INFLUENCE OF COMPETITION RESPONSE STRATEGIES ON PERFORMANCE OF SUPERMARKETS. A CASE OF SUPERMARKETS IN NAIROBI CENTRAL BUSINESS DISTRICT.

BY

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DECLARATION

This is my original work and has never been presented in another university in any academic award.

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ABSTRACT

This management project was done with the objective to determine the influence of competitive response strategies on performance of supermarkets in Nairobi central business District and whether these strategies vary according to the dynamic of the firms in the supermarkets industry. Firms formulate competitive strategies that reflect their internal strengths and external threats and opportunities. The supermarkets in Kenya are faced with a lot of challenges. These include demands of customers and expectations, external factors such as political, economic and legal development and intra-industry competition. All these call for sound competitive strategies, both general and firm specific. The study was survey design. There are about 43 best-known supermarkets in Nairobi Central Business District. Some supermarkets responded to the questionnaire. Stratified sampling was done where location, size and ownership were the basis of stratification. The data was collected using questionnaire and interviews. The results of the study show that supermarkets in Nairobi central business District practice competitive strategies but mostly do it informally. After sales services, pricing of products and discounts offer were the most common competitive strategies the supermarkets applied. Most supermarkets reported back that lack of capital, high taxation in terms of Valued Added Tax(VAT), employee pilferage and intra-firm competition were the greatest challenge faced by supermarkets.