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Competitive Strategies Employed and Performance of Tea Growers in the Western Zone of Kenya; A Case Study of Unilever Tea Kenya Limited

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Abstract: **The study aims at determining the competitive strategies employed and performance of Unilever Tea Kenya Limited (UTKL). Competitive strategies encompass the overall organizational moves and approaches, which a firm possesses and is undertaking as a means of attracting buyers while withstanding competitive pressure and improving its market position. The environment of the tea industry in Kenya is characterized by intense competition with a great number of industry players all competing for the same customers. The high number of industry players has resulted in shrinking and fragmentation of market share for all the companies and in order to guarantee their continued survival and relevance in the current market, companies, including Unilever Tea Kenya Ltd, have had to adopt competitive strategies to ensure that they protect and grow their market share, thereby improving their performance. Specifically, this study set out to establish the competitive strategies adopted by UTKL; the effect of these competitive strategies on the overall company performance of UTKL and; to identify challenges that face strategy implementation in the company. The most suitable study design adopted was a case study design where by the unit of study was the company Unilever Tea Kenya Limited. Primary data was collected through an interview whereby 5 top managers at the company were targeted. Content analysis was used to analyze the data. This study shows that Unilever Tea Kenya Limited has adopted a mix of strategies that ranges from Porter's generic strategies, Ansoff's strategy and grand strategies. It is apparent that the strategies UTKL has adopted have helped the company to deliver a significant positive shift in performance of the company despite the turbulent times. This included more volumes, higher quality of tea, lowering of customer complaints, and timely delivery of orders and lower costs of production. Although the degree of success associated with the strategies was not studied, it is recommended that this area needs to be investigated further. It was recommended that there is need to study the implications of the increasing competition drawn from other factory agglomerations that serve the small scale farmers. UTKL should put more efforts and focus on sensitizing its employees on the importance of competitive strategy which assists in gaining competitive advantage and impact positively on the business performance.**

Keywords: **cost leadership strategy, niche marketing, focus strategies branding strategies and performance.**

1. INTRODUCTION

1.1. Background to the study

Competitive strategies encompass a combination of all the organizational approaches and moves, which a firm possesses and is undertaking as a means of attracting buyers, while withstanding the competitive pressures inside and outside their industry, and improving its market position. These competitive strategies could be used by organizations within a particular industry to compete. Long-term strategies for an organization should derive from its resolve to seek and sustain a competitive advantage pegged on one of Porter's three generic strategies, which were summarized as differentiation, cost leadership, and focus strategies. According to Porter (1998), cost leadership, refers to the distinctive capabilities of an organization to realize and maintain a low-cost position compared to other firms within that industry, differentiation refers to a firm's endeavoring to develop a unique product for a wide array of customer groups and markets, and focus, referring to market strategies in which a firm focuses most of its resources on a growing in a narrow market.

Unilever (K) Ltd is a subsidiary of the consumer goods giant Unilever with headquarters in London. The firm was established in 1922 (as Brooke Bond Kenya Ltd) and is one of the largest tea plantations owners in Kenya (Irungu, 2012). The parent company was known as Brooke Bond (K) Ltd, which later was dissolved and Unilever took all the operations. The company has large scale tea plantations in Kericho, Nandi and controls other related business empires in the country.

1.2. Statement of the Problem

Dombrowsky (2018) posit that a company's competitive strategy should not react reactively to environmental changes, but proactively shape its long-term success in a changing environmental and general conditions and thereby ensure its survival. Competitive strategies make it possible for a company to develop and market products and services that help it achieve sustainable competitive edge over other players in the industry. Management ought to ensure that the company attains and maintains a successful and defensible position that arises out of timely and correct implementation of sound competitive strategies

Organizational performance can be defined as relating to the effectiveness and efficiency of the firm. It is a contextual concept associated with the phenomenon being studied. Profitability is the main financial measure used to determine organization performance since it is an indicator of both efficiency and effectiveness of organization operations. Financial measures that have been regularly used to express organizational performance include profit, revenue growth, return on investment, or return on assets, earnings per share, market share, and current ratio (Aktan & Bulut 2008). UTKL's financial performance was in the public limelight as a public listed company. A review of its profitability between the years 2002 to 2006 shows a consistent growth in profits. The profit reports of the private company are not readily available, but seem to have increased under the many strategies that UTKL may have implemented since privatization. (Haque et al, 2015)

There are a number of studies done on a firm's competitive strategies, although these have been conducted under different contexts in Kenya. Ogutu & Nyatichi (2012) carried out a study that was aimed at establishing the competitive strategies employed by various multinational commercial banks in Kenya. They posit that banks locally used various methods, means, and actions as mechanisms of remaining competitive. In the international tea industry, Thushara (2015) conducted a study using the Five Forces Model and the Diamond of National Competitive Advantage Model to assess the nature of competition and Sri Lanka's competitiveness respectively. His study revealed that the intensity of competition in the global tea industry is very high and Sri Lanka had many unfavorable conditions. He recommended some strategies that multinational large scale tea producers could use to improve the Sri Lanka's competitiveness in the global tea industry. Wamalwa (2014) conducted a study on the extend that supply chain management affected competitiveness in the tea industry and concluded that supply chain management affected competitiveness for Kenyan large scale tea firms in the international markets. Various competitive strategy studies like Gatimbu et al (2014), Main et al (2018), Ratemo (2009) have been conducted for the small-scale tea producers in Kenya. However, similar studies for the large-scale producers in Western Kenya Zone have not been studied to offer comparative studies on strategies that large scale tea producers like UTKL can use to enhance their competitiveness.

Therefore, the research question is; what is the relationship between competitive strategies and performance of tea growers in Western Kenya?

1.3. Objectives of the Study

1.3.1. General Objective of the Study

The general objective of this study is to establish the relationship between competitive strategies employed and performance of tea growers in the Western Zone of Kenya; A case study of UTKL.

1.3.2. Specific Objectives of the Study

The study was guided by the following objectives:

1. To evaluate the relationship between cost leadership strategy and performance of Unilever Tea Kenya Limited.

2. To examine the relationship between niche marketing and branding strategies and performance of Unilever Tea Kenya Limited.

3. To establish the relationship between focus strategies and performance of Unilever Tea Limited.

1.4. Research Questions of the Study

i. What is the relationship between cost leadership strategy and performance of Unilever Tea Kenya Limited?

ii. What is the relationship between niche marketing and branding strategies and performance of Unilever Tea Kenya Limited?

iii. What is the relationship between focus strategies and performance of Unilever Tea Kenya Limited?

1.5. Scope of the Study

In Kenya, tea is grown in the east and west of the rift valley, where favorable tea growing condition prevails (Kamunya et al, 2016). The eastern zones are largely composed of small-scale farmers' tea farmers, who are placed under The Kenya Tea Development Agency-KTDA (formerly; Kenya Tea Development Authority). The western area comprises both small- and large-scale tea farms. The large-scale tea farms are managed by various private entities (Kenya Human Rights Commission, 2008), who have grouped to form the Kenya Tea Growers Association (KTGA). The study covers large scale tea farms located in the western part of Kenya.

2. LITERATURE REVIEW

2.1 Theoretical Framework

According to Kombo and Tromp (2000), a theoretical review refers to the collection of a number of interrelated ideas based on the relevant theories that inform the study. It can also be referred to as a set of reasoned prepositions, which are variously inferred or derived from and supported by data or evidence. For this study, the Resource Based View (RBV) theory, Michael Porters generic strategies, and Porter's Five Forces Industry Model will be the key theories that are employed to guide the study.

2.1.1 Resource Based View Theory(RBV)

Wernerfelt, (1984) stated that from a resource-based view of the firm, it is of high significance to undertake a close analysis at the internal structure of a firm and its resources as an approach to understanding how competitive advantage is appraised within organizations. In other words, the central principle of the RBV theory seeks to answer the fundamental question of why firms may differ in their quest to realize and sustain competitive edge over their rivals, by variously deploying their resources (Kotsiopoulos et al, 2002).

The resource-based perspective of firms is based on the view that the economic rent of a firm and the notion of an organization as a collection of many capabilities (Kay, 2000). Whereas the traditional strategy models emphasized on the need for the organization to adapt and change based on its external competitive setting, the RBV theory explains that there should be a fit between the external environment in which a form operates (the context) , and the firm's internal capabilities that it has developed. According to Hint et al, (2004), the internal environment of firm, generally explained by its resources and capabilities, is the most important factor in determining its strategic actions.

According to the RBV theory therefore, resources are said to be specific organizational, physical, and human assets that the firm uses to implement its value-creating strategies. The set of capabilities that the firm possesses represent the firm's ability and capacity to perform a task or an activity (Grant, 1991). In other words, these capabilities can be said to present to the organization, a set of complex bundles of knowledge accumulated over time, and the skills that the organization exercises through its processes, which enable it to coordinate its activities and make use of its valuable assets (Day, 1994). According to Collis (1994), capabilities are always vulnerable, in that it is possible for an organization to be outcompeted, or out maneuvered by a competitor who has a higher order capability.

Intangible assets are also central to the RBV theory approach, in that they help in understanding competitive advantage as they are not easy to acquire or imitate in juxtaposition to tangible assets. Hall (1992) identified the relevant intangible assets as the three items viz;-know-how, product reputation, and culture and networks can be termed as the principal contributing factor to the overall success of a firm. Thus, the intangible strategic assets motivate the asymmetric performances between heterogeneous companies. The RBV theory is relevant and applicable to this study as it allows one to draw insights about how UTKL employs human and social capital as an intangible asset, used as a means of enhancing better performances in the long-run.

2.1.2 Porter's Five Forces Model

Porter (2008) points out a set of five (5) forces of competition, which he named them as;- as fierce industry rivalry, the threat of new entrants, the threat of new substitutes, the bargaining power of suppliers and the bargaining power of the buyers. He upholds that one should seek to understand the forces that shape a sectors competition first, as a basis for developing an appropriate competitive strategy.

Porter (2008) posits that if the five industry forces were rated to be high or extreme, then there will be no organization in that industry that would earn striking (very high) returns on investment. However, if the forces were benign, most of the companies in the industry are seemed to be profitable. The composition of the five forces diverges by industry and that a firm requires a distinct strategy for every distinct industry such as UTKL in the tea industry.

Porters' generic strategies theory can be effectively correlated to organizational performance by using key strategic practices. Porter (1997) also infers those generic strategies encompass low cost, differentiation, and focus strategies, or a combination of these strategies. These are commonly conventional as a strategic typology for all organizations. Porter (1997) stated that an organization is usually concerned with the extent or the intensity of the competition within its industry first, and others later. He asserted that pursuing a low-cost base and seeking differentiation for its products, were the distinct ends of a continuum.

Other scholars such as Fournier, (2008) have also postulated a theory which argues against Porter's point of view, proposing that low cost and differentiation can be viewed as two independent dimensions that can and should be strongly pursued simultaneously. Empirical research using the MIS database by Miller & Dess (2010) also suggested that the three generic strategy models could also be enhanced by viewing cost, differentiation and focus as three dimensions of one strategic positioning rather than to be viewed as three discrete and separate strategies.

Porter's five forces model is an influential means for methodically diagnosing the main competitive pressures in a market and evaluating how strong and important each one is. Kitoto (2005) argues that a correct exploration of the five industry forces would enable a company to choose one of the generic strategies, which would successfully make it possible for an organization to compete profitably in a given industry.

2.1.3 Competitive strategies

According to Johnson & Scholes (2002) competitive strategy can be referred to as the basis on which a business unit seeks to achieve a competitive advantage in the market in which it operates. Porter (1997) also explains that competitive strategy can be referred to as the art of relating a company to the economic environment within which it exists. The approach and initiative a company takes to meet customers' needs, outperform competition and achieve long term goal constitute its competitive strategy (Thompson & Strickland, 2002).

Therefore, every firm competing in an industry can be said to possess a competitive strategy whether explicit or implicit and no firm and no country can afford to ignore the need to compete. Organizations must understand, master and be flexible to respond rapidly to competition and marketing changes. Sidorowicz (2007) viewed competitive strategies as being a set of skill-based activities, involves a combination of strategic thinking, innovation, execution, critical thinking, positioning and sometimes combining this with the art of warfare.

Competitive strategy is therefore about being different from the competing firms; - meaning a firm deliberately choosing a different set of activities from its competitors, or its peers as it seeks to deliver a unique mix of values (Porter 1997). Competitive strategy analyzes the core competence and capabilities of the firm versus its competitors on the one hand, and the customer 's needs on the other, so as to select the position that it will take in order to survive, deliver higher than expected performance, meaning that it will have competed successfully in that environment.

Long term success demands the creation of even more powerful systems that are difficult for competition to replicate and are steadily being improved. Accordingly, therefore, firms that have continuously engaged in strategic planning and have competitive strategies that are appropriately designed and applied will tend to have a higher performance compared to the firms that do not. Competitive strategies therefore can strongly lead to high organizational performance and customer satisfaction.

Competitive strategy also seeks to create for the firm, a favorable competitive position relative to its industry, the fundamental arena in which competition occurs. Competitive strategy therefore aims at establishing a profitable and a sustainable position against the forces that determines the specific industry's profitability (Porter, 1997). A company is said to have a competitive advantage whenever it has an edge over its rivals with regard to attracting customers and defending itself against the competitive forces both within and outside the industry. This includes the best products, super customer service, lower cost than rival, geographical location, propriety technology, short time in developing and testing a product, brand name reputation and more value for money (Thomas, 1993).

Porter (1985) identifies three basic competitive strategies namely: overall cost leadership, differentiation and focus. Accordingly, the cost leadership strategy involves adjusting and or reforming the firm to become the low-cost firm in the activities in which it undertakes. Overall cost leadership can also be achieved through a series of/and or combinations of activities like gunning for high economies of scale through expansion, products/process re-design to weed out high expense items, and seeking low input costs, drawing on the firms efficiency through experience, and low cost pricing (Johnson et al., 2011). Low input costs could also include relocating the most crucial company operations close to the raw materials sources and/or seeking for the cheap labor. A firm seeking to realize the economies of scale may decide to scale up its operations and experience. These moves lead to higher efficiency of its operations.

Johnson et al., (2011) cite that Products/process re-design influences efficiency in operations of the firm, because it can lead to the firm's ability to make products from more cheaper standard materials. The firm can then make small price cuts to compensate the slightly lower quality of inputs. It is expected that a low cost strategy should mostly translate to a higher profit margin, and the firm will thus be able to beat the industry profitability average. (Porter, 1985).

Porter (1985) states that differentiation strategy, on the other hand, involves doing something that is sufficiently valued by customers in a unique manner, that allows the firm to charge a price premium (Johnson et al., 2011). Some of the factors that could be considered for a differentiation strategy include the development of a unique brand image, developing some proprietary technology, addition of some special product features, crafting a superior service, creating a powerful distribution network, among other aspects that are associated with a certain industry. It is important to ensure that these unique factors so developed should also translate to either higher price (premium pricing), which enables the firm to realize a profit margin higher than the industry average (Porter, 1985).

A focus strategy is where the firm targets a narrower segment of the market, a segment that it considers not served well by cost leadership or differentiation strategies. The firm then tailors its products to meet and exceed the customer needs of that specific segment to the exclusion of others (Johnson et al., 2011). A focus strategy can also be applied when the firm considers it not appropriate to apply the other broad strategies of cost leadership or differentiation. In this case, the firm could offer a narrower range of services/products, serving a specific market segment only or just having a special product/service for specific type of customers (Hahn & Powers, 2010).

Porter (1998) states that cost-leadership strategy involves an aggressive pursuit of cost reduction, so as to charge the most favorable prices to the customer, where a company sells the same product at different prices and in dissimilar markets. It can also refer to the charging of different prices for the same product to different social or geographic sectors of the market. Porter further describes cost leadership as a way of establishing a competitive advantage. Cost leadership, in basic words, refers the lowest cost of operation in the industry. It is consistently making or offering better products at the lowest prices that outperform competitors' products in value terms.

Differentiation strategies mainly refer to the approach in which a firm endeavors to design and present unique products to different segments of its customers. Employed in the tea production business, it could imply a situation where the tea estate business sustains an expensive advertising campaign to differentiate its tea products from those of competition.

2.2 Empirical literature

Several empirical studies have been reviewed visa-a-vis competitive strategies and performance of tea industries. According to Szalkai (2003), in a business environment full of turbulence in the form of resource shortages, environmental deterioration, explosive population growth, the survival of firms in various sectors of the economy, and especially tea estates, was dependent on the ability of the firm to strategically fulfill its purpose, economically, environmentally and socially. The debate thus was on the appropriateness of the traditional marketing concepts and their application. Applying this concept, it is apparent that tea estates should strike a balance between profits on the one hand, and public interest, including consumer wants satisfaction on the other. Both these competing interests can only be achieved through strong cooperation with the firm's stakeholders (Baba., Omwenga, & Mung'atu,2018).

In another study carried out by Pimtong, et al (2012), they examined the influence of competitive strategies and organizational structure on hotel performance. The researchers also aimed to find out what effect organizational structure had to do with the competitive strategies chosen and the overall hotel performance. They employed a causal/effect, and a descriptive research design, to be able to ascertain if there was a cause-and-effect relationship among competitive strategies, organizational structure, and hotel performance. Using a 28-question self-administered questionnaire, targeting a section of US hotel owners and general and executive managers, e-mails (with the questionnaires) were sent to the targeted persons as listed in a database. The results showed that a competitive human resources (HR) strategy had a direct impact on a hotel's behavioral performance. Similarly, a competitive IT strategy had a direct impact on a hotel's financial performance. However, they concluded that an organizational structure had a moderating effect on the overall organizational performance.

Timberblake (2002) conducted a study on the business case for sustainable development: making a difference toward the earth found that on the level of marketing sustainability, the aspects of competitive advantage are becoming the most stressed issues. Gloria & Ding (2005) investigated the mediating effects of a firm’s competitive strategy in the market orientation-performance relationship. Using a sample of 371 operations firms based in China, they adduced evidence that there are three dimensions of market orientation, which seemed to exert different effects on competitive strategy and performance. Of these forces, customer orientation was said to have the strongest association with competitive strategy and market performance (Makini, & Omwenga, 2022).

In the local context, there are a number of studies that have been conducted on competitive strategies. Murage (2011) conducted a study to appraise the various competitive strategies employed by firms in the petroleum industry and found that many of the company’s service stations seemed to use differentiation as a way of gaining competitive advantage over other service stations in the same locality. Gathoga (2011) also carried out a study on the competitive strategies employed by commercial banks in locally. His study concluded that banks in local employed a wide array of approaches as a mechanism of remaining competitive in the ever-dynamic business world. He also concluded that the banks used expansion into new geographies- by opening new branches, was employed as a strategy to remain competitive (Diba, & Omwenga, 2019).

Based on the above studies, this study endeavors to find out the competitive strategies that UTKL has employed and to establish the effects of these competitive strategies on performance of their operations in locally.

2.3 Challenges facing the implementation of competitive strategies

Many companies face challenges in the implementation of competitive strategies (Kireru, Ombui, & Omwenga, 2016).. Muthengi (2013) in her study of Kenyatta University found that lack of training and inadequate communication within the organization was a challenge in the successful implementation of the university’s competitive strategies.

Waweru, & Omwenga, (2015). observed that less than 45% of the strategies that a company employs are effectively implemented. Some of the challenges that are associated with the proper and effective implementation of the strategies include a lack of awareness by the employees on the existence and content of the strategic plan. This was due to a number of reasons, which ranged from poor communication by the strategists, a lack of management commitment, conflict of organizational obligation versus the individual interests, and occasionally the influence from external environment among others. Sometimes, a simple reason like the poor implementation of strategy was also cited as one of the factors that saw beautifully crafted strategic plans yield next to nothing in terms of organizational objectives. Another of the commonly cited challenges to strategy implementation was the limited resources at the organizations’ disposal.

David (1997) argues that allocating resources to particular divisions and departments does not mean that strategies will be successfully implemented. This is because there are a number of factors commonly prohibiting effective resource allocation. These include overprotection of resources, too great emphasis on short-term financial criteria, organizational policies, vague strategy targets, reluctance to take risks and lack of sufficient knowledge.

Thompson and Strickland (1989) also state that strategy implementation challenge is to create a series of tight fits between strategy and the organization’s competencies; capabilities and structure, between strategy and budgetary allocation, between strategy and policy, between strategy and internal support system, between strategy and reward structure, and between strategy and corporate culture. Some of the main implementation challenges include managing resources, managing change and analysis by paralysis where managers do not know when to stop analysis and start implementation

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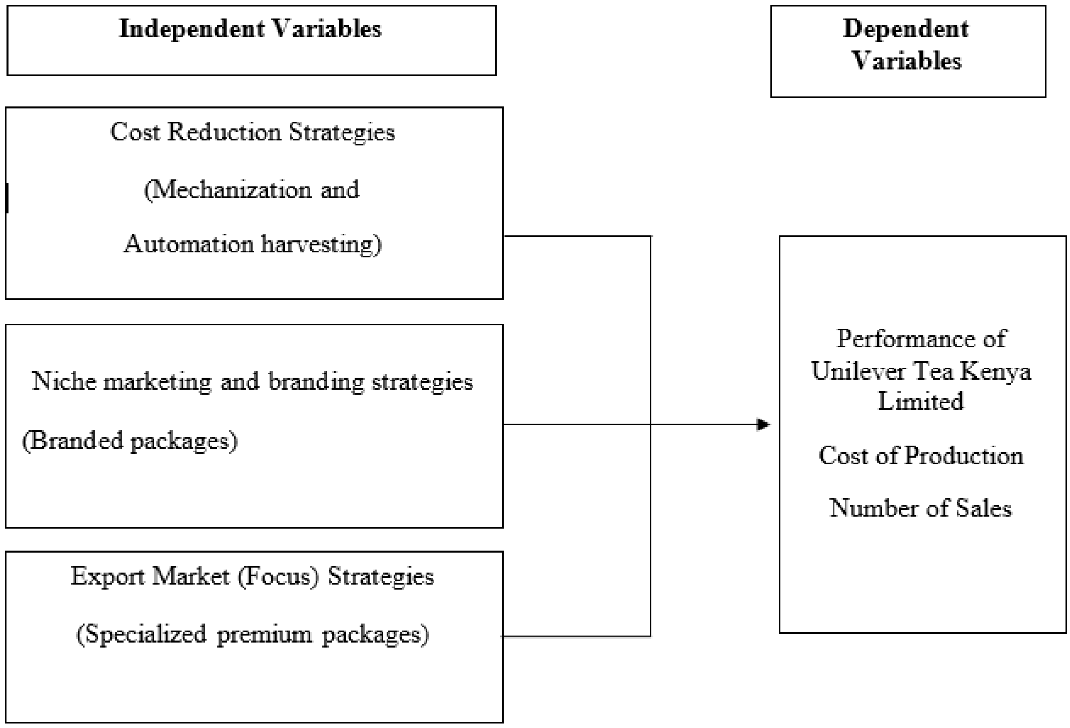
2.4 Conceptual Framework



3. RESEARCH METHODOLOGY

3.1 The research designs

The study adopted a Case study research design specifically qualitative descriptive research design. The study described the strategies that are used by large scale tea farms to achieve competitiveness of their firms. A qualitative design enabled the researcher to describe behaviors, values and characteristics (Mugenda, 2013). According to Yin (1994), case study research method is an empirical enquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between the phenomenon and the context aren't clearly evident. A case study research design provides very focused and valuable insights about the phenomena which enables the researcher not only to establish factors explaining phenomena but also to unearth underlying issues and complex real-life situations related directly with the object of study

3.2 The target population

The study was conducted in both Nairobi and Kericho counties. It focused on the large-scale tea growers. The population of study was selected carefully because there are at least 18 firms that own large scale tea farms in Kenya (KTGA, 2022), the oldest of which is Unilever Tea, and has been growing tea in Kenya since 1924 (Unilever, 2022).

3.3 Sampling techniques and illustrations

According to Mugenda (1999), a sample size of 10.2% is useful when there is a high population for a qualitative study. Upon review of literature, there is little or no consensus of methodologists and practitioners with respect to sample size, nor are there clear rules or methods guiding the researcher how to obtain a properly sized sample. However, when there is need to identify and select the information-rich cases for the most proper utilization of available resources, then a purposive sampling technique can be used (Charles, & Omwenga, 2018).

3.4 Data collection methods

The researcher's data collection procedure was by means of a face-to-face interview with the identified managers in the farms. A combination of a likert-style scale and open-ended questions were used by the researcher to collect opinion data and explain the responses.

3.5 Pilot study

Sunders (2000) posits that a research study is valid if it studies what was set out to be studied, and if it is verifiable. It can also be termed as the accuracy and meaningfulness of the inferences. Orodho (2009) also posits that the degree to which the results of from the data are a representation of the phenomenon under investigation can be termed as the reliability. The research instrument was discussed thoroughly with my supervisor and research experts on the subject matter. Piloting was also done on one of the managers in a tea factory in Kericho and the results of the pilot studied to ensure validity and reliability.

3.6 Data Processing and analysis

Kothari (2009) posits that data has to be processed and analyzed after collection, in accordance with the laid down outline or the purpose of developing the research plan. The study applied a qualitative method of data collection, and therefore content analysis method was applied. Content analysis was used to analyze the data by systematically and objectively identifying specific themes. According to Cresswell et al (2007), content analysis is a research method which provides a systematic and objective means of describing a phenomenon by allowing the researcher to test theoretical issues to enhance understanding of the data. The technique has also been used successfully by other researchers, such as Muriuki (2015) and Khamisi (2006), undertaking similar studies since it guards against selective perception of content, provides for the rigorous application of reliability and validity criteria and is amenable to computerization. The outcome of the analysis is presented in the form of tables and relevant themes grouped together.

4. DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study whose main objective was to determine the effect of competitive strategies on performance of large-scale tea farms in western Kenya region, a case study of Unilever Tea Kenya Limited. Primary data was obtained through the use of an interview guide which was administered to five (5) of the top managers (Directors of departments) working at the selected tea farms headquartered in Nairobi and the Kericho offices.

4.2 Presentation of the data.

4.2.1 Response rate

The study's response rate was good 71% which represented 5 respondents and 2 non responses of 29%. This means that the right amount of information was availed. According to Mugenda and Mugenda (1990) 50% response rate is adequate to conclude a research inquiry.

Table 1- Response Rate

Category	Number	Percentage
Responded	5	71%
Non response	2	29%
Total	**7**	**100%**

Source: Researcher (2022)

4.2.2 Position in the organization

The study sought to inquire from persons in different positions in the company, and the outcome indicated that all the respondents were in senior managerial positions which imply that they were the right persons involved in strategy implementation and overseeing its progress were adequately involved.

Table 2- Positions of the people interviewed

Category	Frequency	Percentage
Senior management (Sales and Marketing)	1	
Senior Management - Planning & operations	2	71%
Senior Human Resources	1	
Senior Customer Relations	1	

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Source: Researcher (2022)

4.2.3 Duration of service

The study sought data from respondents in continuous service to the company. The researcher sought to ascertain their experience and capability of strategic action in the firm. It was revealed that 65% of the respondents had been in their positions for more than ten years (Approx. 3 respondents) 35% had been in service for more than ten years which also means that the personnel are quite informed of the strategic practices involve.

Table 3: Duration of service of the respondents

Statement	Frequencies	Percentage
Less than 10 years	2	35%
More than 10 years	3	65%
Total	**5**	**100%**

Source: Researcher (2020)

4.2.4 Academic qualifications

The researcher sought to know the level of education of respondents in view to ascertain their competence and general abilities in decision making policy guidelines and related organizational practices. It was revealed that 100% of the respondents had university level of education. That is a landmark of qualitative decision making.

4.3 FINDINGS

4.3.1 Firm Demographics

The study sought to know how long the farms from whom the managers were interviewed, and had been in Kenya. It was revealed that the firm (UTKL) owning the farms had operated for a more than 70 years in the country. This can be translated to mean that firm's personnel have the historical knowledge of understanding the business environment and make positive decisions to make its operations competitive.

4.3.2 Farms' mode of ownership

The researcher also sought to know the ownership structure of the farms. It was indicated that the firm sampled had a significantly high foreign ownership, as a subsidiary of Unilever, an Anglo-Dutch conglomerate. (Unilever, 2022). It is a giant multinational firm operating in more than two continents in tea and other agricultural related practices and businesses. It owns 20 tea estates and 8 factories manufacturing an average of 32 million kilograms of tea per year.

4.3.3 Firm's operations and business environment

The researcher also sought to know the nature of operations, policy and general business environment. The respondents explained these as follows; according to the Government of Kenya's Agriculture and Food Authority (AFA), Kenya is a leading exporter of black tea by weight (Muthamia & Muturi, 2015). The tea sector in the country remains one of the top foreign exchange earners. According to KIPPRA, (2022), the tea sector is of great importance to Kenya's economy. In 2019, the sector accounted for 25 per cent of the total foreign earnings and 1.5% of the country's Gross Domestic Product (GDP).

The respondent explained that tea cultivation and manufacturing is present in 15 of Kenya's 47 counties and impacts a large proportion of Kenya's 44 million people. Tea provides income and employment to more than 600,000 smallholder households and there are more than 150,000 workers at the various tea estates in Kenya. Over 60% of Kenyan tea is grown by smallholders. The second largest share comes from estates owned by large scale producers, coalesced around the Kenya Tea Growers Association (KTGA), UTKL tea estates, and then several locally owned large scale tea estates. The Tea Act (Cap. 343, laws of Kenya), gave the Kenya Tea Development Agency (KTDA) exclusive management control over the provision of planting material and extension services to the smallholder tea farmers, provision of inputs and services collection and processing of the green leaf, management of the factories and marketing of the processed leaf. KTDA organized the sale of the processed tea through its contracted agents at Mombasa and London auctions, received the sale proceeds and arranged the payments to farmers on a monthly basis. KTDA does all these tasks through its various divisions and departments at its headquarters in Nairobi.

In terms of policy guidelines, the respondent indicated that KTDA was a government body privatized in the year 2000. It continues to play a substantial role in the cultivation and processing of tea grown by smallholders. It provides management and technical services to a large majority of factories not run by other private estates, numbering over 65. It collaborates with other stakeholders in the industry to enhance production of tea in the country. The KTDA scheme remains the single largest producer and marketing organization in Kenya. Prior to 2012, smallholder farmers hitherto only sold their produce to the KTDA managed factories.

However, the respondent said that amendments to the Tea Act, Cap 343 laws of Kenya, allowed smallholder tea farmers to supply to more than one processing company with green leaf, UTKL owned factories included. This liberalization has made UTKL to now compete directly with KTDA for green leaf from small scale farmers, and over 20 other large scale tea producers who have ventured into the local production market, and who continue to make the competitive environment congested. These include Eastern Produce Kenya, James Finlay, Kaisugu Ltd, Karirana Tea Estates Ltd, Sasini Tea and Coffee Limited, Koisagat Tea Estate Ltd, Kiptagich Tea Estates Ltd, Williamsons, Nandi Tea Estates, Sotik Highlands Tea Estates, Sotik Tea Company, among others.

The respondent also explained the global market structure. There are generally seven global companies controlling approximately 85 percent of the world's tea output. These include Unilever Global, Loius Dreyfus, Van Rees, James Finlay, Tata tea, Cargill and Twinnings. Almost all of the seven are highly integrated multinationals with their own plantations and factories at the tea producing countries- mainly in Africa and Asia, where the costs of labor are relatively lower. The blending and packaging and all the high value adding operations that represent up to 80 percent of the retail price, are undertaken mainly in their own processing plants situated in their home countries of Europe or Western countries.

They indicate that the respondents were asked to explain the nature the Mombasa Tea Auction Centre, operated by East African Tea Trade Association – (EATTA) has enabled many of the multinationals operating in Kenya to access many international, regional as well as local markets. UTKL and Cargill play large roles in the tea auction. Whereas UTKL owns estates from which it exports directly, it is also responsible for the largest single share of purchases at the tea auction, around 15-20% of all sales at the auction. Cargill acts as a buying agent for Unilever and offers logistical services to several other companies. They ship about 100 forty-foot containers of tea each week, or 25-30% of tea exports from Mombasa. Tea purchased at the auction or sold directly by estates in the auction easily finds market and is exported by containers to processing facilities, where it is blended with other teas from around the world. Unilever globally participates in tea blending and branding, in its facilities spread around the world, blending its Kenyan produced and purchased tea with other teas that it produces, and buys around the world. UTKL has had to ensure that it is represented in all sections of the tea value chain in Kenya. Through membership of key bodies such as the EATTA, to partnerships with logistics firms, to active participation in purchase of green leaf from farmers, to being one of the biggest buyers at the Mombasa Tea Auction. Despite all this, UTKL has continued to experience stiff competition from local and other multinational companies.

The respondent however noted that currently, Unilever globally is the third largest tea company in the world. UTKL is the largest private producer of tea in Kenya and the world's largest private buyer of Kenyan smallholder tea through the Mombasa Tea Auction. The top management in UTKL feel that the business environment has shifted significantly also, influenced by new technologies, communication methods including the explosion of social media in the last few years, interconnectivity and new ways of marketing. UTKL also have seen a change in the consumer for tea. There is a younger consumer, who is more demanding and willing to experiment with new products. These consumers easily get bored, and consider drinking traditional tea as archaic.

Finally, the researcher sought to know the nature of competition, the respondent said other forms of indirect competition for UTKL were found to be in the form of other substitute beverages, like coffee and cocoa, soft drinks like juice and tea that are perceived to be favorite among the young population, and which are available locally or imported. The tea industry feels that reduction on taxes on soft drinks, carbonated drinks and mineral water makes those drinks more preferable to tea and, therefore, contributes to reduction in revenue and income from tea affecting all the industry. However, due to the unique health benefits associated with tea as opposed to these substitutes, these products do not pose a serious threat to tea's competitive strength.

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4.3.4 Competitive strategies adopted by Unilever Kenya Tea Limited

The study sought to understand the nature of competition in the current market and what strategies the firm was applying to remain competitive. This is what the respondent had to say, it is clear that UTKL has faced numerous competitive challenges, which it has had to craft competitive strategies to help the company overcome.

Despite the turbulent time, UTKL set an ambitious growth target dubbed 'Grow the Business- Destination 2020'- in the year 2008. The objective was to double the size of its business ii twelve years' time, (i.e., between the year 2008 and 2012). This objective was in line with the global business objective of doubling Unilever size by the year 2020. Globally, all the different Unilever entities (subsidiaries) were charged with different ways of doubling their businesses over the twelve years.

The study also found out that the stakeholders at UTKL are keenly looking at the environment and anticipating customer requirements and responding to them. UTKL considers competitive forces as a major factor in their choice of their competitive strategy. The company consciously engages in competitive strategic planning, through an annual strategic retreat by the top management. The strategies generated are also monitored throughout the year.

UTKL has a set of internal capabilities that it has developed in order to deliver consistent results. Tea tasting skills, a culture of excellence, superior crop husbandry is some of the skills considered core in the program dubbed 'The Quality Journey' which has been rolled out in many Unilever subsidiaries across the world, UTKL included. All UTKL employees in key departments are expected to demonstrate and live these values.

The respondent further explained that UTKL is a subsidiary of Unilever, the global consumer products conglomerate. According to the global Unilever strategy, the local subsidiaries are encouraged to specialize in their areas. UTKL, being one of the local subsidiaries based in the Kenyan market is deemed to be one of the source markets for tea for Unilever global, with the others being mainly found in Asia and the rest of Africa.

UTKL looks at the global market and chooses what tea to supply where. UTKL specializes in understanding consumer tea tastes globally, and focuses on producing the tea varieties that attracts higher prices/margins. The company then identifies the segment and goes for it through adjusting production processes to produce tea that suits the taste of the target market.

As part of the global Unilever family of subsidiaries, UTKL has chosen to specialize on tea production (growing harvesting and processing) for blending by other subsidiaries. The company withdrew blending packing, and selling of tea in the local market to concentrate on producing these high-quality tea varieties for the export markets only. Therefore, production and export logistics are a major function in the company. UTKL has had to develop a robust logistical capability, teaming up with Cargill, DHL global logistics among others.

Finally, the respondent argued that UTKL, unlike other tea estates in Kenya, has differentiated itself from other tea estates by adhering to the highest production standards, in order to play a big role in delivering quality black tea for Unilever global, which makes Unilever global brands great.

The value addition aspect of tea processing, which includes, blending and packing to produce the world-famous Unilever Tea Brands, like Lipton, Brook Bond, Elephant, and PG brands is mostly done in the western-located-processing plants, which have better facilities.

Further the competitive pressures the respondent responded more in the adoption of various strategies**.** In order to meet the stringent quality controls, UTKL and other subsidiaries located in the producer markets have to adhere to specific quality standards, so that the final products meet the quality standards demanded of the final product by the parent company. In order to meet the stringent quality standards demanded, UTKL has had to focus on the agricultural activities of managing the tea estates and the processing factories in Kenya. UTKL therefore has limited value addition activities.

UTKL has previously blended and packed some teas in Kenya. Brands such as 'Simba Chai', Brooke Bond were once launched in the Kenyan market in the 1990's, with mixed success. However, due to harnessing its global competitive advantages, Unilever decided to concentrate most of its blending and branding activities nearer to the high net worth markets, mainly in the Middle East, Europe and the America's.

UTKL took a pioneering role in the development of tea in Kenya, by being the first company to set up large scale tea estates in Kenya. Therefore, a lot of the tea knowledge and tradition of excellence in Kenya can be attributable to UTKL's pioneering role in tea development.

The researcher inquired on cost related strategies the firm was adopting, the reply was that the global real price of tea has fallen by more than 15 per cent since 1980, while the supply of green leaf has steadily increased on the global front. The decrease in prices has called for Unilever globally and UTKL in particular to adopt cost strategies to survive. However, despite this slump, Unilever (Lipton's Tea) and other global competitors like Tata Tea have continued to make large profits from this sector. This has largely been attributable to the adoption of cost leadership strategies.

The respondents indicated that the tea industry in Kenya is challenged by high cost of labour, farm inputs, energy/fuel, numerous taxes and levies, as cited by UTKL staff, using data obtained from the industry. In addition, costs of production are associated with demands for traceability systems such as Good Agricultural Practices (GAP), Good Manufacturing Practices (GMP) and Hazard Analysis and Critical Control Point (HACCP) certification, all which contribute to increased costs of production. There has also been a series of legislations requiring that food products entering the European Union (one of UTKL's important markets for Kenyan tea) should be HACCP certified at the source markets. In addition, the tea Sector in is subject to more than 20 (twenty) taxes, fees, levies, charges and payments that increase the cost of doing business and further adds the administrative burden on organizations seeking to comply.

The respondents interviewed affirmed that UTKL uses cost leadership as one of the competitive strategies to navigate this challenging business environment. UTKL aims at giving the best value of tea to its customers. UTKL focuses on the margin, the difference between the cost of production and the selling price. UTKL has a purchase cost policy of using the tendering method, and obtaining competitive quotations from suppliers and the lowest cost and quality materials are selected by an expert tendering committee. The company also outsources parts of its operations that it feels that another could be more efficient in providing. The company has a scheme for monitoring the efficiency of her machines, the productivity of the farms and continuous review of the viability of its fixed assets.

The respondents concluded the discussion that UTKL constantly pursues to benefit from low costs due to the enormous economies of scale. The company runs more than 20 separate tea estates, but administers them centrally. This enables UTKL realize low costs of administration. The company also has a special attraction to automation. Its innovation department looks for all avenues to automate operations. There is a focus on installing the best energy saving equipment, where the company has recently installed new energy efficient boilers, and disposed off vehicles that were deemed to be fuel-inefficient. The company has also installed recently star-delta motors, which have been rated as being very efficient.

The company seeks to have proprietary technology and preferential access to raw materials, in which case the biggest and most important raw material is green tea leaf. UTKL has partnered with KTDA to manage quality costs, and to access low-cost green leaf from KTDA farmers. According to Porter (1998), low-cost producers typically sell a standard or no frill product and place considerable emphasis on reaping scale or absolute cost advantage from all sources. UTKL specializes in selling bulk tea, as input to production. On production cost control UTKL adopts bulk purchase of inputs in order to enjoy quantity discounts. This cost cutting strategy has been complimented by the apparent proximity to the main raw materials.

4.3.5 Global grand strategies.

The study sought to know some of the global strategies adopted by the firm. UTKL's global principal company, Unilever, is one of the main players, blending and packing its brands from all over the world. These include Brooke Bond, Lipton, Bushells, Choysa, Joko, Lan-Choo, Lyons, McCollins Tea, Pure Leaf, Red Rose Tea, Saga Tea, Sariwangi Tea, Scottish Blend, and PG Tips mostly in European and Middle Eastern packaging plants. The local companies in the source markets, mainly Asia and Africa, are left to specialize on production and logistics. This strategy has enabled Unilever to become a dominant player in tea globally. According to the respondents, Unilever (working in Kenya first under the name Brook Bond Ltd. and then as Unilever Tea Kenya Ltd.) is now the largest tea company in the world, buying around 12 percent of the world's commercialized black tea.

Unilever global has adopted two key sustainability initiatives, dubbed 'Sustainable Living Plan" and the 'Rainforest Alliance'. The Sustainable Living Plan strategy document has the formula that gives Unilever the ability to generate and implement wide ranging company goals regarding health and well-being of consumers, reducing environmental impact, and sourcing for raw materials sustainably. The Rainforest Alliance encourages farmers living around the UTKL estates to help conserve the forests, which are a source of firewood, and rain catchment that is needed for the healthy environment for growing tea.

Another of the grand strategies that UTKL have used in Kenya is the collaboration with other large-scale producers and players in the tea industry. UTKL have collaborated with the largest producer, KTDA in a number of ways to enhance availability of green leaf.

Although all Unilever's mergers and acquisitions are done at the Unilever global head office, UTKL has its own local version of mergers and acquisitions that happens for example when the company purchases land for expansion. UTKL is continuously looking for land for expansion around the tea estates that it runs. The company is also sensitive about its capacity utilization and hence has an arrangement with neighboring factories to process excess tea in their factories whenever UTKL has excess leaf.

A number of initiatives have also been launched that drive partnerships between UTKL and its neighboring stakeholders. One of these is a public-private partnership to train smallholder farmers in sustainable tea cultivation through special field schools. An example is a project carried out in collaboration with the Kenya Tea Development Agency (KTDA), the UK's Department for International Development (DFID), Wageningen University in the Netherlands, development organization ETC-East Africa and the Tea Research Foundation of Kenya. The project aimed at offering a hands-on experience, encouraging farmers to talk about their common problems, finding their own solutions and devising field experiments aimed at identifying sustainable best practices. The farmers received practical guidance like how to keep tea bushes at the same height to improve harvesting efficiency, book keeping, health and safety in tea farming.

Another strategic initiative is the 'Partner to Win' program, where the company buys tea on a forward partnership with the farmers. The company is able to anticipate the kind of quality expected from an estate and pay for it in advance. This helps UTKL secure best quality leaf from targeted quality out grower small scale farmers.

Unilever also adapted some grand strategies from its mother company. These include 'Grow the business- Destination 2020', where all Unilever subsidiaries were to double the sizes of their business before the year 2020.

Tea is generally produced in large scale estates. However, according to AFA, the number of small-scale tea farmers seems to be on the increase, especially in Kenya. In order for Unilever to benefit from this trend, the company has had to open extension services to small holder farmers, and large-scale farms like Limuru Tea, which act as out growers for UTKL factories.

4.3.6 Effects of Strategies on Performance

This study found that implementation of competitive strategies has resulted in several positive effects; - Vis, increased revenue growth, operational efficiency and effectiveness resulting to reduction in cost of production, increased employee motivation, growth in market share and a strong contribution by UTKL to increased Unilever visibility globally, and increased presence of UTKL's products in the market place.

Overall, UTKL's implementation of its strategies has made the company more successful. UTKL was recently ranked as the first Unilever subsidiary that is closest to attaining the 'Grow the Business-Destination 2020' objectives, ahead of all other global subsidiaries.

However, it is also important to note that UTKL has also had a few failures, which may not be due to the strategies adopted, but due to the turbulence in the operating environment.

4.3.7 Effects of Focus Strategies on Performance

UTKL has focused on production and processing of green leaf in Kenyan estates. The company's role in the global tea industry has eliminated processes such as marketing, branding, and left these roles to be performed by the parent company through other subsidiaries. UTKL focuses on areas like quality enhancement of tea leaves, production, testing, crop husbandry, tea estate management and collaboration with other local estates for optimum production of high-quality tea.

The sales, marketing and commercial department has a skeleton staff, because sales are limited to other Unilever subsidiaries and a few large corporate clients. The sales and marketing role is carried out largely through third party partners who do the logistics of moving tea to the target customers.

4.3.8 Effects of cost Strategies on Performance

The effect of mechanization of tea harvesting and pruning has had the effect of substantially reducing the cost of production for UTKL. However, it may have cost the company more due to the related labor action that happened at the launch of the machines. At the launch of the tea harvesting machines, there were spirited campaigns by the national labor movement in opposing the mechanization, and several employees had to leave the company due to what was seen as incitement by the labor movement.

The effects of tendering processes have made Unilever one of the low-cost producers, emanating from the fact that the company runs more than 20 factories. There is central management of the estates, which has substantially reduced the number of top-level managers. According to the senior management interviewed, overall, through following of the cost strategies, UTKL has managed to reduce the cost of production by over 15-20% below the thresholds experienced three (3) years ago.

Use of technology has also helped in the reduction of costs, running paperless offices, and use of technology to reduce the human interventions in crucial places like in UTKL's tea processing factories.

4.3.9 Effects of Differentiation Strategies on Performance.

Globally, Unilever sold about 390,000 tons of tea where approximately 90% of this tea came from its external suppliers in different markets. The remainder- (10%) came from its flagship source, UTKL's farms in Kenya, notably Kericho. This is because the tea from Kenya is distinct and is seen as the most premium. Lipton's premium brand contains a sizeable component of Kenyan tea, sourced and processed by UTKL in its factories in Kenya. This is due to the quality of the green tea from UTKL's tea estates in Limuru and Kericho.

According to UTKL's analysis of the global tea market, historically, global tea markets have always had an over-supply. The result has been that the tea has a high degree of commoditization. It's not difficult to switch from one tea brand to another. Sometimes, global tea prices are reduced drastically, in order to clear stockpiles. However, due to the unique soils, climatic conditions and superior crop handling, UTKL has managed to consistently produce high quality tea in its Limuru and Kericho tea estates, and has never had huge unsold stocks. There has been a high degree of focus on production systems to specialize in unique tea tastes produced in the unique climatic conditions found in Kenya. UTKL's Kenyan green tea is globally sought due to its renowned quality.

The quality project, which started in March 2006 and concluded in December 2008, had the effect of improving farmers' tea yields by an average of between five (5) and fifteen (15) percent.

4.3.10 Effects of Grand Strategies on Performance

Having rolled out the Rainforest Alliance, Unilever needed to certify all small-scale farmers from which it was sourcing its tea. On the other hand, KTDA is a respected farmer's body who managed most of the smallholder tea farmers, from which Unilever globally sourced its tea.

UTKL came up with a collaboration scheme with KTDA to train the farmers on the certification of the Rainforest Alliance. For scale, UTKL also roped in a Dutch sustainable trade initiative organization, named IDH in order to gain scale quickly. Together, UTKL, IDH and KTDA designed a program known as 'Train the Trainers', from which they got scale and managed to certify more than 500,000 farmers in Kenya.

Through this certification, Unilever is now at liberty to buy KTDA farmers produce. A fact that was demonstrated by Unilever Global purchasing 40% of KTD's black tea produce in the year 2011.

4.3.11 Challenges in implementation of Strategy

According to the UTKL management, there has been a big resistance to change. The biggest resistance was in automation of tea harvesting, because it was perceived as a project to take away the jobs of employees who were tea harvesters. The communication was worsened by some seemingly inflammatory remarks from politicians. Eventually the project took off, although serious delays were experienced, unlike other Unilever subsidiaries like in Tanzania.

The programs 'Quality Journey' and 'Destination 2020' involved a change of people culture. UTKL Staff have been slow to adapt to the changes expected. The outsourcing program has also been slow because it has been difficult to get the right caliber of staff, especially because UTKL is located in the upcountry region of Kericho, where the concentration of specialist people is low.

4.4 DISCUSSIONS

The objective of the study was to determine the effect of competitive strategies on performance at UTKL. The study found out that UTKL has created a competitive advantage via generation of some internal strategies adapted from its international experience such as reputation for service, highly trained and competent staff, superior customer service, maintenance of well-known brand name and strong distribution network.

Companies operating in a highly turbulent environment require strategies to outperform competitors (Mekik & Mekik, 2014). However, many strategies are implicit, having evolved over time, rather than explicitly formulated from thinking and planning process. Implicit strategies lack focus, produce inconsistent decisions and unknowingly become obsolete. Without well-defined strategy, organizations will be driven by current operational issues rather than by a planned future vision.

The strategies identified include, designing services to fit the need of the customers; ensuring that services are always affordable and of high-quality standards without compromise; putting relevant systems in place; delivering high quality products consistently, being the lowest cost producer, collaboration with other stakeholders for mutual benefit, on time delivery of goods and ensuring services are satisfied at all times. Markets are also segmented based on the size of the market and geographical place while positioning is done according to the needs they satisfy, the benefits they deliver, specific service features and when and how they are needed.

Competitive theory as put by Porter (1998), argues that competitive strategy is about being different, it means deliberately choosing a different set of activities to deliver a unique mix of values (Porter 1998). Competitive strategy analyzes the core competence and capabilities of a firm vis-a-vis the competition and the customer‘s needs so as to select the position the firm will take in order to survive and compete successfully. Long term success however demands the creation of even more powerful systems that are difficult for competition to replicate and are steadily being improved. Firms that engage in strategic planning and have appropriately designed and applied competitive strategies tend to have higher performance than those that do not. Competitive strategies can lead to high organizational performance, customer satisfaction operate with distinguished principles and characteristics in order to continually adapt to change.

Competitive strategy seeks to search for a favorable competitive position in an industry, the fundamental arena in which competitive occurs. Competitive strategy therefore aims at establishing a profitable and sustainable position against the forces that determines industry profitability (Porter, 1998). Therefore; there is need for an organization to have a well-defined strategy to drive the organization future. the firm put consideration before adoption of competitive strategies by analyzing where it is and what it wants to be in future, changes in environment, competition in the market, product quality and range, resources both financial and human, technology changes, growth and expansion.

Competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allow it to outperform its competitors. These attributes can include access to natural resources, such as high-grade raw materials or inexpensive power, or access to highly trained and skilled human resources.

New technologies such as, robotics and information technology should be included as a part of the product, or to assist making it (Porter, 1985). To gain competitive advantage a business strategy of a firm manipulates the various resources over which it has direct control and these resources have ability to generate competitive advantage. Superior performance outcomes and superiority in production resources reflects competitive advantage which is the ability to stay ahead of present or potential competition, thus superior performance reached through competitive advantage will ensure market leadership (Treacy and Wiersema, 1995).

4.4.1 Gaps in the findings

This study relied entirely on a qualitative approach and, therefore, it may be necessary to undertake quantitative research to ascertain the existing relationship between competitive strategies and performance of the Unilever Kenya Tea Limited. In doing so, the quantitative research will be crucial in addressing the relationship that exist between overall company performance, and the competitive strategies, which are the independent variables.

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings, conclusion and recommendations, and suggestions for further research. The study was carried out with the main aim of finding out the competitive strategies adopted by large scale tea farms in the western part of Kenya, and their effects on performance. The study adopted a case with a case study method.

5.2 Summary

Large scale tea farms in Kenya have adopted competitive strategies in order to compete not only amongst themselves but also with other international tea farms around the world, through the global tea auction markets in Mombasa, Kenya and Colombo, Sri Lanka. These tea farms have adopted competitive strategies of Focus, and Differentiation, by delivering consistently high quality, uniquely Kenyan tea, as well as competitive prices compared to the global tea prices from other markets.

5.3 Conclusions

Adoptions of competitive strategies have made UTKL and other large scale tea farms to sustain consistently satisfactory results from their tea operations. The agglomeration of tea operations through KTDA and KTGA have also made Kenya a global leader of tea production and marketing because the standards of tea production have been consistently maintained.

5.4 Recommendations

A key issue of sustainability of operations was raised by the respondents especially in view of the growing population of the local residents who have adopted tea farming. There is a need to study the implications of the increasing competition from other nearby factory agglomerations who serve the small scale farmers, and who are also embracing modern tea production methods, and also have license to sell tea at the auctions. These could pose a threat to the sustainability of the current operations by large scale farms

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