

# INFLUENCE OF COMPETITIVE STRATEGIES ON PERFORMANCE OF PRIVATELY OWNED MEAT PROCESSING COMPANIES IN NAIROBI

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**Abstract:** The general objective of the study was to investigate influence of competitive strategies and performance of privately owned meat processing companies in Nairobi through a survey of the Alpha fine foods. The study explored the influence of cost leadership strategy and performance of privately owned meat companies in Nairobi; assess influence of Time based distribution strategy and performance of privately owned meat companies in Nairobi; determine the influence of differentiation strategy and performance of privately owned meat companies in Nairobi; establish the impact of Focus differentiation strategy on performance of privately owned meat companies in Nairobi. The firm performance was measured using annual sales and return on asset. The instrument for data collection used in the study was questionnaires. This study used descriptive survey approach. Data was analyzed using inferential statistics, regression analysis and ANOVA. SPSS version 22 was used to code and run the data. The study results also indicated that cost leadership strategy, Time based distribution strategy, differentiation strategy, Focus differentiation strategy had significant effect on performance of privately owned meat companies in Nairobi. Based on the study findings, the study concludes that performance of privately owned meat companies in Nairobi can be improved by Cost Leadership Strategy, Time based distribution strategy, Differentiation strategy and Focus differentiation strategy strategies. First, in regard to Cost Leadership Strategy, the regression coefficients of the study show that it has a significant influence on performance of privately owned meat companies in Nairobi. The study therefore recommends that management of Alpha fine Foods or any other organisation that seek to enhance their firm performance should ensure that their costs of production are below the industry average. Based on these findings, the study recommends that firms that seek to enhance their performance must ensure timely delivery of their products to the market. Therefore the firm management through the marketing department should ensure they adopt mass distribution of products when the market is available this will ensure that their products are always available and customers can rely on them. The study further recommends that firms should assess their value chains and compare with the value chains of other players in the markets which will help them design a differentiation strategy not being implemented by competitors and which enhance customers' satisfaction and product quality.

**Keywords:** Competitive Strategy, Organizational Performance, Cost Leadership, Products Quality, Differentiation Strategy, Focus Differentiation Strategy.

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## 1. INTRODUCTION

### Background of the Study

Globalization has led to today's dynamic business environment which is continuously changing because of, knowledgeable and demanding customers, changing technology, and increasing intensity of competition, regulatory changes as well as mergers and acquisitions (Wing, Lenartowicz & Apud 2016). This has resulted in markets that can be characterized as increasingly turbulent and volatile and has caused many organizations to seek competitive capabilities

that enable them to exceed customers' expectations and enhance market and financial performance thus firms need to have contingencies to this change by implementing strategies that permit quick alignment and redeployment of assets to deal with environmental changes (Burnes, 2010). Worldwide the intensity of competition in an industry is not a matter of luck. Rather, competition is rooted in underlying industry economics and goes well beyond the established competitors. Not all industries have equal potential. They differ fundamentally in their ultimate profit potential as the collective strength of the forces of competition differs; the forces range from intense in industries like tires, paper and steel, where no firm earns spectacular returns, to relatively mild in industries such as oil field equipment and services, cosmetics and toiletries, where high returns are common (Kroll *et al.*, 2011). Australia produces the best beef in the world, nurtured by generations of committed cattle producers who raised the finest quality breeds. From these breeds, processors are able to source exceptional quality and precise specification of beef (Australia Meat Council, 2011). In the government big four agenda; the livestock sector employs approximately 50 percent of Kenya's agricultural labor force and guarantees livelihoods for the 6 million pastoralists and agro-pastoralists that live in the country's arid and semi-arid lands (ASALs). The livestock sector's contribution to Kenya's gross domestic product (GDP) range from 5.6 percent (Kenya National Bureau of Statistics) to 12.5 percent (Behnke & Muthami, 2011), while Agricultural GDP range from 30 percent to 47 percent (FAO) (Muthee, 2006).

In South Africa, cattle production is at 1 million heads from 12.6 million in 1994 to 13.5 million in 2004 due to human encroachment thus areas for grazing declined owing to expanding human settlements and other activities such as mining, crops, forestry and conservation (Directorate marketing, 2011). Beef cattle producers vary from highly mechanized commercial to communal subsistence producers using indigenous technology. The cattle population of the 14.1 million available in South Africa, 60% is owned by commercial farmers and 40% by emerging and communal farmers. The gross value of beef production is dependent on value added and processed meat. The average gross value of beef produced during the period 2000/01 until 2009/10 amounted to R 8, 880,844 (Directorate marketing SA, 2011).

Global value of agricultural output contributes to 40 percent in food security and supports the sustainable development goals of almost billion people Agricultural research council (2011). Beyond their role in generating food and income, livestock are a valuable asset, serving as a store of wealth, collateral for credit an essential security net during calamitous times. Globally, livestock contribute 15 percent of total food energy and 25 percent of dietary protein, (Directorate marketing, 2011).

Beef Industry contributes to the sustainable development goals of food and nutrition security. The meat industry contributes to 16% of Agriculture GDP thus the country depends largely on agriculture for its manufacturing sector Aklilu, (2008). This demand is coupled with the increasing population in towns and cities leading to an increase for processed foods and value added products with easy and fast preparation methods. This demand has driven processing firms into vigorous struggle for sustainable competitive advantage (Baldwin *et al* 2008). To combat the competition from the readymade food in the supermarkets, butcheries and other eating places which has simplified life for many people, firms have to position themselves strategically by applying different strategies in order to improve their performance (Muthami *et al*, 2011). This has had an impact with disposable incomes reducing and consumer behavior being affected and this has resulted in consumers being cautious in their spending on processed meat.

In the government big four agenda; the livestock sector employs approximately 50 percent of Kenya's agricultural labor force and guarantees livelihoods for the 6 million pastoralists and agro-pastoralists that live in the country's arid and semi-arid lands (ASALs). The livestock sector's contribution to Kenya's gross domestic product (GDP) range from 5.6 percent (Kenya National Bureau of Statistics) to 12.5 percent (Behnke & Muthami, 2011), while Agricultural GDP range from 30 percent to 47 percent (FAO) (Muthee, 2006). Cattle are the most important source of red meat, accounting for 77 percent of Kenya's ruminant off-take for slaughter. Baldwin *et al.*, 2008 noted that approximately 80 to 90 percent of the red meat consumed in Kenya comes from livestock that are raised by pastoralists, with the remainder coming from highland cattle.

### **Specific Objectives**

- i. To explore influence of cost leadership on performance of privately owned meat companies in Alpha Fine Foods.
- ii. To assess influence of Time based distribution strategy on performance of privately owned meat companies in Alpha Fine Foods.

- iii. To determine the influence of Differentiation strategy on performance of privately owned meat companies in Alpha Fine Foods.
- iv. To establish the influence of Focus differentiation strategy on performance of privately owned meat companies in Alpha Fine Foods.

### Research Questions

- i. How does cost leadership influence the performance of privately owned meat processing companies in Alpha Fine Foods?
- ii. What is the influence of Time based distribution strategy on performance of privately owned meat processing companies in Alpha Fine Foods?
- iii. To what extent does differentiation strategy influence performance of privately owned meat processing companies in Alpha Fine Foods?
- iv. How does Focus differentiation strategy influence performance of privately owned meat processing companies in Alpha Fine Foods?

## 2. METHODOLOGY

### Research Design

According to Kothari (2004) research design is the scheme or outline or plan that is used to generate answers to research problems. This study employed a descriptive research method. Creswell (2008) the purpose of descriptive method is to gather information on the present existing condition. For better results some qualitative approach was used which provided a better and more insightful interpretation of the results from the quantitative study.

### Population

Borg and Gall (2017) refers to population as all members or set of people, events or objects to which the researcher wishes to generalize the results of the research.) The population of this study shall be 226 employees of Alpha fine Foods. According to Bell (2015), a minimum number equivalent to a third of entire population for statistical analyzes provides a useful rule of thumb for each study category. Table 3.1 explains further on how the sample participants were selected. The study targeted staff members from different departments which formed the basis for stratification. The target population was 226 that is total number of Alpha Fine Foods staffs on permanent and contract basis. 40% of 226 staff will form the Sample population of the study.

Table 3.1: Sample population

Head of departments	Population	Sample
Finance Department	5	3
Human Resources Department	10	5
Production Department	6	3
Quality Department	112	40
Sales Department	14	10
Marketing Department	20	10
Administration	15	7
Value Addition	4	2
<b>Totals</b>	<b>226</b>	<b>90</b>

### Sampling Technique

Sampling is a procedure, process or technique of choosing a sub-group from a population to participate in the study (Cooper & Schindler, 2007). A sample can be used to derive inferences about the population if appropriate sample size and sampling techniques are used Creswell (2013). It is a physical representation of the target population and comprises all the units that are potential members of a sample (Kothari, 2008).

A sample is “a smaller (but hopefully representative) collection of units from a population used to determine truths about that population” (Field, 2005). This subgroup is carefully selected to be representative of the whole population with the relevant characteristics. Therefore, a proportionate sample size of approximately 90 respondents which is 40% of the population was selected using stratified random sampling technique from the identified sample. The method is good because it is less costly and does not consume a lot of time (Kothari, 2004) from each stratum a sample, of pre-specified size, is drawn independently in different strata. Then the collection of these samples constitutes a stratified sample. If a simple random sample selection scheme is used in each stratum, then the corresponding sample is called a stratified random sample.

### **Sample Size**

From the target population of two hundred and twenty six staff, proportional allocation was used to calculate the sample size from each strata using stratified random sampling which gives each item in the population an equal probability chance of being selected. According to Kothari, (2004) a representative sample is one which is at least 40% of the population thus the choice of 40% equal to 90 staff members is considered as representative.

### **Data Collection Instrument**

The primary data was gathered using questionnaire of both open and close ended questions during the study. Questionnaire is a preferred instrument as it has a wide reference and applicability to the research problem and the population size. It is also cost effective Saunders (2012). The data instrument addressed four research objectives. The quantitative section of the instrument used both nominal and likert scale format ranging from 1-5 to test the hypothesis to determine each of the variables.

### **Pilot Testing**

MCneill (2009) defines pilot testing as a trial or run done in preparation for a major study. Pilot study was conducted to determine if there was be flaws, limitations, or other weaknesses within the data collection instrument to make the necessary revisions prior to the implementation of the study. Population of the pilot was 10% of the total population size which was pre tested to all the respondents in all cadre sample population.

### **Reliability of Research Instrument**

This was determined through administering questionnaires to the pilot group. A construct composite reliability coefficient (Cronbach alpha) of 0.7 or above was considered to be adequate for this study.

### **Validity of Research Instruments**

The study used both face and content validity to ascertain the validity of the questionnaire. The questionnaire accuracy and meaningfulness of inferences based on the research results which was representative to the larger domain of knowledge and skills Gillham (2008)

## **3. DATA ANALYSIS AND PRESENTATIONS**

Data preparation was done on the completed questionnaire by editing, coding, entering and cleaning the data. The study generated both qualitative and quantitative data. Further the study adopted correlation analysis at 5% level of significance to study strength, direction of the relationship between the independent and dependent variable). To quantify the strength, and direction of the relationship between the variables, the study utilized Karl Pearson’s coefficient of correlation. The Pearson product-moment correlation coefficient (or Pearson correlation coefficient for short) can measure the strength of a linear association between two variables and is denoted by Gupta (2013).

The Pearson correlation coefficient, can take a range of values from +1 to -1. A value of 0 indicates that there is no association between the two variables. A value greater than 0 indicates a positive association, that is, as the value of one variable increases so does of other variable. Value less than 0 indicate a negative association, that is, as the value of one variable increases the value of the other variable decreases Schindler (2001). The correlation will be significant at the 0.05 level for 2-tailed. The study will also use multiple regression analysis and Analysis of Variance (ANOVA) to analyze the degree of relationship between the variables in the study at 5% level of significance. The multiple regression model that will aid the analysis of the variable relationships will be as follows:  $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$

Where;

Y = Performance

$\beta_0$  = Constant (Coefficient of intercept);

X<sub>1</sub> = cost leadership;

X<sub>2</sub> = Time based distribution strategy;

X<sub>3</sub> = differentiation strategy;

X<sub>4</sub> = Focus differentiation strategy;

$\epsilon$  = Error term for the Model

$\beta_1, \dots, \beta_4$  = Regression coefficient of four variables.

#### 4. RELIABILITY ANALYSIS

The rule of thumb for cronbach's alpha is that the closer the alpha is to 1 the higher the reliability (Serekan, 2006). A value of at least 0.7 is recommended. Cronbach's alpha is the most commonly used coefficient of internal consistency and stability. Consistency indicated how well the items measuring the concepts hang together as a set. Cronbach's alpha was used to measure realibility. This was done on the four sub variables of the study. The higher the coefficient, the more reliable is the test.

Table 4.2: Reliability Analysis Results

Variable	No of Items	Respondents	$\alpha$ =Alpha	Comment
Cost Leadership Strategy	5	9	0.893	Reliable
Time based distribution strategy	4	9	0.987	Reliable
Differentiation strategy	5	9	0.974	Reliable
Focus differentiation strategy	4	9	0.976	Reliable

#### Descriptive Statistics Results

Table 4.3: Cost Leadership Strategy

	Mean	Std. Dev
Low costs of products than the competitors'	3.87	0.99
Superior proprietary technology for efficiency in production	3.80	0.93
Low cost manufacturing; economy of scale or outsourcing	3.85	1.01
Mass production	4.44	0.50
Process innovation	4.04	0.60
<b>Average</b>	<b>4.00</b>	<b>0.80</b>

The first objective of the study was to explore influence of cost leadership and performance of privately owned meat companies in Alpha Fine Foods. The respondents were also asked to comment on statements regarding cost leadership influence on performance of privately owned meat companies in Nairobi. The responses were rated on a likert scale and the results presented in Table 4.3.

Table 4.4: Time based distribution strategy

	Mean	Std. Deviation
Mass distribution of products to customers	3.28	0.938
Large market share i.e. institutions, hospitals, supermarkets	4.01	0.83
Location of outlet; other available outlets other than the company's' premises	3.91	0.825
Just in time delivery of orders	4.04	0.779
<b>Average</b>	<b>4.05</b>	<b>0.728</b>

The second objective of the study was to assess the influence of time based distribution strategy and performance of privately owned meat companies in Alpha Fine Foods. The respondents were asked to indicate descriptive responses for Time based distribution strategy. The result in table 4.4 revealed that majority of the respondents as indicated by a mean of (3.28) indicated that they agreed with the statement that the firm conducts Mass distribution of products to customers. The responses were varied as measured by Std. Dev of 0.93.

*Table 4.5: Differentiation Strategy*

	<b>Mean</b>	<b>Std. Deviation</b>
To what extend does Consumer specifications met?	3.83	0.96
To what extend does the company value product Differentiation strategy for its product	3.77	1.07
Does the company have Strong sales team	3.72	1.07
Buyer needs & behavior to what extend are these reviewed.	3.81	1.22
To what extend does the company carry out advertising and campaigns	3.59	1.05
<b>Average</b>	<b>3.61</b>	<b>1.13</b>

There was also need to determine the impact of differentiation strategy and performance of privately owned meat companies in Alpha Fine Foods. The respondents were asked to indicate their levels of agreement on statements regarding differentiation strategy. The results in table 4.5 revealed that majority of the respondent (3.83) agreed with the statement; Consumer specifications are met. The responses were varied as shown by the Std. Dev of 0.96.

*Table 4.6: Focus Differentiation Strategy*

	<b>Mean</b>	<b>Std. Deviation</b>
To what extend does the company carry out Research and development practices	2.15	1.30
To what extend does the company allow Innovation and creativity from staff	2.33	1.36
To what extend the company adopts to Changes in technology	3.41	1.21
To what extend does the company have better educated workforce	2.25	1.24
<b>Average</b>	<b>2.38</b>	<b>1.26</b>

There was also need to establish the impact of focus differentiation strategy on performance of privately owned meat companies in Alpha Fine Foods. The respondents were asked to indicate the descriptive responses for Focus differentiation strategy. The result in table 4.6 revealed that majority of the respondent (2.15) agreed with the statement that the company carries out Research and development practices. The responses were varied as shown by a Std. Dev of 1.30. The result revealed that majority of the respondent (2.33) agreed with the statement that the company allows Innovation and creativity from staff. The responses were varied as shown by a Std. Dev of 1.35. The result revealed that majority of the respondent (2.03) agreed with the statement that the company assesses Continuous improvement of its systems. The responses were varied as shown by a Std. Dev of 1.25.

## **5. FIRM PERFORMANCE**

This section presented the trends in return on investment and annual sales which were used by the study to measure performance. The findings presented in Figure 4.3 showed that the firm return on investment increased between 2012 and 2014 and later dropped between 2014 and 2016. The findings implied the firm performance dropped between 2014 and 2016 which could be attributed to change in strategy adopted by the organization.



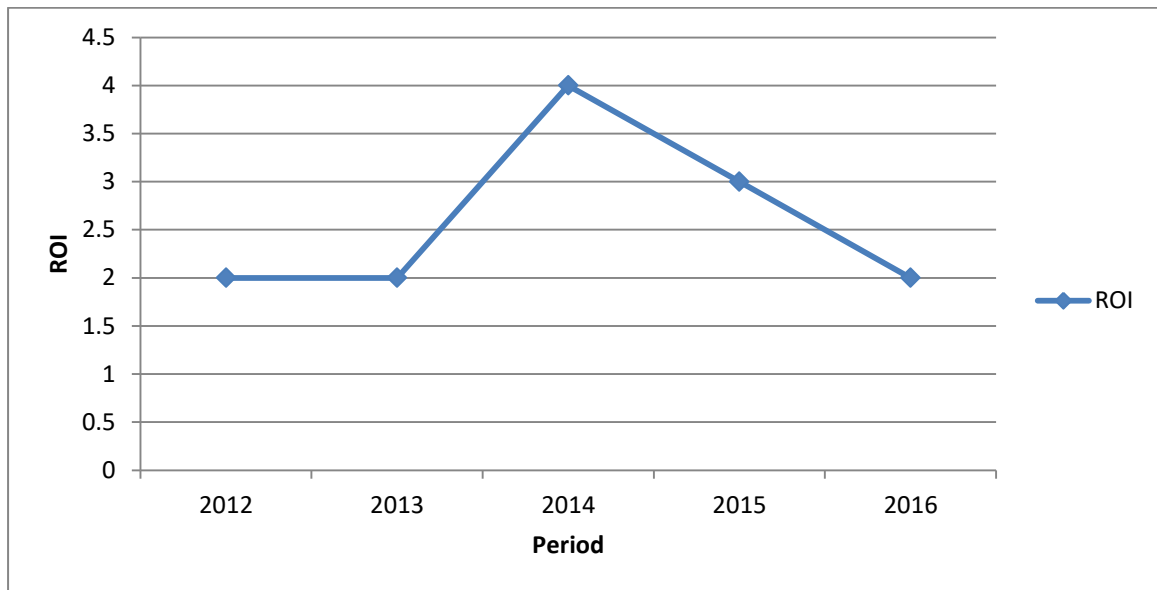


Figure 4.3 Trend In Return On Investments

Figure 4.4 shows the findings of trend analysis of annual sales of the firm. The findings presented further showed that the performance of the firms between 2012 and 2016 was very volatile. The performance increased between 2013 and 2014 and later dropped the following two years as shown in figure 4.4

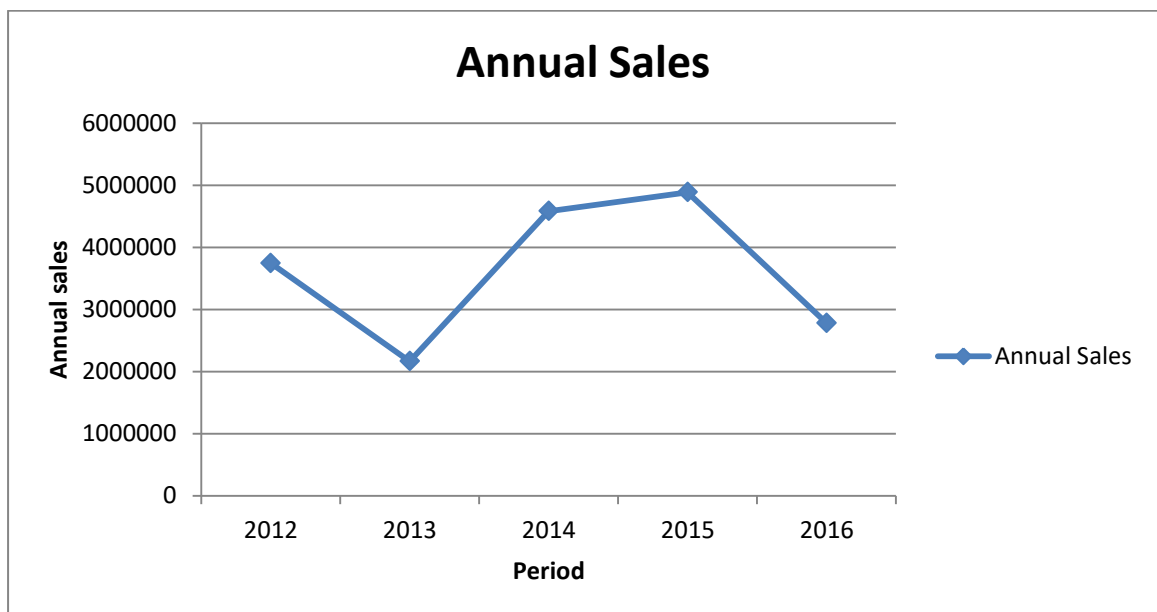


Figure 4.4 Trend in Annual Sales

## 6. INFERENCE STATISTICS RESULTS

This section presents the findings of inferential statistics which include correlation and regression analysis. Correlation analysis was used to test the strength of the association between independent variable and dependent variable while regression analysis test the direction, magnitude and significance of the relationship between independent variables and dependent variable.

### Correlation Analysis

Correlation analysis was used to determine both the significance and degree of association of the variables and also predict the level of variation in the dependent variable caused by the independent variables. The findings of correlation analysis are presented in table 4.7.

Table 4.7: Correlations Matrix

		Cost Leadership Strategy	Time based distribution strategy	Differentiation strategy	Focus differentiation strategy
Cost Leadership Strategy	Pearson Correlation	1			
	Sig. (2-Tailed)				
Time based distribution strategy	Pearson Correlation	.553**	1		
	Sig. (2-Tailed)	0.000			
Differentiation strategy	Pearson Correlation	.537**	.537**	1	
	Sig. (2-Tailed)	0.000	0.000		
Focus differentiation strategy	Pearson Correlation	.448**	.342**	.509**	1
	Sig. (2-Tailed)	0.000	0.003	0.000	
Performance	Pearson Correlation	.721**	.442**	.772**	.664**
	Sig. (2-Tailed)	0.000	0.000	0.000	0.000
	N	75	75	75	75

\*\* Correlation is significant at the 0.05 Level (2-Tailed).

The correlation summary shown in Table 4.7 indicated that the associations between each of the independent variables and the dependent variable were all significant at the 95% confidence level. The correlation analysis to determine the association between Cost Leadership Strategy and performance of privately owned meat companies in Alpha Fine Foods, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there was a positive relationship ( $r=0.721$ ) between Cost Leadership Strategy and performance of privately owned meat companies in Alpha Fine Foods. In addition, the researcher found the relationship to be statistically significant at 5% level ( $p=0.000, <0.05$ ).

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The correlation coefficients on cost leadership strategy has a boost from Allen et al., (2016), who argues that when a firm designs, produces and markets a product more efficiently than its competitors such a firm has implemented a cost leadership strategy. Cost reduction strategies across the activity cost chain will represent low cost leadership. Attempts to reduce costs will spread through the whole business process from product design to the final stage of selling the product. Any processes that do not contribute towards minimization of cost base should be outsourced to other organizations with the view of maintaining a low cost base (Akan, 2016). Low costs will permit a firm to sell relatively standardized products that offer features acceptable to many customers at the lowest competitive price and such low prices will gain competitive advantage and increase market share. These explains that the cost efficiency gained in the whole process will enable a firm to mark up a price lower than competition which ultimately results in high sales since competition could not match such a low cost base.

The correlation analysis to determine the relationship between time based distribution strategy on performance of privately owned meat companies in Alpha Fine Foods., Pearson correlation coefficient computed and tested at 5% significance level. The results indicated that there was a positive relationship ( $r=0.442$ ) between Time based distribution strategy on performance of privately owned meat companies in Alpha Fine Foods. In addition, the researcher found the relationship to be statistically significant at 5% level ( $p=0.000, <0.05$ ).



Hilbers (2010) in his study seems to rubber stamp our findings when he suggests that Distribution can be an excellent source of competitive advantage for a producer and since the distribution channel advantage is difficult to copy by the competitors it provides both substantial and sustainable competitive advantage. This strategy is related to the distribution of goods and services to the ultimate customers. Goods and services that require the customer to go to the producer must be as accessible as possible. Hence, an important consideration in the distribution strategy for companies is location of their outlets. The task before the management is to select the place where the actual sale is to take place and this should be in the face of conveniences and comforts to the customers. Changing lifestyles and increased affluence have led to higher service expectations by the customer and this has made distribution the key marketing variable. This statement gained 84 per cent agreement in the survey.

The correlation analysis to determine the relationship between differentiation strategy on performance of privately owned meat companies in Alpha Fine Foods, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there was a positive relationship ( $r=0.772$ ) between differentiation strategy on performance of privately owned meat companies in Alpha Fine Foods. In addition, the researcher found the relationship to be statistically significant at 5% level ( $p=0.000, <0.05$ ).

Meat quality is evaluated based on information available about the meat, not only on the meat itself. Customers use intrinsic and extrinsic cues when determining meat quality. This provides opportunities for more differentiation strategy of meat products, new requirements for the meat value chain in terms of delivering meat, and the provision of more information regarding the product (Grunert, 2016). Different strategies have been formulated by organizations in different sectors in order to ensure that they attract and retain their customer and the key of it is to increase the service quality level.

The correlation analysis to determine the relationship between Focus differentiation strategy on performance of privately owned meat companies in Alpha Fine Foods, Pearson correlation coefficient computed and tested at 5% significance level. The results indicate that there was a positive relationship ( $r=0.664$ ) between Focus differentiation strategy on performance of privately owned meat companies in Alpha Fine Foods. In addition, the researcher found the relationship to be statistically significant at 5% level ( $p=0.000, <0.05$ ). Hence, it was evident that all the independent variables could explain the changes in the performance of privately owned meat companies in Alpha Fine Food, on the basis of the correlation analysis.

Finally the author study results are supported by Enz (2011) who in his study suggests that to profit from differentiation strategy in the agriculture sector, it is important to understand customer lifestyles and aspirations. Differentiation strategy can be achieved in an almost unlimited number of ways such as product features, complementary services, technology embodied in design, location, service innovations, superior service, creative advertising and better supplier relationships leading to better services.

### **Regression Analysis**

In this study multivariate regression analysis was used to determine the significance of the relationship between the dependent variable and all the independent variables pooled together. Regression analysis was conducted to find the proportion in the dependent variable (performance of privately owned meat companies in Alpha Fine Food, on the basis of the correlation analysis) which can be predicted from the independent variables (Cost Leadership Strategy, Time based distribution strategy, Differentiation strategy, Focus differentiation strategy).

The independent variables reported R value of 0.863 indicating that there was significant relationship between dependent variable and independent variables. The coefficient of determination also called the  $R^2$  was 0.744. R square value of 0.744 means that 74.4 % of the corresponding variation in performance of privately owned meat companies in Alpha Fine Food can be explained or predicted by (Cost Leadership Strategy, Time based distribution strategy, Differentiation strategy, Focus differentiation strategy) which indicated that the model fitted the study data.

Adjusted R square in table 4.8 was called the coefficient of determination which indicated how performance of privately owned meat companies in Alpha Fine Food varied with variation in effects of factors which includes; Cost Leadership Strategy, Time based distribution strategy, Differentiation strategy, Focus differentiation strategy. The results of regression analysis revealed that there was a significant positive relationship between dependent variable and independent variable at ( $\beta = 0.744, p=0.000 <0.05$ ).

*Table 4.8: Model Summary*

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.863a	0.744	0.73	0.128663

a Predictors: (Constant), Focus differentiation strategy, Cost Leadership Strategy, Time based distribution strategy, Differentiation strategy

The significance value is 0.000 which is less than 0.05 thus the model is statistically significance in predicting how Cost Leadership Strategy, Time based distribution strategy, Differentiation strategy, Focus differentiation strategy influence performance of privately owned meat companies in Alpha Fine Foods. The F critical at 5% level of significance was 51.695 which implied that the model used had a goodness of fit.

*Table 4.9: ANOVA Results*

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.662	4	0.666	51.695	.000b
	Residual	0.914	71	0.013		
	Total	3.576	74			

a Dependent Variable: Performance

b Predictors: (Constant), Focus differentiation strategy, Cost Leadership Strategy, Time based distribution strategy, Differentiation strategy

The regression equation above has established that taking all factors into account (Cost Leadership Strategy, Time based distribution strategy, Differentiation strategy, Focus differentiation strategy) constant at zero, performance of privately owned meat companies in Alpha Fine Foods will be an index of 3.0909. The findings presented also shows that taking all other independent variables at zero, a unit increase in Cost Leadership Strategy will lead to a 0.5470 increase in performance of privately owned meat companies in Alpha Fine Foods. The P-value was 0.003 which is less 0.05 and thus the relationship was significant.

The correlation coefficients on cost leadership strategy has a boost from Allen et al., (2016), who argues that when a firm designs, produces and markets a product more efficiently than its competitors such a firm has implemented a cost leadership strategy. Cost reduction strategies across the activity cost chain will represent low cost leadership. Attempts to reduce costs will spread through the whole business process from product design to the final stage of selling the product. Any processes that do not contribute towards minimization of cost base should be outsourced to other organizations with the view of maintaining a low cost base (Akan, 2016). Low costs will permit a firm to sell relatively standardized products that offer features acceptable to many customers at the lowest competitive price and such low prices will gain competitive advantage and increase market share. These explains that the cost efficiency gained in the whole process will enable a firm to mark up a price lower than competition which ultimately results in high sales since competition could not match such a low cost base. The study also found that a unit increase in Time based distribution strategy will lead to a 0.616 increase in performance of privately owned meat companies in Alpha Fine Foods. The P-value was 0.001 and thus the relationship was significant.

Hilbers,(2010) in his study seems to rubber stamp our findings when he suggests that Distribution can be an excellent source of competitive advantage for a producer and since the distribution channel advantage is difficult to copy by the competitors it provides both substantial and sustainable competitive advantage. This strategy is related to the distribution of goods and services to the ultimate customers. Goods and services that require the customer to go to the producer must be as accessible as possible. Hence, an important consideration in the distribution strategy for companies is location of their outlets. The task before the management is to select the place where the actual sale is to take place and this should be in the face of conveniences and comforts to the customers. Changing lifestyles and increased affluence have led to higher service expectations by the customer and this has made distribution the key marketing variable. This statement gained 84 per cent agreement in the survey

In addition, the study found that a unit increase in Time based distribution strategy will lead to a 0.4166 increase in the performance of privately owned meat companies in Alpha Fine Foods. The P-value was 0.015 and thus the relationship

was significant. Meat quality is evaluated based on information available about the meat, not only on the meat itself. Customers use intrinsic and extrinsic cues when determining meat quality. This provides opportunities for more differentiation strategy of meat products, new requirements for the meat value chain in terms of delivering meat, and the provision of more information regarding the product (Grunert, 2016). Different strategies have been formulated by organizations in different sectors in order to ensure that they attract and retain their customer and the key of it is to increase the service quality level

Lastly, the study found that a unit increase in Focus differentiation strategy will lead to a 0.858 increase in the performance of privately owned meat companies in Alpha Fine Foods. The P-value was 0 and hence the relationship was significant since the p-value was lower than 0.05. Enz, ( 2011) support our findings by suggesting that Differentiation strategy is a strategic choice, not a feature of the market, and as such needs to be based on creating a bundle of resource capabilities. Product experiences that complement consumers’ lifestyles, brands that communicate their aspirations may allow poultry business to prosper in future. In offering a unique experience, a higher cost is necessary to cover extra costs incurred

*Table 4.10: Regression Coefficients Results*

	B	Std. Error	Beta	t	Sig.
(Constant)	3.090	0.915		3.378	0.001
Cost Leadership Strategy	0.547	0.268	0.152	2.041	0.003
Time based distribution strategy	0.616	0.24	0.605	2.565	0.001
Differentiation strategy	0.416	0.171	0.375	2.436	0.015
Focus differentiation strategy	0.858	0.165	0.917	5.194	0.001

a Dependent Variable: Performance

### Optimal Model

$$Y = 3.0909 + 0.5470X_1 + 0.616X_2 + 0.4166X_3 + 0.858X_4$$

$X_1$  = Cost Leadership Strategy,  $X_2$  = Time based distribution strategy,  $X_3$  = Differentiation strategy,  $X_4$  = Focus differentiation strategy.

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