The International Journal of Business Management and Technology, Volume 7 Issue 5 September-October 2023
ISSN: 2581-3889

Research Article Open Access

Competitive Strategies and Performance of Fragrance Firm's in Nairobi

Rodah Kavata Muasya || Dr ENOS B. ANENE
Jomo Kenyatta University of Agriculture and Technology

ABSTRACT: *Competitive strategies are the plans of action that firm takes to increase client attraction, withstand pressure from rivals, and improve market performance. These tactics enable a company to stand out and carry out daily operations; as a result, they are crucial in determining the marketplaces or industries to compete in. Businesses with better planning and execution of their competitive strategies are perceived to do better than their rivals. In Nairobi the fragrance firms have being growing in a quite an alarming rate that we can ignore these firms. The businesses have been required to develop plans that will allow them to; one differentiates their products from that of their competitors. Secondly due to lack of resources other firms have decided to focus on a specific niche market and adopted the focus strategies to be able to operate this market. The general objectives for this study is to study the influence of competitive strategies on performance of fragrance firms in Nairobi county. The specific objectives will be to examine differentiation strategies, cost leaderships strategies, focus strategies and time based distributions strategies on the performance of fragrance firms in Nairobi. This study will apply a descriptive survey design since the study seeks to explore and to describe a given characteristic in both qualitative and quantitative terms. The study's target population shall include 155 employees that will be selected across the departments and different levels that is top management going down to production people. The study will collect primary data gathered using a structured questionnaire administered through drop and pick later method. The study will collect primary data acquired via a structured questionnaire that will be distributed utilizing the drop-and-pick technique. To address the research topics of this project, both qualitative and quantitative analysis of data will be performed. The content analysis will be used to examine the qualitative data, which will then be presented in prose. Microsoft Excel will be used by the researcher to assist in the computation of descriptive statistics for quantitative analysis using the Statistical Package for Social Sciences (SPSS) Version 25 software. For further examination and comparison, the results will be summarized in tables and graphs.*

I. INTRODUCTION

1.1 Background of the study

As businesses compete with one another, the business environment has grown more competitive. Businesses must create strategies for competitive advantage that they can pursue in order to preserve their competitiveness. Competitive strategies are the plans of action that firm takes to increase client attraction, withstand pressure from rivals, and improve market performance (Thompson, Strickland & Gamble, 2010). Lester (2009) asserts that these tactics enable a company to stand out and do regular business; as a result, they are crucial in determining the marketplaces or industries to compete in. Businesses with better planning and execution of their competitive strategies are perceived to do better than their rivals (Jonsson&Devonish2009).

Competitive strategies are the plans of action that firm takes to increase client attraction, withstand pressure from rivals, and improve market performance (Thompson, Strickland & Gamble, 2010) (Atikiya, Mukulu, Kihoro & Waiganjo, 2015) Cost leadership strategies involve reducing costs across the entire value chain in an effort to achieve the lowest cost structure possible for products that are made of high-quality materials but have few standard features. The goal is to gain a competitive advantage and thereby increase market share (Sumer & Bayraktar, 2012). Focus strategy targets specific market groups by differentiating consumer needs in order to best service them at competitive costs (Jiri et al., 2013).Innovation that examines how marketing tactics, sales, and advertising activities are implemented, as well as innovation that is partially focused on aspects of manufacturing products, performance, or quality, are both part of the differentiation strategy (Hansen et al., 2015) Leitner and Güldenberg (2009) noted that a hybrid strategy, which combines the three strategies, enables businesses to maintain greater dynamism and flexibility when presenting products that concentrate on both costs and pa.

To achieve firm performance within the context of sustained competitive advantage, managers at the firm business levels must make decisions about how to shape the firm's competitive strategies. The techniques that will maintain a sustained competitive advantage are the most effective for creating and putting into practice a competitive business plan that will boost performance. Because of this, regulators are very concerned about the effect of competitive tactics on company performance, which has historically been a key factor in enhancing firm performance. The results of a strategy that helps a business keep and sustain a good market position are known as competitive advantages. 2007 (Calcagno) (Calcagno)rticular product attributes.

1.1.1 Global perspective of competitive strategy

The perfume and fragrance industry is worth over $45 billion globally2017 (Teams insights) Givadan, however has been the world's leading fragrances and flavor producer in the world for over 250 years (Gilles Andrier 2022). Full year Group sales were 7,117 million, a rise of 6.5% in Swiss francs and 5.3% on a like-for-like basis through 2021. Givaudan maintained strong commercial momentum while keeping its operations and global outbound supply chain at a high level to support the growth of our clients in a very difficult operating environment that was caused by increasing input costs and disruptions in the inbound supply chain. The strong growth was attained across all product categories and regions, with fast growth markets rising at 9.9% on a like-for-like basis while mature markets grew at 1.9%. The Company's 2025 strategy's primary strategic growth pillars all contributed favorably to the expansion.
In order to properly offset the rise in input prices, the company continues to execute price increases in conjunction with its clients. 2023 Jean-Gilles Andrier

Notwithstanding the positive outcomes mentioned, the corporation has experienced a slight loss in sales in some of the regions, particularly in Asia and Africa, as a result of subpar regionally executed competitive tactics.

Due to the multinational cosmetic companies' quick growth on the Chinese market, domestic cosmetic companies just copy their techniques for improved results (Li & Chen, 2011). Chinese domestic cosmetic companies have not given the issue of whether competitive strategy affects business performance and growth much thought. The domestic cosmetic enterprises still struggle to establish a strong competitive position in the market, despite the cosmetics industry growing at a rate of 13% annually over the past ten years (TNS project, 2007). Chinese cosmetic companies must contend with global competition challenges. China's cosmetic companies require support from a theoretical base in addition to actual experience in developing business strategies (Wu, 2002). Research was conducted on a certain sector, nation, and only well-known companies were examined (Cho & Pucik, 2005; Elenkov et al., 2005; Jackson & Debroux 2008.)

Regional perspective of competitive strategy

According to studies, the beauty sector in Africa is valued $4.5 billion in South Africa, $500 million in Nigeria, and $300 million in Kenya. The market in South Africa is anticipated to expand by 2.99% annually (CAGR 2023-2027).
The leading fragrance company in south African is Nicola-J. Nicola-J Flavors and Fragrances (Pty) Ltd. has been inexistence since 1996. With considerable experience in the flavor and food coloring industry (Statista 2022). Nicola-J has put in effort to focus extensively on satisfying the needs of our customers, and understand the demand for continual improvement of costs and quality. The team is keen in innovation as new fragrances are flooding the market day in day out. Hence the team is keen on satisfying the needs of our customers, and understanding the demand for continual improvement of costs and quality. To be different with the other customer, the customer has been offering: matching of current flavors, improving existing flavors, Development of new flavors, rolling out on-site development and testing and developing cost-saving flavor alternatives. (pantone, 2021)

1.1.3 Local perspective of competitive strategy

The 1960s saw the entry of global companies including Johnson & Johnson, Beiersdorf, Unilever,PZ Cussons, and Sara Lee, which led to the birth of the Kenyan cosmetic industry. They have been in operation for a while and currently hold 35% of the market (Word Cosmetics, 2007). Due to these multinationals' lack of direct representation, local businesses were given room to expand and could advertise their goods more aggressively. Cosmetic sector participants acknowledge that the market has expanded rapidly since three years ago (Muthoni, 2013).More sophisticated and skilled cosmetic application techniques are being used. Also, they are seeking additional information from experts in the field (Situma, 2013). Women in Kenya are getting more education. Kenyan women are increasingly concerned with how they appear and will do anything to look beautiful. The average client, according to Muthoni (2013), spends between Ksh

3,000 and Ksh 25,000 per month on beauty requirements, showing that the Kenyan woman 7 gives these requirements top priority in her spending plan. She continues by stating that males have joined the trend as well, making regular trips to beauty parlors for haircuts, pedicures, and manicures. Here, cosmetics like hair colour, shampoo, and nail paint are used. Men frequently visit cosmetic shops to buy products like body lotion, cologne, lip gloss, and hair treatment, among others. Cosmetic multinationals are vying for market share after noticing the rise in demand for high-quality products. With the arrival of international brands like L'Oreal, Estee' Lauder, Revlon, and Oriflame on the Kenyan market in less than 3 years (Situma, 2013), joining market leaders Unilever Kenya Limited, Beiersdorf, East Africa Limited, and PZ Cussons East Africa Limited, it is clear that demand for cosmetic products is rising and the market has not yet been fully exploited. local businesses likeHaco Industries and Inter Consumer Products Limited have not been left behind either. There is a big and growing market for their products.

1.1.4 Competitive strategy

The business tactics and efforts a firm uses to withstand competitive pressure and increase its market position make up its competitive strategy. It focuses on the management's action plan for successfully competing and giving customers superior value. This makes it possible to set the business apart from its rivals or to separate it from them. (2003) Thompson and Strickland. Porter (1980) defines competitive strategy as the use of offensive or defensive measures to forge a defendable position within an industry and effectively address the five competitive factors, which are; Threats from new competitors, replacement goods and services, suppliers' and customers' negotiating power, and competition among established businesses all combine to increase the firm's return on investment. Organizations in a position to make strategic decisions are those that have studied their environment, are aware of the expectations of their stakeholders, and are aware of the resources at their disposal. Choosing how to compete in various market categories is a key component of developing strategy. The two main pillars of competition are often maintaining low costs and pricing or providing customers with more value (Capon, 2008). Companies need a strong competitive strategy in order to succeed in the market where they are already established.

1.2 Statement of the Problem

The highly competitive business environment of today makes it impossible for a firm to survive and prosper using budget-oriented and forecast-based planning techniques. The company must engage in strategic planning to stay on course, which outlines goals and evaluates both internal and external circumstances to develop a plan, put it into action, monitor progress, and make required adjustments (Thompson and Strickland, 2003).This means that, in response to the turbulent environment, every organization or business, regardless of sector, should develop and implement clearly defined competitive strategies.

Researchers have examined the moderating effects of organizational autonomy and the positioning effects on the relationship between competitive strategies and performance (Caton Munyoki 2015).Yet positioning has little or no effect on this industry because products are of a wide variety. The Kenyan market has been dominated by foreign products from France 52%, Belgium 11.9%, China 9% (Euro monitor international, 2021). Focusing on this strategy alone might not improve the performance of a firm. Liambila (2018) in his study on influence of competitive strategies on performance of privately owned meat processing companies, found out firms need to give customers a realistic impression of their services by ensuring the accuracy of their promotional materials and their ability to communicate effectively. However, the stated strategies in useful where the customer has specifically focused on a specific niche of market.

Ng'endo (2018) her study on competitive strategies on the banks, found out the banks adopted focus strategies to stay close to its customers and monitor their needs. Having such a strategy has proven to be one of the most effect strategies. however, without satisfying the needs of your customers and understanding their needs this strategy would not be useful.

(Nyakundi 2018) In his study, he used a sample size of 445 and the respondent were in managerial position. He took 183 respondents from Safaricom, 152 from Telcom and 110 from Airtel Kenya. This sample size would not give the correct picture because, in the fragrance industry the sales assistance and the business development excusive, are responsible in studying the market and their insights are very important in the creation of a strategy in a business.

The fragrance industry is anticipated to grow by 1.70% CAGR 2023-2027. (Statista 2022) and contributesUS$1,195.00 to the economy of the country (Euro monitor 2022). This has also created jobs to some family yet no research has been done to highlight the challenges faced and how to overcome these challenges. And because of these factors, this study aimed to determine the influence of competitive strategies on the performance of fragrances firms in Nairobi.

1.3 Objectives of the study

The study had a general objective and the four specific objectives.

1.3.1 General objectives

To determine the influence of competitive strategy on performance of fragrance firms in Nairobi County.

1.3.2 Specific Objectives

1. To determine the effect of cost leadership strategy on performance of fragrances firms in Nairobi.
2. To Assess the effect of differentiation strategy on performance of fragrances firms in Nairobi.
3. To Evaluate the effect focus strategy on performance of fragrances firms in Nairobi.
4. To Analyze the effect distribution strategy on performance of fragrances firms in Nairobi.

Research Questions

1. Does cost leadership strategy affect the performance of fragrances firms in Nairobi?
2. Does differentiation strategy impact the performance of fragrances firms in Nairobi?
3. What is the influence of cost focus strategy on performance of fragrances firms in Nairobi?
4. How does distribution strategy impact the performance of fragrances firms in Nairobi?

Justification of the study.

The findings of the present study will be beneficial to different stakeholders including the government of Kenya, project managers in housing projects and researchers.

1.5.1 Academicians

The findings of this study extended the field of knowledge and established the foundations for future scholars and academicians, particularly those concentrating on the fragrance industry, as there hasn't been much done in this area, and as a source of literature for various competitive business methods, by enabling them to make wiser and more profitable decisions.

1.5.2 Investors

Our research will help both current and potential investors. It would also assist them in becoming more innovative when implementing new competitive strategies. It would shed light on the various competitive strategies employed by various market players, as well as enable them to devise ways to cope with and overcome the challenges encountered in implementing these strategies. This would allow them to compete more effectively.

1.5.4 Managers

This study will help the management in adding more information of the fragrance industry and this will aid in innovation and training of the stuff. It will also help the government in collection off revenue and in improving the standard of fragrances in the market.

1.6 Scope of the Study.

The study focuses on the fragrance industry in Nairobi. The study's target population will consist of all the general managers and departmental heads all the five fragrance companies in Nairobi. The study will focus on the manager because they have access to information required for this study, the financial records and products formulation. The collection for this data will be done within a month. And analysis for the data within a week due to the limited research time. The study will use cost leadership, differentiation and focus variable. According to porters this variable has been used and investigated as one of the main pillars of creating competitive advantages in firms. In addition, I'll emphasize on the following theories; Resource based view theory, Open system theory, Porters competitive, Business strategy typology and the dynamic capabilities theory to bring out the influence of competitive strategies on firm's performances

II. LITERATURE REVIEW

2.1 Introduction

The related literature on the impact of competitive strategies on a firm's performance as discussed by various researchers and academics is reviewed in this chapter. The information is gathered from a number of sources that are directly related to the issue and the study's goals.

2.2 Theoretical Review

This research will review the following theories: Resourced based view theory, Open system theory, Porter's competitive business strategy typology and The Dynamic Capabilities Theory.

2.2.1 Resource Based View Theory

The resource-based viewpoint emphasizes an intra-organizational issues and contends that firms-specific resources contribute to resources and capabilities (Barney, 1991). A firm's competitive advantage is focused on the application of a variety of valued intangible or tangible resources that are at its disposal, according to the resource RBV (Collis and Montgomery, 1995).According to the resource-based view (RBV), giving higher value to customers through innovation can help businesses become more competitive. The currently available research focuses on how an organization should strategically identify and deploy its resources to gain a long-term competitive advantage (Barney, 1986). By taking into consideration the competitiveness of their local alliances in developing markets or subsidiaries, international business theorists also describe failures and successes of businesses across borders (Luo, 2003). For conceptualizing value in accordance with local requirements, local knowledge offered by a subsidiary or local alliance becomes a valuable resource (Johnson, 1987).

According to this theory, resources are added as inputs to company's production process; can be categorized into three groups.: physical capital, human capital and organizational capital (Crook, 2008). A capability is a capacity for a set of resources to perform a stretch task of an activity. Each organization is a collection of unique resources and capabilities that acts as the foundation the primary sources of its returns and for its strategy.

The three types of resources that make up a firm's production process, according to the resource-based view theory, are physical capital, human capital, and organizational capital (Crook, 2008). A capability is the ability of a group of resources to complete a demanding activity. Each organization is comprised of a variety set of unique assets and skills that serve as the foundation for its strategy and the primary source of its profits. In the hyper-competitive landscape of the twenty-first century, a firm is a collection of evolving capabilities that are managed dynamically in pursuit of above-average returns. Using the Resource Based View concept, it is possible to comprehend how the fragrance industry can gain competitiveness by innovatively delivering superior value to customers; they emphasize the strategic identification and use of resources for developing a sustained competitive advantage.

2.2.2 Open system Theory

The open systems theory argues that as firms conduct their businesses they will be affected by events, modifications, or elements from outside environments (Burnes, 2000). Any successful business must regularly engage with the constantly shifting external environment. Businesses that need to be efficient and successful must adjust effectively to changes in their environment. Due to the fact that businesses are dependent on their environment and environment-serving (Ansoff and McDonell, 1990), companies must fit into or adapt to their environment in order to survive (Duncan, 1972).

According to Lawrence and Lorsch (1967), businesses can continue to operate in any system by interacting with their surrounding environment. Being permeable to through no limits and interacting with the environment, it feeds upon itself. Open systems exchange inputs with their surrounding environment to maintain themselves. Businesses working in open systems are very adaptable, whereas those in closed systems are not because they are not permeable and do not interact with the outside environment.

In order to draw in the resources that can maintain or improve their performance, firms need always be in constant interaction with their external environment. According to Carmeli and Tischer (2004), enterprises must compete for the limited resources essential to their survival, and only those that are amenable to their immediate surroundings may avoid extinction.

2.2.3 Porter's competitive business strategy typology

Even if a company's profitability is lower or higher than the industry average according on where it stands in relation to other businesses in the similar sector. Sustainable competitive advantage used as the essential foundation for long-term profitability that is above average. differentiation or low cost are the two main categories of competitive advantage that a firm can have. The two primary forms of competitive advantage and the range of activities for which a corporation strives produce three general techniques for outperforming the industry average: cost leadership, differentiation, and focus. There are two types of focus strategies: cost focus and differentiation focus. Differentiation strategy works when a company attempts to stand out in its industry along some dimensions that buyers highly value. It chooses one or more characteristics. that many buyers in an industry perceive as important, and uniquely positions itself to meet those needs. It is rewarded with a premium price for its uniqueness.

In cost leadership, a firms aims to become the low-cost manufacturer in its industry. The sources of cost advantage vary depending on the industry structure. They may include the pursuit of economies of scale, proprietary technology, preferential raw material access, and other factors. A low-cost producer must track down and utilize all sources of cost advantage. If a company can achieve and maintain overall cost leadership, it will be an above-average performer in its industry, as long as it can charge prices that are at or near the industry average. The broad strategy The decision to choose a constrained competitive scope within an industry has received a lot of attention. The focuser chooses a segment or group of segments in the market and develops a strategy to satisfy those segments exclusively.

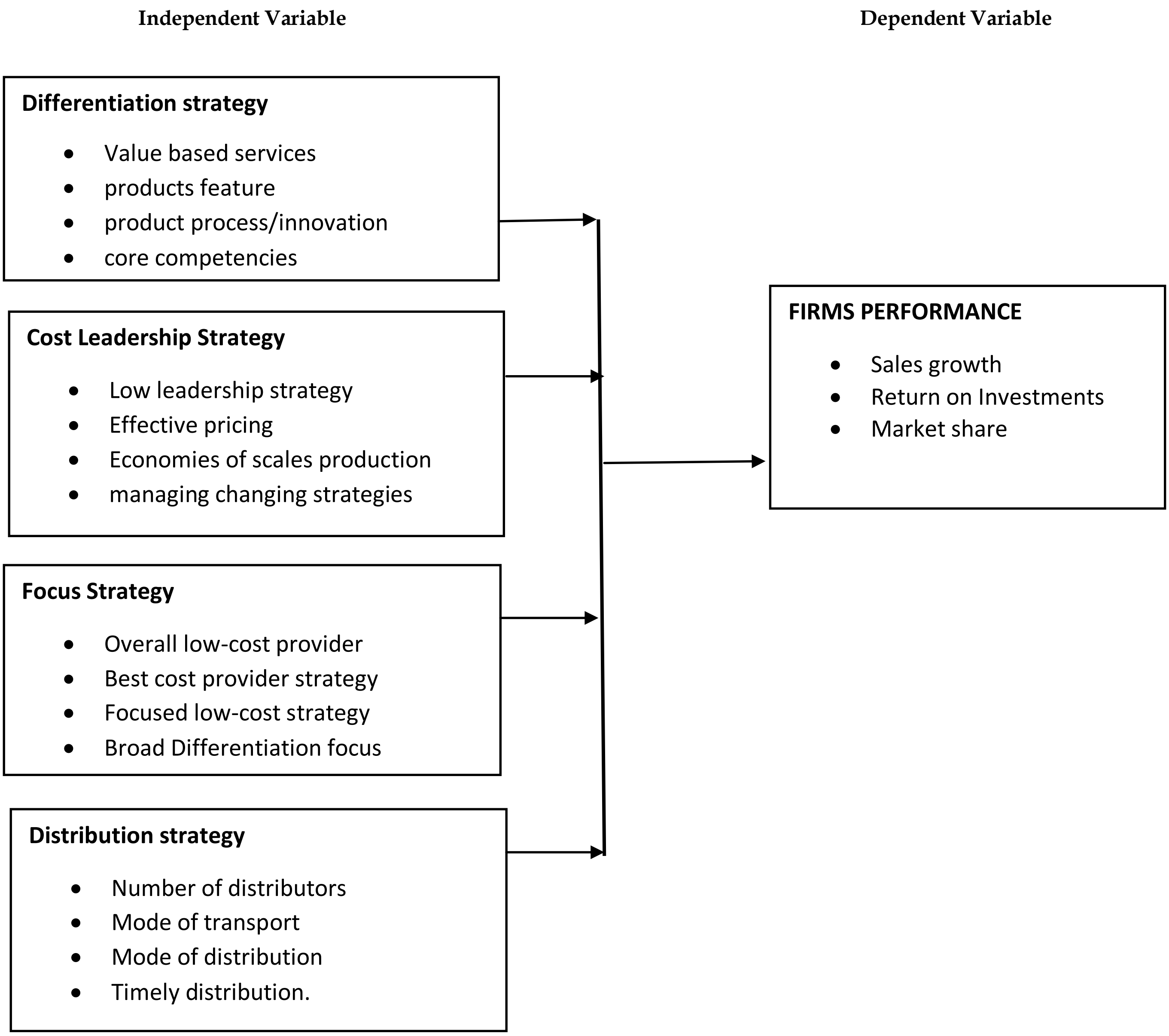
2.2.4 The Dynamic Capabilities Theory

This theory was developed by Teece, Pisano, and Shuen (1997) on the fundamental tenet that companies should continuously restructure their internal resources in order to achieve sustainable performance in a setting defined by constant change and fierce competition. It is concerned with how successfully and effectively an entity integrates, develops, and reconfigures internal and external competencies to withstand quickly changing settings (Helfat & Peteraf, 2009). Sapienza, Davidson, and Zahra (2006 contends that acquiring and maintaining a firm's competitive edge is what the dynamic capabilities are all about. Dynamic capabilities are the capacity of an entity to continuously generate, extend, or adapt their resource base to gain long-term competitive advantage. Operational capabilities are about the current organizational processes (Helfat & Peteraf, 2009). As a result, the strategy focuses on turning a short-term competitive disadvantage into a long-term competitive advantage. The theory promotes continuous market input to direct product and service enhancement through either cost or differentiation as the sure path to higher performance when applied to generic tactics. Zahra, Sapienza, and Davidsson (2006), assimilation of customer feedback in the company guides the transformation of strategic assets to align with the new strategic objectives. Teece (2007) describes how a firm should be in a position to profile threats and opportunities and work towards repositioning the firm to take advantage of the prospects and control the pressures in order to create competitive advantage. Thus, improvement of organizational competitiveness requires continuous augmentation of both intangible and tangible assets through protection, combination and reconfiguration of those 16 resources (Helfat & Peteraf, 2009). The competitive strategies pursued by the firm is informed by the need to improve dynamic capabilities of the firm. The theory is relevant to the present study as it proposes that competitive strategies would positively influence the performance of a firm which is the subject matter of the assessment.

This theory aids a company's operations, expansion, modification, and creation of standard resources as well as changes to the firm's resource base to achieve a long-term competitive edge (Ambrosini & Bowman, 2009; Helfat et al., 2017). Firms that can build and maintain a competitive advantage in the tumultuous environment will survive in this new era of globalization and internationalization, especially those who effectively utilize their dynamic capabilities. Because dynamic capacities are focused on the development of future resources, they are frequently susceptible to short-term pressures to reduce costs. (Gathungu & Mwangi 2012)

2.3 Conceptual Framework.

"A conceptual framework is a researcher's synthesis of literature on how to explain a phenomenon." It outlines the acts that must be taken over the course of study." (Regoniel, 2015, paragraph 1) According to McGaghiel et al. 2001, the conceptual framework establishes the context for presenting a specific research issue that drives the inquiry being presented based on the problem statement.



2.3 Review of variables

2.3.1. Differentiation Strategy.

Customers receive value from a company's products because of their distinctive qualities, distinctive features, and distinctive characteristics aside from price. By spending in product research and development as well as marketing, the company pursuing differentiation aims to be distinct in its industry along some dimension that is appreciated by customers (Porter, 1980). The company can outperform its competitors and generate above-average profits because it can offer its differentiated product for a price that is higher than what was invested in developing it. There are numerous ways to distinguish a product. Unique client service that places a premium on value, distinctive product features and procedures that are innovative, and core competencies (Porter, 1980).

Differentiation main aim is to broaden the market. It entails the development of goods or services that are regarded as distinctive in their industry. The corporation or business division may then demand a higher price for its goods. Design, brand image, technology, features, dealers, network, or customer service are all possible subspecialties. Because the consequent brand loyalty reduces customers' price sensitivity, differentiation is a viable strategy for generating above average returns in a particular industry. Cost increases are typically transferable to the customers. Customer loyalty can also act as a barrier to entry for new businesses. In order to successfully compete, these businesses must create their own specific competencies to differentiate their products in some way. (Porter, 2004).

It entails the development of goods or services that are regarded as distinctive in their industry. The corporation or business division may then demand a higher price for its goods. Design, brand image, technology, features, dealers, network, or customer service are all possible subspecialties. Because the consequent brand loyalty reduces customers' price sensitivity, differentiation is a potential technique for generating above average returns in a particular industry. Cost increases are typically transferable to the customers. Customer loyalty can also act as a barrier to entry for new businesses. In order to successfully compete, these businesses must create their own specific competencies to differentiate their products in some way (Porter, 2004).

Develop and maintain organizational learning, creativity, and innovation within a firm as the primary success factors for distinction in terms of strategy implementation (Pennathur, 2001). In order to understand what customers value and find significant, it is important to analyze their requirements and behavior. The product is then enhanced with the appropriate qualities to appeal to potential customers. A product with features that are notably different from those of competitors' products serves as the foundation for competitive advantage. (2015) Munyoki

2.3.2 Cost Leadership Strategy.

Cost leadership strategy according to (Porter, 1985) occur in a firm via means of experience as a result of investment in production, conservation and careful monitoring of operating costs so as to optimize the firm's performance. Cost leadership allows firms to establish a competitive advantage by implementing the low leadership strategy, effective pricing, utilizing the economies of scale and managing the changing strategies. Firms pursuing a cost initiative strategy should continually compare themselves to rival businesses with the aim of examining their relative cost (and consequently profitability) position in the market. A company that pursues a cost initiative system achieves an easy position by putting an emphasis on the forceful development of efficient scale offices, the active pursuit of cost reduction for a fact, strict cost and overhead control, the shirking of minimal client records, and cost minimization in areas like innovative work (R&D), administrations, deals drive, publicizing, and some other areas (Faith Muia, 2017).

2.3.3 Focus Strategy.

The focus strategy whether it is anchored in a differentiation or low-cost basetries to address the needs of a particular market segment (Pearce and Robinson, 1997). It contends that a company can provide its specific strategic aim more effectively or efficiently than can rivals who are engaged in more general competition. Due to this, the company either differentiates itself by better addressing the needs of the specific target market or by incurring fewer expenses to do so, or possibly by doing both (Porter, 1998).

Kombo (1997) in a study on the motor industry noting that firms had to significant adjustments in their strategic variables in order to survive in the competitive environment. The firms improved customer service, differentiated their products, segmented and targeted their consumer base more effectively, and implemented innovative product development procedures. In a study of Kenyan real estate companies, Karanja (2002) notes that the rise in players has resulted in more competition. Based on concentrated distinctiveness, the most common form of competitive strategy. The middle and high classes who lived in certain targeted estates were particularly targeted by firms.

(Nyaga, 2015) in his study concluded that firms pursuing this strategy are willing to satisfy needs of customers with special financing, service isolated geographic areas, servicing problems orinventoryor even to tailor the products to somewhat unique demands of the medium-sized to small customers. Firms who implement this strategy might generate returns that are above average for their industry. Also, it can be utilized to choose targets that are least susceptible to substitute products or regions where competitors are most vulnerable.

2.3.4 Distribution strategy.

Distribution can be a great source of competitive advantage for a business. Since each customer has unique form of distribution, it becomes hard for competitors to copy your distribution strategy, hence creating a sustainable and substantial competitive advantage. This strategy is similar to the timely distribution of goods and services to the ultimate customers. When the business desires for the customer to do collection, the good and services must be as accessible as possible. An essential factor to take into account in the distribution strategy for companies a proper location. Increased affluence and changing lifestyles have led to higher services expectation by the customers and this has made distribution one of the key marketing variable. (Hilbers, 2010)

2.4. Empirical Literature review

It involves critical and systematic review of previous studies by different researchers.

2.4.1 Cost leadership strategy and firms Performance

Faith (2014), research to effect of Competitive strategies on the performance of insurance companies in Kenya. The studied aimed at evaluating the effect of competitive strategies on the performance of insurance firms in Kenya. The research adopted a survey research design as the study aims to investigate and define a certain characteristic in the both qualitative and quantitative terms. The study shows that insurance firms offer a wide variety of product in order to satisfy the diversified needs of the customers. The study found out that cost leadership strategy is a major contributor to the firm performance in the same industry. This study shows a positive relationship between cost leadership and firms performance.

Hoag and Koontz (2011) researched on community development and the profitability of value-based meat production and processing and established that price stability, brought about by industry concentration and consolidation, provided food retailers and for services with promotional mechanisms that could not be performed when prices were highly unpredictable and production was seasonal. Demands for red meat and poultry capitalized on augment capacity utilization of processing plants and economies of scale. In highly competitive industries, cost declines should quickly be passed through either as lower prices to buyers or as higher prices to the producers. This study supports the below study.

A study done by Gakumo (2006) showed that most commercial banks in Kenya based their cost leadership strategy on high level of capital investments and streamlined organizational structure. The process engineering, skills and volume sale techniques were the lead emphasized aspects of cost leadership strategy applied by the commercial banks. According to Njoroge (2006) keeping lower overheads than competitors was more preferable than keeping same overheads as with the competitors, this would in turn translate to offering products at lower prices than the competitors.

Regionally Edson Gwangwana and Zororo (2015) research on the effects of competitive strategies and innovation on firm performance; A study of Zimbabwean textile and clothing firms. The researched aimed at determining the effect of competitive strategy on Zimbabwean textile industry. The researcher adopted a casual was to examine, the relationship between latent variable within the model. It is causal research which aims to investigate the relationship between latent variable within the model. A population of 150 employees from so textiles clothing and manufacturing were selected for this study. The study shows that firm's performance is not directly influenced by cost leadership.

2.4.2 Differentiation strategy and firms Performance

Wekesa, (2014) The research explains the effects of competitive strategies on organizational in the sugar industry in Kenya. the study aims at establishing the influence of Competitive strategies on organization performance among the sugar companies operating in Kenya. The study adopted a descriptive survey design. A population of 108 senior employees drawn and 9 sugar companies operating in Kenya. The study concluded that Differentiation helps firms to be able to achieve a competitive advantage over their rivals, increase their revenues neutralize threats and exploit opportunities. The study shows a positive relation between differentiation and firm's performance. Wendy Masale (2018) the research investigated the effects of Competitive Strategies on Organizational; Case study of Bridge International Academies, Nairobi, this study also supports the variable above.

Regionally, Edson Gwangwana (2015) found out that increased innovative ways results in improved differentiation and focused performance thereby increasing firm performance. This research brings out the concept of innovation that also contribute to positive performance of a firm.

2.4.3 Focus strategy and firms Performance

Focus entails teach your target customers, their needs, special consideration that needs to be accommodated and establish personal relationships in ways that differentiate smaller firms to make it more valuable to the target audience. Low coats can also be achieved, filling niche needs in a buyer's operations that larger players either can't operate in this areas or the cost is not effective. This gives an advantage to any other player that would want to invest or venture in this market.

Focus strategies based on low cost depends on there being a buyer segment whose needs are not costly to be satisfied. Alternatively, focus strategy based on differentiation depends on there being a buyer segment that demands uniqueness in their product features. In the focus strategy, a firm targets a specific segment market (porter, 2008). The firm can choose to focus on a select customer group, product range, service line or geographical area. Example, some services firms focus solely on the service customers (stone, 2009). Focus also is based on adopting a narrow competitive scope within an industry (Naughton, 2014).

McQuarrie (2014) stressed that focus aims at growing market share through operating in a niche market or in the market either not attractive to larger competitors. These niches arise from a number of factors including geography, buyer characteristics and product specification. Midsize and large firms use focused based strategies but only in conjunction with differentiation or cost leadership generic strategies. But, focus strategies are most effective when customers have distinct preferences and when the niche has not been pursued by the competitor firms. (Byre at al., 2016)

2.4.4Time based Distribution strategy and firms Performance
Different sorts of retail location can meet different needs of customers. Davies and Clarke (2014) provide an example of the dimensions of locational positioning which is based on the objective of the consumer groups when they go shopping. Under this model, the principal driver of consumer behavior when they go shopping is saving on time. Where time is less important but the ability compare goods either in terms of price or different location outcomes are possible (Koontz and hoag 2011). To bring it closer home, it has been noted that companies whose offices are not within the city, distribution and collection of the fragrances becomes a challenge hence losing out on so many customers. Each customer is out to say the last coin hence an additional cost on the transportation becomes a huge challenge.

Lamb (2010) noted that meat distribution in Kenya can be achieved through intensive distribution which is the distribution aimed to utmost market coverage. The producers try to make the goods accessible for the customers to be able to buy it in selected stores.

2.5 Critique of Existing Literature.
Countless research has been carried out by various researchers from the reviews we've discussed from above and more with mixed results on the competitive strategies – firm's performance relationships. Firms face task of creating their competitive advantage and sustaining competitive strategy over a long period of time. Looking at Allen and Helms (2006) findings suggest that a focused cost leadership strategy is the best route to superior firm performance which is inconsistent with finds of Arasa and Gathinji (2014) which suggested that the market focus strategy contributed most to firm's performance.

According to Hansen & Haas (2005), agreeing with Shoemakers & Amito opine that resources do not directly lead to sustainable competitive advantage of firms but it is their capabilities that do. Resources in themselves are not able to bring about competitive advantage but when used effectively they will. They further argue that firm's capability is firm capacity id firm capacity to deploy resources usually in combination, using organization processes that are specific to a particular firms and always developed over time through the interaction the firm has with its resources. According to Locket ET AL 2009 the most important resources are often times unobservable, difficult to measure and complex. Grecoet al, (2013), have disputed that physical resources alone is sufficient to maximize profits, they argue that financial liquidity, operating funds borrowing capacity and firms ability to generate internal funds is vital to operate a profitable firm. The study also used only managers and top management employees, this will not bring out the best results as other employees are also very important in this study.

There is not sufficient emphatically evidence on whether the fragrance company can use the competitive strategies to achieve firms' performance.

2.6 Research gaps
Several studies have been done regarding competitive strategies and performance, however many studies were carried out, Manufacturing industries, Telecommunication industries, small and medium firms gap that needs further research still exist with little studies on fragrances industry hence hindering generalization of the findings to this industry.

2.7 Summary of chapter

This chapter presented various theories that will serve as the study's foundation. Resource Based View Theory, Open System Theory, Porter's Competitive Business Strategy Typology Theory, and The Dynamic Capabilities Theory. The chapter examined the impact of competitive strategy on firm performance as well as the relationship that exists between the two variables. This chapter also included a conceptual framework, empirical review, study critiques, and the knowledge gap that the study seeks to fill.

III. RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that will be used to collect the data necessary to achieve the research objectives. It focuses on the research design, study population, sampling techniques, sample size, data collection, and data analysis.

3.2 Research Design

A research design, is a set of guidelines that serves as the foundation for data collection, measurement, and analysis Atikiya (2015). According to Cooper and Schindler (2014), the plan and framework is how the solutions to the study questions are carefully analyzed and obtained. according to Faith Muai (2017), research design is the overall plan outlining the steps to take in order to gather data, analyze it, and turn it into knowledge that will help answer the research questions. In order to analyze and identify a certain feature both numerically and qualitatively, this study used a survey research approach. According to Kothari (2009), surveys are more effective and cost-effective, which helped in understanding public opinion and respondents' attitudes. In addition, Creswell (2009) pinpoints that survey design can be used to examine the connection between different variables and assess the theories behind the objectives. The study will assume a census approach.

3.3 Population of study.

Ott and Longnecker (2015) postulate that a target population comprises of the total group of units with common features which can be subjected to a study. The target population comprised of the 5 firms in Nairobi each having 35 employees. The employees Include: The Managing Director, finance and marketing Directors, production manager, business development manager and the sales and marketing reps. Therefore, the study targeted 175 respondents. The respondents were purposively selected as they are well versed with information sought regarding competitive strategies and performance of the fragrance firms in Nairobi. The firms will include; expression perfumes, Arichem, IMCD, Creative fragrances Kenya and IBECHEM.

Table 3.1: Sampling size and Sample techniques

According to Cooper and schindler (2000), a sample is a small portion of a homogenous population that gives general view of the whole population. A sample will be drawn from 175 respondents including the Managing Director, finance and marketing Directors, production manager, business development manager and the sales and marketing reps. The respondents were carefully selected as they are well knowledgeable sought regarding competitive strategies and performance of the fragrance firms in Nairobi. A census approach was considered as the population was relatively small. Oso and Onen (2005), a census approach entails the is systematic acquisition and recording of data from every component, participant, or unit in a specific population. Samel Ngugi (2014) stated that the participants the threshold used meets the minimum size of thirty (30) as recommended by Mugenda and Mugenda (2003) for normal approximations.

Firms	Frequency	Percentage
Expression Perfumes	35	20
Arichem	35	20
IMCD	35	20
Creative Fragrances Kenya LTD	35	20
IBECHEM	35	20
Total	**175**	**100**

TABLE 1: SAMPLE SIZE 1

Source: Author (2019)

3.6 Data collection instruments

Both primary and secondary data have been employed in the investigation. The data collection methods included focus group participation, discussion, interviews, and surveys. Muia, Faith (2014). Findings from this survey will help us understand how the organizations' primary stakeholders and other workers see how competing strategies affect business performance. Sekaran and Bougie (2010) noted that the questionnaire is a reliable indicator of the association between items or people's reported behavior and beliefs and their level of self-sufficiency. Saunders et al., (2007) added that with questionnaire it is possible to analyze and derive description, correlation and inferential that would be required. Secondary data will be collected from annual performance journal and other publications the firms.

3.7 Data Collection Procedure

A research questionnaire will be used to collect data for this study. The drop and pick technique will be used to deliver the research instrument to the respondents. The study will focus on variables that cannot be directly observed, such as respondents' views and opinions, perceptions and feelings; as such, this type of information is best collected through questionnaires. The target population is unlikely to have difficulty responding to questionnaire items. The researcher will approach each respondent, introduce herself by explaining the nature and purpose of the study, and then leave the questionnaires with the respondents to be completed and picked up later within one to three weeks.

3.8 Pilot Study.

Pilot studies are typically conducted prior to large-scale quantitative research. This is aimed at reducing the possibility of wasting money and time on poorly designed projects or projects that are not feasible. A pilot study is typically conducted on members of the relevant population, but not on those who will be included in the final sample. This is because it may influence the future behavior of research subjects who have already participated in the study. A pilot experiment/study is frequently used to test the design of a full-scale research project, which can then be adjusted. It is a theoretically valuable insight, and if anything is missing from the pilot study, it can be added to the full-scale research to increase the chances of a clear outcome.

An instrument pre-test will be conducted to pre-test the research instruments. According to Taherdoost (2016), 10% of the population is adequate for the pilot study The questionnaire will be administered in person by the researcher. The clarity of the research instruments will be evaluated during the pre-test. The pre-test data will be analyzed and the reliability will be checked using Cronbach's alpha, and the results will be used to improve and strengthen the data collection instrument. To avoid bias, pilot study participants will not be included from the final study. Piloting will be used to determine whether the instrument will meet the objective.

The researcher will select 10% of the sample population for the pre-test who will be based Creative Fragrances Kenya Limited in Nairobi county. As such, the pilot test will be conducted among 17 respondents. This population is best placed for pilot testing owing to the fact that this will represent all the levels of management. Respondents will be informed that the study will only be used for academic purposes and that the information will not be used for personal gain. The pretesting data will not be used in the actual study, and respondents will not take part in it.

3.8.1 Validity Research Instruments

The ability of an instrument to measure the construct as intended is referred to as its validity. Construct validity is used to determine whether a variable's operational definition accurately reflects its true theoretical meaning. The construct validity test will be used to determine whether the operational definition of variables accurately reflects the true theoretical meaning of the study concepts. The questionnaire for this study will be based on similar prior studies, with modifications aimed at addressing the study objectives.The questionnaire will be simplified in a language that all participants are familiar with to ensure its validity. The researcher will assess validity by asking a series of similar questions. The questionnaire's questions will be designed with issues related to the problem, study objectives, and theories under consideration in mind. As a result, it is expected that the responses and results of this study will be reliable.

3.8.2 Reliability of Research Instruments

A reliability test will be performed to ensure the internal consistency of the data measurement instrument. The Cronbach alpha will be used to determine the instrument's dependability. A Cronbach alpha of 0.7 or higher is an excellent indicator of the instrument's dependability. Cronbach alpha is important to a researcher because it allows the researcher to determine whether the instruments provide reliable and consistent responses even when similar questions are substituted. A variable is stable if it consistently produces the same response to a similar set of questions. Cronbach alpha indicates reliability by providing a true score of the underlying or base construct.

3.9 Data Analysis and presentation

Primary data collected via questionnaire will be entered into a spreadsheet where it will be cleaned, ordered, and organized before being analyzed to produce meaningful information. Data will be edited to remove inconsistencies, information will be classified based on similarity, and tabulation will be performed for variables under investigation. Because the data specified in the questionnaire is both qualitative and quantitative, the appropriate analysis will be performed. For quantitative data, indices and statistics such as mean, standard deviation, percentages, and frequencies were used to generate both descriptive and inferential analysis. Faith Muia (2017)

Independent variables that is competitive strategy was based on Porter's (1980, 1985) typology where three strategy dimensions were adopted by this study. These three dimensions formed independent variables: focus strategy, differentiation strategy and cost leadership strategy which are measured by 5-point Likert scale where 1 =strongly agree, 2=agree, 3=neutral, 4= disagree and 5=strongly disagree. Differentiation strategy will be measured in terms of value based services, products features, product process and innovation and core competencies. Cost leadership strategy is also proxied by effective pricing, low leadership and economies of scales production, while focus strategy is defined as the specialty of products and/or services.

In order to establish a relationship between the three explanatory variables and firm performance, inferential analysis will be required. The hypothesis will be tested using ordinary least squares for each research question. The significance of the relationship between differential, cost leadership, and focus strategy on fragrance industry firm performance will be determined using ANOVA, while the direction of the relationship will be determined using regression analysis. Pearson's correlation analysis will also be performed to assess the strength of the relationship between these variables. . Pearson's bivariate correlation will be used to test the relationship between competitive strategy and firm performance. The formula below will be used to calculate the magnitude and statistical significance of the joint effect based on multiple linear regression analysis.

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + e$$

Y=Firm Performance,

X1= Differential Strategy,

X2= Cost Leadership Strategy,

X3= Focus Strategy

X4= Distribution Strategy

$\dot{\varepsilon}$i,t= error term

3.10 Assumptions of regression Model

Because regression models are parametric, they contain assumptions that, if violated, can lead to biased, inconsistent, and inefficient parameter estimates. Normality, multicollinearity, and linearity are the regression model's assumptions.

Normality: This is an assumption that all errors are normally distributed around zero. Normality refers to the extent to which the distribution of the sample data corresponds to the normal distribution. One of the most important assumption underlying multivariate analyses is the normality of data. The researcher will use the rule of thumb that a variable is reasonably close to normal if its skewness and kurtosis have values between -0.1 and + 0.1. Normality test is important because regression model estimation methods are based on an assumption of normality since normally distributed data ensures that the data is fit for further statistical analysis and does not result to inflated statistics and under- estimated standard errors.

Homoscedasticity Test: The assumption of homoscedasticity is that the dependent variable has similar amounts of variance across a range of values for an independent variable. The Breush-Pagan test will be used as recommended to test for variance homogeneity. Whereas the Breusch-Pagan null hypothesis states that the error term is constant. To meet the homoscedasticity assumption and to allow further analysis of the regression model, the probability value should be greater than 0.05.

Multicollinearity: The linear correlation between variables is referred to as multicollinearity. The multiple regression model assumes that the data being analyzed does not exhibit multicollinearity, which occurs when two or more independent variables are highly correlated with one another. This causes issues in determining which independent variable contributes to the variance explained by the dependent variable, as well as technical difficulties in calculating a multiple regression model. Multicollinearity will be tested for correlated variables using Variance Inflation Factor (VIF). A VIF value greater than ten and a tolerance less than 0.1 indicate the presence of multicollinearity.

Linearity: Linearity denotes a linear relationship between the explanatory variables and the outcome variable. In other words, each unit increase in an explanatory variable corresponds to a fixed increase in the outcome variable. The dependent and independent variables should have a linear relationship. Linearity refers to the degree to which variation in the dependent variable is related to variation in the independent variables. The Pearson's correlation coefficient will be used to test the linearity of the relationship between the variables.

IV. DATA ANALYSIS, FINDINGS AND DISCUSSION

4.0 Introduction

This chapter presents the analysis, findings and the discussions based on the research findings. The study objective was to determine the competitive strategies adopted and the effects of those strategies on the performance of fragrance firms in Nairobi. Of the targeted 35 respondents, 14 middle level managers and 21 employees availed themselves for an interview per organization in the 5 companies we were to investigate.

4.1 General Information

The researcher sought to collect some background information concerning the targeted interviewees. This helped to establish their appropriateness in providing the desired information that the researcher sought. The respondent was asked to indicate the position they held at the company. From the responses, fourteen of the respondent were middle level managers and the rest held different position in the organization. Additionally, the interviewees were required to specify the duration of time that they had worked at the firm. Majority of the respondent had been in the company for more than five years. This shows that the interviewees understood the company`s operations with regards to the adopted competitive strategies on performance.

4.2 Competitive Strategies Adopted by the Fragrance firms.

The interviewees were asked to indicate the strategies that were being adopted in their organizations at the attempts to ensure that it remained competitive. From the given responses, the interviewees indicated that based on the first research question the study sought to determine the effect of the differentiation strategy on performance of fragrance firms in Nairobi. Respondents were required to rank their level of agreement in a five point Likert scale, about the strategy used by the companies they operated. Different statements were put across to gather the intended measure of differentiation strategy in terms of value based service, product features, product innovation and area of core competency. The respondents were asked if they offer broad range of products in the firm they operate in. Almost half of the respondents agree, while 40.7 percent strongly agreed, 11.1 percent took a neutral stand while less 5 percent recorded strong disagreement and disagreement. I also wanted to enquire if the companies focused on product design technique that economize on cost of materials, majority were of the opinion that it was true as indicated by 35.6 percent and 43 percent agreement and strong agreement.

Also, the study sought to know whether respondents' firms was conscious effort to differentiate our product from those of competitors. Response showed that slightly above half or the respondents strongly agreed while 40.7 percent just agreed while less than 4 percent disagreed. It was interestingly to note that 80 percent of the respondents' fragrances company didn't offer narrow range of products as compared to the competitors. Overwhelmingly, 90 percent of the respondents showed that in their company engaged in continuous process of the developing new product. Further, more than 90 percent of the respondents agreed to have innovative product that are better than competitors. Slightly above 50 percent supported that they do not use technology as method of production meaning that they use other ways of production. Surprisingly, majority of the respondent (67 percent) agreed that their companies made major expenditure on technology to differentiate their product. Moreover, respondents were asked if the product/services provided had developed strong brand identification. Majority of the respondents (33.3 percent) indicated their agreement while on equal basis 24.4 percent strongly agreed and took a neutral stand respectively. More than seventy-one percent of respondents agreed that their insurance companies strived to build strong reputation within the industry. Further probe as to whether the respondents' insurance always follow the actions of the competitors was meet with 44.4 and 40.7 percent who agreed and strongly agreed respectively, 11.9 percent were neutral while less than 5 percent disagreement. On the ending note, 80 percent of the respondents agreed that they always introduction new products before their competitors.

The respondent noted that the company had adapted cost leadership strategies so that it could remain competitive in terms of low leadership strategy, effective pricing, economies of scales production and managing changing strategies. These strategies also ensured the provision of high quality services to customers. They further indicated that the company adapted these strategies so that clients would enjoy a different feel on the services being provided by engaging a uniformed staff, standard departure and arrival stoppages. Some of the middle and top management were the ones charged with the implementation of adopted strategies at the firm.

To investigate focus strategies, the respondents were asked if they have overall low-cost provider, if the used the best cost provider strategy or if they focused on low-cost strategy and finally if they adopted a broad differentiation focus. More than two-third of respondents showed an agreement to provision of low-cost provision against less than a fifth recorded disagreement and the rest opted to be nowhere on this statement. While a third of the respondents were of the view that their companies did not focus on low-cost strategies, slightly above fifty percent agreed that they emphasize broad differentiation focus. Also, more than eighty percent of respondents greatly agreed that they deal with broad product serving wider market while above two-third of supported they target specific market. Finally, it was interesting to note that most of the respondents were quick to respond to changes in demand of our customers as shown by their more agreement in large proportion.

4.3 Competitive Strategies and Performance of Fragrance firms in Nairobi.

The respondent was required to identify the extent to which the competitive strategies had affected performance in the company. The respondent noted that the adopted strategies had affected performance at the firm to a great extent. The companies embarked having competitive prices in the market enhanced a sustainable competitive advantage in providing service quality to it clienteles. The respondent indicated that during strategy formulation, the companies looks at the resources availability and the potential available to generate more value from these resources in a sustainable way. The respondent indicated that competitive strategies influenced the profitability of the firms in that they can choose to focus on a select customer group, service range, and geographical area. The focus strategy, whether anchored in low-cost base or differentiation base, attempts to attend to the needs of a particular market segment. The focused on firm's profit from their willingness to serve otherwise ignored or underappreciated customer segments. On the question on ways the strategies influenced operating costs in the firms the respondent stated that the companies open up a sustainable cost advantage over competitors and uses that lower cost as a basis for either under pricing the competitors and gaining a larger market share at their expense or earning a higher profit margin by selling at the going price.

4.4 Discussions

The study purposed to establish the overall impact of competitive strategies on the performance of the fragrance companies in Nairobi. The findings of the study demonstrated that indeed competitive strategies contribute positively to the fragrance companies' performance. Competitive strategies as postulated by differentiation, cost leadership, distribution and focus strategy was found to explain most of the performance of the fragrance companies by more than ninety percent. This study, therefore disproves Porter's (1980) assertion that use of the competitive strategies leads to the situation of the being 'stuck in the middle' which further leads to poor performance. Instead, this study has demonstrated clearly that firms adopting a combination of the competitive strategies has realized more than average performance thus these strategies can be said to be a key determinant of the firm's performance. The study also supports the use of the hybrid version on these strategies as they show a progression in the firm growth in market share and profitability. Alike Leitner and Guldenberg (2009), the study established that hybrid strategies gave a better performance of SMEs in Austria than generic strategies. Although, differentiation and cost leadership strategies seems to be the highest contributor to the increased performance, focus strategy is inseparable from the two. Focus strategy help firm to differentiate market segment where affordable prices to be offered (Jiri et al., 2013). Consistent with Atikiya's (2015) study of manufacturing firms in Kenya, the study proves that good strategies on how to compete help an institution on how to counter any market opportunities for better returns thus granting competitive advantage. A confirmation of this is shown when the efficiency which is an element of differentiation bring about an improved quality of products by concentrating on the items meant to improve the product. By so doing, firm products receive increased demand, which further enables the company to attain higher market shares. Going by the findings of this study, there is a sufficient information to believe to the combine the three strategies instead of individual strategies as they prove to be more effective.

V. SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This study sought to explore the effect competitive strategies on performance of fragrance firms in Nairobi. The chapter presents the summary of findings, conclusions drawn from the data findings. It presents the recommendations of the study. All this had been geared toward achieving the objectives of the study.

5.2 Summary of Findings

On the competitive strategies adopted by fragrance firms in Nairobi, the study established that the firms adopted a number of competitive strategies including: cost leadership, differentiation strategies, focus strategies and distribution strategies. In cost leadership strategies, the firms confirmed that having effective pricing, utilizing the use of economies of scale and managing each strategy that has been adopted was a way of creating competitive advantage over its competitors. Differentiation strategies was also a key component, the findings were, used of value based products, product features and key components when well adopted created a competitive edge.

On the effects of competitive strategies on performance of fragrance firms in Nairobi, the adopted strategies had affected performance at the firm to a great extent in that the companies embarked on being the lowest priced services provider among its competitors; they choose to focus on a select customer group, service range, and geographical area and the company opens up a sustainable cost advantage over competitors and uses that lower cost as a basis for either underpricing the competitors and gaining a larger market share.

5.3 Conclusion

From the findings of the study, differentiation strategy has proved to be a technique that can be employed by those firms wishing to outperform the market. This strategy relevance and positivity towards firm performance can henceforth not be ignored. It can also be said that firms need to learn more areas in which they are supposed to differentiate themselves. This study leads to a conclusion that use of broad range of products, focusing on techniques that cut done cost, continuous development of new and innovative lined products and striving to be ahead of the competitors are success tale for producing a differentiated product that help beet the market. Further, it can be said that companies should also aim to be the first in releasing new products that cannot be imitated easily so as to maintain their market share

It can be concluded that the favorite strategy for the operators of in the fragrance industry is cost leadership owing to strong positive relationship that it holds with firm performance. The principle of charging lower price, engaging in sales promotion and investing in technology in a bid to lower cost should be held securely to avoid outweighing benefit realized by automation, outsourcing, improved internal efficiency and buying raw material at reduced prices. Firms need to consider and define affordable price so as to charge the most economical ways that ensure the company gains after the sale of the insurance policy. Also, firm should not sacrifice revenue in exchanges of just being a cost leader. As Chege (2016) points, lower prices may lead rise in demand and increased market share and in case a firm charges lower price they may lose revenues.

Focus strategy helps firms to stay close to customers in a given market segment thus strengthening their relationship with customer. Fragrance companies ought to focus on specific market sectors in which they are highly specialized through this they minimize operational costs and improve profitability. In order for an organization to maintain their focus there is need for a coordinated research and development department which ultimately enhance the competitive advantage and attainment of superior performance. More so fragrance companies should embrace the use of alignment and partnership with other players in the market as such to minimize operational costs and enhance market coverage and improve on their revenues.

5.4 Recommendations

The findings of the study show cost leadership strategy as a major contributor to the firm performance in the fragrance industry. This means that continued use of this strategy may yield better results thus companies wish to outperform the market can adopt this strategy to great depth.

5.5 Limitations of the Study

The study faced a limitation as regards to interviewee's confidence that the information provided would not be misused but used for the purpose for which it was meant. To overcome this challenge, the researcher assured the respondents that the information they provided would be treated with confidentiality and used for academic purposes only.

5.6 Suggestions for Further Research

The study recommends that; research could be expanded to include other companies in this industry in order to make a comprehensive conclusion. At the same time the same study should be carried on other industries especially in the manufacturing sector, to enhance comparison. The study was confined to effect of competitive strategies on performance thus the study recommends that other strategies firms are adopting to thrive in this industry could be put into considerations.

ACKNOWLEDGEMENT

First and foremost, I want to express my gratitude to the Almighty God for providing the resources, the chance, and the good health and wellness required to complete this research. The acclaim, honor, and glory be to Him.

My superior has my eternal gratitude Dr. Enoch Anene for his prompt feedback, patience, motivation and guidance throughout the study. I must express my profound gratitude to my classmates and friends for their unfailing and continuous support throughout my years of study and for sharing in the good times and the hard times.

My sincere appreciation to my family and relatives who shared their time and resources to ensure that I get the best out of my life. This accomplishment would not have been possible without you. May the Almighty God bless you abundantly.

DEFINITION OF TERMS

Competitive Strategies – are the plans of action that firm takes to increase client attraction, withstand pressure from rivals, and improve market performance (Thompson, Strickland & Gamble, 2010).

Cost leadership – strategy according to (Porter, 1985) occur in a firm via means of experience as a result of investment in production, conservation and careful monitoring of operating costs so as to optimize the firm's performance.

Differentiation strategy- this can be defined as coordinated arrangement of activities intended to create merchandise or service that clients perceive as being different in ways that are important to them. The strategy involves distinguishing a company, products or services in unique ways to satisfy customer needs. (Porter, 1985)

Focus strategy– this is where a firm offers unique products or services at a premium pegged on the value added (Hax &Majlux, 2016)

Distribution– is the process of making a product or service available for the consumer or business user who needs it, and a distributor is a business involved in the distribution stage of the value chain. (Hilbers, 2010)

Fragrances – perfumes used as raw materials by manufacturers. (Euro, Monitor 2019

DEDICATION

I wish to dedicate this research work to my family, my friend and my supervisor for the love and immerse support. And all those who supported me in the completion of this project writing.

Thank you so much, God bless you.

References

[1.] Adams, R., and Mehran, H. (2003). Is Corporate Governance Different in Bank Holding Companies? *Working Paper. Federal Reserve Bank of New York, 124*

[2.] Association of Chartered Certified Accountants (ACCA) (2009). *Disclosures on Corporate Governance, Reporting Trilogy* – Research on Reporting Disclosures: Part 2 [2]

[3.] Breene, T., & Nunes, P., F. (2006). Going the distance: How the world's best companies achieve high performance. The Journal of High- Performance Business No. 3

[4.] BDO Corporate Governance Review 2012, *7th Annual Review on HSCI Companies* [3]

[5.] Beeks, W. and Brown, P. (2006). Do better-governed Australian firms make more informative disclosures? *Journal of Business Finance and Accounting, Vol. 33/3-4, p. 422 - 450 [4]*

[6.] Bennis, W., Goleman, D., and O'Toole, J. (2008). Transparency: *How leaders create a culture of candor*, San Francisco, Jossey-Bass [5] Bennis,

[7.] Dameron, S., & Torset, C. (2014). The Discursive Construction of Strategist's Subjectivities: Towards a Paradox Lens on Strategy. *Journal of Management Studies, 51(2),*

[8.] Demerits, J. (2010). *Strategy-As-practice: Implementing an External Growth StrategyWithin a Subsidiary*" PhD Thesis, University of Surrey UK.

[9.] Gharashe, J. K. (2017). Analysis of factors influencing government projects in Kenya: A case of Nakuru County. *Project Management Journal, 36*(4), 19–31.

[10.] Kaberia, E. S. (2019). *The influence of monitoring and evaluation practices on the performance of projects funded by faith based organizations in Nairobi county*. Retrieved from http://erepository.uonbi.ac.ke/bitstream/handle/11295/107369/

[11.] Kimutai, G., & Gachunga, H. (2016).*Influence of employee capacity on health workforce performance in Kenya's public health sector*: a tale of iso 9001:2008 certified hospitals. *European Journal of business and Social sciences, 2*(9), 134-152.

[12.] Kariuki, P.W. (2007), *Competitive Strategies Adopted by Exhibition Stalls in the Nairobi Central Business District.* Unpublished MBA Project, School of Business, University of Nairobi.

[13.] Kosom, P. J. (2011), *Competitive Strategies Adopted By National Oil Corporations in Kenya*. Unpublished MBA Project, School of Business, University of Nairobi.

[14.] Mintzberg, H., & Quinn, J., (1991), The Strategy Process. Prentice-Hall, New York.

[15.] Mugenda, O. & Mugenda A. (1999), Research Methods: *Quantitative and Qualitative Approaches.* Acts Press.

[16.] Muthoni. (April 11th, 2013), *Cosmetic Brands Battling for Kenyan Market*. Business Daily

[17.] Ndung'u . C.W. (2011), *Competitive Strategies Adopted By Players in The Beer Industry In Kenya*. Unpublished MBA Project, School of Business, University of Nairobi.

[18.] Situma, E. (April 11th, 2013). *Cosmetic Brands Battling for Kenyan Market*. Business Daily Thompson, A.A. & Strickland, A.J. (1998), Crafting and Implementing Strategy: Text and Readings. 10th Edition, Irwin Mc Graw Hil

[19.] Russell, R.B. (2013). *Social research method: qualitative and quantitative approaches*. Los Angeles: SAGE Publications.

[20.] Wang, X., Zhao, T., & Chang, C. T. (2021). An integrated FAHP-MCGP approach to project selection and resource allocation in risk-based internal audit planning: A case study. *Computers & Industrial Engineering*, *152*, 107012.

[21.] Wheelen, T. L. & Hunger, J. D., (2011). *Strategic Management and Business Policy.* Upper Saddle River, N.J.: Prentice Hall

[22.] Xie, H. & He, B. (2008). An Eternal Topic of Industrial Democracy and Employee Involvement literature Review of Industrial Democracy and Employee Involvement in China. *Socialism Studies*, 31(5) 86-93. 2008