serving as a barometer of an organization's success, competitiveness, and customer relationship management strategies.

New Products

New products serve as valuable measures of organizational performance for Carrefour Supermarkets. Introducing new products indicates the ability of the organization to adapt and innovate in response to changing market demands (UNACTD, 2023). A diverse and appealing range of new products demonstrates the supermarket's ability to cater to the wants and needs of their clients to enhance their satisfaction levels and subsequently, loyalty to their brands or organizations (Eshiett & Eshiett, 2022). Moreover, the successful launch and acceptance of new products drove revenue growth, expand market share, and enhanced the overall competitiveness of Carrefour Supermarkets in the Kenyan market. The introduction of new products is recognized as a pivotal performance metric within the retail sector, reflecting a retailer's adaptability, innovation, and ability to meet evolving consumer demands. The retail industry's competitiveness and ever-changing consumer preferences necessitate a continuous stream of new product offerings. Research emphasizes that the ability to successfully launch new products contributes to an organization's resilience and market position (Gupta & Ramachandran, 2022).

Studies indicate that retailers adept at introducing new products gain a competitive edge by attracting and retaining customers seeking variety and novelty (Shankar, Kalyanam & Setia, 2022). Moreover, the literature highlights the positive impact of new product introductions on revenue growth and market share. Retailers that frequently refresh their product offerings often experience increased sales and enhanced profitability (Gupta & Ramachandran, 2022). Effective new product metrics encompass the frequency and success rate of launches, market responsiveness, and customer acceptance. Key models like the New Product Development (NPD) framework and the Stage-Gate process are widely employed to manage and measure new product performance. Overall, the literature underscores that new products are a fundamental gauge of retail performance, signifying adaptability, innovation, and an enhanced capacity to meet evolving customer expectations.

For this study, new products was assessed using a questionnaire inquiring on the number of unique new products introduced within a specific time, providing insights into the supermarket's growth and organizational performance.

Awards and Recognitions

Awards and recognitions served as significant measures of organizational performance for Carrefour. These accolades are often conferred by industry experts, customers, or other reputable entities, and they signify excellence and achievement in various aspects of the organization's operations (Kandampully *et al.,* 2017). Winning awards and receiving recognition reflects the exceptional quality of products, services, customer experiences, and overall management within Carrefour. Such accolades not only enhance the brand's reputation and credibility but also attract more customers and contribute to the organization's competitive advantage (Mohammadi *et al.,* 2020). This was assessed using a questionnaire to identify the list of the awards and recognitions received by Carrefour and included both national and international awards, as well as accolades specific to the retail industry. We also analyzed the significance and prestige of these awards and their impact on the organization's performance.

Organizational Culture

Organizational culture served as a crucial moderating variable for the effect of competitive strategies and organizational performance. It influenced how strategies are formulated, implemented, and ultimately their effectiveness in achieving desired outcomes. A strong and aligned culture fostered a sense of shared values, beliefs, and norms that guide employee behavior, decision-making, and the overall strategic direction of the organization. Such a culture enhances coordination, cooperation, and collaboration, enabling the seamless execution of competitive strategies. Moreover, a positive culture promotes employee engagement, satisfaction, and commitment, leading to increased productivity, innovation, and customer satisfaction, which ultimately drives organizational performance. Conversely, a weak or misaligned culture hinders strategy implementation, impede change efforts, and create internal conflicts that undermine competitiveness and performance (Nneji & Asikhia, 2021). Therefore, organizations should proactively cultivate and align their culture with their strategic objectives to leverage its potential as a critical moderator for competitive success.

Carrefour Kenya's culture embodied three key elements: a customer-centric ethos that prioritizes exceptional service and meeting diverse customer needs, a commitment to diversity and inclusion reflective of Kenya's multicultural context, and an emphasis on employee engagement and empowerment, fostering a collaborative and dynamic work environment, (Al Futtaim, 2018)

Empirical Literature Review

Over time, researchers have conducted empirical research to investigate the link between competitive strategies and performance and found mixed results.

Ho (2018) also conducted research to explore competitive strategies and how companies in the construction sector performed. In the study, the researcher collected primary data from 100 companies in Albania using questionnaires and conducted statistical analysis. The research left a critical question; what is the comparative impact of pure competitive strategies and hybrid competitive strategies on the performance of construction companies? This research gap suggests the need for a study that specifically examines and compares the effects of employing pure strategies and hybrid strategies, providing insights into which approach yields better organizational performance in the construction sector.

Within the African region, empirical studies also produce mixed results on the nexus between the two variables. A study by Acquaah, Adjei, and Mensa-Bonsu (2018) investigated how performance is impacted by competitive strategies and the role of industry or sector in mediating the relationship between the two variables. The researchers collected data from 200 large and medium firms operating in Ghana within the service and manufacturing industries. An analysis of the data revealed that "low-cost and differentiation" positively impacted how firms performed. However, the research also demonstrates that the effect of the strategies was greater within manufacturing firms. The research gap in this study is the limited understanding of the differential impact of competitive strategies on organizational performance across different sectors within the African region. While the study conducted by Acquaah, Adjei, and Mensa-Bonsu (2018) explores competitive strategies within the service and manufacturing industries of Ghana, it identifies a disparity in differentiation effects within the two sectors. This study went further to contextualize the nexus between the two variables within the Kenyan retail sector.

A Kenyan empirical study by Kago, Gichunge and Baimwera (2018) affirms the value of competitive strategies in influencing organizational performance. The study focused on all the 59 companies in the oil and petroleum sector in Kenya and collected data using questionnaires that were administered to top, middle and low levels of management. The findings of the study revealed that the competitive strategies had a significant impact on the performance of the petroleum companies, accounting for 89.8% of the changes in the dependent variable. Related findings are reported by Mutie (2018) whose study is centered in the media industry in Kenya. The study collected data from managers of 6 large media stations in Kenya and established that the three competitive strategies had a positive and significant effect on firm performance. The research gap in this study lies in the limited scope of the research, focusing solely on specific industries in Kenya, namely the oil and petroleum sector and the media industry. While the studies conducted by Kago, Gichunge, and Baimwera (2018) and Mutie (2018) provide valuable insights into the positive impact of competitive strategies on organizational performance within their respective industries, there is a need for broader research that examines the generalizability of these findings across other industries and sectors in Kenya.

A study by Hossain, Kabir and Mahbub (2019) focused on the food industry in Bangladesh. Using the descriptive approach in the examination, the researchers used questionnaires across 1025 individuals who had worked as managers in food companies in Bangladesh. The questionnaires were filled with questions that sought responses regarding how the food companies used three strategies, focus, differentiation and low cost and how they perceived these strategies as influencers of performance within their firms. The findings of the study revealed that all the three strategies that were considered in the study positively influenced how the food companies performed, however, their influence varied. For instance, cost leadership had the greatest influence on organizational performance as compared to the other two strategies. The research gap in this study lies in the limited focus on the food industry in Bangladesh, without considering the potential variations and contextual factors that may exist across different industries or sectors within the country. While the study conducted by Hossain, Kabir, and Mahbub (2019) provides valuable insights into the influence of competitive strategies on organizational performance in the food industry, there is a need for further research that explores the generalizability of these findings to other industries in Bangladesh.

Similar findings are reported by Kosgey & Njuguna, (2019) who focused on the context of Bomet investigating supermarkets that are owned by families. The study sought to determine the impact of each of the generic strategies on how the supermarkets performed. Resource dependency, resource based view and Porters Generic model were the foundations of the study. The researchers relied on a descriptive approach and created questionnaires that were administered to respondents among the supermarkets. The responses on the collection instrument were analyzed to show frequencies, percentages and means. Apart from the descriptive approach the study also used factor analysis to determine the most pertinent strategies within the supermarket industry. The findings of the study revealed that the implementation of cost leadership strategies in the Bomet stores significantly affected their performance. Furthermore, the differentiation strategies by these enterprises had a notably positive impact on their performance, signified by a substantial r squared value of 0.89. The study further unveiled that, in the course of seeking to differentiate itself, these supermarkets had extensively incorporated modern technologies and increased their reach to enter new geographical areas. Additionally, focus strategy exerted a positive influence on the performance of the stores within Bomet area. These supermarkets had largely remained committed to their core business while significantly enhancing their customer service. As a result of these findings, the study concluded that the strategies are crucial to how Bomet stores perform. The research gap lies in the contextualization of the study by Kosgey & Njuguna, (2019) to the region of Bomet. This study went beyond these findings to focus on the case of Carrefour which also exists in the retail sector in Kenya.

A study is conducted by Acquaah and Agyapong (2019) in Ghana's small and medium enterprises. The researchers collected data using questionnaires from 677 managers in medium and small enterprises to investigate how competitive strategies influenced performance and if market and managerial factors mediated the relationship. The findings revealed that even though differentiation still has a significant relationship with organizational performance, cost leadership does not, especially after controlling for managerial and marketing factors. The research gap in this study lies in the need for further exploration and understanding of the relationship between competitive strategies and how firms perform, specifically in the context of Ghanaian firms that fall into the category of medium and small businesses. While the study conducted by Acquaah and Agyapong (2019) examines the impact of competitive strategies on performance in SMEs, there is a research gap in terms of the differing effects of the competitive strategies, particularly after accounting for managerial and marketing factors in Kenya.

Another study by Parnell, Spillan and Mensah (2019) in Southern Ghanaian firms collected data from 184 businesses to investigate the influence of competitive strategies on two key measures of performance- operational and financial measures. The study revealed that the strategies had a significant influence on performance if they were used together as a hybrid strategy. The research gap in this study lies in the need for further investigation and understanding of the effectiveness and impact of hybrid competitive strategies on both operational and financial performance measures in Southern Ghanaian firms. While the study conducted by Parnell, Spillan, and Mensah (2019) highlights the significance of using competitive strategies in a hybrid manner, there is a research gap in terms of exploring the specific mechanisms and factors that contribute to the positive influence of hybrid strategies on performance.

Another study conducted by Nyaga (2020) reported slightly different findings. The researcher relied on primary, firsthand information from respondents Express Connections Limited to show the link between Porter's generic strategies and how the organization performed. Among the three strategies, the study reported that only one had a significant link to performance- differentiation at the context of the study which was Express Connections Limited, Kenya. The research gap in this study lies in the need for further exploration and understanding of the varying impact of competitive strategies on organizational performance in different companies or industries within the same country. While the study conducted by Nyaga (2020) examines the generic strategies and how a firm called Express Connections Limited in Kenya performed, it reports that only differentiation strategy has a significant influence, without providing insights into the effectiveness of other competitive strategies that firms may employ, for example focus or leading on low cost.

A study conducted State Corporations also demonstrates differing importance among the competitive strategies. The researchers relied on 147 questionnaires that were sent out to the company members and the findings revealed that as compared to the other two strategies, cost leadership was least significant in influencing the performance of state corporations in Kenya (Munyoki & K'Obonyo, 2020). In general, the competitive strategies had an insignificant influence on performance of organizations. A contradictory picture is depicted by the study findings of Njuguna and Waithaka (2020) in Kenyan insurance companies. The study focused on cost leadership within 25 companies and reported that the strategy had a significant impact on how the companies within the sector performed. The research gap in this study lies in the conflicting findings regarding the how the strategies by Porter impact how firms perform in different contexts within Kenya. While the study conducted by Munyoki and K'Obonyo (2020) suggests that cost leadership is the least significant strategy influencing the performance of state corporations in Kenya, the study by Njuguna and Waithaka (2020) in Kenyan insurance companies' reports that cost leadership has a significant effect on organizational performance.

A study conducted by Islami (2020) in Kosovo investigated how the competitive strategies influence performance of firms in produce sector firms within the nation. The study collected first hand data from respondents who were selected among 113 firms and the data analyzed. The findings of the study revealed that even though all the three strategies had a positive impact on organizational performance, differentiation strategy had the most significant influence as compared to cost leadership and focus strategies. While the study conducted by Islami (2020) provides valuable insights into the influence of competitive strategies on organizational performance within this specific sector, there is a need for further research that explores the generalizability of these findings to other industries or sectors in Kosovo.

A recent study by Yeshitila, Kitaw and Jilcha, (2021) conducted a literature review of articles to investigate the influence of business strategies in African companies that were in saturated and matured industries. The study recommended that the companies should pursue a combination of low-cost and differentiation to attain superior performance through enhancing innovations for customer value. Another study by

Ajagbe (2021) focuses on the implementation aspect of business strategies. The researchers conducted a literature review and report that regardless of what business strategy an organization chooses to implement, the effective implementation is more important in determining organizational performance.

The research gap lies in the need for further investigation and understanding of the interplay between business strategies, industry characteristics, and implementation effectiveness in African companies. While the studies conducted by Yeshitila, Kitaw and Jilcha (2021) and Ajagbe (2021) provide valuable insights into the influence of business strategies and implementation on organizational performance, there is a research gap in terms of examining the specific mechanisms and contextual factors that affect the relationship between business strategies, industry characteristics, and implementation effectiveness in African companies.

In Kenya, several studies have sought to investigate the nexus between the two variables- competitive strategies and performance. Makina and Oundo (2022) focused on the sugar manufacturing sector in Kenya and used a desktop analysis methodology to address issues and concepts related to the three competitive strategies of focus, differentiation and cost leadership and how they impact organizational performance. The study revealed that competitive strategies gave companies superior performance as compared to their rivals who did not use them. However, while there was consensus about the positive correlation between cost leadership and sugar industry performance, differentiation did not always contribute to positive organizational performance (Makina & Oundo, 2022). While the study conducted by Makina and Oundo (2022) provides insights into the impact of competitive strategies on performance in the sugar industry, there is a research gap in terms of identifying the underlying reasons why differentiation strategy does not consistently contribute to positive organizational performance, despite the positive correlation between cost leadership and industry performance.

Gathingu, Wasike & Mote (2022) aimed to examine the link between competitive strategies and NGOs performance, particularly focusing on the contribution of generic strategies based on Porter's model. To achieve this objective, a descriptive research approach was employed, targeting a population of 1,252 NGOs. From this population, a sample of 125 respondents was selected. Within each of these organizations, a questionnaire was administered to a department manager through an online platform. The results of the regression analysis demonstrated positive impacts of both focus and differentiation strategies on NGO performance, while cost leadership did not exhibit a significant effect. The study recommended that in order to excel in cost leadership strategy, NGOs should ensure the availability of the necessary capital for investments in resource development. This might be attainable through innovative funding approaches. Additionally, it is advised that NGOs consider providing their services in less densely populated areas where they can offer differentiation or cost-effective services tailored to the needs of their beneficiaries. NGOs should also strategically design their services and products to target a client base with distinct and specialized needs that set them apart from other available offerings. It is worth noting that this investigation concentrated on NGOs within Nairobi City County. Therefore, there is a need for further research to delve into the effects of competitive strategies on retail performance in Kenya, specifically in the context of Carrefour, as is the case for this study.

Onditi (2023) conducted a literature review of previous studies on the influence of competitive strategies and organizational performance. The analysis demonstrated that competitive strategies did have an influence on organizational performance, however, the influence varied in different contexts. Onditi (2023) concluded that the influence of competitive strategies on performance depended on the type of industry since they had significant differences in competition levels and structures. For instance, in the retail industry as proposed by Muasa (2023), low-cost leadership was found to be more influential in determining performance as compared to the other competitive strategies. While the literature review conducted by Onditi (2023) provides insights into the influence of competitive strategies on performance, there is a research gap in terms of understanding the specific industry characteristics that determine the varying impact of competitive strategies on organizational performance.

A study by Johnson *et al*. (2023) investigated the relationship between cost leadership strategy and organizational performance in the retail sector. The researchers examined a sample of retail companies and found that organizations that adopted cost leadership strategies achieved higher profitability and market share compared to their competitors. The study highlighted the importance of efficient cost management, economies of scale, and operational excellence in driving organizational performance. While the study provides evidence that organizations adopting cost leadership strategies achieved higher profitability and market share, it does not delve into the specific strategies or practices employed by these organizations that contribute to their success.

Furthermore, a study by Patel and Gupta (2023) examined the relationship between innovation strategy and financial performance in the technology sector. Through analyzing financial data and innovation metrics of technology companies, the researchers found a strong positive correlation between innovation-driven strategies and financial performance. The study emphasized the importance of fostering a culture of innovation, investing in research and development, and continuously introducing new and improved products or services to achieve superior financial performance. While the study establishes a positive correlation between innovation-driven strategies and financial performance, it does not delve into the underlying factors that drive this relationship.

In another study, Smith and Brown (2023) explored the impact of differentiation strategy on customer satisfaction and loyalty in the service industry. They conducted a survey among customers of service-based organizations and found that those organizations that effectively differentiated themselves through unique service offerings, superior customer experiences, and personalized solutions experienced higher levels of customer satisfaction and loyalty. The study emphasized the significance of understanding customer needs and preferences to develop and deliver differentiated value propositions that positively impact organizational performance. While the study establishes a positive relationship between differentiation strategy and customer outcomes, it does not provide detailed insights into the specific strategies or practices that lead to successful differentiation.

Conceptual Framework

A conceptual framework is defined as the pictorial representation the expected relationship between the study variables (Swaen et.al. 2022). Additionally, it defines the relevant objectives for your research process and maps out how they come together to draw coherent conclusions. Figure 2.1 presents the conceptual framework;

Moderating Variable

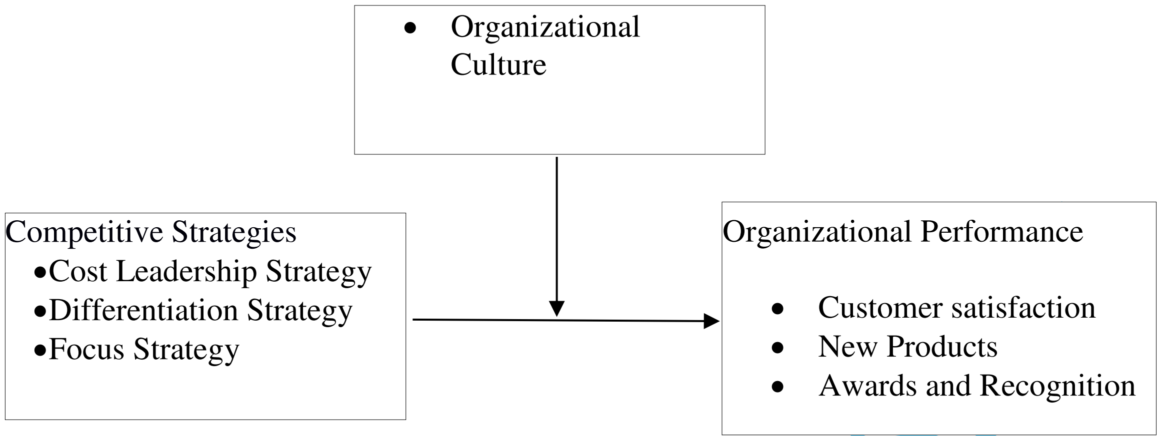

Figure 2.1: Conceptual Framework

Source: Kinyanjui (2023).

Discussion

This section portrays the relationship between the dependent and independent variables, as well as the moderating variable. The dependent variable is organizational performance, the independent variable is competitive strategies. The moderating is organizational culture.

The conceptual framework is indicative of the presumed relationship between the variables of study. It conceptualizes organizational performance as the dependent variable which is influenced by competitive strategies which is the independent variable. The moderating variable is anticipated to explain the connection between competitive strategies and organizational performance.

Summary

Conclusively, this chapter presented a succinct appraisal of the theoretical, conceptual and empirical framework that underpin the proposed study. Finally, this section appraised the various aspects of organizational performance to understand better how organizations can reach their goals and optimize results. From the conducted analysis, it was evident that these metrics serve a crucial role to any organization if they are to grow, outperform competitors and endure longer. The literature review therefore helped gain insights into the multifaceted aspects that touch on the topic issue.

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

In this chapter, a comprehensive explanation of the research methodology employed for the study was undertaken. This chapter carefully unpacked the selected research design while revealing the rationale that underpins its choice. Notably, it engages in an insightful elaboration on the chosen target population, shedding light on the factors that informed this selection. Equally important, is the explanation of the considerations governing the determination of the sample size and the sampling technique to be used for implementation. Subsequently, the chapter offered a detailed portrayal of the data collection procedure, accompanied by a thorough examination of the research instrument's characteristics. Furthermore, it provided an anticipatory glimpse into the data analysis techniques that are to be used to unravel and interpret the amassed data in a manner that extracts meaningful insights.

Research Design

Research design is the process of selecting the methods and techniques that a researcher will use for their study (Bhat, 2023). A research design determines the overall strategy that a researcher will use to integrate the various components of the study to address the research problem in a logical and coherent way (Abbott & McKinney, 2013). Essentially, the research design provides a blueprint for the data collection procedure, measurement systems and data analysis techniques that will be employed in a study. For the research design to be effective, it has to ensure that the methods employed adequately address the research question of study.

Research designs can be broadly categorized into either qualitative or quantitative designs according to Asenahabi, (2019) quantitative research designs seek to establish the how, when, where, who, and what in the course of the research process with these outcomes represented in graphs, charts, statistically or numerically. Qualitative research on the other hand focuses on the why and how of research (Asenahabi, 2019). Other than these broad categorizations, research can be categorized into other major types as follows; experimental design, correlational design, descriptive design and the diagnostic design.

The study used a descriptive research design. Descriptive research intended to obtain data that will help in describing a phenomena, population or situation (Sekaran & Bougie, 2016). Unlike experimental designs that manipulate variables, or correlational designs that explore relationships, descriptive research offers a direct and detailed account of a subject (Scott, 2018). In descriptive research design, the researchers collect data so as to answer questions regarding the present status of an object or subject. Through collecting deep data and information, the researcher is able to gain understanding about an object or subject, therefore, gaining detailed data and information that can explain, or describe it (Sahin & Mete, 2021). A descriptive research design was appropriate for this research because it helped the researcher in describing the current status of competitive strategies at Carrefour and how they affect its performance. The study aimed at establishing the effect of competitive strategies on the organizational performance of retail businesses in Kenya with specific reference to Carrefour Kenya case study.

Population

In research, population refers to the entire group of events, subjects of interests or groups that are of interest to a researcher (Majiud, 2018). These subjects or objects usually have similarity in features and thus, constitute the single group of interest to the researchers.

The total population at Carrefour consists 32 people at top level management, 96 at line-managers 153 supervisors and 289 junior employees. For this study, the accessible population included 12 at the top level of management, 71 line managers and 73 supervisors. The selected population only consisted of managers and supervisors because they had the knowledge, expertise and information about the information sought by the researcher on formulation and implementation of competitive strategies at the organization.

Target Population

Target population consisted of individuals who had knowledge about the research problem, competitive strategies at Carrefour Kenya. The target population specification is important as it determines the sampling decisions, types and number of resources that the researcher should commit to the study (Hair, Page & Brunsveld, 2019). The target population of the study consisted of managers at the top level, at the middle level and at the low level. The total population consisted of general managers, one managers and supervisors who were 156 in total representing 12 Carrefour Kenya branches in Nairobi. This is the target population that was selected because they are the employees at Carrefour Kenya who are knowledgeable about the competitive strategies implemented at the company to influence organizational performance. Table 3.1 presents the target population.

The branches represented below include Carrefour the Hub, Carrefour Galleria, Carrefour Sarit Center, Carrefour Two Rivers, Carrefour Thika Road Mall, Carrefour Village Market, Carrefour Mega, Carrefour Junction and Southfield Mall, Carrefour Nextgen Mall, Carrefour Market Rose Avenue and Carrefour Westgate.

Table 3.1: Target Population

Strata	Number
General Managers	12
Line managers	71
Supervisors	73
Total	156

Source: Carrefour Kenya Human Resource Department (2022).

Sampling Techniques

The sampling technique that was used for this study was stratified sampling. This is a technique that is used for populations that can be partitioned into smaller groups based on the commonalities between their characteristics (Sekaran & Bougie, 2016). These are non-overlapping subgroups that allow for random sampling whereby the researcher selects subjects from each of the subgroups. The subgroups are referred to strata representing homogenous groups within the larger target population. The subjects that were selected from each stratum made up the sample population of study. Stratified random sampling is an efficient technique as it provides the researcher with more in-depth information about a target population as well as greater precision than selecting a simple random section of the population (Sharma, 2017). Due to the homogeneity within the strata, the information that was collected minimized sample selection bias by ensuring that each subject from each subgroup gets the opportunity of representation in the final sample population. Therefore, for the case of managers at Carrefour Kenya, proportionate sampling ensured that each subgroup- general, line managers and supervisors were adequately represented within the final sample population that will be used for the study.

The study employed the proportional approach to stratified sampling. The proportional approach entails using a proportionate size of each stratum in relation to the total number of elements in the strata (Sekaran & Bougie, 2016).

The sample size refers to the number of observations or subjects that were included in the statistical sample and used to make inferences about the target population (Sharma, 2017). For this study, the sample size of each subgroup- general managers, line managers and supervisors was proportionate to the population size of the stratum itself. The formula that was used to calculate the sample size of each of the strata is as demonstrated below (Yamane, 1973):

$$n = \frac{N}{1+0.05^2\ (N)}$$

Where : n= is sample size

N = the total target population

A substitution of the values in the formula is as demonstrated below:

$$n = \frac{156}{1+0.05^2\ (156)} = 112.2$$

According to the law of large numbers, as a sample size grows, its mean gets closer to the average of the whole population (Qu *et al.,* 2022). Therefore the sample size was rounded up to 113.

Table 3.2: Sample Size

Stratum	Percentage	Number
General Managers	7.7%	10
Line managers	45.4%	51
Supervisors	46.6%	52
Total		113

Source: Author (Wambui, 2022)

Types of data

According to Apuke (2017), there are two main types of data; Primary data which is original data collected or generated firsthand by the researcher specifically for the purpose of the study or research project (Kabir, 2019). It involves gathering data directly from the source, such as individuals, organizations, or experiment and Secondary data is that has been previously collected by someone else or for a different purpose but can be used for the current research study. It is obtained from sources like books, academic journals, government reports, databases, websites, and other published or unpublished materials (Kabir, 2019).

The study used primary data that was collected through questionnaires issued to Carrefour employees. This is because primary data is collected directly from original sources, allowing researchers to have full control over the data collection process and ensuring its relevance and accuracy to the research objectives.

Data Collection Instruments

Data lies, arguably, at the core of any research as Sileyew, (2019) notes. Here, data refers to an organized record of a specific quantity. Consequentially, these distinct values of the said quantity are represented together in a set for analysis to come up with information. Like research designs, data can be categorized broadly as either qualitative or quantitative data. Here, qualitative data represented characteristics such as cleanliness, honesty, or such types of data which cannot be calculated. Consequently, the data here is explanatory and not conclusive. Quantitative data on the other hand is measurable and can be calculated numerically. Further, based on the source, data can also be categorized as either primary or secondary data. Whereas primary data is collected by the researcher for the first time, secondary is obtained somewhere where it was originally collected by researchers and is most likely available in an already published form such as a census report (Sileyew, 2019).

Data collection instruments are tools used to collect information from the respondents or subjects of a study (Sekaran & Bougie, 2016). The study used primary data for its analysis. The main instrument for the data collection method was questionnaires due to their efficiency in collecting standardized responses from a large number of participants, enabling easy comparison and statistical analysis, which can be more challenging with qualitative methods like interviews or observations. The questionnaires had closed ended questions administered using a Likert scale that provides a range of possible responses for the respondents. The closed ended sections had an already established set of responses that the respondents can choose. The scale allowed respondents to pick their level of agreement with the statements. The five-point scale ranged from 1 to 5 allowing the respondents to either Strongly Disagree, Slightly Disagree, Neutral, Slightly Agree or Strongly Agree as demonstrated on Appendix I. In addition to the closed ended questions about the competitive strategies and their effect on organizational performance, the questionnaires also had demographic questions about the age, gender, education level and occupation of the respondents.

Data Collection Procedure

The data collection procedure is important in ensuring the integrity of the data that a researcher collects (Agba & Rajamma, 2022). The procedure determines whether the data that is collected is reliable, accurate, dependable and of good quality. The type of data is that collected eventually determines the credibility of the outcomes of the research (Lebel *et al.,* 2018).

Prior to beginning the data collection method, the researcher first sought the approval of supervisors to continue with the research plan. Following their acceptance, the researcher sought the authority of Institutional Scientific and Ethical Review Committee (ISERC) to seek a permit from the National Council for Science and Technology (NACOSTI). The researcher then sought a meeting with the head of human resource at Carrefour Kenya to introduce themselves and explain the need to research the organization. The researcher also provided an introductory letter that sought the consent of the organizational managers to collect data within Carrefour Kenya and deliver the questionnaires that will be used for data collection. The drop-off and pickup method was used whereby the researchers delivered the questionnaires in the various branches and picked them. The drop and pick method is advised for reducing nonresponse bias as it gives respondents the opportunity to respond to the questionnaire at their own convenience (Coon *et al.,* 2020). The researcher sought the assistance of a research assistant to deliver the questionnaires to all the branches in Nairobi. The research assistant received training on the purpose of the research, proper communication strategies to use with the respondents and the ethical considerations to keep in mind while collecting data.

Pretesting

Researchers engage in pretesting prior to conducting the actual research whereby they evaluate the reliability and validity of the research instrument (Mikuska, 2017). Otherwise referred to a pilot study, the pretesting process as a trial run before the final distribution of the actual research tool. The pilot study was conducted at Naivas supermarket that was not included in the target population. The pretesting identified the items that could be misunderstood by respondents and were changed accordingly. Mugenda and Mugenda (2018) recommend at least 10% of the sample population as a sufficient population for the pilot study. The study conducted a pretest on 11 managers at three Naivas supermarkets within Nairobi Central Business District (CBD) which represents 10% of the sample population of study. The study used Naivas supermarket as a pretesting context because it is within the retail industry as well and thus, shares significant similarities with Carrefour Kenya.

Reliability and Validity

Reliability and validity are two related concepts used to determine the quality of a research. Reliability refers to the degree of consistency in results if the research is conducted again by the same or different observer at different times while validity refers to the degree to which the research method selected accurately measures the variables of the study (Sekaran & Bougie, 2016). Reliability of the research tool was evaluated using the Cronbach Alpha method. The responses that the Naivas respondents provided were tested using Statistical Package for Social Sciences. Cronbach Alpha is a way of measuring the internal consistency of a research item. According to Kiliç (2016), values that range between 0.70 and 0.95 are acceptable as a sign that the research instrument is reliable. The closer the value is to 1, the more reliable the research tool is.

The researcher also measured the content validity, face validity and construct validity of the research instrument. Content validity describes the extent to which the research instrument adequately measures the concepts under study that are expected to be measured (Sekaran & Bougie, 2016). The validity was measured by engaging experts in strategic management to identify anomalies in the framing and wording of the questions. Face validity applies a surface level subjective measure on whether a study measures what it's supposed to measure (Laerd, 2020). In this case, a face validity was checked whether the questionnaire was understandable and answerable to all respondents. Lastly, construct validity is about how well a test measures the concept it was designed to evaluate and is the most crucial to establishing the overall validity of a method (Brown, 1996, p. 231). The construct validity measured at the pretesting step which is a pilot run of the actual data collection.

Data Analysis Plan

Data Analysis plan provides the procedure for organizing and making sense of the data that has been collected (Ott & Longnecker, 2015). It allows for the reducing of data collected into smaller portions that can be used to make interpretation and process findings. The data analysis plan should help the researcher answer the research question of the study and attain the stated objectives. First, the researcher engaged in data cleaning by checking to ensure that the questionnaires have been filled completely and consistently. Once the data cleaning process was completed, the data analysis process began.

The research relied on the Statistical Package for Social Sciences Version 27 for data analysis to produce descriptive and inferential statistics. This data was presented using visual tools such as tables, charts and models, in relation to the stated objectives of the study. The study used descriptive statistics to present the key trends within the quantitative data. Descriptive statistics seek to summarize a data set quantitatively and identify the basic features of the data (Kaur *et al.,* 2018). The study used two main types of descriptive statistics. The first is the measure of variability in data, specifically standard deviation which demonstrates the distribution of key points within data sets. The second is the measure of central tendency which include mean, mode and median. When using measures of central tendency, the researcher used one value to represent the entire pattern of distribution within the data set.

The study also used inferential statistics to analyze the primary data. The data was tested at 5% level of significance. The study used a coefficient of determination, denoted as R^2 to explain the influence of the independent variable (competitive strategies) on the dependent variable (organizational performance). The R^2 value represented the percentage change in the dependent variable that can be explained by the percentage changes in the independent variable. According to Sekaran & Bougie (2016), the higher the coefficient of determination, the better a fit the model is. Essentially, the higher the coefficient of determination, the better the model explains how the changes in organizational performance at Carrefour Kenya can be explained by changes in the competitive strategies. Correlation analysis was conducted to test the strength of the relationship between each of the competitive strategies (focus, differentiation and cost-leadership) and the organizational performance of Carrefour Kenya.

Ethical Considerations

Ethical research is that which does not expose research subjects in negative ways, uses legal and fitting research methodologies and guards the rights of the respondents (Cacciattolo, 2015). To ensure research integrity, the researcher obtained a permit from Institutional Scientific and Ethical Review Committee (ISERC) and NACOSTI. Also, the researcher sought the consent of all the participants before engaging them in the study. The participants had adequate information about the purpose of the research to ensure that their participation is voluntary. They were also free to withdraw from the research process at any time that they need to. Lastly, the information collected in the course of the research was used solely for the research process and confidentiality of the respondents will be maintained.

Summary

This chapter provided the details of the methodology that used for the study. The chapter specified the research design of the study, the target population, sampling technique and size, data collection procedure, instruments and the data analysis plan.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Introduction

This chapter presents the gathered data, conducts a thorough analysis, and interprets the findings. It serves as the link between our research's empirical results and the existing body of literature, offering valuable insights into the subject under study. Through this process, we aim to contribute meaningfully to both academic knowledge and practical understanding.

Response Rate

The study sought to evaluate the response rate. The response rate of the study is depicted on Figure 4.1.

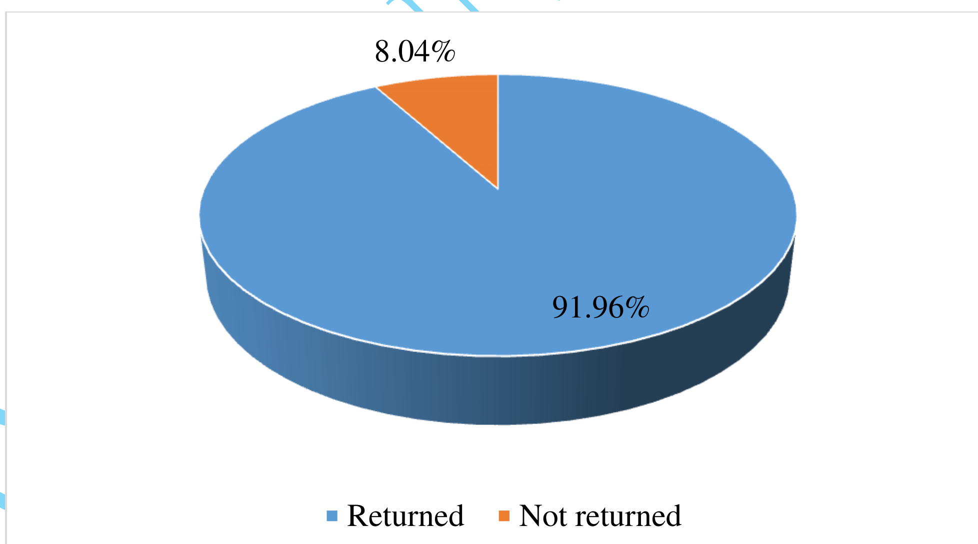

Figure 4.1: Response Rate

The researcher distributed 112 questionnaires and collected 103 questionnaires which represent a 91.96% response rate. In accordance with Mugenda and Mugenda's (2018) publication, a response rate of 91.96% as observed in Table 4.1 is deemed more than sufficient. Mugenda and Mugenda (2018) suggest that a response rate around 50% is generally considered adequate for survey research, indicating that half of the questionnaires distributed have been returned.

Demographic Information

Age

The data collection instrument sought to find out the age of the respondents. The findings are demonstrated on Table 4.1

Table 4.1: Respondents' Age Group

	Frequency	Percent	Cumulative Percent
Below 25 years	15	14.5	14.5
26-30 years	22	21.3	35.8
31-35 years	51	49.4	85.29
36-40 years	11	10.8	96
41-45 years	3	3	99
Above 45 years	2	1	100.0
Total	103	100	

The data presents a picture of the age distribution among the study's respondents. Notably, the largest group of participants, comprising 51 individuals, falls within the age range of 31 to 35 years old, suggesting that this demographic group is the most prevalent among the respondents. Following closely behind, there are 22 respondents in the 26-30 age bracket, signifying a substantial presence of participants in their late twenties to early thirties. In contrast, the younger cohort, aged 25 or below, constitutes 15 individuals, while the 36-40 age group comprises 11 respondents. The older age categories, 41-45 years old and 46 years and above, are represented by 3 and 1 respondent(s) respectively, indicating a comparatively smaller presence of participants in these age brackets.

Gender

The data collection instrument sought to find out the gender of the respondents and the findings are demonstrated on Table 4.2.

Table 4.2: Gender

	Frequency	Percent	Cumulative Percent
Female	46	44.7	44.7
Male	57	55.3	100
Total	103	100	

The data in Table 4.2 shows the gender distribution among the respondents, with 57 identified as male and 46 as female. This indicates a slightly higher representation of males in the sample compared to females.

Highest Level of Education

The data collection instrument sought to find out the highest education level of the respondents and the findings are demonstrated on Table 4.3.

Table 4.3: Education Level

	Frequency	Percent	Cumulative Percent
Masters	7	6.7	6.7
Undergraduate Degree	61	59.4	66.1
Diploma	35	33.9	100
Total	103	100	

The data provides insight into the education levels of the respondents, with a varied distribution of qualifications. The majority of participants, numbering 61, hold undergraduate degrees, signifying a substantial representation of this educational category. Following closely are 35 respondents with diplomas, and 7 of the respondents hold master’s degrees. This diverse educational background among the respondents highlights the breadth of perspectives and experiences within the study's sample.

Work Tenure

The fourth question on the data collection instrument sought to find out the work tenure of the respondents at Carrefour. The findings are demonstrated on Table 4.4

Table 4.4: Work Tenure

	Frequency	Percent	Cumulative Percent
Over 5 years	13	12.6	12.6
3-5 years	48	46.6	59.2
1-3 years	32	31	90.2
Less than year	10	9.8	100.0
Total	103	100	

The data provides an insightful breakdown of the work tenure among the respondents, with varying periods of professional experience. 48 participants have a work tenure spanning from 3 to 5 years, indicating a substantial presence of individuals with mid-range experience levels. Following this, 32 respondents have worked for 1 to 3 years, demonstrating a significant portion with relatively less experience. In contrast, 13 respondents have a work tenure exceeding 5 years, highlighting a smaller but notable group with extensive professional backgrounds. Additionally, 10 participants have been employed for less than a year, signifying another category of relatively new entrants to the workforce.

Position at Carrefour

The data collection instrument sought to find out the position of the respondents at Carrefour. The findings are demonstrated on Table 4.5.

Table 4.5: Position at Carrefour

	Frequency	Percent	Cumulative Percent
Supervisor	10	9.7	9.7
Line manager	45	43.7	53.4
Supervisor	48	46.6	100
Total	103	100	

The data provides an overview of the positions held by respondents at Carrefour. Among the respondents, 10 individuals hold the position of General Manager, indicating a relatively smaller but significant presence of senior leadership within the organization. The majority of respondents, comprising 45 individuals, serve as Line Managers, highlighting a substantial representation of middle-management roles. Additionally, 48 respondents work as Supervisors, underlining a sizable contingent of individuals responsible for overseeing specific operational aspects within the company. This distribution of positions within Carrefour's workforce underscores the hierarchical structure of the organization, with distinct levels of responsibility and authority.

Competitive Strategies at Carrefour Kenya

The first objective of the study was to evaluate the competitive strategies at Carrefour Kenya; cost-leadership strategy, differentiation strategy and focus strategy.

Cost Leadership Strategy

The results for cost leadership strategies adopted at Carrefour. They were presented on table 4.6.

Table 4.6: Cost Leadership

	SD	D	N	A	SA	Mean	STDV
The cost of products at Carrefour Kenya is lower than its rivals	2 (1.9%)	7 (6.8%)	6 (5.9%)	21 (20.4%)	67 (65.05%)	4.40	0.399
Carrefour Kenya has cut costs on overheads such as human resource to reduce costs.	30 (29.1%)	37 (35.9%)	15 (14.6%)	6 (5.8%)	15 (14.6%)	2.41	0.822
Carrefour Kenya applies a standardized and consistent approach in most its operations throughout its branches	13 (12.6%)	29 (28.2%)	6 (5.8%)	25 (24.3%)	30 (29.1%)	4.48	1.331
Carrefour Kenya buys in bulk to reduce cost	13 (12.6%)	30 (29.1%)	20 (19.4%)	16 (15.5%)	24 (23.3%)	3.08	0.628
Carrefour Kenya employs new technology to reduce costs	13 (12.6%)	27 (26.2%)	22 (21.4%)	37 (35.9%)	4 (3.9%)	3.85	0.438
Overall						4.01	.7236

As demonstrated on Table 4.2, a notable 65% of respondents strongly agreed that Carrefour Kenya's product costs are lower than its rivals, with a mean and standard deviation of 4.40 and 0.399 respectively. This implied that the respondents rated the company positively on the organization's competitive pricing strategy with a low variability in their responses. This was in agreement with Tanwar (2018) who stated that competitive pricing has a positive impact on cost leadership. However, literature acknowledges the complexity of achieving cost advantages in a competitive market. Achieving consistently lower product costs than rivals is a challenging endeavor and may require a combination of strategies beyond just pricing, such as efficient supply chain management (Acquaah, Adjei, & Mensa-Bonsu, 2018). The statement regarding Carrefour Kenya employing new technology to reduce costs exhibits a striking pattern with 37% of respondents strongly disagreeing, while only 27% strongly agreed. This finding raises questions about the effectiveness and perhaps the implementation of technology-driven cost reduction efforts. According to Banker, Mashruwala and Tripathy (2018), the use of technology is considered a crucial enabler for cost leadership. However, these results imply that there might be barriers or challenges in the way technology is integrated into the organization's cost-saving initiatives.

The assertion that Carrefour Kenya applies a standardized and consistent approach in most of its operations throughout its branches reflects a relatively balanced view (with a mean of 3.29 and a standard deviation of 1.33), with 30% strongly agreeing and 29% strongly disagreeing. This equilibrium suggests that while there are efforts towards standardization, there might be room for improvement in ensuring consistent implementation across branches. In the context of cost leadership literature, standardization is a key component in achieving cost advantages, as it streamlines processes and reduces variations that can lead to increased costs (Kabir & Mahbub, 2019)

Differentiation Strategy

The researcher also sought information about the use of differentiation strategies at Carrefour, Kenya. The results are portrayed on Table 4.3

Table 4.7: Differentiation Strategy

	SD	D	N	A	SA	Mean	STD V
Carrefour Kenya offers products and services that are clearly different compared to those of competitors	6 (5.8%)	22 (21.4 %)	35 (34.0 %)	21 (20.4 %)	4 (3.9%)	3.06	0.804
Carrefour Kenya offers high value products/services compared to those of competitors	6 (5.8%)	14 (13.6 %)	35 (34.0 %)	33 (32.0 %)	15 (14.6%)	4.71	0.428
Carrefour Kenya employs company branding to differentiate itself and products from to	5 (3.0%)	13 (7.7%)	41 (24.4 %)	29 (17.3 %)	15 (8.9%)	3.69	0.131
Carrefour Kenya uses different product attributes to market its products	3 (2.9%)	10 (9.7%)	34 (33.0 %)	16 (15.5 %)	40 (38.8%)	4.08	0.928
Carrefour Kenya focuses on continuous improvement to create better value for its customers	22 (21.4 %)	22 (21.4 %)	9 (8.7%)	22 (21.4 %)	28 (27.2%)	2.92	0.338
Overall						3.92	.526

As demonstrated on Table 4.7, the statement about Carrefour Kenya offering products and services that are clearly different from competitors reveals that 20.4% of respondents agreed with a mean and standard deviation of 3.06 and 0.804 respectively. This suggests a mixed response regarding the distinctiveness of Carrefour's offerings compared to competitors. This indicates that while a substantial portion sees Carrefour as providing high-value offerings, a notable segment holds a different perspective. From a literature perspective, providing differentiated goods is a crucial element in differentiation strategies Nyaga (2020). The data suggests that Carrefour has succeeded in this aspect for many respondents but faces skepticism from others, indicating potential areas for improvement.

The assertion that Carrefour Kenya offers high-value products and services compared to is evident with 35% strongly agreeing with a mean of 4.21 and standard deviation of 0.428 signifying that majority agree with Carrefour's high-value products with very little variation. The data here reflects a significant percentage of respondents who perceive this differentiation, which aligns with the strategic aim of standing out in the market (Munyoki & K'Obonyo, 2020).

Regarding the use of company branding for differentiation, the data reveals that 41% strongly agreed with a mean and standard deviation of 3.69 and 0.131 respectively. This finding indicates a significant agreement in opinion regarding the effectiveness of branding in setting Carrefour apart from competitors. Onditi (2023) explains that when done effectively, branding can be a potent tool for differentiation, helping businesses stand out in the marketplace and build lasting relationships with customers. However, the few employees who disagree suggest that while branding may be effective for some respondents, it may not resonate as strongly with others, highlighting the need for targeted branding strategies.

The statement about Carrefour Kenya focusing on continuous improvement to create better value for customers shows a relatively balanced response with 33% of the respondents being neutral, with a mean of 3.08 and a standard deviation of 0.928. The deviation was rather large due to outliers in the strongly agreeing and strongly disagreeing responses. This suggests that while some respondents acknowledge Carrefour's commitment to continuous improvement, others may question the extent of value creation efforts. Johnson *et al.* (2023) concluded that value for customers is a great contributor for differentiation which leads to good organizational performance.

Focus Strategy

The researcher also sought information about the use of focus strategies at Carrefour, Kenya. The results are portrayed on Table 4.8.

Table 4.8: Focus Strategy

	SD	D	N	A	SA	Mean	STDV
Carrefour Kenya has specific niche markets to sell its products to	5 (4.9%)	6 (5.8)	27 (20.8%)	30 (23.0%)	35 (34.0%)	3.81	0.874
Carrefour Kenya has extensive distribution channels to target specific markets	2 (1.53%)	12 (9.23%)	14 (13.6%)	16 (15.5%)	59 (57.3%)	3.41	0.628
Carrefour Kenya offers specific attention to customer needs	5 (4.9%)	6 (5.8%)	7 (6.8%)	38 (36.9%)	48 (46.6%)	4.29	0.460
Carrefour Kenya sells at least one product for each market segment	17 (16.5%)	8 (7.8%)	4 (3.8%)	32 (31.1%)	42 (40.8%)	3.98	0.493
Carrefour Kenya sells one product for all its markets	1 (1.0%)	3 (22.3%)	15 (14.6%)	13 (12.6%)	61 (59.5%)	4.72	0.82
Overall						4.04	.656

The data the majority that 34.0 % of respondents strongly agreed, that Carrefour Kenya has specific niche markets to sell its products to. With a mean of 3.81 and standard deviation of 0.874, the findings suggested a degree of agreement in the perception of Carrefour's market segmentation with a low deviation from the mean. Scholars like Parnell, Spillan and Mensah (2019) emphasize the importance of effective market segmentation to cater to diverse customer needs as it enables businesses to tailor their products, services, and marketing efforts to meet the unique needs and preferences of distinct customer groups, enhancing customer satisfaction and competitiveness. The responses here indicate that Carrefour has refined its market segmentation strategies to align with customer expectations.

Regarding the presence of extensive distribution channels for specific markets, the data revealed that 57.3% of the respondents strongly agreed that Carrefour Kenya has extensive distribution channels for specific markets. With a mean of 3.41 and a standard deviation of 0.628, this indicates agreement of opinions about the effectiveness of Carrefour's distribution strategies. Existing literature, such as Kotler *et al.* (2017), underscores the importance of robust distribution channels to reach target markets as these channels serve as critical conduits for delivering products or services to customers efficiently and effectively. The responses suggest that Carrefour has established its distribution capabilities to align with customer needs.

The assertion that Carrefour Kenya offers specific attention to customer needs shows a notable 46.6% strongly agreeing with a mean and standard deviation of 4.29 and 0.460 respectively. This demonstrates that a substantial portion of respondents acknowledges Carrefour's customer-centric approach with minimal deviation. Scholars like Islami (2020) emphasized the significance of customer orientation in building strong relationships. The data aligned with this perspective, highlighting the success of

Carrefour's efforts in catering to customer needs.

Regarding selling at least one product for each market segment, the data revealed a positive response with 42% strongly agreeing at a 3.98 mean and 0.493 standard deviation. This suggested that many respondents perceived a diversified product offering, and saw the comprehensiveness of Carrefour's segmentation strategies. Scholars like Yeshitila *et al.,* (2021) stress the importance of offering products that resonate with specific market segments.

The fifth measure of differentiation; selling one product for all its markets revealed that 61% of the respondents strongly agreed with a mean of 4.72 and deviation of 0.82. This agreement underscored the importance of tailoring products to meet the unique needs of different market segments with a moderate variability. Scholars like Patel and Gupta (2023) emphasized the limitations of one-size-fits-all approaches. These findings strongly align with this perspective, emphasizing the need for market-specific product strategies.

Organizational Performance

The study sought to determine the performance of the company over the last three years. Table 4.9 presents the study findings.

Table 4.9: Organizational Performance

	SD	D	N	A	SA	Mean	STD V
Carrefour Kenya's survey on Customer Satisfaction reveals that customers are satisfied with your products and services	3 (2.9%)	10 (9.7%)	34 (33.0%)	16 (15.5%)	40 (38.8%)	4.08	0.928
Carrefour Kenya's introduction of their own brands of products has been successful	2 (1.9%)	7 (6.8%)	6 (5.9%)	21 (20.4%)	67 (65.05%)	4.09	0.313
Carrefour Kenya is highly recognized and awarded by industry experts	1 (1.0%)	3 (22.3%)	15 (14.6%)	13 (12.6%)	61 (59.5%)	4.72	0.829
Overall						4.04	.656

From the data collection, Carrefour Kenya seemed to have overall great organizational performance with an average mean and standard deviation of 4.04 and 0.656 respectively. This means that a majority of the respondents agreed to the success of the measures of organizational performance with a few variations.

The first measure of organizational performance was whether customers were satisfied with the services and products offered at Carrefour Kenya through the frequent customer servers done at each of the Carrefour Kenya Branches. The results suggested that a majority of the respondent, 38%, strongly agreed that customers were satisfied, while 30% of them were neutral about the customer satisfaction. The mean was relatively high at 4.08 which then concluded that majority of the customers were satisfied with Carrefour Kenya, with a standard deviation of 9.28 which showed there was a high variation. The agreement that customers are satisfied by Carrefour Kenya was in agreement with the study by Hossain, Kabir, and Mahbub (2019) that concluded for good organizational performance, it is paramount that customers are satisfied, with their products and/ or services.

The second question was whether Carrefour Kenya's introduction of their own brand of new products has been successful. Majority of the respondents, 67% strongly agreed with the question while the minority, 2% strongly disagreed on that statement. Overall, this means that Carrefours new products are a big success and a great contributor to organizational performance, which is in accordance to the study by Parnell, Spillan and Mensah (2019) study where they concluded that new products is a top contributor to success of organizational performance.

Finally, the third measure of organizational performance was awards and recognitions where the respondents were asked whether Carrefour is perceived as a good performing organization and awarded by industry experts. Of the respondents, 61% agreed that the company received awards and were highly recognized by industry expert with a mean of 4.72 and a standard deviation of 0.829. This means that the majority of respondents agreed that multiple awards and recognition were accorded to Carrefour Kenya with a median variation of the results. This is in accordance with the study by Yeshitila, Kitaw and Jilcha (2021) that stated a company that receives multiple awards and recognitions from industry experts is a sign of good organizational performance.

Correlation Analysis

Correlation analysis was conducted to test the strength of the relationship between each of the competitive strategies (focus, differentiation and low-cost) and the organizational performance of Carrefour Kenya. The results are displayed in Table 4.10.

Table 4.10: Correlation Analysis

		Cost Leadership	Differentiation	Focus Strategy	Organizational Performance
Cost Leadership	Pearson Correlation	1			
	Sig. (2-tailed)	.000			
Differentiation	Pearson Correlation	.549**	1		
	Sig. (2-tailed)	.000	.000		
Focus Strategy	Pearson Correlation	.688**	.618**	1	
	Sig. (2-tailed)	.000	.000	.000	
Organizational Performance	Pearson Correlation	.583**	.784**	.731**	1
	Sig. (2-tailed)	.000	.000	.000	000
	N	103	103	103	103

The correlation between cost leadership and organizational performance is depicted by a positive and significant r value of 0.583. This implies that the organization effectively implementing cost leadership strategies tends to lead it towards achieving better performance outcomes. This aligns with the principles of cost leadership, which emphasize achieving competitive advantage through cost efficiencies (Porter, 1980). Scholarly articles, such as Oyewobi, Windapo & James (2015), agree that cost leadership strategies can lead to improved financial performance by reducing production costs and enhancing profitability.

There is also a strong positive correlation between differentiation and organizational performance (r = 0.784). It indicates that organizations excelling in differentiation strategies often experience superior performance outcomes. This finding supports Porter's (1985) argument that differentiation can lead to premium pricing and enhanced market positioning. Scholarly literature, like Pulaj ET AL (2015), has also demonstrated the link between differentiation strategies and improved organizational performance through increased market share and profitability.

The robust positive correlation between focus strategies and organizational performance (r = 0.731) suggests that organizations concentrating their efforts on specific market segments tend to achieve commendable performance outcomes. This aligns with Porter's (1980) theory that focus strategies can lead to competitive advantages by serving niche markets exceptionally well. Scholarly research, including Raju and Srinivasan's study in 2016, has highlighted how focus strategies can result in higher customer satisfaction and improved financial performance.

There also appears to be a positive correlation between organizational culture and organizational performance (r = 0.689). These findings underscore the importance of a supportive culture in achieving high performance. This finding aligns with the works of Barney (1986), who emphasized the role of culture in implementing and sustaining competitive advantages. Scholarly literature, such as Nneji & Asiknia (2021), has highlighted how a positive organizational culture can enhance employee engagement and innovation, ultimately leading to improved performance outcomes.

Summary of Key Findings

The first objective was to identify competitive strategies used at Carrefour Kenya. The study revealed that Carrefour in fact implemented all three competitive strategies namely, cost leadership, differentiation strategy and focus strategy. With an average mean of 4.26 and a standard deviation of 0.407 for all measures of competitive advantage, this that reflected a positive view on Carrefour Kenya's adoption of competitive strategies with little variance. This underscores the organization's desire to compete competitively in the markets thus embracing the competitive strategies. This was in agreement with the study by Smith and Brown (2023) where the results revealed that companies that are open minded to adopting competitive strategies have a high chance of succeeding and improving their organizational performance.

The second objective was to measure organizational performance at Carrefour Kenya. The measures that were used to measure the organizational performance were customer satisfaction, new products and awards and recognition which had an average mean and standard deviation of 4.04 and 0.656 respectively. This was interpreted to mean that an average of the respondents believed that Carrefour has a good organizational performance with medium variations in the responses. The observed responses underpin the findings from the study by Patel and Gupta (2023) that asserts that organizational performance is determined by how well an organization expands to new products, satisfying their customers and industry awards and recognitions which Carrefour has been able to achieve.

The third objective was to measure the effect of competitive strategies on organizational performance. A correlation analysis was conducted between competitive strategies and organizational performance. Correlation between cost leadership and organizational performance is depicted by a positive and significant r value of 0.583. There is also a strong positive correlation between differentiation and organizational performance (r = 0.784). It indicates that organizations excelling in differentiation strategies often experience superior performance outcomes. The robust positive correlation between focus strategies and organizational performance (r = 0.731) suggests that organizations concentrating their efforts on specific market segments tend to achieve commendable performance outcomes. There also appears to be a positive correlation between organizational culture and organizational performance (r = 0.689). These findings underscore the importance of a supportive culture in achieving high performance. This asserts the study by Johnson *et al.* (2023) that found out that competitive strategies have a positive effect on organizational performance.

Summary

This chapter presents data that was collected from Carrefour's employees who were part of the sample population selected for the study. The data is analyzed using descriptive statistics, followed by inferential, specifically, correlation and regression.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

Introduction

This pivotal chapter encapsulates the culmination of the study's journey into the competitive strategies of Carrefour Kenya. Through an in-depth analysis of the data and its alignment with existing literature, this chapter offers insights, conclusions, and practical recommendations. It represents the synthesis of knowledge and its application to enhance the strategic landscape of Carrefour Kenya. In the following sections, we will delve into a comprehensive discussion of the findings, draw meaningful conclusions, and provide actionable recommendations for the organization's sustainable growth and competitiveness in the dynamic market landscape.

Discussion

Competitive Strategies Adopted by Carrefour Kenya

The first research objective was to evaluate the competitive strategies adopted by Carrefour Kenya. The study revealed that Carrefour Kenya employs a combination of competitive strategies, including cost leadership, differentiation, and focus.

Of the total respondents, majority of the respondents agreed that Carrefour Kenya's product costs are lower than its rivals, indicating a high level of confidence in the organization's competitive pricing strategy. This alignment with cost leadership aligns with the strategic importance of cost advantages in competitive markets (Porter, 1985). However, the use of technology to reduce costs generated mixed responses and this finding raised questions about the effectiveness and perhaps the implementation of technology-driven cost reduction efforts, which are considered crucial for cost leadership (Tanwar, 2018; Banker *et al.,* 2014). The standardization of operations received a relatively balanced response. This equilibrium suggests that while there are efforts towards standardization, there might be room for improvement in ensuring consistent implementation across branches. In the context of cost leadership literature, standardization is a key component in achieving cost advantages (Viswanathan & Dickson, 2007).

A third of the respondents agreed that Carrefour Kenya offers products and services that are clearly different from competitors, which aligns with the strategic aim of standing out in the market (Gebauer, Gustafsson & Witell, 2011). However, opinions were polarized, indicating potential communication challenges regarding differentiation. The perception of offering high-value products/services was also mixed. Notably, providing high value is a crucial element in differentiation strategies (Porter, 1985; Jinjin, 2018), and the data suggests that Carrefour has succeeded in this aspect for many respondents but faces skepticism from others, indicating potential areas for improvement. The use of company branding for differentiation received significant agreement, majority strongly agreeing. Effective branding can be a potent tool for differentiation (Baisya, 2018), but a minority disagreed, highlighting the need for targeted branding strategies. Continuous improvement efforts to create better customer value received a balanced response, indicating varying perceptions about the extent of value creation efforts.

With a higher number agreeing that Carrefour Kenya has specific niche markets for its products, this indicated alignment with market segmentation strategies (Gichuru & Limiri, 2017). The presence of extensive distribution channels for specific markets received a balanced view which raises questions on whether Carrefour Kenya had an extensive distribution channel. Notably, according to Kago, Gichunge and Baimwera (2018), good distribution channels provide a competitive edge to organizations, therefore, Carrefour Kenya should be keen to improve this aspect. Robust distribution channels are essential for reaching target markets efficiently (Kotler, Adam, Denize, & Armstrong, 2017). The organization's attention to customer needs was positively acknowledged by the respondents. Customer orientation is emphasized as a means of building strong relationships (Gummesson, 2008). Selling at least one product for each market segment received mixed responses, suggesting varying perceptions of product diversification. However, the importance of tailoring products to different market segments was emphasized, as indicated by responses to the statement about selling one product for all its markets (Wedel and Kamakura, 2012).

Effect of Competitive Strategies on Organizational Performance

The second objective was to determine the effect of competitive strategies on organizational performance at Carrefour Kenya.

Correlation analysis was employed to assess the relationships between Carrefour Kenya's competitive strategies (focus, differentiation, and low-cost leadership) and its organizational performance. Firstly, the correlation between cost leadership and organizational performance reveals a positive relationship ($r = 0.583$). This finding aligns with the principles of cost leadership, as expounded by Ho (2018) who advocates for achieving competitive advantages through cost efficiencies. Scholarly literature, exemplified by Oyewobi, Windapo & James (2015) and Kago, Gichunge & Baimwera (2018), further validates this notion by demonstrating that cost leadership strategies can result in improved financial performance through the reduction of production costs and the enhancement of profitability.

Secondly, a robust positive correlation emerges between differentiation and organizational performance (r = 0.784). This suggests that organizations excelling in differentiation strategies tend to experience superior performance outcomes. Acquah, Adjei &Mensa-Bonsu (2018) emphasizes that differentiation can lead to premium pricing and enhanced market positioning, a concept supported by scholarly research such as Pulaj, Kume & Cipi's study in 2015, which demonstrated the link between differentiation strategies and improved organizational performance through increased market share and profitability. Thirdly, the positive correlation between focus strategies and organizational performance (r = 0.731) indicates that organizations concentrating their efforts on specific market segments tend to achieve commendable performance outcomes. This concept is consistent with Porter's (1980) theory, which suggests that focus strategies can lead to competitive advantages by serving niche markets exceptionally well. Scholars like Raju and Srinivasan (2016) have emphasized how focus strategies can result in higher customer satisfaction and improved financial performance.

Conclusions

The study concluded that Carrefour Kenya's adoption of competitive strategies, namely cost leadership, differentiation, and focus, significantly impacts its organizational performance. These strategies have demonstrated their potential to enhance the company's performance outcomes. Notably, cost leadership strategies were found to drive better financial results by optimizing production costs, while differentiation strategies were linked to improved market positioning and premium pricing. Furthermore, focusing on specific market segments led to commendable performance outcomes. These findings resonate with established strategic management literature, reinforcing the importance of these competitive strategies in achieving competitive advantages (Porter, 1980; Porter, 1985; Raju & Srinivasan, 2016).

Recommendations

Carrefour Kenya should maintain and enhance its cost leadership strategies, focusing on optimizing production costs and streamlining supply chain efficiency to ensure sustained competitiveness in pricing. Improving communication of its unique value proposition is essential for solidifying differentiation strategies. Effective branding strategies can help convey the distinctiveness of Carrefour's offerings to consumers. To capitalize on competitive advantages, Carrefour should continue serving niche markets exceptionally well through focus strategies. Efforts to enhance customer satisfaction in specific market segments should be intensified.

To improve its performance, Carrefour should emphasize cost efficiencies, reducing production costs while maintaining quality. Strengthening differentiation strategies is crucial for achieving premium pricing and enhanced market positioning. Carrefour should continue focusing on specific market segments, ensuring that these efforts lead to commendable performance outcomes.

Implementing employee engagement initiatives that align with the organization's core values and strategy-driven behaviors will help build a supportive culture. Continuous monitoring and assessment of cultural alignment with competitive strategies, along with making necessary adjustments, will ensure ongoing congruence and improved organizational performance.

Recommendations for Future Research

In future, researchers can focus on other ways of measuring the three competitive strategies, low-cost leadership, focus and differentiation. They could focus on different sub-practices from those that are used in this study. Additionally, more studies could be held in other supermarkets, industries or regions, apart from Nairobi. Furthermore, other studies could be longitudinal in nature, or rely on other data collection procedures, such as interviews.

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APPENDICES

Appendix A: Research Questionnaire

I am Wambui Kinyanjui, an MBA student at Daystar University. The purpose of this questionnaire is to collect data for studying EFFECT OF COMPETITIVE STRATEGIES ON ORGANIZATIONAL PERFORMANCE IN THE RETAIL INDUSTRY: A CASE OF CARREFOUR KENYA. The questionnaire will take approximately 25 minutes to fill. Your responses to the questions will be treated as confidential. The data will only be used in the aggregate format to further distant it from any particular person or organization. Kindly do not write your name or that of your company in the survey. There is an optional space at the end to enable you give any comments or suggestions at the end of the questionnaire. I will send a copy of a summary of this research findings to the entire store. Thank you

General Instructions:

Please Tick (✓) your preferred selection where choices are provided and where your opinion is required, please state your views as precisely and honestly as you can.

PART A: Demographic Information

Q1. Please select your age bracket.

1. ☐ 25 and Below
2. ☐ 26 – 30 years old
3. ☐ 31 – 35 years old
4. ☐ 36 – 40 years old
5. ☐ 41 – 45 years old
6. ☐ 46 and Above

Q2. Please select your gender.

1. ☐ Male
2. ☐ Female

Q3. Please select your highest level of education.

1. ☐ Diploma
2. ☐ Undergraduate
3. ☐ Masters
4. ☐ PHD

Q4. Please indicate how long you have worked for this organization.
1. ☐ Below 1 years
2. ☐ 1 – 3 Years
3. ☐ 4 – 5 years
4. ☐ Over 5 years

Q5. Please indicate your position in this organization
1. ☐ General Manager
2. ☐ Line Manager
3. ☐ Supervisor

Part B: Competitive Strategies

Q6. To what extent do you agree with the following statements with regards to cost leadership?
Where: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N) 4=Agree, 5=Strongly Agree (SA)

Cost Leadership	1	2	3	4	5
i). The cost of products at Carrefour Kenya is lower than its rivals					
ii). Carrefour Kenya has cut costs on overheads such as human resource to reduce costs					
iii). Carrefour Kenya applies a standardized and consistent approach in most its operations throughout its branches					
iv). Carrefour Kenya employs new technology to reduce costs					

Q7. To what extent do you agree with the following statements with regards to differentiation?
Where: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N) 4=Agree, 5=Strongly Agree (SA)

Differentiation Strategy	1	2	3	4	5
i). Carrefour Kenya offers products and services that are clearly different compared to those of competitors					
ii). Carrefour Kenya offers high value products/services compared to those of competitors					
iii). Carrefour Kenya employs company branding to differentiate itself and products from to customer					
iv). Carrefour Kenya uses different product attributes to market its products					
v). Carrefour Kenya focuses on continuous improvement to create better value for its customers					

Q8. To what extent do you agree with the following statements with regards to focus strategy?
Where: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N) 4=Agree, 5=Strongly Agree (SA)

Focus Strategy	1	2	3	4	5
i). Carrefour Kenya has specific niche markets to sell its products to					
ii). Carrefour Kenya has extensive distribution channels to target specific markets					
iii). Carrefour Kenya offers specific attention to customer needs					
iv). Carrefour Kenya sells at least one product for each market segment					
v). Carrefour Kenya sells one product for all its markets					

Part C: Organizational Performance

To what extent do you agree with the following statements with regards to focus strategy?
Where: 1=Strongly Disagree (SD), 2=Disagree (D), 3=Neutral (N) 4=Agree, 5=Strongly Agree (SA)

Focus Strategy	1	2	3	4	5
i). Carrefour Kenya's survey on Customer Satisfaction reveals that customers are satisfied with your products and services					
ii). Carrefour Kenya offers specific attention to customer needs					
iii). Carrefour Kenya is highly recognized and awarded by industry experts					

Appendix B: Ethical Clearance

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0724 256 408
Email: admissions@daystar.ac.ke OR info@daystar.ac.ke
Website: www.daystar.ac.ke

VERDICT: APPROVED WITH COMMENTS

Daystar University Institutional Scientific and Ethics Review Committee (DU-ISERC)

Our Ref: **DU-ISERC/ 25/09/2023/000999**

Date: 25th September 2023

To: Wambui Kinyanjui 21-0207

Dear Wambui,

EFFECT OF COMPETITIVE STRATEGIES ON ORGANIZATIONAL PERFORMANCE OF RETAIL BUSINESSES IN KENYA: A CASE OF CARREFOUR KENYA LIMITED

Reference is made to your ISERC application reference **No. 150923-01** dated **15th September 2023** in which you requested for ethical approval of your proposal by Daystar University Ethics Review Board.
We are pleased to inform you that ethical review has been done and the verdict is; **Revise, as per attached comments and then proceed to the next stage.** As guidance, ensure that the attached comments are addressed. Please be advised that it is an offence to proceed to collect data without addressing the concerns of Ethics Review board. Your application approval number is **DU-ISERC-000999.** The approval period for the research is ***between 25th September 2023 to 24th September 2024*** after which the ethical approval lapses. Should you wish to continue with the research after the lapse you will be required to apply for an extension from DU-ERB at half the review charges.

This approval is subject to compliance with the following requirements.

i. Only approved documents including (informed consents, study instruments, MTA) will be used.
ii. All changes including (amendments, deviations, and violations) are submitted for review approval by Daystar University Ethics Review Board.
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to Daystar University Ethics Review Board within 72 hours of notification.
iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to Daystar University Ethics Review Board within 72 hours.
v. Clearance for export of biological specimens must be obtained from relevant institutions.
vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
vii. Submission of a signed one-page executive summary report and a closure report within 90 days upon completion of the study to Daystar University Ethics Review Board via email [duerb@daystar.ac.ke].

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) https://oris.nacosti.go.ke and other clearances needed.

Yours sincerely,

Dr. Susan Muriungi PhD
Ag. Chair, Daystar University Institutional Scientific and Ethics Review Committee

DAYSTAR UNIVERSITY ETHICS REVIEW BOARD
25 SEP 2023
P. O. Box 44400 – 00100, NAIROBI

Appendix C: Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **569844**

Date of Issue: **07/October/2023**

RESEARCH LICENSE

This is to Certify that Miss.. Wambui Kinyanjui of Daystar University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: EFFECT OF COMPETITIVE STRATEGIES ON ORGANIZATIONAL PERFORMANCE OF RETAIL BUSINESSES IN KENYA: A CASE OF CARREFOUR KENYA LIMITED for the period ending : 07/October/2024.

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Appendix D: Plagiarism Report

Wambui Kinyanjui Thesis

ORIGINALITY REPORT

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SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

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Wambui Kinyanjui Thesis

by Wambui Kinyanjui

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