

**COMPETITIVE STRATEGIES FOR ENHANCING BUSINESS PERFORMANCE:
A STUDY ON ELECTRIC MOTORCYCLE COMPANIES IN KENYA**

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DECLARATION

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I dedicate this work to my father, Mr. Kuni Hele Halanka.

ABSTRACT

This study was conducted to quantitatively investigate the link between porter's generic strategies on the performance of electric motorcycle businesses in Kenya. This is against the backdrop of an empirical gap on the influence of porter's generic strategies on the performance of electric motorcycle businesses. Literatures on the influence of Porter's generic strategies are available but limited to already established businesses and also lack of literature that quantitatively links the generic strategies to business performance of new products like electric motorcycles may lead to business pursuing the wrong strategies. Therefore, to fill these gaps the study was guided by the following research objectives; to establish the effect of differentiation strategy on the performance of electric motorcycle business in Kenya; to establish the effect of cost leadership strategy on the performance of electric motorcycle business in Kenya; to establish the effect of focus strategy on the performance of electric motorcycle business in Kenya. To measure the relationship between the dependent variable (organizational performance) and the independent variables (focus strategy, differentiation strategy, and cost leadership strategy), this study employed an explorative research design and a positivism research philosophy to achieve these objectives. The research used simple random sampling technique to collect data from the target population of all the electric motorcycle businesses in Nairobi County, adopting a sample population of 73. Further, the study adopted a descriptive model and the data gathered using questionnaires, through both online and physical quantitative surveys. The data was analyzed using SPSS statistical software and presented using tables, graphs and charts for both descriptive and inferential statistics using regression and correlation analysis. Individually, all the generic strategies had a positive significant effect on the business performance of electric motorcycle dealers in Kenya. The study found the degree of correlation between focus strategy and business performance was highest at 81.93% and variation in business performance as a result of Focus strategy employed is 0.6713. The study also found that cost leadership strategy led to 51.86% increase in business performance whereas differentiation strategy led to 39.97% increase in business performance. Due to the infancy stage of the electric motorcycle business in Kenya and industry size, the study recommends a longitudinal approach to achieve a further conclusive result. It also guides the industry players to explore a hybrid approach in designing their business strategies because there are other factors that impact the electric motorcycle business performance in Kenya like government policies, consumer knowledge and mindset.

Keywords: *Focus strategy, differentiation strategy, cost leadership strategy, business performance, electric motorcycles.*

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ABBREVIATIONS

AHK (Auslandshandelskammern) German delegation for industry and commerce in East Africa

EPRA Energy and Petroleum Regulatory Authority

GHG Green House Gasses

GIZ German Development Agency

ICE Internal Combustion Engine

KIPPRA Kenya Institute for Public Policy Research and Advocacy

KNBS Kenya National Bureau of Statistics

SDG Sustainable Development Goals

UNEP United Nations Environmental Programme

DEFINITION OF TERMS

Business Performance Scholars have had different ways of defining business performance.

Porter defines business performance as the ability of a firm to “create value” for its shareholders (Porter, 1985). Other scholars have defined business performance as the effectiveness of an organization, its ability to achieve its goals with the least resources, and that it is a function of efficiency and efficacy (Taouab & Issor, 2019).

Cost leadership (Porter, 1985) defines cost leadership as the strategy where a firm strives to position itself as the lowest cost producer in its industry. This, according to Porter is in a bid to achieve cost advantage over its competition.

Differentiation strategy refers to a firm’s pursuance of consumer satisfaction through tailoring of the product or service to the needs of the consumer. The firm focuses its research and development efforts to provide a unique product / service. ‘Factors including market sector quality of work, the size of the firm, the image, graphical reach, involvement in client organizations, product, delivery system, and the marketing approach have been suggested to differentiate a firm’ (Allen, n.d.).

Focus strategy refers to serving the needs of consumers better than everyone else in the market (GRANT R M, 2011).

Strategy Henry Mintzberg defines strategy as a plan, purposefully conceived prior to an action(s) geared towards achieving a goal (Mintzberg, H, 1987). (Islami et al., 2020) define strategy as “directional cues that allow an organization to achieve its objectives”.

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Introduction

This chapter delivers the study's logical flow by offering sufficient background information for a better understanding of the investigation. The chapter starts with the study background and further presents the problem statement. This is followed by the research objectives and research questions. Finally, the chapter presents the scope and the significance of the study.

1.2 Background Information

Electric motorcycles are a new entrant into the auto industry, with the internal combustion engine motorcycles having established a vibrant market demand in the country through first mover advantage. Late follower companies like electric motorcycles have to develop innovative strategies to develop competitive strategies, posits that competitive advantage can be honed through possession of unique, rare and or valuable resources that can be acquired through internal development, strategic partnerships and or acquisitions (Rakita et al., 2017)

In a world facing rising population growth, globalization, and urbanization, public transport is playing a critical role in connecting people to markets. This is as postulated by the World Bank, which further reports that the demand for reliable and modern connectivity has exponentially grown in the last decade (World Bank, 2022). The growth has made public transport a critical cornerstone to global development, where it allows people to access basic amenities, generate employment, and facilitate the wider economic growth through delivery of good and services. Further, (Saif et al., 2019) assert that optimal investment in public transportation can enhance connecting people to opportunities at a reasonable cost, resulting in social development. Such is critical to building prosperity from reduced poverty, a key objective featured under goal 1 of the sustainable development goals (UNEP, 2017), that is, ending poverty in all its forms. Studies show that in the face of climate change, air pollution, traffic problems, carbon emissions and over reliance on fossil fuels within the transport sector, electric mobility is presented as a low-carbon strategy to solve these issues (Martin, 2021). In Kenya, the ministry of transport recommends electric mobility to be prioritised for its “immense health and sustainability benefits to the transport sector and country at large” (State Department for Transport, 2021).

“Strategy”, as a term commonly used in industries is defined as a plan that describes the course of action to achieve an organizational goal or desired outcome in the face of competition, limited resources and environmental uncertainties (*Strategic Management Theories.Pdf*, n.d.). While public transport has its social and economic benefits as highlighted, it also has detrimental contributions to the environment. As such, public transport has been shown to contribute to environmental problems that range from air pollution through carbon monoxide emission, noise, acid rain, to smog (E. Erickson et al., 2017; Gramsch et al., 2013). Further, Nesheli, Ceder, Ghavamirad, and Thacker postulate that energy used in the transportation sector, that is in the form of gasoline, liquefied petroleum gas, and diesel, has made major contributions to environmental problems through greenhouse gas (GHG) emissions such as methane, carbon dioxide, sulphur hexafluoride, chlorofluorocarbons, and nitrous oxide, affecting the quality of urban air (Nesheli et al., 2017). The environmental and social sustainability of the public transport system is of major concern for urbanisation and sustained global development. In urban areas, public transport has had its fairshare of challenges with unreliability being a huge challenge. This is evidenced in the KNBS 2022 economic survey report which shows motorcycles to be the highest purchased vehicle form (KNBS, 2022), showing a 16% increase from the previous year 2021. The motorcycles registered last year alone, 99% run on internal combustion engines meaning they use fossil fuels (Kuhudzai, 2021), not helping to address the country’s pollution problem in urban areas.

The Kenya Transport Sector Climate Change Annual Report of 2018/2019 shows that the transport sector in the country is responsible for approximately 12% of the country’s Green House Gas emissions (State Department for Transport, 2021). These concerns have increased attention to green transportation from stakeholders that include the government, scholars, and marketers. According to (Shah et al., 2021), green transportation is the employment of transportation services with fewer implications on the environment and human health as opposed to conventional transportation services . In other words, it is the combination of technology to optimally use biogas, fossil fuels in public transportation, and the efficient utilization of electric engine technologies. The results of green transportation in the environment include enhanced energy efficiency, resource sustainability, optimal travel speed, and reduced pollution and subsequently, improved health (Shah et al., 2021). While these are results governments will be keen to see in the future, motor vehicle marketers have the opportunity to leverage green transportation in contributing to sustainable business practices.

In the contemporary business environment, the concept of sustainable business practices has been established as imperative for competitiveness, hence a competitive advantage (Sharma & Kaur, 2021). Essentially, sustainability is the ability of businesses in the current environment to meet their needs without jeopardizing future firms' opportunities to fulfil their needs and lies on the premise of the triple bottom line of social, economic, and environmental performance (Moore et al., 2017). For marketers, the gospel should be to get green transportation to commuters and achieve an equilibrium of social equity (by improving the community, human rights observation, and providing good working conditions), economic prosperity for the business and other stakeholders, and environmental caring (preservation of land, plants, water, and animals) (Tseng et al., 2020). While marketers decide on product innovation and decision-making in marketing, sustainability cannot be overlooked in the contemporary business.

With the imminent energy transformation of the motor vehicle production industry towards green transportation, markets will need to revise their product, pricing, placing, and promotion strategies to incorporate sustainability. In the context of Kenya, and as defined in Chapter 403 of the Traffic Act, a motor vehicle is any mechanically propelled vehicle and excludes electric overhead power cables power cars, rail cars, and rail trams (*Traffic Act CAP 403.Pdf*, n.d.). This definition includes motorcycles as motor vehicles, that is, a motor vehicle that has less than four wheels and unladen weight that is or below eight hundred weights. In this study's case, reference is made to two-wheeler motorcycles. For marketers, green transportation's future success lies in effective marketing communication strategies and branding (Chen et al., 2020) capable of enhancing consumer perceptions of green energy-consuming motorcycles.

According to a report by Verified Market Research, the adoption of motorcycle taxis in the transport network has seen significant traction in India, China, and Africa. The limitations of the current transport systems to efficiently serve the ever-increasing population have contributed to the increased popularity of motorcycle taxis, where the market value of the service is projected to grow to USD 29.85 billion by 2026 from USD 16.27 billion in 2018 and with a compound annual growth rate of 7.9% (*Moto Taxi Service Market Size, Trends, Analysis, Growth & Forecast*, n.d.). As opposed to the efficiency of the transport infrastructure in developed economies, in developing and emerging economies, poor public transport service, provision of alternative means of transport to expensive car travel, and the local economic demand have facilitated the rise of motorcycle taxi services (Xia, 2020). Other major reasons include low-income levels in these countries, lack of

public transport, high ownership of two-wheelers, difficult terrains and bad roads, and limited access to core areas (Jha, 2022; Thakur et al., 2020). Countries in Asia that have adopted motorcycle taxis include but are not limited to India, Cambodia, Indonesia, Thailand, Vietnam, and Timor Leste. In Africa, they include Benin, Cameroon, Kenya, Nigeria, Rwanda, Sierra Leone, Tanzania, and Uganda while in Latin America, they include Colombia and Brazil (Thakur et al., 2020). For marketers, motorcycle taxis are crucial for first and last-mile mobility in these countries, and this provides an opportunity to introduce green transport models.

The Cambridge dictionary defines '*boda boda*' as "a bicycle or motorcycle used as a taxi for carrying goods and passengers (Cambridge dictionary, n.d.). This study however uses the term to only refer to motorcycle taxis. The term, commonly used in East Africa (Kenya, Uganda and Tanzania) has become synonymous with convenience in time, cost and avoiding traffic. Electric *boda boda* will refer to motorcycles that are propelled by electric motor(s) powered by on-board rechargeable batteries instead of Internal Combustion Engines as the case would be in traditional motorcycles (GIZ & State Department for Transport, 2019).

Kenya has seen a steady rise in the number of new motorcycles each year with an estimated 157,000 registered in 2017 alone to 246,705 registered motorcycles in 2021 (KNBS, 2022). , and KIPPRA reports that this industry offers 1 million ' direct jobs in Kenya, with the government collecting in excess of 60 billion in fuel taxes annually. This translates to each *boda boda*' operator in the country consuming an average of 300 shillings worth of petrol per day (KIPPRA 2022, n.d.).

Electric motorcycle is in its nascent stages but is seen as a solution to the inefficient transport system in the country's capital, Nairobi, and its associated problems like air pollution. Noise pollution, over consumption of fossil fuels and not to mention traffic congestions. This has ranked Nairobi as the worst city in Africa and fourth worst in the world (GIZ & State Department for Transport, 2019). With 70% of Kenya's electricity sourced from renewable sources, electric mobility presents a solution to slow the environmental impact and challenges experienced (EPRA, UN Environment, 2021) . In the same report, Rob de Jong of the UN Environment explains that electric engines would be cheaper to maintain compared to its fossil powered companion (ICE) because of its fewer moving components.

Reports show that Kenya imports more motorcycles than vehicles every year and the total number of motorcycles double approximately every seven years (UNDP, 2021). According to a report by

CleanTechnica, 99% of all imported motorcycles in Kenya, run on internal combustion engines (Kuhudzai, 2021). The internal combustion engines on motorcycles in Kenya pollute 10 times more than passenger cars (UNDP, 2021). This presents a huge challenge for the sustainability and a great opportunity for the transition to electric motorcycles. However, in Kenya, electric motorcycle business has had its fair share of challenges. The initially introduced electric motorcycles failed in 2014 due to heavy and unreliable batteries that were used and insufficient charging infrastructure. These challenges can be overcome to make the electric motorcycles more attractive through strategic introduction re-introduction of the electric motorcycles. The adoption of the electric motorcycles in Kenya can be accelerated through introduction and improving of charging infrastructures, to solve the issue of ‘range anxiety’ through use of lithium batteries and incentivising the purchase of new electric motorcycles, to take advantage of the high demand of motorcycles in the country (Kuhudzai, 2021; UNDP, 2021)

Michael porter (Porter, 1985) gives strategies for firms to develop competitive advantage to improve performance. According to Porter, to achieve and maintain an above-average performance, firms should build a sustainable competitive advantage (Porter, 1985). Studies have shown that firms that applied porter’s generic strategies achieved a higher performance than those that did not apply, also referred to as “stuck in the middle” (Dess & Davis, 1984). To achieve a competitive advantage over their competition, firms can exploit three generic strategies.

1.2.1 Differentiation strategy

Differentiation is one of porter’s generic strategy a firm can choose to develop a competitive edge over its competition. Through this strategy, a firm explores and opportunity in an industry and presents value considered unique. This would give it a commanding position in the industry and hence its performance. Porter posits that a firm that identifies one or more attributes that consumers regard as important and positions itself to offer that value, it would be rewarded with higher prices (Porter, 1985). Differentiation can be measured through different factors depending on the industry, for example, the uniqueness of the product (features, durability), the firm’s marketing model, the service/ delivery process. This strategy is used in a broad market industry to gain competitive advantage, however Porter cautions that to achieve strategic advantage, “the price premium should exceed the costs of being unique”.

Differentiation strategy – “offering a uniquely desirable product or service” studies show that businesses are able to achieve above normal performance if they offer resources that are unique. Under differentiation strategy, a business pursues innovation to provide value through product leadership, flexibility or other unique form of innovative delivery. Studies have found that firms applying differentiation strategy achieve a higher performance than those that pursue the other two generic strategies (Islami et al., 2020). Findings by Costa however, show that market conditions determine the impact of differentiation strategy on firm performance. In a price competitive market, offering a unique value will give a competitive advantage but does not necessarily result in increased profits (Costa et al., 2013).

1.2.2 Cost leadership strategy

This is the second generic strategy where a firm strives to be a low-cost producer in the industry. A firm applying this strategy would achieve cost advantage through developing and utilising proprietary technology, utilizing economy of scale and having special access to production inputs (Porter, 1985). Being a cost leader in an industry gives the firm a command on prices and thus impact its performance. Like the differentiation strategy, Porter explains that cost leadership strategy is efficient in a broad-spectrum market.

Cost leadership strategy – “no frills”. Cost leadership refers to producing standard products and services at the least possible cost per unit (Islami et al., 2020). This is mostly important when operating in a price sensitive market and increasing the profit margins for the firms. A firm that provides value at the least cost has a strategic advantage over the others that have a higher cost of production. With a low cost, firms have the ability to charge a lower cost for the value they provide and thus gives them a price advantage in a price competitive market situation (Costa et al., 2013).

Studies show that cost leadership strategy has a positive relationship with firm performance (Islami et al., 2020). However, a study on low cost airlines as a business model casts doubt on the sustainability of cost leadership strategy. Low cost carriers performed higher in a monopoly market but struggled to provide long term scheduled services in a highly competitive market (Button, 2012).

1.2.3 Focus strategy

Focus strategy refers to the strategy a firm employs through narrowing its focus onto a specific market segment within an industry and creates a niche within to operate. “By optimizing its strategy for the target segments, a firm achieves a competitive advantage even though it possess no competitive advantage” (Porter, 1985). The firm operates in a narrow focus market usually segmented into geographic, target customer, product line, product volumes, payment method etc.

Porter (1980) outlines that there are two types of focus strategy; cost focus strategy which exploits the cost driven behavior of niche consumers and differentiation focus strategy which exploits needs of consumers (Dess & Davis, 1984).

Empirical studies on the effect of focus strategy on business performance shows a mix results in their correlation. A study conducted on the implication of focus strategy on performance of Bank of India in Kenya shows that the bank of India has remained a major player in the Indian community banking space (Achoki, 2013). However, Demba, Ogal and Muli found that differentiation focus strategy had insignificant effect on the performance of selected car rental business in Nairobi (Demba et al., 2019)

Focus strategy – “offering a specialised service in a niche market”. The focus strategy refers to the concentration of efforts of a firm towards a specific market or consumer segment (niche). With this strategy, the firm seeks to position itself within a “narrow competitive scope”, a blue ocean. According to Porter, the focus strategy has two approaches; cost focus, where a firm seeks to achieve a cost advantage over other segment players, and differentiation focus, where the firm focuses on differentiation to win consumers. However, Porter emphasises that “the target segment must have buyers with unique needs or else the production and delivery that best serves the target market must differ from that of other industry segments”(Porter, 1985).

1.2.4 Business Performance

The strategy – performance relationship is central to strategic management because strategy forms the fundamental basis for performance. Performance is intrinsic construct and can be looked at in several ways; as the ultimate goal of an organization or management or from a measurable perspective usually using performance indicators and metrics (Anwar et al., 2016). Strategies are formulated to improve business performance and Porter posits in his competitive advantage theory

that strategies well implemented gives organizations competitive advantage over their competition and thereby improving performance.

Business performance of electric motorcycles is of great interest not only to businesses in the field but also to policy makers, focusing to have the adoption of the product in mass to replace its Internal Combustion Engine alternative. Firm performance is usually measured by profitability, however, there are other non-financial metrics like customer satisfaction, market share that can be used to measure business performance. Michael Porter posits that business performance is directly dependent on the quality strategies formulated and implemented (David, 2019).

1.2.5 Overview of the Current Status of Motorcycle Use in Kenya

The Kenya National Bureau of Statistics (KNBS, 2021) suggests that there has been a steady rise in the purchase of motorcycles in the country. In 2016, there were 119,724 registered motorcycles, which increased to 186,434 in 2017 (55.72%) and later to 188,994 in 2018 (1.37%). In 2019, the number of registered motorcycles was 210,103 up by 11.17% from 2018, while in 2020 had 246,705 registered units, up by 17.42%. there were 285,203 registered motorcycles in 2021, up by 15.6% (KNBS, 2022). Statistics show that there are approximately 1.4 million motorcycle taxi riders in Kenya, who get average daily earnings of Kes 7000 amounting to daily collections of Kes 980 million by boda-boda riders and approximately Kes 357 billion annual collections. This accrues from approximately 22 million daily motorcycle taxi rides in the country (Kuhudzai, 2021). However, there is no data to show the approximate number of these motorcycles operating as taxis or boda-bodas in Nairobi in particular.

According to CleanTechnica (Kuhudzai, 2021), despite this high purchase of motorcycles in Kenya over the last six years, 99% of these purchases are Internal Combustion Engine (ICE) motorcycles. ICE motorcycles cause air pollution when engines consume fuel and air, thus creating heat in the combustion process that emits Total Suspended Particles, carbon dioxide, nitrogen oxides, and carbon monoxide (Zimakowska-Laskowska & Laskowski, 2022). This creates a great opportunity for stakeholders to electrify the industry by adopting electric motorcycles.

1.2.6 A Review of Emerging Issues

Boda-bodas have positive economic effects in Kenya accruing from direct employment of the young population as riders, to spare parts sales, repair garages, and other auxiliary services (Dennis & Chrispen, n.d.; Opondo & Kiprop, 2018). However, public health complication from working long hours, operating in hazardous conditions, road safety, poor physical health that leads to back pain and hearing loss, pollution, and road accidents associated with this transportation mode has increased (Dennis & Chrispen, n.d.; Nyaga and Kariuki, 2019; UNDP, 2022). Other issues associated with motorcycle taxis in Kenya include social security issues and the high threat of robbery (Nyaga and Kariuki, 2019; Opondo & Kiprop, 2018; UNDP, 2022) also establish that, besides the increased health hazards from accidents, *boda-boda* operations face harassment by police officers and uncooperative customers.

From the perspective of environmental sustainability in Kenya, studies show that motorcycle taxis have increased transport pollutants and carbon emissions. To mitigate environmental events, (Martin, 2020) recommends the adoption of electric motorcycles to reduce air pollution and climate change. From a strategy perspective, one would want to understand what electric motorcycles as green transportation means for taxi operators in public transport in Kenya and what the possible strategies electric motorcycle businesses might adopt to improve reception of their product and the subsequent business performance. The purpose of this study will thus be to gain a comprehensive understanding of the effect individual effects of the 3 porter's strategies on the performance of electric motorcycle businesses in Kenya.

1.3 Problem Statement

Kenya does not reliably collect and code data on particulate matter in the air however, air pollution remains a major environmental health factor in Kenya, more so in its capital Nairobi. Climate and Development Network reports that Kenya suffers 19,112 deaths annually as a result of air pollution, 90% of which is contributed by vehicular emissions (*NMT-Newsletter-June-2020.Pdf*, n.d.). WHO estimates the premature deaths as a result of air pollution to be 7 million globally (WHO 2018, n.d.). While cities occupy approximately 3% of the world's land mass, 75% of greenhouse gas (GHG) emissions take place here, with energy consumption ranging between 60-80% (UNEP, SDG 11, 2017). Considering that 27% of Kenyans reside in urban areas, and with the urban growth rate placed at 4.23% between 2015 and 2020, projections show that by 2025, half of the country's

population will be living in urban areas (United Nations Human Settlement Programme, 2022). Such explains the rising GHG emissions in Kenya due to urbanization and industrialization, where since 1990, data from the International Energy Agency (IEA, 2019) shows a 264.13% increase. Though Kenya contributes less than 0.1% of global GHG annual emissions, measures have been placed to reduce this emission in line with the country's vision 2030 of transformation into an industrialized middle-income country. Further, this is in line with the UN's Sustainable Development Goals (SDG) 11, which aims at making cities and human settlements inclusive, safe, resilient, and sustainable (UNEP, 2017). Among the sub goals of SDG11 is SDG 11 Target 11.2, which aims at providing access to affordable, safe, sustainable, and accessible transport systems for all.

Kenya's urban transport system comprises a variety of motorized two-wheelers and vehicles. Among the motorised taxis in the urban transport systems in Kenya is the boda-boda, a motorcycle taxi. According to (UNEP, 2021), motorcycle importation is more than that of cars in Kenya, and it has doubled in the past 8 years. These motorcycles are used in different ways for transportation, from groceries delivery to individuals using them for private transport, e-commerce deliveries, parcels, and public transport (taxis). (Opondo & Kiprop, 2018) argue that boda-bodas have positively contributed to the country's socio-economic development and public transport. Besides providing a livelihood for many, mobility has been made easier. However, these benefits to the economy have come at a cost. According to (UNEP, 2021), these motorcycles have proven inefficient, with the average motorbike estimated to emit 10 times more compared to SUVs, passenger vehicles, and light trucks per mile of travel. Such explains the rising GHG emissions in Kenya over the years.

The introduction of electric boda-bodas (e-Boda-Bodas) has been vouched to solve the emission problem. According to (World Economic Forum, 2022), compared to petrol boda-bodas, e-Boda-Bodas are cheap to operate and produce 75% less lifecycle GHG. With 80% of electricity in Kenya produced from green sources, that is, solar, hydro, wind, and geothermal (UNEP, 2021), and with e-Boda-Bodas being cheaper to run compared to the conventional boda-bodas, one would expect the uptake of the former to be high. This is considering that the global demand for electric-powered two-wheelers has increased over the years (Jayasingh et al., 2021), with Europe seeing a rising adoption of e-motorcycles at 104% (Will et al., 2021), Asia accounting for 80% of the global fleet (Eccarius & Lu, 2020), Rwanda leading in adoption in East Africa (World

Economic Forum, 2022), and the African electric scooter market valued at \$20.7 million in 2021 (Grandview Research, 2022).

However, limited studies in the context of understanding the influence of porter's generic strategies on the performance of e-motorcycle business have been published where there are no studies focused on the urban motorcycle taxi industry in Kenya to understand quantitatively the influence of the individual generic theories on the performance of electric motorcycle business in Kenya.

1.4 Research Objectives

1.4.1 Research purpose

The general objective of the study is to quantitatively investigate the relationship between the porter's generic strategies on the performance of electric motorcycle business in Kenya. Against this backdrop, the purpose of this study was to establish the effect of individual porter's generic strategies on business performance.

1.4.2 Specific Objectives

- i. To establish the effect of differentiation strategy on the performance of electric motorcycle business in Kenya.
- ii. To establish the effect of cost leadership strategy on the performance of electric motorcycle business in Kenya.
- iii. To establish the effect of focus strategy on the performance of electric motorcycle business in Kenya.
- iv.

1.5 Research Questions

The study addresses the question;

- i. What is the influence of differentiation strategy on the performance of electric motorcycle business in Kenya?
- ii. What is the influence of cost leadership strategy on the performance of electric motorcycle business in Kenya?
- iii. What is the influence of focus strategy on the performance of electric motorcycle business in Kenya?

1.6 Scope of the Study

The researcher conducted the study to investigate the influence of porter's generic strategies on the performance of electric motorcycle business in Kenya. This study's target population comprised the electric motorcycle dealers in Nairobi, Kenya. Further, the research took 2 months; between September 2022 and October 2022.

1.7 Significance of the Study

This study will be used as a reference guide to several groups;

Policymakers: The results will be of significance to policymakers in emerging and developing economies such as Kenya. The recommendations will offer the policymakers guidance on the policies to develop that will encourage the adoption of *e-Boda-Bodas* moving forward. Such will be critical to ensure that policies positively impact both the demand and supply side of the electric motorcycle market in Kenya.

Academicians: The findings will offer a foundation for future studies. This is by using the findings as a source of reference in the field of sustainable and green transportation and using the recommended areas of study for future research. From the research gaps, researchers would be able to deduce areas of further study.

Electric motorcycle / vehicle companies: The study will be critical to electric motorcycle companies / dealers in emerging and developing economies where the demand for boda-boda taxis is high. Here, the findings and recommendations will inform the marketers on the ideal product, pricing, placing, and promotion strategies to incorporate sustainability. Second, by providing findings on the challenges and trends in the local arena regarding the sustainable adoption of electric motorcycles in Kenya, marketers can adopt ideal strategies to mitigate the challenges distinct in their markets.

1.8 Expected Limitations

One expected limitation would be that electric mobility is a relatively new industry in Kenya and there might be insufficient data on the industry. Kenya launched its first electric motorcycle in 2019 (EPRA, UN Environment, 2021; *Kenya's First Electric Motorcycle Pilots Launched for Kenya Power & Lighting Company and Kisumu City*, 2019). Reports show that electric motorcycles make up only 1% of motorcycles bought and registered in the country (Kuhudzai, 2021). Secondly, there are limited studies on how strategic agility affects business performance in regards to firms dealing in sustainable products in the face of climate awareness and sensitivity of the topic of climate change. Green urbanisation has been a goal for many countries including Kenya, with 2022 'world cities day' theme being "adapting cities for climate resilience".

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter is focused on reviewing studies and literature on the impact of porter's generic strategies on a firm's performance. The literature is based on three objectives including the significance of differentiation strategy (DS), Low-cost strategy (LCS) and Focus strategy (FS) on the performance of a business or firm. This chapter will seek to discuss the porter's theory of generic strategy and pick apart independently the influence of the three strategies on the firm's performance.

2.2 Theoretical review

Strategies are employed to improve performance and scholars have developed theories to link specific strategies to performance. The effect of strategic theories on business performance were studied to identify and isolate the most impactful strategy for performance. The researcher anchored the study on Porter's generic theories and explored the influence of Structure-Conduct-Performance model (SCP) and game theory on performance.

2.2.1 Porter's Competitive Advantage Theory

In Michael porter's wordings, an industry is a stage and competition is the play. Competition is a very important part of conducting business and firms explore different competitive strategy designs to achieve a win; a win is often times defined in terms of market share growth and profitability. However, business performance can be measured in two ways; economic or financial measures - return on investments, revenue, profits and employee survival rates or non-financial and intrinsic measures - consumer satisfaction, individual achievement, and individual growth and development(Aqeel et al., 2011).

Porter's theory of competitive advantage has been one of the most substantial contributions in the field of strategic behaviors in organizations, relied upon by organizations and economists alike but there are other classical approaches that have formed the benchmark of strategy studies and theories. Porter guides that a firm or business must employ competitive strategies including developing and tapping into their competitive edge to improve its performance and become an industrial leader

(Allen, n.d.). Porter's theory was founded in Porter's analysis (1980), industries are defined by forces which affect a firm's performance (Ormanidhi & Stringa, 2008a). There are 5 forces; Threats of new entrants; Rivalry within the industry; Competition from alternative products/services; Bargaining power of suppliers and Bargaining power of consumers.

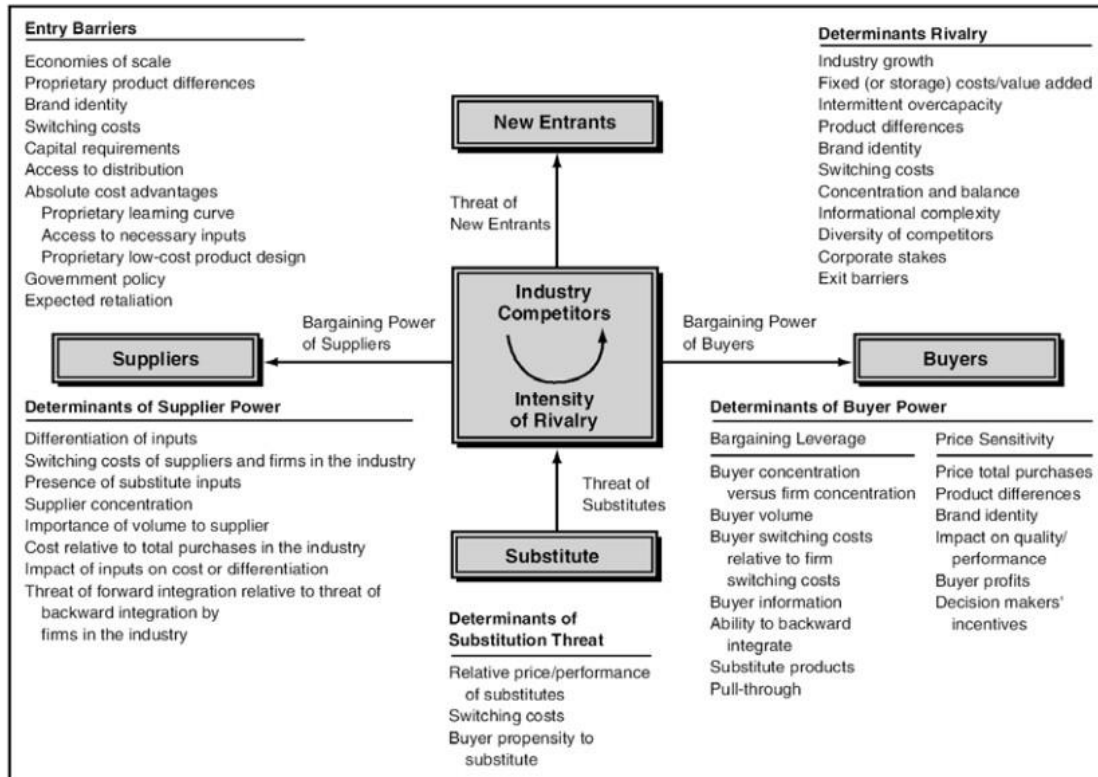


FIGURE 2. 1 (HEMMATFAR ET AL., 2010) THE PORTER'S FIVE COMPETITIVE FORCES THAT DETERMINE BUSINESS PERFORMANCE WITHIN AN INDUSTRY.

According to Michael Porter, these five forces dictate the competition landscape within industries by influencing prices of products and services, costs and the volume of investment a firm requires within an industry (Porter, 1985). Porter explains that these five forces determine the intensity of competition or conduct thereof of firms within an industry market.

Firms therefore should employ strategies to position itself emerge successful, by coping with these forces, and influence the same in its favour. A firm's relative position within the industry dictates its performance (Islami et al., 2020). However, the industry landscape changes from time to time and hence a continuous strategy formulation is necessary to achieve a competitive advantage. Porter further explains that competitive advantage has two types; cost leadership and differentiation (Porter, 1985), hence the generic strategy.

Collin Campbell explains that Porter's theory of generic strategy has two main elements: firstly, "a scheme for describing a firm's competitive strategies based on its market scope (broad or focused target market) and competitive advantage (cost leadership or differentiation)" and secondly "a theoretical proposition about the performance outcomes of the strategic designs" (Campbell-Hunt, 2000).

Porter defines the inability to choose between cost leadership and differentiation as being "stuck in the middle", and this situation leads to poor business performance. Firms therefore should take defensive measures against these five market forces by employing three strategies as advised by porter (1985). According to (Ormanidhi & Stringa, 2008b), similarities and differences exist between Porter's theory of generic strategy and SCP, in that they both acknowledge the influence of industry structure on both performance and behaviour of a firm. On the other hand, Porter's theory differs from SCP because Porter views a firm's behaviour and its industry structure as mutually dependent. To gain a competitive advantage, Porter recommends firms employ three generic strategies. This is called generic strategy because it is applicable and can be employed industry wide regardless of the products or services on offer.

Porter's Generic Strategies

Porter recommends the three strategies as illustrated in the figure below, and warns indecision to lead to a situation of "stuck-in-the-middle", (**S**), which yields poor performance. Refer below in **figure 2.2**.

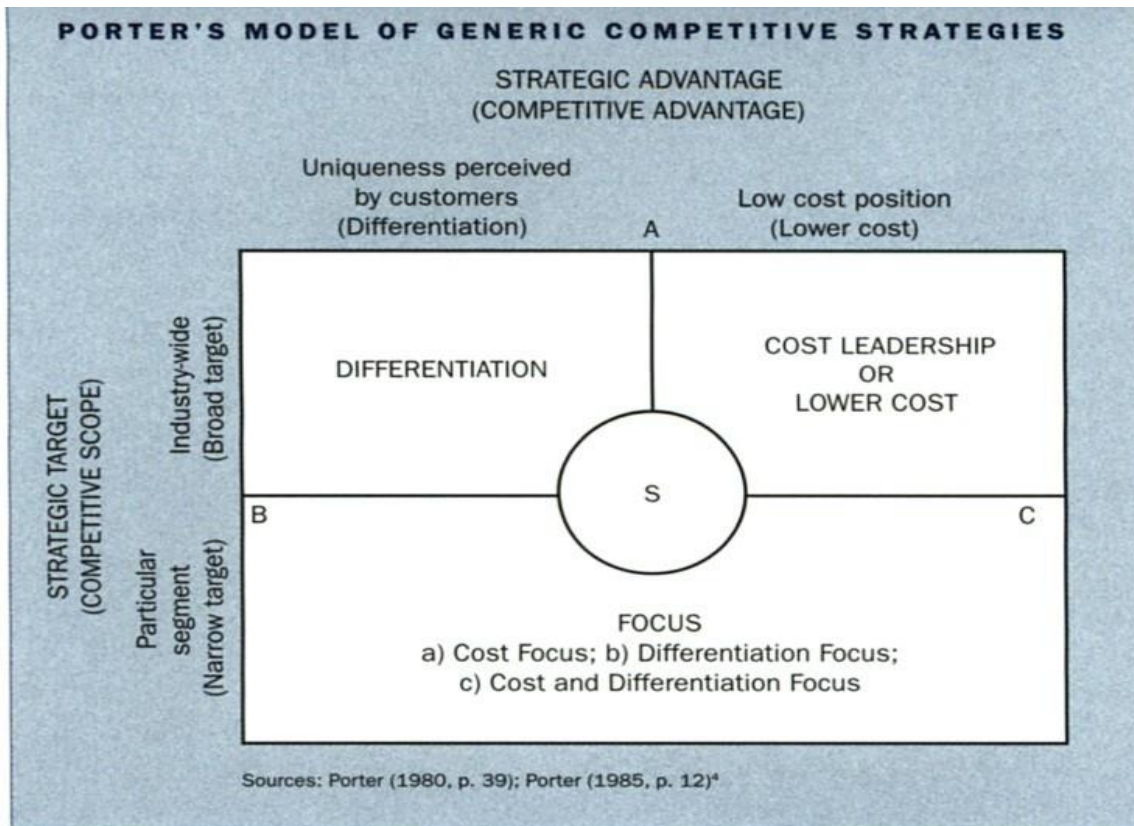


FIGURE 2. 2 PORTERS GENERIC STRATEGIES (PORTER, 1985)

According to Porter, (1985), in reference to figure 2.2, all the three generic strategies offers a firm a different route to competitive advantage. Cost leadership strategy yields the potential to lower costs and increased profits, lower prices and benefit from economies of scale and increased revenues, differentiation strategy makes the firm produce unique products and increase demand, and focus strategy enables the firm to serve a specific market niche and or specific consumer segment (Ali & Anwar, 2021). Porter however, warns of three positions for a firm to occupy. The position denoted as **S**, which he calls indecision or stuck in the middle and along the lines denoted **AS**, **BS** and **CS** (Ormanidhi & Stringa, 2008b).

This theory informs the relationship between an electric motorcycle company’s strategy of product differentiation, low cost, and focus to its performance. this study focused on the generic theories to help electric motorcycle companies to achieve improved performance.

2.2.2 Structure- Conduct- Performance Model

In 1933, two economists, Joan Robinson and Edward H. Chamberlin published a paper on the causal relationship between a firm’s conduct and its performance. In 1959, Joe S. Bain developed and analytical framework model based on the studies of Robinson and Chamberlain. The

framework model was called the SCP. “This framework used hypothesis to explain the working of imperfectly competitive market that the structure of an industry (concentration) affects the conduct (pricing behaviour) of firms, which in turn affects the performance (profits) (Faccarello & Kurz, 2016). The Structure- Conduct- Performance Model also called SCP, was an approach commonly used between 1950-1970 and set the foundation for other strategic theories like Michael Porter’s theory. The SCP model has three elements; structure of industries, Conduct of firms within the industry and performance of individual firms. The SCP model posits that there is a causal relationship between structure of an industry, conduct of firms within the industry and performance of the firms. The environment within an industry affects the industry structure which in turn influences a firm’s conduct that in turn affects its performance. The affected areas loop back and affect the each other for example, performance affects how a firm conducts itself and that affectsthe structure.

Studies have shown the direct relationship between industry structure, firm conduct and firm performance. Firm performance depends on the conduct of the organization including resource utilization and strategic behaviours and industry structure like market concentration including number and size of firms within the industry and other macro environmental conditions (*Praveen 2021, n.d.*). In a study “to assess the production function and market structure, conduct and performance of trucking industry in the United States of America”, a positive correlation was found between the variables. In this study, the model was used for predicting the effect of a firm’s conduct/behaviour on its performance.

2.3 Empirical Review

This subtopic will review and analyze empirical studies in regard to the impact of porter’s generic individual strategies on business performance.

2.3.1 Differentiation strategy and business performance

Islami conducted a study on the influence of the three generic strategies on the firm performance of production and which of the three strategies had the most significance in improving performance. They targeted 150 managers and the results of the empirical studies conducted evidence that the differentiation strategy has more influence on performance as compared to the two other strategies of cost leadership and focus strategies (Islami et al., 2020). Islami’s results showed that

independent variable differentiation strategy predicted firm performance by 0.439, meaning that 1% increase in the input differentiation strategy, firm performance increased by 43.9% (Islami et al., 2020) Other studies by Wright, shows appositve relationship between the differentiation strategy and performance (both market share and Return on investment) (Wright, 1987).

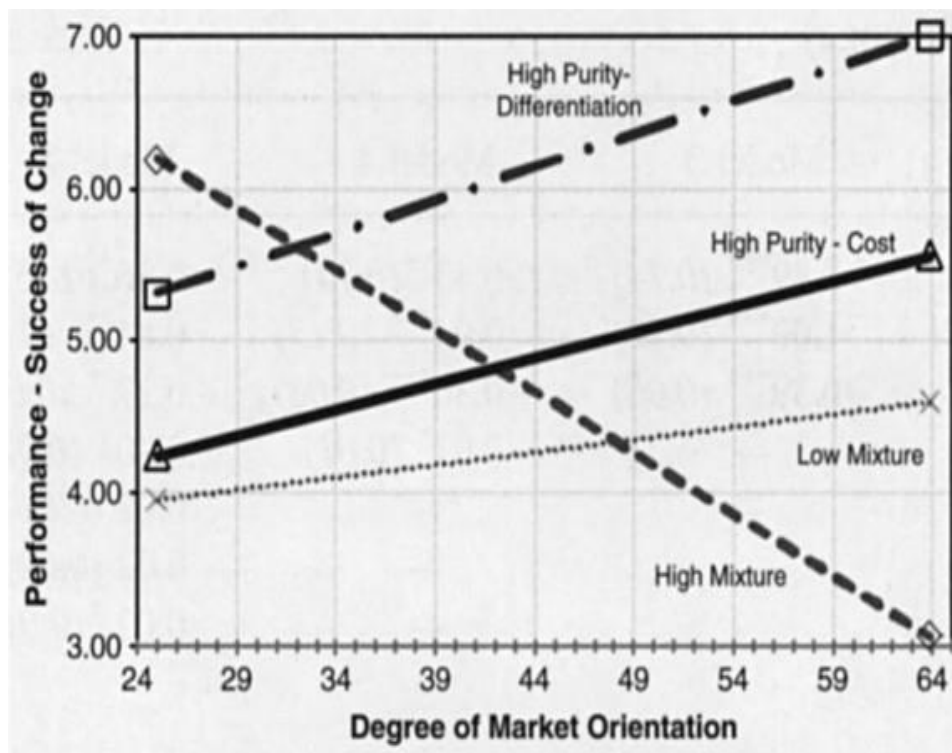


FIGURE 2. 3 DIFFERENTIATION STRATEGY AND BUSINESS PERFORMANCE (SHINKLE ET AL., (2013))

Figure 2.3 above visualizes the results of the effect of the generic strategies on firm performance. In a high market-oriented environment, a pure strategy (applying one specific strategy) achieves a higher efficacy compared to the application of a mixed strategy (application of a hybrid strategy) at any level of competition. The results are however inverse in a low market focused environment as pure strategies achieve reduced impact on performance as compared to mixed strategies (Shinkle et al., 2013).

A study, the degree of the effect of differentiation strategy on performance is dependent on market concentration. The effect of differentiation strategy on performance is highest when the market is lowest (Li & Li, 2008). A study by (Hitt et al., 1997) on firm performance shows that product

diversification gives firms a competitive advantage in global markets. The study evidences the firm Asea Brown Boveri, as an example of a firm with both a high product diversification and international diversification and performing well. The study further posits that firms that invest in research and development (R&D) and leverages on improved technologies achieve high product differentiation. This leads to unique product offering at low costs, and has a positive influence on performance (Hitt et al., 1997).

Islami et al., (2020) in their study of linking porter's differentiation strategy to a firm's performance found out that for every 1% increase in the differentiation strategy applied, a firm's performance increased by 43.9%, all other variables held constant. The study found out that firms that employ differentiation strategy are able to sell their products at a higher price compared to its competition because they are able to satisfy the consumer's needs that cannot be met by the competition.

A research conducted on the effect of corporate social Responsibility and product differentiation strategy on export performance a positive relationship between product differentiation and export performance improvement. The data of this study showed a positive coefficient and significant at a critical ratio of 3.658. However, this effect is shown to be weaker in smaller firms as compared to larger firms (Boehe & Barin Cruz, 2010). Costa et al., (2013) conducted a study on the competitive implication of differentiation strategy through deployment of unique products. It was found out that the provision of unique products does not necessarily translate into improved performance of the business. In a market condition where competition is on price (price sensitive), a firm's investment in developing a unique product would not improve the firm's financial condition.

2.3.2 Cost leadership strategy and business performance

A study conducted by Ismaili and Mustafa on the effect of low cost strategy on business performance found out that in a situation where an organization employs low cost strategy where all other variables were held constant, business performance increased by 31.2% for every 1% increase in low cost strategy applied, all other factors held constant. (Islami et al., 2020). Islami further found out that the competitive advantage arising from application of low cost strategy becomes vague once other players in the industry begin to imitate the strategy.

A study by Achoki on the competitive landscape of the Banking industry in Kenya showed that the bank of India was not giving products and services at competitive rates as perceived by interviewees. The bank did not review its costs regularly despite facing stiff competition from other banks in the market, for example, the bank of Baroda. This evidences that the bank was lagging behind its competition in performance (Achoki, 2013). (Button, 2012) conducted a study on low-cost airlines and its performance in relation to the low-cost strategy it employs. The study found out that low-cost carriers performed well when they have established monopoly powers. He further posits that this model comes under challenge in the face of ‘providing scheduled services in highly competitive market’. The financial success (business performance) of low-cost carriers was not only attributed to the model but also the ‘nature’ of the market. Unless a firm is able to use lowest costs in production of its services, its performance will not survive low prices on the services (Block et al., 2015)

In a study on small enterprises, low labour costs were found to bestow business viability. In family firms for example, it is recommended that the family workers should be willing to take shaved costs for their labour in order to reduce the costs of production. Entrepreneurs who strive to keep their overheads low by recruiting friends, family members and or low skilled labour can achieve to offer their products and services at low prices (Block et al., 2015).

(Li & Li, 2008) conducted a study to identify the best strategy for ‘achieving superior financial performance in China’. The researcher investigated the effect of differentiation, cost leadership and a hybrid of both on performance. It was found that cost leadership strategy is less effective in low concentrated markets. In a case study on a contracting company, Engility, the CEO Lynn Dugle, shared how the firm achieved increasing performance. The company employed a low-cost-technically-acceptable-contract model. It exploited economy of scale by acquiring a similar sized company and hence doubling its contracts. The company was able to ride the small profit margins and pursue contracts in an environment of restricted budgets (Marjorie Censer, 2022).

2.3.3 Focus strategy and business performance

A study conducted by Islami, X., Mustafa, N., & Topuzovska Latkovikj on linking the generic strategies to business performance shows there is a positive correlation between focus strategy and Business performance (Islami et al., 2020). The empirical findings of this study shows that firms that pursue focus strategy achieve 31.5% increase in performance for every 1% increase in focus strategy applied. The study posits that the focus strategy gives the firm a competitive strategy in its ‘niche’

market until a point when the competition within the ‘niche’ becomes increased, the firm employs low cost and differentiation strategies to improve performance (Islami et al., 2020)

(Demba et al., 2019) conducted a study to test the effect of focus strategy on business performance of car rental firms in Nairobi. The analysis of the findings showed that focus differentiation strategy had no significant effect on business performance. However, this strategy had a significant correlation to indicators of performance (revenue, Customer satisfaction, profitability, market share growth and productivity). The findings of this study is inconsistent with Michael Porter’s study supporting his theory (Demba et al., 2019).

A study by (Allen, n.d.) on the relationship between firm performance and Porter’s generic strategies showed a strong correlation matrix between focus strategy and business performance. the Ferrari company is evidenced as an example of such strategy and its consequently high performance. Ferrari applies a hybrid of focus and differentiation strategy by targeting small number of consumers who are willing to pay high prices for ‘ultra-high performance’ vehicle, the Ferrari (Allen, n.d.). (Achoki, 2013) conducted a study on the competitive strategies employed by the Bank of India in Kenya. The study found out that the Bank of India in Kenya applied focus strategy targeting the Indian community in Kenya as its core clientele. They tailored their services to suit this group of consumers and thus created a niche. Despite being the market leader in this segment, Bank of India has been noticed to suffer process challenges that has threatened its performance, even in the face of competition of other banks like Bank of Baroda. Achoki recommended the strategies of market penetration, cost leadership and differentiation to supplement the focus strategy the bank employed.

2.4 Research Gaps

Literature that quantitatively presents the influence of individual generic strategies on performance of a new product in the market, like electric motorcycles are lacking. It was noted that there is limited literature in the industry of electric mobility in Kenya and limited data poses a challenge to the players in identifying the best strategy to employ in achieving a competitive advantage over the existing internal combustion engine (ICE) motorcycles. This study therefore sort to identify the strategy with the most probable effect on performance, to help electric motorcycle business leaders make informed decisions to improve business performance.

TABLE 2. 1: SUMMARY OF LITERATURE AND RESEARCH GAP

Author	Topic of Study	Key Findings	Research Gap
(Abwodha, 2019)	Effect Of Generic Strategies On The Performance Of Small And Medium Enterprises In Nairobi County	the porter’s generic strategies have a positive effect on family business performance and thus enable it to be competitive.	The research was limited to family businesses (SMEs) within Nairobi. The factor of new product was not taken into account.
(Achoki, 2013)	Competitive Strategies Adopted by Bank of India Kenya	Bank of India’s focus strategy has had a positive effect on performance, positioning it as a leader in the Indian community banking market segment.	The study explored strategies within only one organization, (Bank of India, Kenya) and hence generalization cannot be made on the industry
(Achoki, 2013)(Demba et al., 2019)	Effect of Differentiation Focus Strategy on Performance by Selected Car Rental Business: A Case of Nairobi City County, Kenya	Differentiation focus strategy had no significant effect of performance of car rental businesses in Nairobi.	The study was confined to car rental businesses within Nairobi central business district, overlooking other geographical areas of Nairobi and to consider the moderating effect of car rental business on effect of differentiation focus strategy on business performance.
(Chen et al., 2020)	The Influence Of Green Brand Affect On Green Purchase Intentions: The Mediation Effects Of Green Brand Associations And Green Brand Attitude	Demand for sustainable products have increased and green brand affect is positively related to green brand attitude and in turn positively influences green product purchase intentions	The study focuses only on a specific geographical market; Taiwan and only one product; electronic products hence creating a gap in conclusive study of other sustainable products.

Author 2023

2.5 Conceptual Framework

The conceptual framework provided the interrelationship between the study variables. It illustrated the directional relationship of the independent variables of differentiation strategy, cost leadership strategy and focus strategy on the dependent variable of business performance. Figure 2.4 below shows the study variables with their measurable indicators.

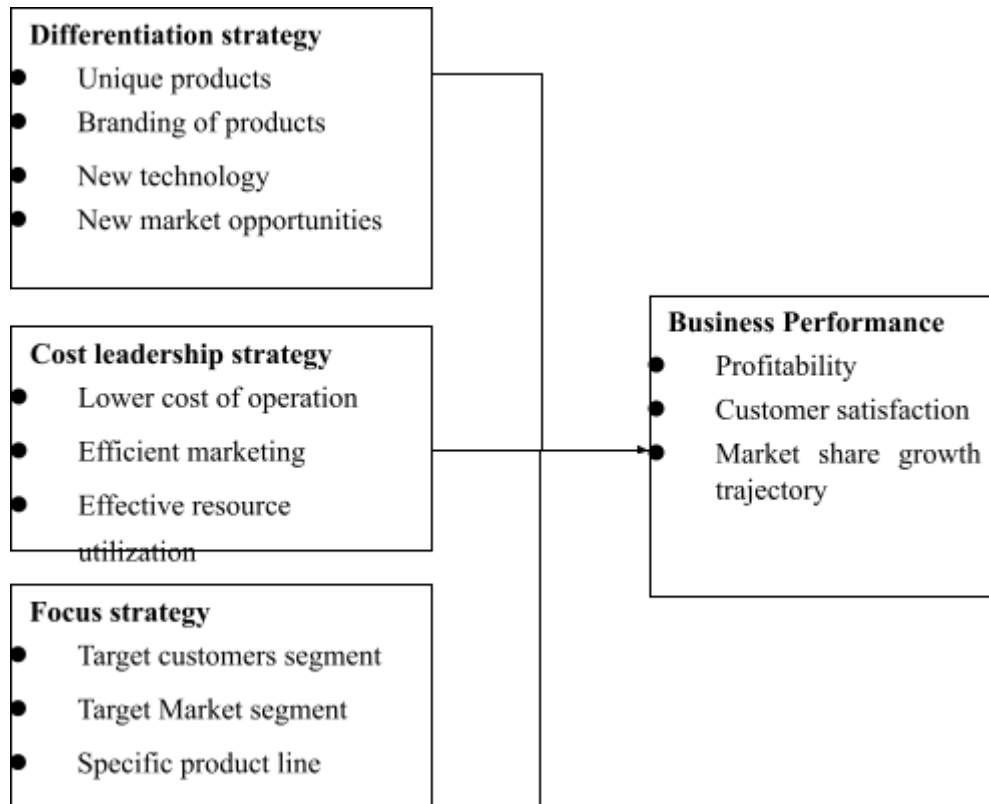


FIGURE 2. 4CONCEPTUAL FRAMEWORK (RESEARCHER 2022)

TABLE 2. 2 OPERATIONALIZATION OF THE STUDY VARIABLES

Variable	Type of Variable	Indicator	Data Collection Method	Data Analysis method
Product Differentiation strategy	Independent	<ul style="list-style-type: none"> ● Use on new technologies ● Model of product branding ● production of unique products 	Questionnaire Likert Scale Ordinal	Descriptive statistics Correlation tests Regression tests
Cost leadership strategy	Independent	<ul style="list-style-type: none"> ● efficiency of marketing ● efficiency of production processes ● efficiency of resource utilization 	Questionnaire Likert Scale Ordinal	Descriptive statistics Correlation tests Regression tests
Focus strategy	Independent	<ul style="list-style-type: none"> ● Target customers segment ● Target Market segment ● Specific product line 	Questionnaire Likert Scale Ordinal	Descriptive statistics Correlation tests Regression tests
Business Performance	Dependent	<ul style="list-style-type: none"> ● Profitability ● Market share growth ● Customer satisfaction 	Questionnaire Likert Scale Ordinal	Descriptive statistics Correlation tests Regression tests

(Source: Researcher 2022)

2.6 Chapter Summary

This chapter presents a review of relevant studies on the influence of strategies on performance. The literatures reviewed studied and presented empirical findings on the link and effects of the strategies of cost leadership, product differentiation and focus models on performance. Other studies on related theories of SCP model were reviewed to gain a perspective on the variable relationships and identify the research gaps to guide the study. The next chapter presents the research method employed for the study including the population identification, method of deducing the sample for the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter introduces the methods of this research study, reviewing the research design, methods of population sampling and the process of gathering, analysing data and reporting the results.

3.2 Research Philosophy

Five research philosophies can be adopted to guide a study, though only one can be used. The first is the positivist research philosophy. According to Park et al., (2020), the positivism research philosophy argues that the social world is understood by being objective. In other words, it is the natural scientist's philosophy of working with social realities that are observable and produce law-like inferences. This allows the researcher to disconnect from a study, avoiding personal biases that can jeopardize the study.

The second philosophy is interpretivism research philosophy. In this philosophy, the argument is that it is not easy to understand the social world, thus calling for use of subjective stances (Alharahsheh, H. H., & Pius, A., 2020). The interpretivism philosophy is too simplistic and uses narratives, perceptions, interpretations, and stories to make a researcher reflexive. It mostly uses qualitative methods of analysis. By comprehending how individuals experience the social world, the interpretivism philosophy ties the study to what the investigator is interested in. Critical realism is the third research philosophy. This philosophy focuses on the explanation of what individuals experience and see in terms of structured underlying realities that form observable events (Ryba et al., 2022). The fourth philosophy is postmodernism, a research approach that emphasises the role of power relations and language in questioning or disrupting the status quo in terms of thinking, thus giving a marginalised alternative view. Like the interpretivism philosophy, it is a value-driven research approach, and the researcher is radically reflexive.

The pragmatism research philosophy asserts that contents retrieved from research are only relevant when they are utilised in supporting action (Kaushik & Walsh, 2019). Thus, the philosophy argues that the selection of the research philosophy is dependent on the research problem that the researcher seeks to solve. Based on the five research philosophies evaluated, this study adopted the

positivist research philosophy. The rationale for making this selection is the researcher's ability to disconnect and stay objective (Park et al., 2020). This is besides following a scientific ordered and independent study. Causal explanations were also made using this philosophy because of the ability to carry out a deductive quantitative, highly structured study (Park et al., 2020).

3.3 Research design

This study strives to answer questions of 'what', 'how much' and 'how many' as in regard to the effect of individual porter's generic strategies on business performance. The descriptive survey approach is adopted to achieve an exploratory and descriptive research. Descriptive research was considered appropriate because it is one which involves the study of subjects without influencing it (Malhotra,2007), in their pristine state. The survey strategy will allow easy collection of data through questionnaires, which are then analysed quantitatively through descriptive and inferential statistics. This study adopted a descriptive survey approach because it involves tabulation of collected data of variable frequencies, their analysis and makes it easy to suggest possible reasons for particular relationships between these variables and also to produce models of these relationships. Survey strategy also makes it possible to produce or generate findings that are statistically representative of the whole population at lower costs (Saunders et al., 2016).

3.4 Population and Sampling

3.4.1 Population

Population is defined as the total collection of elements where references and generalizations are made (Cooper and Schindler, 2003). The population in this study refers to the total population or number of electric motorcycle dealers (manufacturers) in Nairobi. According to Kenya Bureau of standards, (KS ISO 13063:2012), an electric motorcycle refers to an electrically propelled motorcycle, with an on-board rechargeable energy storage system (RESS). Electric motorcycle dealers refer to manufacturers of brand electric motorcycles or resellers thereof in Kenya. The table 3.1 in the appendix shows the electric mobility sector players in the country. This research however focused on manufacturers/assemblers/dealers of electric motorcycle in the country. Employees, managers, owners, directors and investors of these firms formed the population for the study. (*Ref. Appendix 1*).

TABLE 3. 1 TARGET POPULATION

Registered Companies	8 (AHK, 2021)
Targeted population	CEOs, Directors, Owners, Managers, General staff

Researcher 2022

3.4.2 Sampling

Sample refers to a subset of a study population that is chosen to represent the population in a situation where the population is too large to cover. Barnett argues that with sampling, a researcher can achieve ‘ a higher degree of accuracy’ compare to census results (Saunders et al., 2016). Sampling also saves time and costs while still maintaining the reliability of the study. A sample frame of eight e-motorcycle companies in Kenya was used to establish a reliable sample size in order to meet the objectives of the study and Probability sampling method was used to choose a sample from the larger population. The study employed systematic random sampling technique because this method reduces bias and ensures that everyone has an equal chance of participating. This method of random sampling was suitable because of its low cost of operationalization, easy to explain to research assistants and also because the target population was concentrated in one geographical area. According to (AHK, 2021), there were 8 sector players in the area of electric motorcycle assembling, sales and distribution in Kenya. The study targeted a sample of 73 staff members from all the 8 companies deduced using the computation below. To achieve a reliable sample from the unknown population, Cochran formula can be used (Charan & Biswas, 2013). The researcher employed the formula and achieved a sample of 73 that was used in the study.

$$\frac{Z^2 * p * q}{E^2} \quad \text{where; } Z^2 = Z \text{ score} = 1.96$$

P = Proportion of success = 95%

q = 1-P = 0.05

E = Error margin = 0.05

This computation gave a sample size of n = 73

3.5 Data Collection Methods

The study used primary data gathered from a sample of the population within Nairobi County. The data collection method chosen is questionnaires (appendix 4), with open and closed end questions. This method of data collection was chosen because of its effectiveness and efficiency. Considering the precautionary measures adopted by firms in regard to the Covid pandemic period, both an online and physical questionnaire will be utilized. The questionnaire had a letter of introduction to inform and introduce the respondent(s) to the study (appendix 3).

3.6 Research Quality

Research quality is key to any study because of the investment that goes in. The quality of a research depended on the quality of the data and its analysis. To ensure that this research was reliable, the study test was divided into three parts; a pilot test, reliability test and a validity test.

3.6.1 Validity test

Validity test is a measure of quality in a quantitative study. Validity is a test of establishing the degree to which a test measures what it is intended to measure (Heale & Twycross, 2015). The validity of the research questionnaire is dependent on the respondents' ability to understand the questions and give the required information, this is content validity. Content validity measures the extent to which the questionnaire or the data collection instrument gives an adequate coverage of variables under study. The researcher inferences based on the instrument was checked and guided by the supervisor to ensure the instrument measures the intended variables. Construct validity refers to the quality of the data collection instrument in measuring the intended concept. Saunders et al., (2016) defines it as 'the extent at which a set of questions measure a construct you intend them to measure'. This was ensured by choosing indicators that are related to the study variables but are discriminant of other indicators (Agarwal, 2011).

3.6.2 Pilot test

To test the validity and reliability of the questionnaire, Colin Robson and Kierran McCartan suggest that the research tool be tested on a small proportion of the sample to test its effectiveness and efficiency prior to its distribution (Robson & McCartan, 2016). Connelly posits that a pilot study

sample should be at least 10% of the sample size (Connelly, 2008). Pilot test was conducted on a small number of companies respondents that are not part of the study population. This was conducted after an approval for the research has been acquired. This helped introduce the researcher to the study environment and the realities that can be met on the ground. Pre-test helped confirm the reliability of the data collection method. The pilot test also helped the researcher in fine-tuning the questionnaire and assisted the researcher in making proper planning to avoid potential hitches in the actual study.

3.6.3 Reliability test

Reliability test is used to confirm the precision of the test. The Cronbach alpha formula was used to estimate the error usually given in percentage. The Cronbach's alpha is a tool used to test the reliability of sum or averages of test or questionnaire items. It is also known as "a measure of internal reliability" (Bonett & Wright, 2015) is a common tool used in reliability measurements in social and behavioral sciences. An Alpha result of 0.7 is considered to be acceptable, thereby validating the test.

TABLE 3. 2RELIABILITY TEST RESULTS

Variable	N	Items	Statistics	Verdict
Differentiation Strategy	8	8	.773	Accepted
Cost Leadership strategy	8	8	.763	Accepted
Focus Strategy	8	7	.819	Accepted
Business Performance	8	8	.910	Accepted
Overall	8		.92	Accepted

Source: Research Data (2022)

3.7 Data Analysis

Descriptive and inferential statistics was used to analyze the gathered data. According to Mugenda and Mugenda (Mugenda & Mugenda, 2003), descriptive analysis involves a visual presentation of data using tables, graphs, charts and or distribution frequencies and percentages to make sense of the data while inferential statistics give meaning to the data and explain influence and relationship between variables (Nthambi, 2014). Regression analysis is appropriate in examining the variable data in relation all other factors expressed as independent variables. The results of this analysis

were used to make conclusions on quantitative effects of the different porter's generic strategies on business performance.

Regression equation

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where;

Y is the dependent variable = Business performance,

X_1 is the independent variables = differentiation strategy

X_2 is the independent variables = cost leadership strategy

X_3 is the independent variables – focus strategy

α and β are the regression coefficients,

ϵ is the estimate margin of error

Regression analysis helps explain the effect on the dependent variable of independent variables answering the question of what, how and how much. This study used the regression analysis to study the effects of the different porter's generic strategies on business performance. Statistical package of social sciences (SPSS) was used to carry out analysis and postulate conclusions.

Further, a model fitting test was conducted to ascertain that the linear regression model fit the data well. Ideally, a nonsignificant result is an indicator that the model fits the data well. The results presented in Table 4.5 indicate that the p-value was non-significant. This shows that the model used to regress the data fitted it well and qualifies the interpretation of the linear regression analysis.

3.9 Ethical Considerations

Ethics is defined as standards of behavior that guide one's conduct in relation to the rights of those who become the subject of a study and are affected by it (Saunders et al., 2016). Access and ethics are a critical part of a research study (Saunders et al., 2016) and are greatest where there are human participants are involved. The research was guided by the principles for research ethics and high

moral standards. A certification and approval from the ethics review body and NACOSTI was sort. The study was restricted to the target population of electric motorcycle dealers within Nairobi County and respondents made fully aware of the goals of the study. The collected data was usedand kept only for its intended purpose. Ethical standards including confidentiality of personal information was upheld.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

The aim of this study was to quantitatively investigate the relationship between Porter's generic strategies and the performance of electric motorcycle businesses in Kenya and establish the effect of differentiation strategy, cost leadership, and focus strategy on business performance. This chapter presents the findings from analyzing the collected data. First, the chapter presents the demographic statistics that describe the sample, followed by the descriptive statistics, and the inferential analysis findings informed by each of the study objectives. The chapter further presents a discussion of the findings. A summary was presented to conclude the chapter.

4.2 Response Rate

The study collected data targeting electric motorcycle companies in Kenya within Nairobi County. The targeted sample population was drawn from a pool of employees of different cadres within these e-mobility companies using electronic survey via questionnaires on google forms. The forms were sent to a sample of 73 employees (n=73) across all the 8 electric motorcycle firms identified in the study population, and a response from 51 respondents were achieved within the study time scope representing 69.86% of the target sample. The response rate is shown in the figure 4.1 below. All the respondents' data were exhaustively utilized in the analysis.

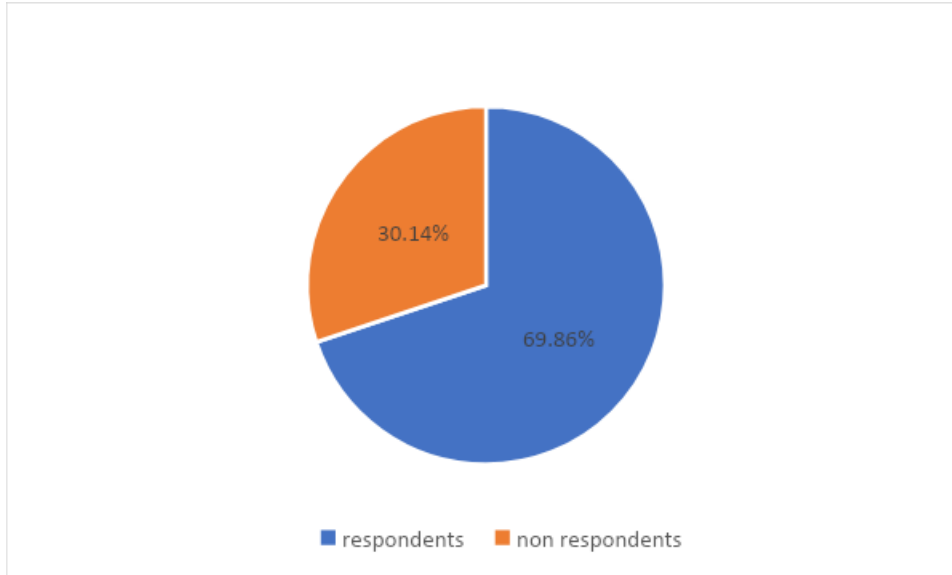


figure 4. 1Response Rate (Source: Research Data - 2023)

4.3 Demographic Statistics

The study targeted a sample of 73 staff members from all 8 companies identified in the study population. Questionnaires were distributed to all 73 respondents and 51 questionnaires were returned; this was a 69.86% response rate. The responses are as indicated in table 4.1.

table 4. 1Summary of the demographic statistics

Demographic Variables				
		Frequency	Percent	Cumulative Percent
Gender	Female	10	19.61%	19.61 %
	Male	40	78.43%	98.04 %
	Other	1	1.96%	100%
	Total	51	100%	
Age	18-30	14	27.5 %	27.5 %
	31-40	34	66.7 %	94.1 %
	41-50	2	3.9 %	98.0 %
	51-60	1	2.0 %	100.0 %
	Total	51	100.0 %	
Education	Degree	23	45.1 %	45.1 %
	Diploma	3	5.9 %	51.0 %
	Graduate	25	49.0 %	100.0 %
	Total	51	100.0 %	
Years in Current organization	1-2 years	33	64.7 %	64.7 %

	3-4 years	16	31.4 %	96.1 %
	5-6 years	2	3.9 %	100.0 %
	Total		100.0 %	
Age of current organisation	1 year	2	3.9 %	3.9 %
	10 years	1	2.0 %	5.9 %
	2 years	16	31.4 %	37.3 %
	3 years	9	17.6 %	54.9 %
	5 years	8	15.7 %	70.6 %
	6 years	15	29.4 %	100.0 %
	Total		100.0 %	
Number of motorcycle brands in current organisation	1	8	15.7 %	15.7 %
	2	30	58.8 %	58.8 %
	3	4	7.8 %	7.8 %
	5	8	15.7 %	15.7 %
	>5	1	2.0 %	2.0 %
	Total		100.0 %	
Number of employees in the organisation	1-10	15	29.4 %	29.4 %
	11-20	5	9.8 %	39.2 %
	21-30	5	9.8 %	49.0 %
	31-40	20	39.2 %	88.2 %
	41-50	3	5.9 %	94.1 %
	50>	3	5.9 %	100.0 %

(Author, 2022).

Table 4.1 indicates the summary of the demographic statistics collected from the study respondents. The results indicate that 20% of the respondents were female while 80% were male. Most of the respondents (66.7%) were aged between 31- 40 years while over 90% of the respondents had a degree. Table 4.1 further indicates that most of the respondents (64.7 %) had worked in their current organization for 1-2 years. As such, 31.4 % of the respondents noted that their organizations have existed for 1 year followed by 29.4 % having operated for 6 years. More importantly, the results indicate that the majority of the organization whose respondents were interviewed had two motorcycle brands followed by 15.7 % with one brand and another 15.7 % with five brands. Finally, most organizations (39.2 %) had 31- 40 employees and in second place (29.4 %) were organizations with 1-10 employees.

4.3.1 Employment Position of the Respondents

The role of the respondents is critical to a study. The respondents should hold key position and thus can provide all the required information. 2% of the respondents represented Venture partner (investor), 5.9% owner director, 3.9 % managing director, 11.8% Research and development

department, 5.9% finance managers, whereas 39.2 % of respondents opted to not reveal their position.

Which management level do you hold within the organization?

51 responses

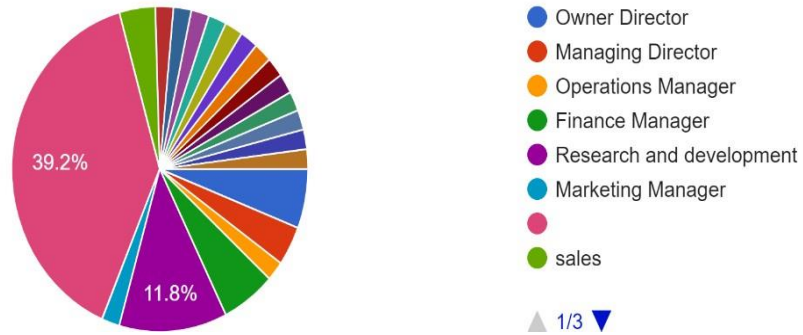


figure 4. 2management level of respondents – Research data 2023

4.3.2 Number of electric motorcycle brands

The research analyzed the number of electric motorcycle brands the target firms had to understand the breath of product range offered by the firms. It was found out that 58.8% of the firms offered 2 brands, whereas 15.7% reported 5 brands, 7.8% offered 3 brands and 15.7% had only one brand on offer.

How many electric motorcycle brand models does your organization have?

51 responses

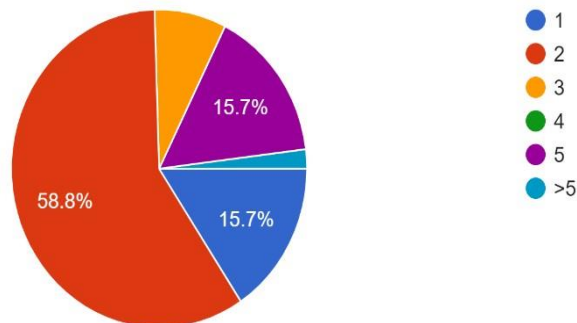


figure 4. 3 Number of electric motorcycle brands (Research data 2023)

4.3.3 Rating of organization's performance in comparison to competition

On a scale of 1 to 10, how would you rate your organization's performance compared to the competition? Where 1 is least performing and 10 best performing please tick the appropriate rating

51 responses

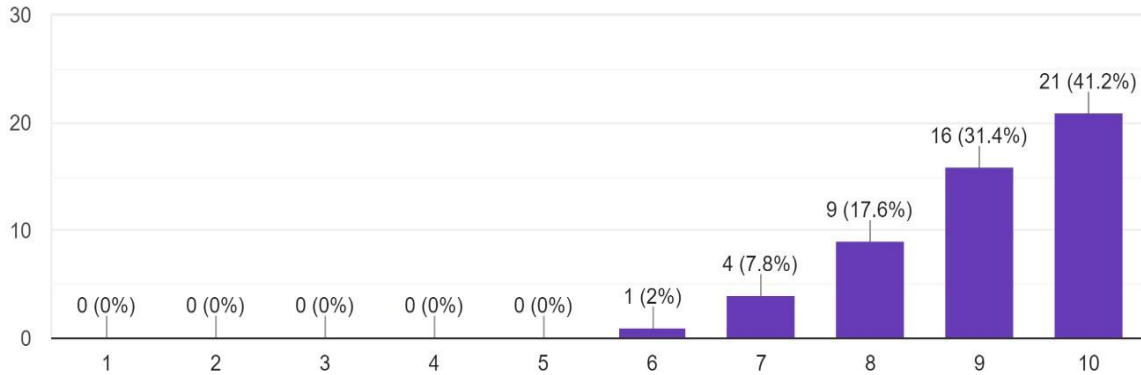


FIGURE 4. 4 ORGANIZATION RATING (RESEARCH DATA 2023)

The figure 4.4 shows that all respondents rated their individual organization's performance above the midpoint of 5 in comparison to their competing firms on a scale of 1-10, with 1 showing least performance in comparison to the competition while 10 best performing above their competition. 41.2% of the respondents rated their firm's performance at 10, 31.4% rated at 9, 17.6% at 8 and 7.8% at 7 in comparison to their competition.

ANALYSIS ACCORDING TO RESEARCH OBJECTIVES

This study aimed to investigate the effect of individual Porter's generic strategies on the business performance of electric motorcycle dealers in Kenya. The results are presented in two sections; descriptive statistics and inferential analysis to show relationships.

4.4 To Establish the effect of differentiation strategy on Business performance

The first objective was to investigate the effect of porter's differentiation strategy on business performance. The analysis sought to establish the effect of differentiation strategy on the business performance of electric motorcycle firms in Kenya. These results are presented in Table 4.4.

4.4.1 Descriptive Analysis

This was done on a Likert scale of 1-5 with respondents choose 1 as strongly disagree, 2 = Disagree, 3= Agree, 4 = Moderately Agree and 5 = Strongly Agree. The mean, standard deviation (SD), number

responded (N) and the number of non-responses (Missing) is as illustrated in table 4.2.

TABLE 4. 2 DESCRIPTIVE ANALYSIS OF DIFFERENTIATION STRATEGY

Statement	N	Mean	Standard Deviation
We offer a narrow range of product models	51	4.137	1.131
We target specific clientele for every model we have.	51	4.373	0.847
We invest heavily in Research and development to develop a unique product.	51	4.098	1.118
We continuously improve on our product	51	4.216	0.901
We strive to position ourselves to be a specific need satisfier	51	4.196	0.917
We work effortlessly to improve our product quality to stay ahead of our competitors	51	4.078	0.997
Our product(s) have developed a strong reputation.	51	4.157	0.9027

(Research data 2023)

The study results showed that respondents agreed with minimal variation that their firms offered a narrow range of products (mean= 4.137, standard dev = 1.131), respondents agreed strongly that they continuously improve on their product, (mean = 4.216, standard dev = 0.901) and the summary in table 4.3 shows that respondents agreed that they target specific clientele for every model we have. (mean = 4.373, standard dev = 0.847).

4.4.2 Relationship between Differentiation Strategy and Business Performance

The relationship between the differentiation strategy and business performance was determined using regression analysis. The regression analysis generated both the Spearman's correlation and ANOVA. The results are as shown in table 4.3. Table 4. 3 Correlation Test for Differentiation Strategy and Business Performance

			Business Performance	Differentiation Strategy
Spearman's rho	Business Performance	Correlation Coefficient	1.000	
		Sig. (2-tailed)	.	
		N	51	
	Differentiation Strategy	Correlation Coefficient	.6322*	1.000
		Sig. (2-tailed)	.000	.
		N	51	51
*. Correlation is significant at the 0.05 level (2-tailed).				

Source: Research data (Author 2023)

TABLE 4. 4 REGRESSION ANALYSIS OF DIFFERENTIATION STRATEGY AGAINST BUSINESS PERFORMANCE

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.6322 ^a	.3997	.3874	0.4283		
a. Predictors: (Constant), Differentiation Strategy						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.43	1	9.43	32.62	.000 ^b
	Residual	14.16	49	.289		
	Total	23.95	50			
a. Dependent Variable: Business Performance						
b. Predictors: (Constant), Differentiation Strategy						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.8697	.4283		4.366	.000
	Differentiation strategy	.5762	.1009	.6322	5.712	.000
a. Dependent Variable: Business Performance						
ANOVA ^a						

Source: Research Data 2023

The results in table 4.3 indicate that differentiation strategy had a positive link and strong significant effect on the business performance of electric motorcycle dealers in Kenya, $B = 0.5762$ ($0.00 < 0.05$ significance level). As such, for every increase in differentiation strategy, there was an estimated increase of 0.5722 in business performance which was statistically significant at variation from the actual business performance. The R value = 0.6322 (correlation coefficient) indicated the correlation between the dependent variable (Business Performance) and independent variable (Differentiation strategy). The inferential analysis in Table 4.3 indicates that $R^2 = 0.3997$ indicates that 39.97% of the changes in the dependent variable, business performance, in electric motorcycle dealers in Kenya was as a result of the independent variable differentiation strategy.

The p value = 0.00, this showed that the model sufficiently predict the dependent variable (Business Performance) using the independent variable differentiation strategy ($p < 0.05$), and that the business performance increased by 0.5722 (Estimate) when all other factors were held constant. The study results show a positive and significant correlation between porter's differentiation strategy and

business performance. This result indicates that differentiation strategy explains business performance in electric motorcycle dealers in Kenya and the relationship. Therefore, the results conclude that there is meaningful relationship between differentiation strategy and the business performance of motorcycle dealers in Kenya.

The resultant model for the relationship between Differentiation strategy and Business performance is;

$$BP = 1.8697 + 0.5762 DS + 0.4283$$

4.5 To Establish the effect of Cost Leadership Strategy on the Performance of Electric Motorcycle Business in Kenya

The second objective sought to investigate the effect of porter’s cost leadership strategy on business performance focusing on electric motorcycle businesses in Kenya.

4.5.1 Descriptive statistics

TABLE 4. 5 DESCRIPTIVE ANALYSIS OF COST LEADERSHIP STRATEGY

Statement	N	Mean	Standard Deviation
We outsource some organizational functions to reduce costs	51	4.02	1.14
We adopt new technologies to reduce costs	51	4.059	0.9468
We Price our products cheaper than our competition	51	3.863	1.040
We seek suppliers who are cheapest	51	4.0	1.039
We practice tight cost controls and focus a lot on cost saving opportunities	51	4.02	0.969
We focus on designs that reduce costs	51	4.137	0.8947
We invest a lot in advertisement and sales promotions	51	4.216	0.8789

Source: Research Data 2023

Descriptive analysis from the table 4.4 above shows a strong agreement of respondents with the statement of their firm outsourcing organizational functions to reduce costs (mean = 4.02, standard deviation = 1.14). Respondents also exhibited a strong agreement that their firms practice tight cost controls and focusing a lot on cost saving opportunities (mean 4.02, standard deviation = 0.969). Respondents also agreed that their firms focused on designs that reduced costs (mean = 4.137, standard deviation = 0.8789).

4.5.2 Relationship between Cost Leadership Strategy and Business Performance

The study looked at the correlation between Porter's Cost leadership strategy and business performance.

TABLE 4. 6 CORRELATION BETWEEN COST LEADERSHIP STRATEGY AND BUSINESS PERFORMANCE

			Business Performance	Cost Leadership Strategy
Spearman's rho	Business Performance	Correlation Coefficient	1.000	
		Sig. (2-tailed)	.	
		N	51	
	Cost Leadership Strategy	Correlation Coefficient	.7201*	1.000
		Sig. (2-tailed)	.000	.
		N	51	51
*. Correlation is significant at the 0.05 level (2-tailed).				

TABLE 4. 7 REGRESSION ANALYSIS OF COST LEADERSHIP STRATEGY AGAINST BUSINESS PERFORMANCE

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.7201 ^a	.5186	.5087	0.37323		
a. Predictors: (Constant), Cost Leadership Strategy						
ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.23	1	12.234	52.78	.000 ^b
	Residual	11.36	49	.232		
	Total	23.59	50			
a. Dependent Variable: Business Performance						
b. Predictors: (Constant), Cost Leadership Strategy						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		

1	(Constant)	1.61085	.37323		4.316	.000
	Cost Leadership Strategy	.65934	.09076	.7201	7.265	.000
a. Dependent Variable: Business Performance						

Source: Research Data (2023)

Results in table 4.5 shows a correlation coefficient value $R = 0.7201$, the degree of correlation between business performance (dependent variable) and cost leadership strategy (independent variable). The relationship between Porter’s cost leadership strategy and business performance is statistically significant (p value = $0.00 < 0.05$). The results in table 4.6, the value of $R^2 = 0.5186$, which indicated, 51.86% increase in business performance of electric motorcycle dealers in Kenya was attributed to the variable of cost leadership strategy. For every increase in the input of cost leadership strategy employed, business performance increased by 0.65934. Therefore, the results conclude there is a meaningful effect of cost leadership strategy on the business performance of motorcycle dealers in Kenya.

The regression model for the relationship between Cost leadership strategy (CLS) and Business Performance (BP) is;

$$BP = 1.61085 + 0.65934 CLS + 0.37323$$

4.6 To Establish the Effect of Focus Strategy on the Performance of Electric Motorcycle Business in Kenya

Finally, this study sought to determine the relationship between focus strategy and the business performance of electric motorcycle dealers in Kenya.

4.6.1 Descriptive statistics

The study looked at the effect of Porter’s focus strategy on business performance. The study analyzed the respondent data using descriptive analysis in this section.

TABLE 4. 8 DESCRIPTIVE ANALYSIS RESULTS OF FOCUS STRATEGY

Statement	N	Mean	Standard Deviation
We satisfy our customer needs better than our competition	51	3.922	0.996
We serve a specific geographical region	51	4.137	0.960
We target a specific market segment	51	4.333	0.740

Our products are designed for a specific user class in mind	51	4.333	0.8406
We have a specific leader model that we focus on	51	4.412	0.8288
We focus on our client need changes and work to quickly adjust	51	4.333	0.7118
We seek to position ourselves to be known for a specialty product	51	4.196	0.9169
We have a broad range of products models targeting a different market segments	51	4.216	0.8558

Source: Research data 2023

Respondents in this study agreed that their firms have a specific geographical region of market focus (mean = 4.137, standard deviation = 0.960). Respondents in this study also agreed strongly with the statement that their firms that their products are designed for a specific user class in mind (mean = 4.333, standard deviation = 0.8406). The results also showed a strong agreement among the respondents that the target electric motorcycle firms seek to position themselves to be known for a specialty product (Mean = 4.196, standard deviation = 0.9169).

4.6.2 Relationship between Focus Strategy and Business Performance

TABLE 4.9 CORRELATION BETWEEN FOCUS STRATEGY AND BUSINESS PERFORMANCE

			Business Performance	Focus Strategy
Spearman's rho	Business Performance	Correlation Coefficient	1.000	
		Sig. (2-tailed)	.	
		N	51	
	Focus Strategy	Correlation Coefficient	.8193*	1.000
		Sig. (2-tailed)	.000	.
		N	51	51
*. Correlation is significant at the 0.05 level (2-tailed).				

TABLE 4. 10 REGRESSION RESULTS OF PORTER’S FOCUS STRATEGY AGAINST BUSINESS PERFORMANCE

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.8193 ^a	.6713	.6646	0.36955		
a. Predictors: (Constant), Focus Strategy						
ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.838	1	12.624	51.83	.000 ^b
	Residual	7.755	49	.244		
	Total	23.593	51	12.868		
a. Dependent Variable: Business Performance						
b. Predictors: (Constant), Focus Strategy						
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.62312	.36955		1.686	.000
	Cost Leadership Strategy	.86290	.08626	.8193	10.004	.000
a. Dependent Variable: Business Performance						

Research Data, 2023

The result analysis shows that the value of $R = 0.8193$, this means that the degree of correlation between focus strategy and business performance is at 81.93% which is very high. The results further indicate that the relationship was statistically significant, because the p value = $0.00 < 0.05$ meaning the model is a good fit and Porter’s Focus strategy predicts the outcome variable of business performance. R^2 is the value of variation in business performance that is as a result of Focus strategy employed, this value is 0.6713. Adjusted R^2 value = 0.6646 indicates the variation in Business performance when the model is employed to the larger population of study. Table 4.8 also indicates that there was an increase in business performance by 0.86290 when the variable of focus strategy is held constant. In conclusion, the study detected a meaningful relationship between the use of focus strategy in electric motorcycle dealers in Kenya and their business performance.

The resultant regression model for the variables of Business performance (BP) and Focus Strategy

(fcs) relationship from the results is;

$$BP = 0.62312 + 0.86290 FCS + 0.36955$$

4.9 Regression between Competitive Strategies and Business Performance

TABLE 4. 11 OVERALL LINEAR REGRESSION ANALYSIS RESULTS.

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1		.6951	.6756	.37987		
a. Predictors: (Constant), Differentiation Strategy, Cost Leadership Strategy, Focus Strategy						
b. Dependent Variable: Business Performance						
ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
Residuals		7.193	47	0.153		
1	Differentiation Strategy	9.430	1	9.430	61.61	.000 ^b
	Cost Leadership	3.384	1	3.384	22.11	.000
	Focus strategy	3.586	1	3.586	23.43	.000
a. Dependent Variable: Business Performance						
b. Predictors: (Constant), Differentiation Strategy, Cost Leadership Strategy, Focus Strategy						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.44768	.31112		1.179	.000
	Differentiation Strategy	.15187	.08031	.54	1.408	.000
	Cost Leadership Strategy	.06469	.09001	.5419	0.458	.000
	Focus Strategy	.69269	.07936	.4454	4.841	.000
a. Dependent Variable: Business Performance						

Overall regression model $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$ is derived as;

$$\text{BP} = 0.44768 + 0.15187X_1 + 0.06469X_2 + 0.69269X_3 + 0.31112$$

that is,

$$\text{Business Performance} = 0.44768 + 0.15187 X_1 + 0.06469 X_2 + 0.69269 X_3 + 0.31112$$

Where; X_1 = differentiation strategy, X_2 = Cost leadership strategy, X_3 = Focus strategy

This study aimed to investigate the effect of individual Porter's generic strategies on the business performance of electric motorcycle dealers in Kenya. This result was statistically significant, an indication that the three independent variables explained this change. The p value = 0.00, (is less than 0.05), therefore the relationship between the independent variables and dependent variables is significant. The results in the table 4.10 further shows that, while the results indicate that a unit increase in focus strategy led to a 0.69269 estimated increase in the business performance of electric motorcycle dealers in Kenya, this was a significant estimate at a p-value of 0.00. This is an indication that the predicted high relationship between focus strategy and business finance is significant. Further, Business Performance increased 6.469% when the variable of cost leadership was held constant with a p-value of 0.00, indicating a positive but weak relationship between the variables. The study also deduces that business performance improved positively by 17.17% which the variable of differentiation strategy held constant.

4.10 Chapter Summary

The study investigated the effect of Porter's generic strategies on the business performance of electric motorcycle dealers in Kenya. The three generic strategies used as the independent variables were differentiation strategy, cost leadership, and focus strategy. This research established there was a positive significant association between these strategies and business performance, indicating that these strategies explain the performance of these businesses. Individually, all the generic strategies had a positive significant effect on the business performance of electric motorcycle dealers in Kenya. Put differently, this study found positive association between differentiation, cost leadership, and focus strategies on the business performance of electric motorcycle dealers in Kenya. The implications of these findings are discussed in the next chapter.

CHAPTER FIVE

DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter advances recommendations and conclusions and suggests areas that future research could focus on as informed by the study's limitations. This is in relation to the competitiveness strategies that can enhance the business performance of electric motorcycle manufacturers in Kenya. The chapter begins with a conclusion by revisiting each objective, followed by the suggested implications for managerial practice, implications for businesses, and policy implications. This is followed by recommendations, a summary of the study's limitations, and suggestions for future research.

5.2 Discussions

This study aimed to investigate the effect of individual Porter's generic strategies on the business performance of electric motorcycle dealers in Kenya. These generic strategies included differentiation strategy, cost leadership, and focus strategy. This study's findings have shown that there was a positive statistically significant relationship between the generic strategies and business performance of electric motorcycle dealers in Kenya. As such, the observed relationship between the generic strategies and the business performance are attributed to these factors in this research.

In essence, several factors could explain these results. Because Kenya's electric motorcycle business is still in its infancy, it is possible that the results of each of Porter's generic strategies are yet to fully materialize. Government policies and market demand are some of a few more variables that may be more significant in influencing firm performance in this sector and were not included in the study. The study nevertheless offers insightful information on the variables that can have an impact on the business performance of electric motorcycle dealers in Kenya. The results imply that while formulating their business strategies, dealers in this sector should take into account additional variables beyond Porter's differentiation, cost leadership, and focus generic strategies. Further discussion on each study objective is presented in the next sections.

5.2.1 Differentiation Strategy Business Performance

The current study has attained the first objective, that is, to determine the effect of differentiation strategy on the performance of electric motorcycle businesses in Kenya. As noted in the results section, the relationship between differentiation strategy and the business performance of electric motorcycle dealers in Kenya is significant. In other words, differentiation as a competitive strategy has significant effect on the business performance of these firms.

These results contrast those by Islami (Islami et al., 2020) who found that the differentiation strategy has more influence on the performance of businesses compared to cost leadership and focus strategies, where, for every unit increase in the differentiation strategy applied, a firm's performance increased by 15.187%, all other variables held constant. These findings of this study concur with those by Boehe and Barin Cruz (2010) who found that there was a positive and significant relationship between differentiation strategy and business performance at a coefficient of 3.658. Their study also concluded that differentiation strategy was only beneficial to big firms, and that, this positive effect becomes weaker in smaller firms as compared to larger firms (Boehe & Barin Cruz, 2010). While this study's coefficient is positive (0.15187) and statistically significant, indicating an existing relationship. Further, this study's conclusion agrees with that of Costa (Costa et al., 2013) who noted that the provision of unique products does not necessarily translate into improved performance of the business. The study noted that in market conditions where competition is on price, a differentiation strategy would improve the firm's financial condition.

It is crucial to take into account the potential explanations for why the study discovered a low substantial association between differentiation strategy and the business performance of electric motorcycle dealers in Kenya. The fact that Kenya's market for electric motorcycles is still in its infancy may be one reason why the effects of the differentiation approach have not yet completely materialized. As Kuhudzai (2021) and UNDP (2021) indicate, electric motorcycle consumption is in its nascent stages but it is being pushed as a solution to the inefficient transport system in the country and its associated problems like air pollution (Kuhudzai, 2021; UNDP, 2021). This means that, early in an industry's development, the market is frequently marked by high levels of uncertainty and little consumer knowledge of the products being provided. This means that it could be difficult for businesses such as electric motorcycle dealers in Kenya to properly differentiate themselves apart from rivals in these circumstances.

Besides, there is a likelihood that, since the market for electric motorcycle dealers in Kenya is still developing, the potential performance gains of a differentiation strategy are yet to materialize. For instance, while there may be high levels of differentiation among the electric motorcycle dealers in Kenya, the market for electric motorcycles is rather tiny. As a result, it could be challenging for any one company to set itself apart from its rivals. Additionally, there can be other elements that have a bigger impact on how well this industry performs, including governmental regulations or consumer demand, elements that have also been tied by literature to business performance (MAHADEA & KABANGE, 2019; Varadarajan, 2020).

It is worth noting that the possible resource scarcity and skills necessary to successfully implement a differentiation strategy (Boehe & Barin Cruz, 2010) may be another reason why this study has identified low relationship between differentiation and the business performance of electric motorcycle dealers in Kenya. As such, significant investments in marketing, customer service, and research and development are necessary to implement a differentiation strategy (Boehe & Barin Cruz, 2010). More importantly, the competitive environment of the Kenyan market for electric motorcycles is a contributing factor. The competitive advantage gained from using a differentiation strategy may decline if every company in the electric motorcycle dealership is already using it, which would have reduced effect on business performance. Similarly, a differentiation strategy may have a low probability of success in enhancing business performance if the market is heavily saturated with comparable products (Costa et al., 2013).

5.2.2 Cost Leadership Strategy and Business Performance

The second objective of the current study was to determine how the cost leadership strategy affects the performance of electric motorcycle dealers in Kenya. The association between the two variables was positive and statistically significant. The outcome suggests that there is a meaningful connection between the cost leadership strategy and the overall business performance of these organizations.

Comparing this study's results to those arrived at by Islami et al. (Islami et al., 2020), two important conclusions can be arrived at. According to Islami et al. (2020), a firm that employs a cost leadership strategy, with all factors held constant, increases its business performance by 31.2%.

However, when peers in an industry apply a similar strategy, the contribution of the cost leadership strategy to business performance becomes nonexistent. Similarly, Li and Li (Li & Li, 2008), as reviewed in the literature, concluded that the cost leadership strategy is less effective in low-concentrated markets. These findings complement the conclusion by Button (2012) which suggests that low-cost carriers performed well when they have established monopoly powers. As such, the low-cost strategy is as effective as the control a company has in the market, and the lower the control the less effective the strategy towards business performance.

At the time of this study, the researcher noted that there were only 8 electric manufacturers in Kenya, an indication that competition between them was intense since there was no dominant player. From these conclusions, this research notes that, since the majority of the firms used a low costs strategy in the electric motorcycle manufacturing industry in Kenya (as indicated in the descriptive statistics), then the imitation of this strategy makes a small positive difference on their business performance.

It is important to note that there are other possible reasons there was a low positive significant relationship (6.469%) besides the one discussed above. To begin with, and has already been noted in this discussion, the Kenyan market for electric motorcycles is relatively new. Since there are not many well-established firms in the market, the industry is competitive, and businesses might not be able to use cost leadership tactics to make large cost savings (Button, 2012). Moreover, the infancy of the industry means that the supply chains and infrastructure (charging stations) that have been developed to support the sector are not at their optimal (Kuhudzai, 2021; UNDP, 2021), meaning that the cost of manufacturing and selling electric bikes may be relatively high and reduce the cost leadership strategy's effectiveness. Consequently, the cost leadership strategy may have a minimal effect on business success in the industry.

Finally, some potential factors such as the effect of brand recognition and reputation on the business performance (Koh et al., 2009) of electric motorcycle dealers in Kenya were not taken into account in the study. Controlling for such variables further explained the positive relationship. Though an electric motorcycle dealer's cost structure may not be much differentiated from that of its rivals, it may nonetheless be able to command higher pricing and a larger market share. As a result, the influence of brand recognition and reputation may reduce the impact of cost leadership strategy on business success (Zott & Amit, 2008).

5.2.3 Focus Strategy and Business Performance

The study was further able to achieve objective three. Similar to the other independent variables, this research has established that there high positive and significant relationship between focus strategy and the business performance of electric motorcycle dealers in Kenya. The results are contrary to (Demba et al., 2019) who suggest that focus strategy had no significant effect on business performance. These findings agree with those attained by Islami et al. (2020) who suggest that firms that pursue a focus strategy achieve a 0.315 increase in performance for every unit increase in focus strategy applied. This compares to the current study's significant result of 0.1868. (Islami et al., 2020) further assert that a focus strategy gives a company a competitive advantage in its 'niche' market until a point when the competition within the 'niche' increases, and as such, the firm employs low-cost or differentiation strategies to improve performance. In other words, the focus strategy is effective when competition is low.

Worthy of note is the current position of the electric motorcycle market in Kenya. As such, there is a possibility that, since the market for electric motorcycle dealers in Kenya is still developing (UNDP, 2021), the market is relatively small. This means that the advantages of concentrating on a certain niche may not be as great in a smaller market as they would be in a bigger one (Islami et al., 2020). Therefore, this study has ascertained that market size is important for a focus strategy to have any significant effect on the business performance of businesses. Similarly, Kenya's demand for electric motorcycles has been modest, and this may explain why it may make it harder for the dealers to concentrate on a certain market segment but the one that chooses to leverage on it will survive best. Due to considerations including infrastructure for charging batteries and the prevailing preference for conventional motorcycles (Kuhudzai, 2021), demand may be constrained leaving the market open, since most of the study's respondents acknowledged that their firms were pursuing a focus strategy.

5.3 Conclusions

Objective one sought to establish the association between differentiation strategy and the Kenyan electric motorcycle dealer's business performance. The study has indicated that differentiation strategy has a notable association with business performance. This result agrees with other research that discovered a significant positive association between differentiation strategy and company performance.

Furthermore, the study's second objective was to determine how the cost leadership strategy affects the performance of electric motorcycle dealers in Kenya. There was a low but positive association between the two variables which was statistically significant, indicating that there was a substantial relationship between the cost leadership strategy and these firms' overall business performance. When comparing the findings of this study to those of previous studies, this study supports the assertion that a cost leadership approach is less effective in low-concentrated markets and that its efficacy depends on the level of market domination a company possesses.

The third objective of this research was to investigate the effect of focus strategy on the business performance of Kenyan dealers of electric motorcycles. In contrast with some earlier research, the study found a high positive and statistically significant link between focus strategy and firm performance though the results were at par with the work of some scholars that suggested that a focus strategy can significantly improve performance, but only up until the level of competition in the niche market increases. This study concludes that a focus strategy might not be successful in smaller markets like Kenya's emerging electric motorcycle market. These conclusions carry with them some implications for practice, businesses, and policy, as presented below.

5.4 Recommendations

Implications for Practice

Since Porter's generic strategies have been shown by this study to have significant relationship with business performance, these results have various practical applications. Porter's general strategies may not always have a substantial impact on corporate performance, and managers of electric motorcycle manufacturers in Kenya cannot solely rely on these strategies to improve the performance of their organization. As a result, managers should implement these techniques while taking into account the unique environment of their companies and industry. The current conclusions suggest that managers should leverage on focus strategy and improve on the other strategies, differentiation strategy and cost leadership that may influence corporate performance for firms in a market that is relatively new

Implications for Businesses

According to the findings of this study, electric motorcycle manufacturers in Kenya cannot exclusively rely on Porter's generic strategies to boost performance. The electric motorcycle manufacturing businesses in Kenya should readily adapt and be flexible to shifting market conditions. The study's findings imply that the specific attributes, such as the electric motorcycle market size, level of competition in the industry, and infrastructure required in line with the electric motorcycles, may have an impact on how effective Porter's generic techniques are. Therefore, in order to function at their best, firms should be willing to modify their strategies to suit the prevailing market conditions and optimize business performance. Firms should also explore business models like pay as you go to supplement these strategies to improve adoption of e-bodas.

Implications for Policy

Policymakers have the opportunity to support the electric motorcycle manufacturers informed by this study's findings. As such, they should recognize the significance of a supportive business climate to the business performance of firms in the sector. Among the policies that they can initiate include building the infrastructure needed for charging stations, providing financial incentives to encourage investment in the electric motorcycle business, and developing policies and regulations that support innovation and sector growth. Similarly, the policymakers should create targeted policies that address the specific challenges that the businesses operating in the manufacture of electric motorcycles in Kenya encounter. Supply-side policies such as subsidies, tax incentives, and entrepreneurial training programs can help strengthen competitiveness in the industry. Finally, demand-side policies that would encourage the consumption of electric motorcycles in Kenya could be critical in helping the industry grow.

Following the conclusions and implications for practice, businesses, and policy, this study has several recommendations. To begin with, since the Kenyan electric motorcycle market is still in its infancy, dealers in the industry should be cognizant of the fact that the potential business performance gains of Porter's generic strategies (differentiation, cost leadership, and focus) may not have fully materialized. This means they can continue using these strategies and complement them with hybrid strategies as the electric motorcycle market grows. The second recommendation from this study is that, should the businesses continue pursuing these strategies against the backdrop of the current

findings, then they should be willing to make significant investments since the market is not well developed. Finally, his study recommends the potential collaboration between different policymakers (those in the line of sustainability practices and those involved in developing sustainable business environments) to create strategies that will see the country's consumers of motorcycle benefit from the many advantages of electric motorcycles. This way, besides achieving the triple bottom line of sustainability (environmental, social, and economic sustainability), the collaborative effort will see to it that the traffic problem experience in major Kenyan cities is mitigated.

5.5 Limitations of the Study

This study had several limitations. To begin with, the study was quantitative. This means that the study-imposed hypotheses on respondents. Moreover, the survey strategy did not allow the probing of respondents to understand the phenomenon under study relying on the richness and fulness of their experience in the electric manufacturing business. As such, the study was not able to unpack the dynamic and complex issues regarding Porter's generic strategies and the business performance of electric motorcycle dealers in Kenya. Finally, the cross-sectional design of this study meant that the data was collected at one point in time. However, as the study has highlighted, the electric motorcycle market in Kenya is relatively new, and moving in the future, the association between Porter's generic strategies and the performance of the electric motorcycle dealers may have changed.

5.6 Suggestions for Further Research

Informed by the limitations identified in the previous section, this study has several suggestions for further research. First, future research could take a qualitative design in order to probe the respondents to understand the phenomenon under investigation relying on the richness and fulness of their experience in the electric manufacturing business. Moreover, qualitative research will be able to unpack dynamic and complex issues related to differentiation strategy, cost leadership strategy, focus strategy, and the business performance of electric motorcycle dealers in Kenya based on the respondents' views without imposing on them. Finally, this research suggests that future studies could employ a longitudinal design and look at the effects of Porter's generic strategies on the business performance of electric motorcycle dealers in Kenya over time.

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APPENDICES

APPENDIX 1. INTRODUCTION LETTER

To the Managing Director

.....

Dear Sir/Madam

Ref: **Request to Collect Research Data from your Organization**

I am Alex Kunni, an MBA student at Strathmore University, admission Number 124029/20. In fulfilment of my MBA degree, I am conducting a study to identify the degree of effect business strategies have on business performance. This study seeks to contribute to the electric motorcycle business performance in Kenya. The study is titled '*Strategies for Enhancing Business Performance: A Study On Electric Motorcycle Manufacturers in Kenya.*'

I humbly request your organization to allow me to collect relevant data from target respondents to facilitate the study. The research findings are expected to be of great help to stakeholders within the electric motorcycle industry in Kenya. The respondents' biodata shall not be captured and the responses given shall be treated with utmost confidentiality and the relevant data be utilised specifically for this research. The data and findings shall be made available for your official consumption through Strathmore university.

With Regards,

Alex Ali Kunni

APPENDIX 2: PARTICIPANT CONSENT FORM

Title of the Proposed Study: *‘Strategies for Enhancing Business Performance: A Study On Electric Motorcycle Manufacturers in Kenya.’*

Section I: Student Details

Researcher: **ALEX ALI KUNNI**

Institution: **Strathmore Business School (SBS)**

Admission Number: 124029/20

Section II: Information Sheet–The Study2.1:

Why is this study being carried out?

The research is in partial fulfilment for the award of Masters of Business Administration Degree. The purpose of the research is purely for the academic purposes and no research data sought was utilized beyond that parameter.

2.2: Do I have to take part?

Participation in this study is purely voluntary. The respondent can withdraw from the investigation at their own free will at any moment in the exercise.

2.3: Who is eligible to take part in this study?

The study will focus on relevant members of management and or the general staff of electric motorcycle dealers in Kenya.

2.4: Who is not eligible to take part in this study?

Participants who are not official employees of electric motorcycle dealers in Kenya

2.5: What will be taking part in this study involve for me?

Your responses will be invaluable in achieving reliable results that will guide management decisions, government policies that will have influence on business performance of electric motorcycle businesses in Kenya.

2.6: Are there any risks or dangers in taking part in this study?

The study does not pose any risk to respondents, businesses and or any stakeholder.

2.7: Are there any benefits of taking part in this study?

Yes, the findings of this research is expected to be very important for business managers and policy formulators in designing the right strategy, business model and policies for the improved performance of electric motorcycle dealers/companies in the Kenya. The study shall also be important for academicians in the field of business management and strategy.

2.8: What will happen to me if I refuse to take part in this study?

Nothing, participation is purely voluntary.

2.9: Who will have access to my information during this research?

The research data shall be treated with utmost confidentiality and used only for the intended purpose.

2.10: Who can I contact in case I have further questions?

For any clarification please contact the Researcher: Alex Kunni on +254 728534608.

*For any further clarification, query or verification, please contact my Research Supervisor **Dr. EVERLYNE MAKHANU** through the Strathmore Business School Office.*

If any problem or discomfort arises from the study or researcher, the Strathmore school of Business can be contacted in regards to the study through;

The Secretary–Strathmore University Institutional Ethics Review Board, P. O. BOX 59857, 00200, Nairobi, email ethicsreview@strathmore.edu Tel number: +254 703 034 375

I, _____, have read and understand the information provided. I acknowledge that my participation is voluntary and that I am at liberty to withdraw at any time. I expect no payment for the responses I shall give and to answer the questions to the best of my ability. I voluntarily agree to participate in this study and will retain a copy of this form.

Respondent’s signature:

I, Alex Kunni acknowledge that I have clearly explained the purpose of this study to the above named participant

Signature:

Date:

Alex Kunni

APPENDIX 3: RESEARCH QUESTIONNAIRE E-MOTOCYCLE COMPANY MANAGEMENT

You have been chosen to participate in the study on “the effects of generic strategies on business performance.” This questionnaire has **4 parts**, please answer the questions to the best of your ability.

Please **DO NOT** indicate your name for the purpose of confidentiality.

. PART A: DEMOGRAPHIC INFORMATION

1. Which management level do you hold within the organization?

Please tick appropriately

Owner Director	<input type="checkbox"/>
Managing Director	<input type="checkbox"/>
Operations Manager	<input type="checkbox"/>
Finance Manager	<input type="checkbox"/>
Research and development	<input type="checkbox"/>
Marketing Manager	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>

2. What is your level of education?

*High-s
chool Diploma Degree Graduate PhD*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

3. How long have you been at your current organization?

*1-2 3-4 5-6 7-8 9-10
years years years years years*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

4. How old is your organization?

1 *2*years *3* *4* *5* *6* *7* *8* *9* *10*
year *years* *years* *years* *years* *years* *years* *years* *years* *years* *years*

--	--	--	--	--	--	--	--	--	--	--

5. How many employees does your organization have?

1-10	
11-20	
21-30	
31-40	
41-50	
50>	

6. On a scale of 1 to 10, how would you rate your organization’s performance compared to the competition? Where 1 is least performing and 10 best performing please tick the appropriate rating

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>

7. How many electric motorcycle brand models does your organization have?

1	
2	
3	
4	
5	
>5	

PART B: DIFFERENTIATION STRATEGY

Please appropriately tick the box with your level of agreement to the following statements.

1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= strongly Agree

		1	2	3	4	5
1	We offer a narrow range of product models					
2	We target specific clientele for every model we have.					
3	We invest heavily in Research and development to develop a unique product.					
4	We continuously improve on our product					
5	We strive to position ourselves to be a specific need satisfier					
6	We work effortlessly to improve our product quality to stay ahead of our competitors					
7	Our product(s) have developed a strong reputation.					

PART C: COST LEADERSHIP STRATEGY

Please appropriately tick the box with your level of agreement to the following statements.

1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= strongly Agree

		1	2	3	4	5
1.	We outsource some organizational functions to reduce costs					
2.	We adopt new technologies to reduce costs					
3.	We Price our products cheaper than our competition					
4.	We seek suppliers who are cheapest					

5.	We practice tight cost controls and focus a lot on cost saving opportunities					
6.	We focus on designs that reduce costs					
7.	We invest a lot in advertisement and sales promotions					

PART D: FOCUS STRATEGY

Please appropriately tick the box with your level of agreement to the following statements.

1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= strongly Agree

		1	2	3	4	5
1.	We satisfy our customer needs better than our competition					
2.	We serve a specific geographical region					
3.	We target a specific market segment					
4.	Our products are designed for a specific user class in mind					
5.	We have a specific leader model that we focus on					
6.	We focus on our client need changes and work to quickly adjust our product to these needs.					
7.	We seek to position ourselves to be known for a specialty product					
8.	We have a broad range of products models targeting a different market segments					

PART E: BUSINESS PERFORMANCE

Please appropriately tick the box with your level of agreement to the following statements.

1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= strongly Agree

		1	2	3	4	5
Market share						
1.	My organization has had a growing market share since its inception					

2.	My organization has diversified into different market segments from inception.					
Financial sustainability						
3.	The organization's profits has been steadily growing					
4.	The organization has had new investors and growing capital injection					
Customer satisfaction						
5.	The organization has had growing reputation					
6.	The organization has managed to increasingly satisfy its customer needs					
Revenue growth						
7.	The organization has had increasing revenues year on year					
8.	The organization has had increasing revenue per client					

Thank You

APPENDIX 4: SECTOR PLAYERS WITHIN THE ELECTRIC MOBILITY INDUSTRY IN KENYA

	Sector player	Assembling, Sales and Distribution	Infrastructure development	Mass Adopters	financiers	Research and Association
1	Kiri EV					
2	Fika clean mobility					
3	Opibus					
4	Mazi Mobility					
5	Arc Ride					
6	Eco-boda					
7	Solar e-cycles					
8	Drive electric					
9	Ampersand					
10	Stima boda					
11	Kengen					
12	Knights Energy					
13	KPLC					
14	Uber					
15	Nopea ride					
16	Bolt					
17	Jumia					
18	Get boda					
19	P4G					
20	GIZ					
21	Ebee					
22	Maris					
23	WaTu					
24	Mogo Kenya					
25	Siemens Stiftung					

(AHK, 2021)

APPENDIX 5: ETHICS REVIEW



13th February 2023

Mr Kunni Alex Ali,
alex.kunni@strathmore.edu

Dear Mr Kunni,

RE: COMPETITIVE STRATEGIES FOR BUSINESS PERFORMANCE: A STUDY ON ELECTRIC MOTORCYCLE BUSINESS IN KENYA

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU- master's** research proposal. Your application reference number is **SU-ISERC1577/23**. The approval period is from **13th February 2023 to 12th February 2024**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, and MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 48 hours of notification
- iv. Any changes, anticipated or otherwise, that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 48 hours
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

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

Yours sincerely,

Dr Ben Ngoye,
Secretary; SU-ISERC

Cc: Mr Ambrose Rachier,
Chairperson; SU-ISERC



APPENDIX 7: PLAGIARISM REPORT

Document Information

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Submitted by	
Submitter email	Alex.Kunni@strathmore.edu
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Sources included in the report

SA	Qatamur final project.docx Document Qatamur final project.docx (D140258799)	 3
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SA	FWK, FAITH KAMORO.docx Document FWK, FAITH KAMORO.docx (D150659306)	 2

Entire Document

COMPETITIVE STRATEGIES FOR ENHANCING BUSINESS PERFORMANCE: A STUDY ON ELECTRIC MOTORCYCLE COMPANIES IN KENYA
ALEX KUNNI ELLE
MBA/124029/20
A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF STRATHMORE UNIVERSITY
MAY, 2023

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DECLARATION I declare that this is my original work and has not been submitted for any

degree or an academic credit at any institution. The research does not borrow or copy any published work except for where references are made and cited accordingly. The author and Strathmore university alone reserve all right for reproduction of this work. ALEX ALI KUNNI MBA/124029/20
Sign: Date:04.05.2023

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has been submitted for examination with my approval as the university supervisor.		

DR. EVERLYNE MAKHANU, SENIOR LECTURER, STRATHMORE UNIVERSITY BUSINESS SCHOOL Sign: Date: 07.05.2023

ACKNOWLEDGEMENT

I wish to acknowledge the Incredible team at Strathmore Energy Research Centre for their assistance in introduction to respondents and firms. I appreciate the respondents from the electric mobility firms in Kenya who partook in this study and responded to the questionnaires. Most importantly, I would like to acknowledge my supervisor, Dr. Evelyne Makhanu for her invaluable support and guidance through the whole journey of preparing and eventual submission of this dissertation. I dedicate this work to my father, Mr. Kuni Hele Halanka.

ABSTRACT This study was conducted to quantitatively investigate the link between porter’s generic strategies on the performance of electric motorcycle businesses in Kenya. This is against the backdrop of an empirical gap on the influence of porter’s generic strategies on the performance of electric motorcycle businesses. The study was guided by the research objectives: to establish the effect of differentiation strategy on the performance of electric motorcycle business in Kenya; to establish the effect of cost leadership strategy on the performance of electric motorcycle business in Kenya; to establish the effect of focus strategy on the performance of electric motorcycle business in Kenya. To measure the relationship between the dependent variable (organizational performance) and the independent variables (focus strategy, differentiation strategy, and cost leadership strategy), this study employed an explorative research design and a positivism research philosophy to achieve these objectives. The research used simple random sampling technique to collect data from the target population of all the electric motorcycle businesses in Nairobi County. The study targeted a sample population of 10 management staff from each eight electric motorcycle companies in Nairobi, adopting a sample population of 80. Further, the study adopted a descriptive model and the data gathered using questionnaires, through both online and physical quantitative surveys. The data was analyzed using SPSS statistical software and presented using tables, graphs and charts for both descriptive and inferential statistics using regression and correlation analysis. The results showed a positive relationship between the generic strategies and business performance of electric motorcycle businesses in Kenya but the impact was insignificant. The study concluded that there were positive but insignificant link between the Porter’s generic strategies and electric motorcycle business performance contrary to the findings of other scholarly studies that reports significant relationship between the generic competitive strategies and performance. Due to the infancy stage of the electric motorcycle business in Kenya and industry size, the study recommends a longitudinal approach to achieve a further conclusive results. It also guides the industry players to explore a hybrid approach in designing their business strategies because there are other factors that impact the electric motorcycle business performance in Kenya like government policies, consumer knowledge and mindset.

Keywords: Focus strategy, differentiation strategy, cost leadership strategy, business performance, electric motorcycles.

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Business Performance Scholars have had different ways of defining business performance. Porter defines business performance as the ability of a firm to “create value” for its shareholders (Porter, 1985). Other scholars have defined business performance as the effectiveness of an organization, its ability to achieve its goals with the least resources, and that it is a function of efficiency and efficacy (Taouab & Issor, 2019).

Cost leadership (Porter, 1985) defines cost leadership as the strategy where a firm strives to position itself as the lowest cost producer in its industry. This, according to Porter is in a bid to achieve cost advantage over its competition.

Differentiation strategy refers to a firm’s pursuance of consumer satisfaction through tailoring of the product or service to the needs of the consumer. The firm focuses its research and development efforts to provide a unique product / service. Factors including market sector quality of work, the size of the firm, the image, graphical reach, involvement in client organizations, product, delivery system, and the marketing approach have been suggested to differentiate a firm’ (Allen, n.d.).

Focus strategy refers to serving the needs of consumers better than everyone else in the market (GRANT R M, 2011).

Strategy Henry Mintzberg defines strategy as a plan, purposefully conceived prior to an action(s) geared towards achieving a goal (Mintzberg, H, 1987). (Islami et al., 2020) define strategy as “directional cues that allow an organization to achieve its objectives”.

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Introduction

This chapter delivers the study’s logical flow by offering sufficient background information for a better understanding of the investigation. The chapter starts with the study background and further presents the problem statement. This is followed by the research objectives and research questions. Finally, the chapter presents the scope and the significance of the study.

1.2 Background Information

In a world facing rising population growth, globalization, and urbanization, public transport is playing a critical role in connecting people to markets. This is as postulated by the World Bank, which further reports that the demand for reliable and modern connectivity has exponentially grown in the last decade (World Bank, 2022). The growth has made public transport a critical cornerstone to global development, where it allows people to access basic amenities, generate employment, and facilitate the wider economic growth through delivery of good and services. Further, (Saif et al., 2019) assert that optimal investment in public transportation can enhance connecting people to opportunities at a reasonable cost, resulting in social development. Such is critical to building prosperity from reduced poverty, a key objective featured under goal 1 of the sustainable development goals (UNEP, 2017), that is, ending poverty in all its forms. Studies show that in the face of climate change, air pollution, traffic problems, carbon emissions and over reliance on fossil fuels within the transport sector, electric mobility is presented as a low-carbon strategy to solve these issues (Martin, 2021). In Kenya, the ministry of transport recommends electric mobility to be prioritised for its “immense health and sustainability benefits to the transport sector and country at large” (State Department for Transport, 2021).

“Strategy”, as a term commonly used in industries is defined as a plan that describes the course of action to achieve an organizational goal or desired outcome in the face of competition, limited resources and environmental uncertainties (Strategic Management Theories.Pdf, n.d.). While public transport has its social and economic benefits as highlighted, it also has detrimental contributions to the environment. As such, public transport has been shown to contribute to environmental problems that range from air pollution through carbon monoxide emission, noise, acid rain, to smog (E. Erickson et al., 2017; Gramsch et al., 2013). Further, Nesheli, Ceder, Ghavamirad, and Thacker postulate that energy used in the transportation sector, that is in the form of gasoline, liquefied petroleum gas, and diesel, has made major contributions to environmental problems through greenhouse gas (GHG) emissions such as methane, carbon dioxide, sulphur hexafluoride, chlorofluorocarbons, and nitrous oxide, affecting the quality of urban air (Nesheli et al., 2017). The environmental and social sustainability of the public transport system is of major concern for urbanisation and sustained global development. In urban areas, public transport has had its fair share of challenges with unreliability being a huge challenge. This is evidenced in the KNBS 2022 economic survey report which shows motorcycles to be the highest purchased vehicle form (KNBS, 2022), showing a 16% increase from the previous year 2021. The motorcycles registered last year alone, 99% run on internal combustion engines meaning they use fossil fuels (Kuhudzai, 2021), not helping to address the country’s pollution problem in urban areas.

The Kenya Transport Sector Climate Change Annual Report of 2018/2019 shows that the transport sector in the country is responsible for approximately 12% of the country's Green House Gas emissions (State Department for Transport, 2021). These concerns have increased attention to green transportation from stakeholders that include the government, scholars, and marketers. According to (Shah et al., 2021), green transportation is the employment of transportation services with fewer implications on the environment and human health as opposed to conventional transportation services. In other words, it is the combination of technology to optimally use biogas, fossil fuels in public transportation, and the efficient utilization of electric engine technologies. The results of green transportation in the environment include enhanced energy efficiency, resource sustainability, optimal travel speed, and reduced pollution and subsequently, improved health (Shah et al., 2021). While these are results governments will be keen to see in the future, motor vehicle marketers have the opportunity to leverage green transportation in contributing to sustainable business practices.

In the contemporary business environment, the concept of sustainable business practices has been established as imperative for competitiveness, hence a competitive advantage (Sharma & Kaur, 2021). Essentially, sustainability is the ability of businesses in the current environment to meet their needs without jeopardizing future firms' opportunities to fulfil their needs and lies on the premise of the triple bottom line of social, economic, and environmental performance (Moore et al., 2017). For marketers, the gospel should be to get green transportation to commuters and achieve an equilibrium of social equity (by improving the community, human rights observation, and providing good working conditions), economic prosperity for the business and other stakeholders, and environmental caring (preservation of land, plants, water, and animals) (Tseng et al., 2020). While marketers decide on product innovation and decision-making in marketing, sustainability cannot be overlooked in the contemporary business.

With the imminent energy transformation of the motor vehicle production industry towards green transportation, markets will need to revise their product, pricing, placing, and promotion strategies to incorporate sustainability. In the context of Kenya, and as defined in Chapter 403 of the Traffic Act, a motor vehicle is any mechanically propelled vehicle and excludes electric overhead power cables power cars, rail cars, and rail trams (Traffic Act CAP 403.Pdf, n.d.). This definition includes motorcycles as motor vehicles, that is, a motor vehicle that has less than four wheels and unladen weight that is or below eight hundred weights. In this study's case, reference is made to two-wheeler motorcycles. For marketers, green transportation's future success lies in effective marketing communication strategies and branding (Chen et al., 2020) capable of enhancing consumer perceptions of green energy-consuming motorcycles.

According to a report by Verified Market Research, the adoption of motorcycle taxis in the transport network has seen significant traction in India, China, and Africa. The limitations of the current transport systems to efficiently serve the ever-increasing population have contributed to the increased popularity of motorcycle taxis, where the market value of the service is projected to grow to USD 29.85 billion by 2026 from USD 16.27 billion in 2018 and with a compound annual growth rate of 7.9% (Moto Taxi Service Market Size, Trends, Analysis, Growth & Forecast, n.d.). As opposed to the efficiency of the transport infrastructure in developed economies, in developing and emerging economies, poor public transport service, provision of alternative means of transport to expensive car travel, and the local economic demand have facilitated the rise of motorcycle taxi services (Xia, 2020). Other major reasons include low-income levels in these countries, lack of public transport, high ownership of two-wheelers, difficult terrains and bad roads, and limited access to core areas (Jha, 2022; Thakur et al., 2020). Countries in Asia that have adopted motorcycle taxis include but are not limited to India, Cambodia, Indonesia, Thailand, Vietnam, and Timor Leste. In Africa, they include Benin, Cameroon, Kenya, Nigeria, Rwanda, Sierra Leone, Tanzania, and Uganda while in Latin America, they include Colombia and Brazil (Thakur et al., 2020). For marketers, motorcycle taxis are crucial for first and last-mile mobility in these countries, and this provides an opportunity to introduce green transport models.

The Cambridge dictionary defines 'boda boda' as "a bicycle or motorcycle used as a taxi for carrying goods and passengers (Cambridge dictionary, n.d.). This study will however use the term to only refer to motorcycle taxis. The term, commonly used in East Africa (Kenya, Uganda and Tanzania) has become synonymous with convenience in time, cost and avoiding traffic. Electric boda boda will refer to motorcycles that are propelled by electric motor(s) powered by on-board rechargeable batteries instead of Internal Combustion Engines as the case would be in traditional motorcycles (GIZ & State Department for Transport, 2019).

Kenya has seen a steady rise in the number of new motorcycles each year with an estimated 157,000 registered in 2017 alone to 246,705 registered motorcycles in 2021 (KNBS, 2022). , and KIPPRA reports that this industry offers 1 million ' direct jobs in Kenya, with the government collecting in excess of 60 billion in fuel taxes annually. This translates to each boda boda' operator in the country consuming an average of 300 shillings worth of petrol per day (KIPPRA 2022, n.d.). Electric motorcycle is in its nascent stages but is seen as a solution to the inefficient transport system in the country's capital, Nairobi, and its associated problems like air pollution. Noise pollution, over consumption of fossil fuels and not to mention traffic congestions. This has ranked Nairobi as the worst city in Africa and fourth worst in the world (GIZ & State Department for Transport, 2019). With 70% of Kenya's electricity sourced from renewable sources, electric mobility presents a solution to slow the environmental impact and challenges experienced (EPRA, UN Environment, 2021) . In the same report, Rob de Jong of the UN Environment explains that electric engines would be cheaper to maintain compared to its fossil powered companion (ICE) because of its fewer moving components.

Reports show that Kenya imports more motorcycles than vehicles every year and the total number of motorcycles double approximately every seven years (UNDP, 2021). According to a report by CleanTechnica, 99% of all imported motorcycles in Kenya, run on internal combustion engines (Kuhudzai, 2021). The internal combustion engines on motorcycles in Kenya pollute 10 times more than passenger cars (UNDP, 2021). This presents a huge challenge for the sustainability and a great opportunity for the transition to electric motorcycles. However, in Kenya, electric motorcycle business has had its fair share of challenges. The initially introduced electric motorcycles failed in 2014 due to heavy and unreliable batteries that were used and insufficient charging infrastructure. These challenges can be overcome to make the electric motorcycles more attractive through strategic introduction re-introduction of the electric motorcycles. The adoption of the electric motorcycles in Kenya can be accelerated through introduction and improving of charging infrastructures, to solve the issue of 'range anxiety' through use of lithium batteries and incentivising the purchase of new electric motorcycles, to take advantage of the high demand of motorcycles in the country (Kuhudzai, 2021; UNDP, 2021) Michael porter (Porter, 1985) gives strategies for firms to develop competitive advantage to improve performance. According to Porter, to achieve and maintain an above-average performance, firms should build a sustainable competitive advantage (Porter, 1985). Studies have shown that firms that applied porter's generic strategies achieved a higher performance than those that did not apply, also referred to as "stuck in the middle" (Dess & Davis, 1984). To achieve a competitive advantage over their competition, firms can exploit three generic strategies.

1.2.1 Differentiation strategy

Differentiation is one of porter's generic strategy a firm can choose to develop a competitive edge over its competition. Through this strategy, a firm explores and opportunity in an industry and presents value considered unique. This would give it a commanding position in the industry and hence its performance. Porter posits that a firm that identifies one or more attributes that consumers regard as important and positions itself to offer that value, it would be rewarded with higher prices (Porter, 1985). Differentiation can be measured through different factors depending on the industry, for example, the uniqueness of the product (features, durability), the firm's marketing model, the service/ delivery process. This strategy is used in a broad market industry to gain competitive advantage, however Porter cautions that to achieve strategic advantage, "the price premium should exceed the costs of being unique". Differentiation strategy – "offering a uniquely desirable product or service" studies show that businesses are able to achieve above normal performance if they offer resources that are unique. Under differentiation strategy, a business pursues innovation to provide value through product leadership, flexibility or other unique form of innovative delivery. Studies have found that firms applying differentiation strategy achieve a higher performance than those that pursue the other two generic strategies (Islami et al., 2020). Findings by Costa however, show that market conditions determine the impact of differentiation strategy on firm performance. In a price competitive market, offering a unique value will give a competitive advantage but does not necessary result in increased profits (Costa et al., 2013).

1.2.2 Cost leadership strategy

This is the second generic strategy where a firm strives to be a low-cost producer in the industry. A firm applying this strategy would achieve cost advantage through developing and utilising proprietary technology, utilizing economy of scale and having special access to production inputs (Porter, 1985). Being a cost leader in an industry gives the firm a command on prices and thus impact its performance. Like the differentiation strategy, Porter explains that cost leadership strategy is efficient in a broad-spectrum market. Cost leadership strategy – “no frills”. Cost leadership refers to producing standard products and services at the least possible cost per unit (Islami et al., 2020). This is mostly important when operating in price sensitive market and increasing the profit margins for the firms. A firm that provides value at the least cost has a strategic advantage over the others that have a higher cost of production. With a low cost, firms have the ability to charge a lower cost for the value they provide and thus gives them a price advantage in a price competitive market situation (Costa et al., 2013). Studies show that cost leadership strategy has a positive relationship with firm performance (Islami et al., 2020). However, a study on low cost airlines as a business model casts doubt on the sustainability of cost leadership strategy. Low cost carriers performed higher in a monopoly market but struggled to provide long term scheduled services in a highly competitive market (Button, 2012).

1.2.3 Focus strategy

Focus strategy refers to the strategy a firm employs through narrowing its focus onto a specific market segment within an industry and creates a niche within to operate. “By optimizing its strategy for the target segments, a firm achieves a competitive advantage even though it possess no competitive advantage” (Porter, 1985). The firm operates in a narrow focus market usually segmented into geographic, target customer, product line, product volumes, payment method etc. Porter (1980) outlines that there are two types of focus strategy; cost focus strategy which exploits the cost driven behavior of niche consumers and differentiation focus strategy which exploits needs of consumers (Dess & Davis, 1984). Empirical studies on the effect of focus strategy on business performance shows a mix results in their correlation. A study conducted on the implication of focus strategy on performance of Bank of India in Kenya shows that the bank of India has remained a major player in the Indian community banking space (Achoki, 2013). However, Demba, Ogal and Muli found that differentiation focus strategy had insignificant effect on the performance of selected car rental business in Nairobi (Demba et al., 2019) Focus strategy – “offering a specialised service in a niche market”. The focus strategy refers to the concentration of efforts of a firm towards a specific market or consumer segment (niche). With this strategy, the firm seeks to position itself within a “narrow competitive scope”, a blue ocean. According to Porter, the focus strategy has two approaches; cost focus, where a firm seeks to achieve a cost advantage over other segment players, and differentiation focus, where the firm focuses on differentiation to win consumers. However, Porter emphasises that “the target segment must have buyers with unique needs or else the production and delivery that best serves the target market must differ from that of other industry segments” (Porter, 1985).

1.2.4 Overview of the Current Status of Motorcycle Use in Kenya

The Kenya National Bureau of Statistics (KNBS, 2021) suggests that there has been a steady rise in the purchase of motorcycles in the country. In 2016, there were 119,724 registered motorcycles, which increased to 186,434 in 2017 (55.72%) and later to 188,994 in 2018 (1.37%). In 2019, the number of registered motorcycles was 210,103 up by 11.17% from 2018, while in 2020 had 246,705 registered units, up by 17.42%. there were 285,203 registered motorcycles in 2021, up by 15.6% (KNBS, 2022). Statistics show that there are approximately 1.4 million motorcycle taxi riders in Kenya, who get average daily earnings of Kes 7000 amounting to daily collections of Kes 980 million by boda-boda riders and approximately Kes 357 billion annual collections. This accrues from approximately 22 million daily motorcycle taxi rides in the country (Kuhudzai, 2021). However, there is no data to show the approximate number of these motorcycles operating as taxis or boda-bodas in Nairobi in particular.

According to CleanTechnica (Kuhudzai, 2021), despite this high purchase of motorcycles in Kenya over the last six years, 99% of these purchases are Internal Combustion Engine (ICE) motorcycles. ICE motorcycles cause air pollution when engines consume fuel and air, thus creating heat in the combustion process that emits Total Suspended Particles, carbon dioxide, nitrogen oxides, and carbon monoxide (Zimakowska-Laskowska & Laskowski, 2022). This creates a great opportunity for stakeholders to electrify the industry by adopting electric motorcycles.

1.2.5 A Review of Emerging Issues

Boda-bodas have positive economic effects in Kenya accruing from direct employment of the young population as riders, to spare parts sales, repair garages, and other auxiliary services (Dennis & Chrispen, n.d.; Opondo & Kiprop, 2018). However, public health complication from working long hours, operating in hazardous conditions, road safety, poor physical health that leads to back pain and hearing loss, pollution, and road accidents associated with this transportation mode has increased (Dennis & Chrispen, n.d.; Nyaga and Kariuki, 2019; UNDP, 2022). Other issues associated with motorcycle taxis in Kenya include social security issues and the high threat of robbery (Nyaga and Kariuki, 2019; Opondo & Kiprop, 2018; UNDP, 2022) also establish that, besides the increased health hazards from accidents, boda-boda operations face harassment by police officers and uncooperative customers.

From the perspective of environmental sustainability in Kenya, studies show that motorcycle taxis have increased transport pollutants and carbon emissions. To mitigate environmental events, (Martin, 2020) recommends the adoption of electric motorcycles to reduce air pollution and climate change. From a strategy perspective, one would want to understand what electric motorcycles as green transportation means for taxi operators in public transport in Kenya and what the possible strategies electric motorcycle businesses might adopt to improve reception of their product and the subsequent business performance. The purpose of this study will thus be to gain a comprehensive understanding of the effect individual effects of the 3 porter's strategies on the performance of electric motorcycle businesses in Kenya.

1.3 Problem Statement

Kenya does not reliably collect and code data on particulate matter in the air however, air pollution remains a major environmental health factor in Kenya, more so in its capital Nairobi. Climate and Development Network reports that Kenya suffers 19,112 deaths annually as a result of air pollution, 90% of which is contributed by vehicular emissions (NMT-Newsletter-June-2020.Pdf, n.d.). WHO estimates the premature deaths as a result of air pollution to be 7 million globally (WHO 2018, n.d.). While cities occupy approximately 3% of the world's land mass, 75% of greenhouse gas (GHG) emissions take place here, with energy consumption ranging between 60-80% (UNEP, SDG 11, 2017). Considering that 27% of Kenyans reside in urban areas, and with the urban growth rate placed at 4.23% between 2015 and 2020, projections show that by 2025, half of the country's population will be living in urban areas (United Nations Human Settlement Programme, 2022). Such explains the rising GHG emissions in Kenya due to urbanization and industrialization, where since 1990, data from the International Energy Agency (IEA, 2019) shows a 264.13% increase. Though Kenya contributes less than 0.1% of global GHG annual emissions, measures have been placed to reduce this emission in line with the country's vision 2030 of transformation into an industrialized middle-income country. Further, this is in line with the UN's Sustainable Development Goals (SDG) 11, which aims at making cities and human settlements inclusive, safe, resilient, and sustainable (UNEP, 2017). Among the sub goals of SDG11 is SDG 11 Target 11.2, which aims at providing access to affordable, safe, sustainable, and accessible transport systems for all.

Kenya's urban transport system comprises a variety of motorized two-wheelers and vehicles. Among the motorised taxis in the urban transport systems in Kenya is the boda-boda, a motorcycle taxi. According to (UNEP, 2021), motorcycle importation is more than that of cars in Kenya, and it has doubled in the past 8 years. These motorcycles are used in different ways for transportation, from groceries delivery to individuals using them for private transport, e-commerce deliveries, parcels, and public transport (taxis). (Opondo & Kiprop, 2018) argue that boda-bodas have positively contributed to the country's socio-economic development and public transport. Besides providing a livelihood for many, mobility has been made easier. However, these benefits to the economy have come at a cost. According to (UNEP, 2021), these motorcycles have proven inefficient, with the average motorbike estimated to emit 10 times more compared to SUVs, passenger vehicles, and light trucks per mile of travel. Such explains the rising GHG emissions in Kenya over the years.

The introduction of electric boda-bodas (e-Boda-Bodas) has been vouched to solve the emission problem. According to (World Economic Forum, 2022), compared to petrol boda-bodas, e-Boda-Bodas are cheap to operate and produce 75% less lifecycle GHG. With 80% of electricity in Kenya produced from green sources, that is, solar, hydro, wind, and geothermal (UNEP, 2021), and with e-Boda-Bodas being cheaper to run compared to the conventional boda-bodas, one would expect the uptake of the former to be high. This is considering that the global demand for electric-powered two-wheelers has increased over the years (Jayasingh et al., 2021), with Europe seeing a rising adoption of e-motorcycles at 104% (Will et al., 2021), Asia accounting for 80% of the global fleet (Eccarius & Lu, 2020), Rwanda leading in adoption in East Africa (World Economic Forum, 2022), and the African electric scooter market valued at \$20.7 million in 2021 (Grandview Research, 2022).

However, limited studies in the context of understanding the influence of porter's generic strategies on the performance of e-motorcycle business have been published where there are no studies focused on the urban motorcycle taxi industry in Kenya to understand quantitatively the influence of the individual generic theories on the performance of electric motorcycle business in Kenya.

1.4 Research Objectives

1.4.1 Research purpose

The general objective of the study is to quantitatively investigate the relationship between the porter's generic strategies on the performance of electric motorcycle business in Kenya. Against this backdrop,

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the purpose of this study was to establish the effect of individual porter's generic strategies on business performance.

1.4.2 Specific Objectives i. To establish the effect of

differentiation strategy on the performance of electric motorcycle business in Kenya. ii. To establish the effect of cost leadership strategy on the performance of electric motorcycle business in Kenya. iii. To establish the effect of focus strategy on the performance of electric motorcycle business in Kenya.

1.5 Research Questions The study addresses the question: what is the best strategy to improve the electric motorcycle business in Kenya and make it more competitive than its alternative petrol-powered engines?

i. What is the influence of differentiation strategy on the performance of electric motorcycle business in Kenya?

ii. What is the influence of cost leadership strategy on the performance of electric motorcycle business in Kenya?

iii. What is the influence of focus strategy on the performance of electric motorcycle business in Kenya?

1.6 Scope of the Study

The researcher will conduct the current study to investigate the influence of porter's generic strategies on the performance of electric motorcycle business in Kenya. This study's target population will comprise the electric motorcycle dealers in Nairobi, Kenya. Further, the research will take 2 months; between September 2022 and October 2022.

1.7 Significance of the Study

This study will be of importance to several groups; Policymakers: The results will be of significance to policymakers in emerging and developing economies such as Kenya. The recommendations will offer the policymakers guidance on the policies to develop that will encourage the adoption of e-Boda-Bodas moving forward. Such will be critical to ensure that policies positively impact both the demand and supply side of the electric motorcycle market in Kenya.

Academicians: The findings will offer a foundation for future studies. This is by using the findings as a source of reference in the field of sustainable and green transportation and using the recommended areas of study for future research.

Electric motorcycle / vehicle companies: The study will be critical to electric motorcycle companies / dealers in emerging and developing economies where the demand for boda-boda taxis is high. Here, the findings and recommendations will inform the marketers on the ideal product, pricing, placing, and promotion strategies to incorporate sustainability. Second, by providing findings on the challenges and trends in the local arena regarding the sustainable adoption of electric motorcycles in Kenya, marketers can adopt ideal strategies to mitigate the challenges distinct in their markets.

1.8 Expected Limitations

One expected limitation would be that electric mobility is relatively a new industry in Kenya and there might be insufficient data on the industry. Kenya launched its first electric motorcycle in 2019 (EPRA, UN Environment, 2021; Kenya's First Electric Motorcycle Pilots Launched for Kenya Power & Lighting Company and Kisumu City, 2019). Reports show that electric motorcycles make up only 1% of motorcycles bought and registered in the country (Kuhudzai, 2021). Secondly, there are limited studies on how strategic agility affects business performance in regards to firms dealing in sustainable products in the face of climate awareness and sensitivity of the topic of climate change. Green urbanisation has been a goal for many countries including Kenya, with 2022 'world cities day' theme being "adapting cities for climate resilience".

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter is focused on reviewing studies and literature on the impact of porter's generic strategies on a firm's performance. The literature is based on three objectives including the significance of differentiation strategy (DS), Low-cost strategy (LCS) and Focus strategy (FS) on the performance of a business or firm. This chapter will seek to discuss the porter's theory of generic strategy and pick apart independently the influence of the three strategies on the firm's performance.

2.2 Theoretical review

Strategies are employed to improve performance and scholars have developed theories to link specific strategies to performance. The effect of strategic theories on business performance were studied to identify and isolate the most impactful strategy for performance. The researcher anchored the study on Porter's generic theories and explored the influence of Structure-Conduct-Performance model (SCP) and game theory on performance.

2.2.1 Porter's Theory

In Michael porter's wordings, an industry is a stage and competition is the play. Competition is a very important part of conducting business and firms explore different competitive strategy designs to achieve a win; a win is often times defined in terms of market share growth and profitability. However, business performance can be measured in two ways; economic or financial measures - return on investments, revenue, profits and employee survival rates or non-financial and intrinsic measures - consumer satisfaction, individual achievement, and individual growth and development (Aqeel et al., 2011).

Porter's theory of generic strategies has been one of the most substantial contributions in the field of strategic behaviours in organizations, relied upon by organizations and economists alike but there are other classical approaches that have formed the benchmark of strategy studies and theories. This is called generic strategy because it is applicable and can be employed industry wide regardless of the products or services on offer. Porter guides that a firm or business must employ competitive strategies including developing and tapping into their competitive edge to improve its performance and become an industrial leader (Allen, n.d.). Porter's theory is

In Porter's analysis (1980), industries are defines by forces which affect a firm's performance (Ormanidhi & Stringa, 2008a). There are 5 forces; Threats of new entrants; Rivalry within the industry; Competition from alternative products/services; Bargaining power of suppliers and Bargaining power of consumers.

Figure 2. 11 (Hemmatfar et al., 2010) The Porter's five competitive forces that determine business performance within an industry.

According to Michael Porter, these five forces dictate the competition landscape within industries by influencing prices of products and services, costs and the volume of investment a firm requires within an industry (Porter, 1985). Porter explains that these five forces determine the intensity of competition or conduct thereof of firms within an industry market.

Firms therefore should employ strategies to position itself emerge successful, by coping with these forces, and influence the same in its favour. A firm's relative position within the industry dictates its performance (Islami et al., 2020). However, the industry landscape changes from time to time and hence a continuous strategy formulation is necessary to achieve a competitive advantage. Porter further explains that competitive advantage has two types; cost leadership and differentiation (Porter, 1985), hence the generic strategy.

Collin Campbell explains that Porter's theory of generic strategy has two main elements: firstly, "a scheme for describing a firm's competitive strategies based on its market scope (broad or focused target market) and competitive advantage (cost leadership or differentiation)" and secondly "a theoretical proposition about the performance outcomes of the strategic designs" (Campbell-Hunt, 2000).

Porter defines the inability to choose between cost leadership and differentiation as being "stuck in the middle", and this situation leads to poor business performance. Firms therefore should take defensive measures against these five market forces by employing three strategies as advised by porter (1985). According to (Ormanidhi & Stringa, 2008b), similarities and differences exist between Porter's theory of generic strategy and SCP, in that they both acknowledge the influence of industry structure on both performance and behaviour of a firm. On the other hand, Porter's theory differs from SCP because Porter views a firm's behaviour and its industry structure as mutually dependent.

Figure 2. 2 Porter's model of Generic strategies(Ormanidhi & Stringa, 2008b)

Porter recommends the three strategies as illustrated in the figure below, and warns indecision to lead to a situation of "stuck-in-the-middle", (S), which yields poor performance. Refer below in figure 2.2.

According to Porter, (1985), in reference to figure 2.2, all the three generic strategies offers a firm a different route to competitive advantage. Cost leadership strategy yields the potential to lower costs and increased profits, lower prices and benefit from economies of scale and increased revenues, differentiation strategy makes the firm produce unique products and increase demand, and focus strategy enables the firm to serve a specific market niche and or specific consumer segment (Ali & Anwar, 2021). Porter however, warns of three positions for a firm to occupy. The position denoted as S, which he calls indecision or stuck in the middle and along the lines denoted AS, BS and CS (Ormanidhi & Stringa, 2008b).

This theory informs the relationship between an electric motorcycle company's strategy of product differentiation, low cost, and focus to its performance. this study focused on the generic theories to help electric motorcycle companies to achieve improved performance.

2.2.2 Structure- Conduct- Performance Model

In 1933, two economists, Joan Robinson and Edward H. Chamberlin published a paper on the causal relationship between a firm's conduct and its performance. In 1959, Joe S. Bain developed an analytical framework model based on the studies of Robinson and Chamberlain. The framework model was called the SCP. "This framework used hypothesis to explain the working of imperfectly competitive market that the structure of an industry (concentration) affects the conduct (pricing behaviour) of firms, which in turn affects the performance (profits) (Faccarello & Kurz, 2016). The Structure- Conduct- Performance Model also called SCP, was an approach commonly used between 1950-1970 and set the foundation for other strategic theories like Michael Porter's theory. The SCP model has three elements; structure of industries, Conduct of firms within the industry and performance of individual firms. The SCP model posits that there is a causal relationship between structure of an industry, conduct of firms within the industry and performance of the firms. The environment within an industry affects the industry structure which in turn influences a firm's conduct that in turn affects its performance. The affected areas loop back and affect the each other for example, performance affects how a firm conducts itself and that affects the structure.

Studies have shown the direct relationship between industry structure, firm conduct and firm performance. Firm performance depends on the conduct of the organization including resource utilization and strategic behaviours and industry structure like market concentration including number and size of firms within the industry and other macro environmental conditions (Praveen 2021, n.d.). In a study "to assess the production function and market structure, conduct and performance of trucking industry in the United States of America", a positive correlation was found between the variables. In this study, the model is used for predicting the effect of a firm's conduct/behaviour on its performance.

2.3 Empirical Review

This subtopic will review and analyze empirical studies in regard to the impact of porter's generic individual strategies on business performance.

2.3.1 Differentiation strategy and business performance

Empirical studies conducted evidence that the differentiation strategy has more influence on performance as compared to the two other strategies of cost leadership and focus strategies (Islami et al., 2020). Other studies by Wright, shows appositive relationship between the differentiation strategy and performance (both market share and Return on investment) (Wright, 1987).

Figure 2. 23 differentiation strategy and business performance (Shinkle et al., (2013) Figure 2.3 above visualizes the results of the effect of the generic strategies on firm performance. In a high market-oriented environment, a pure strategy (applying one specific strategy) achieves a higher efficacy compared to the application of a mixed strategy (application of a hybrid strategy) at any level of competition. The results are however inverse in a low market focused environment as pure strategies achieve reduced impact on performance as compared to mixed strategies (Shinkle et al., 2013).

A study, the degree of the effect of differentiation strategy on performance is dependent on market concentration. The effect of differentiation strategy on performance is highest when the market is lowest (Li & Li, 2008). A study by (Hitt et al., 1997) on firm performance shows that product diversification gives firms a competitive advantage in global markets. The study evidences the firm Asea Brown Boveri, as an example of a firm with both a high product diversification and international diversification and performing well. The study further posits that firms that invest in research and development (R&D) and leverages on improved technologies achieve high product differentiation. This leads to unique product offering at low costs, and has a positive influence on performance (Hitt et al., 1997). Islami et al., (2020) in their study of linking porter's differentiation strategy to a firm's performance found out that for every 1% increase in the differentiation strategy applied, a firm's performance increased by 43.9%, all other variables held constant. The study found out that firms that employ differentiation strategy are able to sell their products at a higher price compared to its competition because they are able to satisfy the consumer's needs that cannot be met by the competition. A research conducted on the effect of corporate social Responsibility and product differentiation strategy on export performance a positive relationship between product differentiation and export performance improvement. The data of this study showed a positive coefficient and significant at a critical ratio of 3.658. However, this effect is shown to be weaker in smaller firms as compared to larger firms (Boehe & Barin Cruz, 2010). Costa et al., (2013) conducted a study on the competitive implication of differentiation strategy through deployment of unique products. It was found out that the provision of unique products does not necessarily translate into improved performance of the business. In a market condition where competition is on price (price sensitive), a firm's investment in developing a unique product would not improve the firm's financial condition.

2.3.2 Cost leadership strategy and business performance

A study on the effect of low cost strategy on business performance found out that in a situation where an organization employs low cost strategy where all other variables were held constant, business performance increased by 31.2% for every 1% increase in low cost strategy applied, all other factors held constant. (Islami et al., 2020). Islami further found out that the competitive advantage arising from application of low cost strategy becomes vague once other players in the industry begin to imitate the strategy. A study of the competitive landscape of the Banking industry in Kenya showed that the bank of India was not giving products and services at competitive rates as perceived by interviewees. The bank did not review its costs regularly despite facing stiff competition from other banks in the market, for example, the bank of Baroda. This evidences that the bank was lagging behind its competition in performance (Achoki, 2013). (Button, 2012) conducted a study on low-cost airlines and its performance in relation to the low-cost strategy it employs. The study found out that low-cost carriers performed well when they have established monopoly powers. He further posits that this model comes under challenge in the face of 'providing scheduled services in highly competitive market'. The financial success (business performance) of low-cost carriers was not only attributed to the model but also the 'nature' of the market. Unless a firm is able to use lowest costs in production of its services, its performance will not survive low prices on the services (Block et al., 2015) In a study on small enterprises, low labour costs were found to bestow business viability. In family firms for example, it is recommended that the family workers should be willing to take shaved costs for their labour in order to reduce the costs of production. Entrepreneurs who strive to keep their overheads low by recruiting friends, family members and or low skilled labour can achieve to offer their products and services at low prices (Block et al., 2015). (Li & Li, 2008) conducted a study to identify the best strategy for 'achieving superior financial performance in China'. The researcher investigated the effect of differentiation, cost leadership and a hybrid of both on performance. It was found that cost leadership strategy is less effective in low concentrated markets. In a case study on a contracting company, Engility, the CEO Lynn Dugle, shared how the firm achieved increasing performance. The company employed a low-cost-technically-acceptable-contract model. It exploited economy of scale by acquiring a similar sized company and hence doubling its contracts. The company was able to ride the small profit margins and pursue contracts in an environment of restricted budgets (Marjorie Censer, 2022).

2.3.3 Focus strategy and business performance

A study conducted on linking the generic strategies to business performance shows there is a positive correlation between focus strategy and Business performance (Islami et al., 2020). The empirical findings of this study shows that firms that pursue focus strategy achieve 31.5% increase in performance for every 1% increase in focus strategy applied. The study posits that the focus strategy gives the firm a competitive strategy in its 'niche' market until a point when the competition within the 'niche' becomes increased, the firm employs low cost and differentiation strategies to improve performance (Islami et al., 2020) (Demba et al., 2019) conducted a study to test the effect of focus strategy on business performance of car rental firms in Nairobi. The analysis of the findings showed that focus differentiation strategy had no significant effect on business performance. However, this strategy had a significant correlation to indicators of performance (revenue, Customer satisfaction, profitability, market share growth and productivity). The findings of this study is inconsistent with Michael Porter's study supporting his theory (Demba et al., 2019). A study by (Allen, n.d.) on the relationship between firm performance and Porter's generic strategies showed a strong correlation matrix between focus strategy and business performance. the Ferrari company is evidenced as an example of such strategy and its consequently high performance. Ferrari applies a hybrid of focus and differentiation strategy by targeting small number of consumers who are willing to pay high prices for 'ultra-high performance' vehicle, the Ferrari (Allen, n.d.). (Achoki, 2013) conducted a study on the competitive strategies employed by the Bank of India in Kenya. The study found out that the Bank of India in Kenya applied focus strategy targeting the Indian community in Kenya as its core clientele. They tailored their services to suit this group of consumers and thus created a niche. Despite being the market leader in this segment, Bank of India has been noticed to suffer process challenges that has threatened its performance, even in the face of competition of other banks like Bank of Baroda. Achoki recommended the strategies of market penetration, cost leadership and differentiation to supplement the focus strategy the bank employed.

2.4 Research Gaps

It is noted that there is limited study in the industry of electric mobility in Kenya and limited data poses a challenge to the players in identifying the best strategy to employ in achieving a competitive advantage over the existing internal combustion engine (ICE) motorcycles. This study therefore seeks to identify the strategy with the most probable effect on performance. Table 2. 11: SUMMARY OF LITERATURE AND RESEARCH GAP

Author

Topic of Study	Key Findings	Research Gap
(Abwodha, n.d.) Effect Of Generic Strategies On The Performance Of Small And Medium Enterprises In Nairobi County	the porter's generic strategies have a positive effect on family business performance and thus enable it to be competitive.	The research focused on SMEs limiting its scope to Nairobi, Kenya.
(Achoki, 2013) Competitive Strategies Adopted by Bank of India Kenya Bank of India's focus strategy	has had a positive effect on performance, positioning it as a leader in the Indian community banking market segment.	The study explored strategies within only one organization, (Bank of India, Kenya) and hence generalization cannot be made on the industry
(Demba et al., 2019) Effect of Differentiation Focus Strategy on Performance by Selected Car Rental Business: A Case of Nairobi City County, Kenya	Differentiation focus strategy had no significant effect of performance of car rental businesses in Nairobi.	The study was confined to car rental businesses within Nairobi city, overlooking other geographical areas of Nairobi and to consider the moderating effect of car rental business on effect of differentiation focus strategy on business performance.
(Chen et al., 2020) The Influence Of Green Brand Affect On Green Purchase Intentions: The Mediation Effects Of Green Brand Associations And Green Brand Attitude	Demand for sustainable products have increased and green brand affect is positively related to green brand attitude and in turn positively influences green product purchase intentions	The study focuses only on a specific geographical market; Taiwan and only one product; electronic products hence creating a gap in conclusive study of other sustainable products.

Author 2023

2.5 Conceptual Framework The conceptual framework provided the interrelationship between the study variables. It illustrated the directional relationship of the independent variables of differentiation strategy, cost leadership strategy and focus strategy on the dependent variable of business performance. Figure 2.4 below shows the study variables with their measurable indicators.

Focus strategy Target customers segment

Target Market segment Specific product line

Differentiation strategy Unique products Branding of products New technology New market opportunities Cost

leadership strategy Lower cost of operation Efficient marketing Effective resource utilization

Business Performance Profitability Customer satisfaction Market share growth trajectory

Figure 2. 34 Conceptual framework (Researcher 2022)

Table 2. 22 Operationalization of the Study Variables Variable

Type of Variable Indicator Data Collection Method Data Analysis method Product Differentiation strategy
Independent • Use on new technologies • Model of product branding • production of unique products Questionnaire
Likert Scale Ordinal Descriptive statistics Correlation tests Regression tests Cost leadership strategy
Independent • efficiency of marketing • efficiency of production processes • efficiency of resource utilization
Questionnaire Likert Scale Ordinal Descriptive statistics Correlation tests Regression tests Focus strategy
Independent • Target customers segment • Target Market segment • Specific product line Questionnaire Likert Scale
Ordinal Descriptive statistics Correlation tests Regression tests Business Performance
Dependent • Profitability • Market share growth • Customer satisfaction
Questionnaire Likert Scale Ordinal Descriptive statistics Correlation tests Regression tests
(Source: Researcher 2022)

2.6 Chapter Summary

This chapter presented a review of relevant studies on the influence of strategies on performance. The literatures reviewed studied and presented empirical findings on the link and effects of the strategies of cost leadership, product differentiation and focus models on performance. Other studies on related theories of SCP model and Game theory were reviewed to gain a perspective on the variable relationships and identify the research gaps to guide the study. The next chapter presents the research method employed for the study including the population identification, method of deducing the sample for the study. CHAPTER THREE RESEARCH METHODOLOGY

3.1 Introduction This chapter introduces the methods of this research study, reviewing the research design, methods of population sampling and the process of gathering, analysing data and reporting the results.

3.2 Research Philosophy Five research philosophies can be adopted to guide a study, though only one can be used. The first is the positivist research philosophy. According to Park et al., (2020), the positivism research philosophy argues that the social world is understood by being objective. In other words, it is the natural scientist's philosophy of working with social realities that are observable and produce law-like inferences. This allows the researcher to disconnect from a study, avoiding personal biases that can jeopardize the study.

The second philosophy is interpretivism research philosophy. In this philosophy, the argument is that it is not easy to understand the social world, thus calling for use of subjective stances (Alharahsheh, H. H., & Pius, A., 2020). The interpretivism philosophy is too simplistic and uses narratives, perceptions, interpretations, and stories to make a researcher reflexive. It mostly uses qualitative methods of analysis. By comprehending how individuals experience the social world, the interpretivism philosophy ties the study to what the investigator is interested in. Critical realism is the third research philosophy. This philosophy focuses on the explanation of what individuals experience and see in terms of structured underlying realities that form observable events (Ryba et al., 2022). The fourth philosophy is postmodernism, a research approach that emphasises the role of power relations and language in questioning or disrupting the status quo in terms of thinking, thus giving a marginalised alternative view. Like the interpretivism philosophy, it is a value-driven research approach, and the researcher is radically reflexive.

The pragmatism research philosophy asserts that contents retrieved from research are only relevant when they are utilised in supporting action (Kaushik & Walsh, 2019). Thus, the philosophy argues that the selection of the research philosophy is dependent on the research problem that the researcher seeks to solve. Based on the five research philosophies evaluated, this study will adopt the positivist research philosophy. The rationale for making this selection is the researcher's ability to disconnect and stay objective (Park et al., 2020). This is besides following a scientific ordered and independent study. Causal explanations are also made using this philosophy because of the ability to carry out a deductive quantitative, highly structured study (Park et al., 2020). 3.3 Research design

This study strives to answer questions of 'what', 'how much' and 'how many' as in regard to the effect of individual porter's generic strategies on business performance. The descriptive survey approach is adopted to achieve an exploratory and descriptive research. Descriptive research is considered appropriate because it is one which involves the study of subjects without influencing it (Malhotra,2007), in their pristine state. The survey strategy will allow easy collection of data through questionnaires, which are then analysed quantitatively through descriptive and inferential statistics. This study adopted a descriptive survey approach because it involves tabulation of collected data of variable frequencies, their analysis and makes it easy to suggest possible reasons for particular relationships between these variables and also to produce models of these relationships. Survey strategy also makes it possible to produce or generate findings that are statistically representative of the whole population at lower costs (Saunders et al., 2016).

3.4 Population and Sampling

3.4.1 Population Population is defined as the total collection of elements where references and generalizations are made (Cooper and Schindler, 2003). The population in this study refers to the total population or number of electric motorcycle dealers (manufacturers) in Nairobi. According to Kenya Bureau of standards, (KS ISO 13063:2012), an electric motorcycle refers to an electrically propelled motorcycle, with an on-board rechargeable energy storage system (RESS). Electric motorcycle dealers refer to manufacturers of brand electric motorcycles or resellers thereof in Kenya. The table 3.1 in the appendix shows the electric mobility sector players in the country. This research will however focus on manufacturers/assemblers/dealers of electric motorcycle in the country. This will be its population. (Ref. Appendix 1).

Table 3. 11 Target population Registered Companies

8 (AHK, 2021) CEOs, Directors, Owners, General staff 80 Targeted population 80 Researcher 2022

3.4.2 Sampling Sample refers to a subset of a study population that is chosen to represent the population in a situation where the population is too large to cover. Barnett argues that with sampling, a researcher can achieve 'a higher degree of accuracy' compare to census results (Saunders et al., 2016). Sampling also saves time and costs while still maintaining the reliability of the study. A sample frame of eight e-motorcycle companies in Kenya was used to establish a reliable sample size in order to meet the objectives of the study and Probability sampling method was used to choose a sample from the larger population. The study employed systematic random sampling technique because this method reduces bias and ensures that everyone has an equal chance of participating. This method of random sampling was suitable because of its low cost of operationalization, easy to explain to research assistants and also because the target population was concentrated in one geographical area. According to (AHK, 2021), there were 8 sector players in the area of electric motorcycle assembling, sales and distribution in Kenya. The study targeted a sample of 80 staff members from all the 8 companies. 3.5 Data Collection Methods The study used primary data gathered from a sample of the population within Nairobi County. The data collection method chosen is questionnaires (appendix 4), with open and closed end questions. this method of data collection was chosen because of its effectiveness and efficiency. Considering the precautionary measures adopted by firms in regard to the Covid pandemic period, both an online and physical questionnaire will be utilised. The questionnaire will have a letter of introduction to inform and introduce the respondent(s) to the study (appendix 3). 3.6 Research Quality Research quality is key to any study because of the investment that goes in. The quality of a research depended on the quality of the data and its analysis. To ensure that this research was reliable, the study test was divided into three parts; a pilot test, reliability test and a validity test.

3.6.1 Pilot test Pilot test will be conducted on a small number of companies that are not part of the study population. This is conducted after an approval for the research has been acquired. A pilot study sample should be at least 10% of the sample size (Connelly, 2008). This helps introduce the researcher (and aids) to the study environment and the realities that can be met on the ground. Pre-test helps confirm the reliability of the data collection method. This will also help in fine-tuning the questionnaires and make proper planning to avoid potential hitches in the actual study.

3.6.2 Reliability test Reliability test is used to confirm the precision of the test. The Cronbach alpha formulae will be used to estimate the error usually given in percentage. The Cronbach's alpha is a tool used to test the reliability of sum or averages of test or questionnaire items. It is also known as "a measure of internal reliability" (Bonett & Wright, 2015) is a common tool used in reliability measurements in social and behavioural sciences. An Alpha result of 0.7 is considered to be acceptable, thereby validating the test.

3.6.3 Validity test Validity test is a measure of quality in a quantitative study. It is a test of establishing the degree to which a test measures what it is intended to measure (Heale & Twycross, 2015). The extent to which the questionnaire or the data collection instrument gives an adequate coverage of variables under study is called content validity. This was ensured by seeking the expert guidance of the supervisor and ensured the instrument measured the intended variables. Construct validity refers to the quality of the data collection instrument in measuring the intended concept. Saunders et al., (2016) defines it as 'the extent at which a set of questions measure a construct you intend them to measure'. This was ensured by choosing indicators that are related to the study variables but are discriminant of other indicators (Agarwal, 2011).

3.7 Data Analysis Descriptive and inferential statistics is used to analyze the gathered data. According to Mugenda and Mugenda year?, descriptive analysis involves a visual presentation of data using tables, graphs, charts and or distribution frequencies and percentages to make sense of the data while descriptive statistics give meaning to the data and explain influence and relationship between variables (Nthambi, 2014). Regression analysis is appropriate in examining the variable data in relation all other factors expressed as independent variables. The results of this analysis is used to make conclusions on quantitative effects of the different porter's generic strategies on business performance.

Regression equation

76%	MATCHING BLOCK 4/6	SA	Answer to Econometrics Post Course Assessment ... (D126554777)
$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$ Where; Y is the			

dependent variable = Business performance, X1 is the independent variables = differentiation strategy X2 is the independent variables = cost leadership strategy X3 is the independent variables – focus strategy α and β are the regression coefficients, ϵ is the estimate margin of error

Regression analysis helps explain the effect on the dependent variable of independent variables answering the question of what, how and how much. This study uses the regression analysis to study the effects of the different porter's generic strategies on business performance. Statistical package of social sciences (SPSS) will also be used to carry out analysis and postulate conclusions.

Further, a model fitting test was conducted to ascertain that the linear regression model fitted the data well. Ideally, a nonsignificant result is an indicator that the model fits the data well. The results presented in Table 4.5 indicate that the p-value was non-significant. This shows that the model used to regress the data fitted it well and qualifies the interpretation of the linear regression analysis.

3.9 Ethical Considerations

Ethics is defined as standards of behavior that guide one's conduct in relation to the rights of those who become the subject of a study and are affected by it (Saunders et al., 2016). Access and ethics are a critical part of a research study (Saunders et al., 2016) and are greatest where there are human participants are involved. The research will be guided by the principles for research ethics and high moral standards. A certification and approval from the ethics review body (NACOSTI) will be sort. The study will be restricted to the target population of electric motorcycle dealers within Nairobi County and respondents made fully aware of the goals of the study. The collected data will be used only for its intended purpose and kept for only that purpose. Confidentiality of personal information will be upheld.

CHAPTER FOUR DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

The aim of this study is to quantitatively investigate the relationship between Porter's generic strategies and the performance of electric motorcycle businesses in Kenya and establish the effect of differentiation strategy, cost leadership, and focus strategy on business performance. This chapter presents the findings from analyzing the collected data. First, the chapter presents the demographic statistics that describe the sample, followed by the descriptive statistics, and the inferential analysis findings informed by each of the study objectives. The chapter further presents a discussion of the findings. A summary is presented to conclude the chapter.

4.2 Response Rate

The study collected data targeting electric motorcycle companies in Kenya within Nairobi County. The targeted sample population was drawn from a pool of employees of different cadres within these e-mobility companies using electronic survey vide questionnaires on google forms. The forms were sent to a sample of 80 employees (n=80) across all the 8 electric motorcycle firms identified in the study population, and a response from 51 respondents were achieved within the study time scope representing 63.75% of the target sample. The response rate is shown in the figure 4.1 below. All the respondents' data were exhaustively utilized in the analysis.

Response rate

Responses Non-responses 63.74999999999993 36.25

Figure 4. 11 Response Rate (Source: Research Data - 2023)

4.3 Demographic Statistics

The study targeted a sample of 80 staff members from all 8 companies identified in the study population. Questionnaires were distributed to all 80 respondents and 51 questionnaires were returned. The responses are as indicated in table 4.1.

Table 4. 11 Summary of the demographic statistics Demographic Variables

Frequency Percent Cumulative Percent Gender Female 10 19.61% 19.61%

Male 40 78.43% 98.04%

Other 1 1.96% 100%

Total 51 100.0% Age 18-30 14 27.5% 27.5%

31-40 34 66.7% 94.1%

41-50 2 3.9% 98.0%

51-60 1 2.0% 100.0%

Total 51 100.0% Education Degree 23 45.1% 45.1%

Diploma 3 5.9% 51.0%

Graduate 25 49.0% 100.0%

Total 51 100.0% Years in Current organisation 1-2 years 33 64.7% 64.7%

3-4 years 16 31.4% 96.1%

5-6 years 2 3.9% 100.0%

Total 100.0% Age of current organisation 1 year 2 3.9% 3.9%

10 years 1 2.0% 5.9%

2 years 16 31.4% 37.3%

3 years 9 17.6% 54.9%

5 years 8 15.7% 70.6%

6 years 15 29.4% 100.0%

Total 100.0% Number of motorcycle brands in current organisation 1 8 15.7% 15.7%

2 30 58.8% 58.8%

3 4 7.8% 7.8%

5 8 15.7% 15.7%

8;5 1 2.0% 2.0%

Total 100.0% Number of employees in the organisation 1-10 15 29.4% 29.4%

11-20 5 9.8% 39.2%

21-30 5 9.8% 49.0%

31-40 20 39.2% 88.2%

41-50 3 5.9% 94.1%

50;3 3 5.9% 100.0% (Author, 2022). This was a 63.75% response rate. Table 1 indicates the summary of the demographic statistics collected from the study respondents. The results indicate that 20% of the respondents were female while 80% were male. Most of the respondents (66.7%) were aged between 31- 40 years while over 90% of the respondents had a degree. Table 4.1 further indicates that most of the respondents (64.7%) had worked in their current organization for 1-2 years. As such, 31.4% of the respondents noted that their organizations have existed for 1 year followed by 29.4% having operated for 6 years. More importantly, the results indicate that the majority of the organization whose respondents were interviewed had two motorcycle brands followed by 15.7% with one brand and another 15.7% with five brands. Finally, most organizations (39.2%) had 31- 40 employees and in second place (29.4%) were organizations with 1-10 employees.

4.3.1 Employment Position of the Respondents

The role of the respondents is important to the study. The respondents should hold key position and thus can provide all the required information. 2% of the respondents represented Venture partner (investor), 5.9% owner director, 3.9 % managing director, 11.8% Research and development department, 5.9% finance managers, whereas 39.2 % of respondents opted to not reveal their position.

Figure 4. 22 management level of respondents – Research data 2023

4.3.2 Number of electric motorcycle brands

The research analyzed the number of electric motorcycle brands the target firms had to understand the breath of product range offered by the firms. It was found out that 58.8% of the firms offered 2 brands, whereas 15.7% reported 5 brands, 7.8% offered 3 brands and 15.7% had only one brand on offer.

Figure 4. 33 Number of electric motorcycle brands (Research data 2023)

4.3.3 Rating of organization's performance in comparison to competition

Figure 4. 44 Organization rating (Research Data 2023) The figure 4.4 shows that all respondents rated their individual organization's performance above the midpoint of 5 in comparison to their competing firms on a scale of 1-10, with 1 showing least performance in comparison to the competition while 10 best performing above their competition. 41.2% of the respondents rated their firm's performance at 10, 31.4% rated at 9, 17.6% at 8 and 7.8% at 7 in comparison to their competition.

ANALYSIS ACCORDING TO RESEARCH OBJECTIVES This study aimed to investigate the effect of individual Porter's generic strategies on the business performance of electric motorcycle dealers in Kenya. The results are presented in two sections; descriptive statistics and inferential analysis to show relationships.

4.4 To Establish the effect of differentiation strategy on Business performance The first objective was to investigate the effect of porter's differentiation strategy on business performance. The analysis sought to establish the effect of differentiation strategy on the business performance of electric motorcycle firms in Kenya. These results are presented in Table 4.4.

4.4.1 Descriptive Analysis This was done on a Likert scale of 1-5 with respondents choose 1 as strongly disagree, 2 = Disagree, 3= Agree, 4 = Moderately Agree and 5 = Strongly Agree. The mean, standard deviation (SD), number responded (N) and the number of non-responses (Missing) is as illustrated in table 4.2. Table 4. 12 Descriptive Analysis Of Differentiation Strategy

N Missing Mean SD We offer a narrow range of product models 51 0 3.61 1.443 We target specific clientele for every model we have. 51 0 3.82 1.228 We invest heavily in Research and development to develop a unique product. 51 0 4.59 0.536 We continuously improve on our product 51 0 4.37 0.692 We strive to position ourselves to be a specific need satisfier 50 1 4.54 0.542 We work effortlessly to improve our product quality to stay ahead of our competitors 49 2 4.53 0.581 Our product(s) have developed a strong reputation. 51 0 4.59 0.536 (Research data 2023) The study results showed that respondents agreed with minimal variation that their firms offered a narrow range of products (mean= 3.61, standard dev = 1.443), respondents agreed strongly that their firms invest heavy in research and development, (mean = 4.59, standard dev = 0.536) and the summary in table 4.3 shows that respondents agreed that their products have developed a strong reputation (mean = 4.49, standard dev = 0.536).

4.4.2 Relationship between Differentiation Strategy and Business Performance The relationship between the differentiation strategy and business performance was determined using regression analysis. The regression analysis generated both the Pearson's correlation and ANOVA. The results are as shown in table 4.3.

table 4. 23 Relationship between Differential Strategy and Business Performance Model Fit Measures

Overall Model Test Model R² Adjusted R² F df1 df2 p 1 0.0956 0.00914 -0.0124 0.424 1 46 0.518

Omnibus ANOVA Test Sum of Squares df Mean Square F p DFS 0.0950 1 0.0950 0.424 0.518 Residuals 10.2995 46 0.2239

Note. Type 3 sum of squares

Model Coefficients - BP Predictor Estimate SE t p Stand. Estimate Intercept 3.892 0.672 5.789 >.001 DFS 0.102 0.156 0.652 0.518 0.0956

Research data (Author 2023) The results in table 4.3 indicate that differentiation strategy had a positive link but very weak significant effect on the business performance of electric motorcycle dealers in Kenya, $p=0.518$ (>0.05 significance level). As such, for every increase in differentiation strategy, there was an estimated increase of 0.102 in business performance which was statistically insignificant at 51.8% variation from the actual business performance. The R value = 0.0956 (correlation coefficient) indicated the correlation between the dependent variable (Business Performance) and independent variable (Differentiation strategy). The inferential analysis in Table 4.3 indicates that $R^2=0.0956$ indicates that 9.56% of the changes in the dependent variable, business performance, in electric motorcycle dealers in Kenya were as a result of the independent variable differentiation strategy.

The p value = 0.518, this showed that the model does not sufficiently predict the dependent variable (Business Performance) using the independent variable differentiation strategy ($p < 0.05$), and that the business performance increased by 0.102 (Estimate) when all other factors were held constant with a standard error (deviation) of 0.156 from the actual performance. However, this result was not statistically significant, an indication that other factors other than the three independent variables explained this change. The study results show a positive but non-significant correlation between porter's differentiation strategy and business performance. This result indicates that differentiation strategy does not explain business performance in electric motorcycle dealers in Kenya and the relationship could be explained by other attributes. Therefore, the results conclude there is no meaningful relationship between differentiation strategy and the business performance of motorcycle dealers in Kenya. The resultant model for the relationship between Differentiation strategy and Business performance is; $BP=3.892+0.102DS+0.672$

4.5 To Establish the Effect of Cost Leadership Strategy on the Performance of Electric Motorcycle Business in Kenya The second objective sought to investigate the effect of porter's cost leadership strategy on business performance focusing on electric motorcycle businesses in Kenya. Similarly, the results in Table 4.4 indicate that, for objective two which sought to establish the relationship between cost leadership and business performance, there is a positive but insignificant relationship.

4.5.1 Descriptive statistics

table 4. 34 Descriptive analysis of Cost leadership strategy

N Missing Mean SD We outsource some organizational functions to reduce costs 51 0 4.10 0.944 We adopt new technologies to reduce costs 51 0 4.35 0.594 We Price our products cheaper than our competition 51 0 3.27 1.234 We seek suppliers who are cheapest 51 0 3.82 1.126 We practice tight cost controls and focus a lot on cost saving opportunities 50 1 4.52 0.580 We focus on designs that reduce costs 51 0 4.47 0.542 We invest a lot in advertisement and sales promotions 51 0 3.49 1.173 Researcher 2023 Descriptive analysis from the table 4.4 above shows a strong agreement of respondents with the statement of their firm outsourcing organizational functions to reduce costs (mean = 4.1, standard deviation = 0.99). Respondents also exhibited a strong agreement that their firms practice tight cost controls and focusing a lot on cost saving opportunities (mean 4.52, standard deviation = 0.58). Respondents also agreed that their firms focused on designs that reduced costs (mean = 4.47, standard deviation = 0.542).

4.5.2 Relationship between Cost Leadership Strategy and Business Performance The study looked at the correlation between Porter's Cost leadership strategy and business performance. table 4. 45 Correlation between Cost leadership Strategy and Business Performance

CL BP Pearson's r 0.223 p-value 0.124 N 49

table 4. 56 regression analysis of cost leadership strategy against Business performance Model Fit Measures

Overall Model Test Model R R² Adjusted R² F df1 df2 p 1 0.223 0.0495 0.0293 2.45 1 47 0.124

Omnibus ANOVA Test Sum of Squares df Mean Square F p CL 0.523 1 0.523 2.45 0.124 Residuals 10.030 47 0.213 Note.

Type 3 sum of squares

Model Coefficients - BP Predictor Estimate SE t p Stand. Estimate Intercept 3.614 0.462 7.83 $>.001$ CL 0.178 0.114 1.57 0.124 0.223

Research data (Author 2023) Results in table 4.5 shows a correlation coefficient value $R = 0.223$, the degree of correlation between business performance (dependent variable) and cost leadership strategy (independent variable). The relationship between Porter's cost leadership strategy and business performance is statistically insignificant (p value = 0.124, which is > 0.05) however positive. The results in table 4.6, the value of $R^2 = 0.0495$, which indicated all factors held constant, there was 4.95% increase in business performance of electric motorcycle dealers in Kenya with every increase in the variable of cost leadership strategy. Though this increase was positive, it was statistically insignificant because the p value = 0.124. This result indicates that the observable difference between cost leadership strategy and business performance of electric motorcycle dealers in Kenya could have occurred due to other factors or by chance. Therefore, the results conclude there is no meaningful effect of cost leadership strategy on the business performance of motorcycle dealers in Kenya. From the table 4.6, the F - statistic = 2.45 and P value = 0.124 indicating that there was a positive but insignificant relationship. The regression model for the relationship between Cost leadership strategy (CLS) and Business Performance (BP) is; $BP = 3.614 + 0.178CLS + 0.462$

4.6 To Establish the Effect of Focus Strategy on the Performance of Electric Motorcycle Business in Kenya Finally, this study sought to determine the relationship between focus strategy and the business performance of electric motorcycle dealers in Kenya.

4.6.1 Descriptive statistics The study looked at the effect of Porter's focus strategy on business performance. The study analyzed the respondent data using descriptive analysis in this section. table 4. 67 descriptive analysis results of Focus Strategy

N Missing Mean SD We satisfy our customer needs better than our competition 51 0 4.47 0.644 We serve a specific geographical region 51 0 3.88 1.143 We target a specific market segment 51 0 3.86 1.249 Our products are designed for a specific user class in mind 51 0 4.20 0.895 We have a specific leader model that we focus on 50 1 3.18 1.480 We focus on our client need changes and work to quickly adjust 51 0 4.08 0.845 We seek to position ourselves to be known for a specialty product 51 0 4.45 0.577 We have a broad range of products models targeting a different market segments 51 0 2.67 1.492 (Research data 2023) Respondents in this study agreed this minimal variance that their firms have a specific geographical region of market focus (mean = 3.88, standard deviation = 1.143). Respondents in this study also agreed strongly with the statement that their firms that their products are designed for a specific user class in mind (mean = 4.2, standard deviation = 0.895). The results also showed a strong agreement among the respondents that the target electric motorcycle firms seek to position themselves to be known for a specialty product (Mean = 4.45, standard deviation = 0.577).

4.6.2 Relationship between Focus Strategy and Business Performance

table 4. 8 Regression Results Of Porter's Focus Strategy Against Business Performance Model Fit Measures

Overall Model Test Model R^2 Adjusted R^2 F $df1$ $df2$ p 1 0.211 0.0444 0.0241 2.19 1 47 0.146

Omnibus ANOVA Test Sum of Squares df Mean Square F FCS 0.482 1 0.482 2.19 0.146 Residuals 10.355 47 0.220 Note. Type 3 sum of squares

Model Coefficients - BP Predictor Estimate SE t p Stand. Estimate Intercept 3.456 0.603 5.74 $> .001$ FCS 0.230 0.156 1.48 0.146 0.211 Research Data, 2023 The result analysis shows that the value of $R = 0.211$, this means that the degree of correlation between focus strategy and business performance is at 21.1% which is very negligible. The results further indicate that the relationship was not statistically significant, because the p value = 0.146 meaning the model is not a good fit and Porter's Focus strategy does not predict the outcome variable of business performance, because this value is greater than the significance level ($0.146 > 0.05$). R^2 is the value of variation in business performance that is as a result of Focus strategy employed, this value is 0.0444. Adjusted R^2 value = 0.0241 indicates the variation in Business performance when the model is employed to the larger population of study. Table 4.8 also indicates that there was an increase in business performance by 0.23 when the variable of focus strategy is held constant. In conclusion, the study did not detect any meaningful relationship between the use of focus strategy in electric motorcycle dealers in Kenya and their business performance. The resultant regression model for the variables of Business performance (BP) and Focus Strategy (fcs) relationship from the results is; $BP = 3.456 + 0.23FCS + 0.603$ Adjusted R square = 0.0241 represents the total variation in dependent variable (BP) is attributed to Focus strategy if the entire population data were to be used.

4.9 Overall relationship

table 4. 9 Linear regression analysis results.

Overall Model Test Model R^2 F $df1$ $df2$ p 1 0.352 0.124 2.02 3 43 0.125

Predictor Estimate SE p Intercept 2.5580 0.838 0.004 DFS 0.0713 0.155 0.647 CL 0.1805 0.133 0.182 FCS 0.1868 0.177 0.298

Overall regression model $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$ is derived as;

$BP = 2.5580 + 0.0713X_1 + 0.1805X_2 + 0.1868X_3 + 0.838$ that is business performance = 2.5580+ 0.0713 differentiation strategy + 0.1805 cost leadership strategy+1868 focus strategy + 0.838

This study aimed to investigate the effect of individual Porter's generic strategies on the business performance of electric motorcycle dealers in Kenya. The results from the inferential analysis in Table 4.10 indicate that 12.4% of the changes in the dependent variable, business performance, in electric motorcycle dealers in Kenya were as a result of the independent variables (focus strategy, differentiation strategy, and cost leadership strategy). However, this result was not statistically significant, an indication that other factors other than the three independent variables explained this change. The p value = 0.125, (is greater than 0.05), therefore the relationship between the independent variables and dependent variables is insignificant. The results in the table 4.10 further shows that, while the results indicate that a unit increase in focus strategy led to a 0.1868 estimated increase in the business performance of electric motorcycle dealers in Kenya, this was a non-significant estimate at a p-value of 0.298. This is an indication that the predicted relationship between focus strategy and business finance could have occurred randomly or due to other factors. Further, Business Performance increased 18.05% when the variable of cost leadership was held constant with a standard error of 0.133 and a P value of 0.182, indicating a positive but very weak relationship between the variables. The study also deduces that business performance improved positively by 7.13% which the variable of differentiation strategy held constant with a standard deviation of 0.155. overall, the Business performance of electric motorcycle firms increased by 2.558 when all the three variables of focus strategy, differentiation strategy and cost leadership strategy were held constant and this was positively significant with a p value of 0.004 and F statistic of 2.02.

4.10 Chapter Summary

The study investigated the effect of Porter's generic strategies on the business performance of electric motorcycle dealers in Kenya. The three generic strategies used as the independent variables were differentiation strategy, cost leadership, and focus strategy. This research established there was a positive non-significant association between these strategies and business performance, indicating that other factors beyond these strategies could explain the performance of these businesses. Individually, all the generic strategies had a positive nonsignificant effect on the business performance of electric motorcycle dealers in Kenya. Put differently, this study found no association between differentiation, cost leadership, and focus strategies on the business performance of electric motorcycle dealers in Kenya. The implications of these findings are discussed in the next chapter.

CHAPTER FIVE DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter advances recommendations and conclusions and suggests areas that future research could focus on as informed by the study's limitations. This is in relation to the competitive strategies that can enhance the business performance of electric motorcycle manufacturers in Kenya. The chapter begins with a conclusion by revisiting each objective, followed by the suggested implications for managerial practice, implications for businesses, and policy implications. This is followed by recommendations, a summary of the study's limitations, and suggestions for future research.

5.2 Discussions

This study aimed to investigate the effect of individual Porter's generic strategies on the business performance of electric motorcycle dealers in Kenya. These generic strategies included differentiation strategy, cost leadership, and focus strategy. This study's findings have shown that there was a positive statistically insignificant relationship between the generic strategies and business performance of electric motorcycle dealers in Kenya. As such, the observed relationship between the generic strategies and the business performance could not be attributed to the former, and other factors not studied in this research could have contributed to this relationship.

In essence, several factors could explain these results. Because Kenya's electric motorcycle business is still in its infancy, it is possible that the results of each of Porter's generic strategies are yet to fully materialize. Government policies and market demand are some of a few more variables that may be more significant in influencing firm performance in this sector and were not included in the study. Despite the absence of statistical significance, the study nevertheless offers some insightful information on the variables that can have an impact on the business performance of electric motorcycle dealers in Kenya. The results imply that while formulating their business strategies, dealers in this sector should take into account additional variables beyond Porter's differentiation, cost leadership, and focus generic strategies. Further discussion on each study objective is presented in the next sections.

5.2.1 To Establish the Effect of Differentiation Strategy on the Performance of Electric Motorcycle Businesses in Kenya
The current study has attained the first objective, that is, to determine the effect of differentiation strategy on the performance of electric motorcycle businesses in Kenya. As noted in the results section, the relationship between differentiation strategy and the business performance of electric motorcycle dealers in Kenya is non-significant. In other words, differentiation as a competitive strategy has an insignificant effect on the business performance of these firms. These results contrast those by Islami (Islami et al., 2020) who found that the differentiation strategy has more influence on the performance of businesses compared to cost leadership and focus strategies, where, for every unit increase in the differentiation strategy applied, a firm's performance increased by 43.9%, all other variables held constant. Similarly, the findings of this study contrast those by Boehe and Barin Cruz (2010) who found that there was a positive and significant relationship between differentiation strategy and business performance at a coefficient of 3.658. Their study also concluded that differentiation strategy was only beneficial to big firms, and that, this positive effect becomes weaker in smaller firms as compared to larger firms (Boehe & Barin Cruz, 2010). While this study's coefficient is positive (0.0713), it is statistically insignificant, indicating a non-existing relationship. Further, this study's conclusion is different to that of Costa (Costa et al., 2013) who noted that the provision of unique products does not necessarily translate into improved performance of the business. The study noted that in market conditions where competition is on price, a differentiation strategy would not improve the firm's financial condition.

It is crucial to take into account the potential explanations for why the study did not discover a substantial association between differentiation strategy and the business performance of electric motorcycle dealers in Kenya. The fact that Kenya's market for electric motorcycles is still in its infancy may be one reason why the effects of the differentiation approach have not yet completely materialized. As Kuhudzai (2021) and UNDP (2021) indicate, electric motorcycle consumption is in its nascent stages but it is being pushed as a solution to the inefficient transport system in the country and its associated problems like air pollution (Kuhudzai, 2021; UNDP, 2021). This means that, early in an industry's development, the market is frequently marked by high levels of uncertainty and little consumer knowledge of the products being provided. This means that it could be difficult for businesses such as electric motorcycle dealers in Kenya to properly differentiate themselves apart from rivals in these circumstances.

Besides, there is a likelihood that, since the market for electric motorcycle dealers in Kenya is still developing, the potential performance gains of a differentiation strategy are yet to materialize. For instance, while there may be high levels of differentiation among the electric motorcycle dealers in Kenya, the market for electric motorcycles is rather tiny. As a result, it could be challenging for any one company to set itself apart from its rivals. Additionally, there can be other elements that have a bigger impact on how well this industry performs, including governmental regulations or consumer demand, elements that have also been tied by literature to business performance (MAHADEA & KABANGE, 2019; Varadarajan, 2020).

It is worth noting that the possible resource scarcity and skills necessary to successfully implement a differentiation strategy (Boehe & Barin Cruz, 2010) may be another reason why this study has identified no relationship between differentiation and the business performance of electric motorcycle dealers in Kenya. As such, significant investments in marketing, customer service, and research and development are necessary to implement a differentiation strategy (Boehe & Barin Cruz, 2010). More importantly, the competitive environment of the Kenyan market for electric motorcycles may also be a contributing factor. The competitive advantage gained from using a differentiation strategy may decline if every company in the electric motorcycle dealership is already using it, which would have little to no effect on business performance. Similarly, a differentiation strategy may not be successful in enhancing business performance if the market is heavily saturated with comparable products (Costa et al., 2013).

5.2.2 To Establish the Effect of Cost Leadership Strategy on the Performance of Electric Motorcycle Businesses in Kenya

The second objective of the current study was to determine how the cost leadership strategy affects the performance of electric motorcycle dealers in Kenya. The association between the two variables was positive but not statistically significant. The outcome suggests that there is no meaningful connection between the cost leadership strategy and the overall business performance of these organizations.

Comparing this study's results to those arrived at by Islami et al. (Islami et al., 2020), two important conclusions can be arrived at. According to Islami et al. (2020), a firm that employs a cost leadership strategy, with all factors held constant, increases its business performance by 31.2%. However, when peers in an industry apply a similar strategy, the contribution of the cost leadership strategy to business performance becomes nonexistent. Similarly, Li and Li (Li & Li, 2008), as reviewed in the literature, concluded that the cost leadership strategy is less effective in low-concentrated markets. These findings complement the conclusion by Button (2012) which suggests that low-cost carriers performed well when they have established monopoly powers. As such, the low-cost strategy is as effective as the control a company has in the market, and the lower the control the less effective the strategy towards business performance. At the time of this study, the researcher noted that there were only 8 electric manufacturers in Kenya, an indication that competition between them was intense since there was no dominant player. From these conclusions, this research notes that, since the majority of the firms used a low costs strategy in the electric motorcycle manufacturing industry in Kenya (as indicated in the descriptive statistics), then the imitation of this strategy leads to no effect, both positive or negative, on their business performance.

It is important to note that there are other possible reasons there was an insignificant relationship besides the one discussed above. To begin with, and has already been noted in this discussion, the Kenyan market for electric motorcycles is relatively new. Since there are not many well-established firms in the market, the industry is competitive, and businesses might not be able to use cost leadership tactics to make large cost savings (Button, 2012). Moreover, the infancy of the industry means that the supply chains and infrastructure (charging stations) that have been developed to support the sector are not at their optimal (Kuhudzai, 2021; UNDP, 2021), meaning that the cost of manufacturing and selling electric bikes may be relatively high and reduce the cost leadership strategy's effectiveness. Consequently, the cost leadership strategy may have a minimal effect on business success in the industry.

Finally, some potential factors such as the effect of brand recognition and reputation on the business performance (Koh et al., 2009) of electric motorcycle dealers in Kenya were not taken into account in the study. Controlling for such variables could have further explained if the positive relationship was significant or resound the lack of a relationship thereof. Though an electric motorcycle dealer's cost structure may not be much differentiated from that of its rivals, it may nonetheless be able to command higher pricing and a larger market share. As a result, the influence of brand recognition and reputation may reduce the impact of cost leadership strategy on business success (Zott & Amit, 2008).

5.2.3 To Establish the Effect of the Focus Strategy on the Performance of Electric Motorcycle Businesses in Kenya

The study was further able to achieve objective three. Similar to the other independent variables, this research has established that there is a non-significant relationship between focus strategy and the business performance of electric motorcycle dealers in Kenya. The results are consistent with (Demba et al., 2019) who suggest that focus strategy had no significant effect on business performance. These findings contrast those attained by Islami et al. (2020) who suggest that firms that pursue a focus strategy achieve a 0.315 increase in performance for every unit increase in focus strategy applied. This compares to the current study's non-significant result of 0.1868. (Islami et al., 2020) further assert that a focus strategy gives a company a competitive advantage in its 'niche' market until a point when the competition within the 'niche' increases, and as such, the firm employs low-cost or differentiation strategies to improve performance. In other words, the focus strategy is effective when competition is low, and once it increases, the strategy is as effective when the firm pursues either of the other Porter's generic strategies.

Worthy of note is the current position of the electric motorcycle market in Kenya. As such, there is a possibility that, since the market for electric motorcycle dealers in Kenya is still developing (UNDP, 2021), the market is relatively small. This means that the advantages of concentrating on a certain niche may not be as great in a smaller market as they would be in a bigger one (Islami et al., 2020). Therefore, this study has ascertained that market size is important for a focus strategy to have any significant effect on the business performance of businesses. Similarly, Kenya's demand for electric motorcycles has been modest, and this may explain why it may make it harder for the dealers to concentrate on a certain market segment. Due to considerations including infrastructure for charging batteries and the prevailing preference for conventional motorcycles (Kuhudzai, 2021), demand may be constrained, therefore diluting the possible benefits of a focus strategy since most of the study's respondents acknowledged that their firms were pursuing a focus strategy.

5.3 Conclusions Objective one sought to establish the association between differentiation strategy and the Kenyan electric motorcycle dealer's business performance. The study has indicated that differentiation strategy had no notable association with business performance. This result differs from other research that discovered a significant positive association between differentiation strategy and company performance.

Furthermore, the study's second objective was to determine how the cost leadership strategy affects the performance of electric motorcycle dealers in Kenya. Although there was a positive association between the two variables, it was not statistically significant, indicating that there was no substantial relationship between the cost leadership strategy and these firms' overall business performance. When comparing the findings of this study to those of previous studies, this study supports the assertion that a cost leadership approach is less effective in low-concentrated markets and that its efficacy depends on the level of market domination a company possesses.

The third objective of this research was to investigate the effect of focus strategy on the business performance of Kenyan dealers of electric motorcycles. In line with some earlier research, the study did not find a statistically significant link between focus strategy and firm performance though the results were at odds with the work of some scholars that suggested that a focus strategy can significantly improve performance, but only up until the level of competition in the niche market increases. This study concludes that a focus strategy might not be as successful in smaller markets like Kenya's emerging electric motorcycle market. These conclusions carry with them some implications for practice, businesses, and policy, as presented below.

5.4 Recommendations

Implications for Practice

Since Porter's generic strategies have been shown by this study to have no significant relationship with business performance, these results have various practical applications. Porter's general strategies may not always have a substantial impact on corporate performance, and managers of electric motorcycle manufacturers in Kenya cannot solely rely on these strategies to improve the performance of their organization. As a result, managers should implement these techniques while taking into account the unique environment of their companies and industry. The current conclusions suggest that managers should look beyond these strategies and interrogate other attributes that may influence corporate performance for firms in a market that is relatively new. For example, managers can concentrate on creating solid brand identities for their firms, creating optimal marketing strategies, and capital expenditure on R&D to produce novel electric motorcycles that will give them an edge in the market.

Implications for Businesses According to the findings of this study, electric motorcycle manufacturers in Kenya cannot exclusively rely on Porter's generic strategies to boost performance. The electric motorcycle manufacturing businesses in Kenya should readily adapt and be flexible to shifting market conditions. The study's findings imply that the specific attributes, such as the electric motorcycle market size, level of competition in the industry, and infrastructure required in line with the electric motorcycles, may have an impact on how effective Porter's generic techniques are. Therefore, in order to function at their best, firms should be willing to modify their strategies to suit the prevailing market conditions and optimise business performance.

Implications for Policy Policymakers have the opportunity to support the electric motorcycle manufacturers informed by this study's findings. As such, they should recognise the significance of a supportive business climate to the business performance of firms in the sector. Among the policies that they can initiate include building the infrastructure needed for charging stations, providing financial incentives to encourage investment in the electric motorcycle business, and developing policies and regulations that support innovation and sector growth. Similarly, the policymakers should create targeted policies that address the specific challenges that the businesses operating in the manufacture of electric motorcycles in Kenya encounter. Supply-side policies such as subsidies, tax incentives, and entrepreneurial training programs can help strengthen competitiveness in the industry. Finally, demand-side policies that would encourage the consumption of electric motorcycles in Kenya could be critical in helping the industry grow.

Following the conclusions and implications for practice, businesses, and policy, this study has several recommendations. To begin with, since the Kenyan electric motorcycle market is still in its infancy, dealers in the industry should be cognizant of the fact that the potential business performance gains of Porter's generic strategies (differentiation, cost leadership, and focus) may not have fully materialised. This means they can continue using these strategies and complement them with hybrid strategies as the electric motorcycle market grows. The second recommendation from this study is that, should the businesses continue pursuing these strategies against the backdrop of the current findings, then they should be willing to make significant investments since the market is not well developed. Finally, his study recommends the potential collaboration between different policymakers (those in the line of sustainability practices and those involved in developing sustainable business environments) to create strategies that will see the country's consumers of motorcycle benefit from the many advantages of electric motorcycles. This way, besides achieving the triple bottom line of sustainability (environmental, social, and economic sustainability), the collaborative effort will see to it that the traffic problem experience in major Kenyan cities is mitigated.

5.5 Limitations of the Study

This study had several limitations. To begin with, the study was quantitative. This means that the study-imposed hypotheses on respondents. Moreover, the survey strategy did not allow the probing of respondents to understand the phenomenon under study relying on the richness and fulness of their experience in the electric manufacturing business. As such, the study was not able to unpack the dynamic and complex issues regarding Porter's generic strategies and the business performance of electric motorcycle dealers in Kenya. Finally, the cross-sectional design of this study meant that the data was collected at one point in time. However, as the study has highlighted, the electric motorcycle market in Kenya is relatively new, and moving in the future, the association between Porter's generic strategies and the performance of the electric motorcycle dealers may have changed.

5.6 Suggestions for Further Research

Informed by the limitations identified in the previous section, this study has several suggestions for further research. First, future research could take a qualitative design in order to probe the respondents to understand the phenomenon under investigation relying on the richness and fulness of their experience in the electric manufacturing business. Moreover, qualitative research will be able to unpack dynamic and complex issues related to differentiation strategy, cost leadership strategy, focus strategy, and the business performance of electric motorcycle dealers in Kenya based on the respondents' views without imposing on them. Finally, this research suggests that future studies could employ a longitudinal design and look at the effects of Porter's generic strategies on the business performance of electric motorcycle dealers in Kenya over time. REFERENCES (AHK, 2021)

APPENDIX 5: ETHICS REVIEW

APPENDIX 6: NACOSTI APPROVAL

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Response rate

Responses Non-responses 63.74999999999993 36.25

Hit and source - focused comparison, Side by Side

Submitted text As student entered the text in the submitted document.

Matching text As the text appears in the source.

1/6	SUBMITTED TEXT	16 WORDS	73% MATCHING TEXT	16 WORDS
DECLARATION I declare that this is my original work and has not been submitted for any				
SA Qatamur final project.docx (D140258799)				

2/6	SUBMITTED TEXT	12 WORDS	87%	MATCHING TEXT	12 WORDS
<p>has been submitted for examination with my approval as the university supervisor.</p> <p>SA Qatamur final project.docx (D140258799)</p>					
3/6	SUBMITTED TEXT	16 WORDS	38%	MATCHING TEXT	16 WORDS
<p>TABLE OF CONTENTS DECLARATION ii ACKNOWLEDGEMENT iii ABSTRACT iv TABLE OF CONTENTS v LIST OF TABLES AND FIGURES ix ABBREVIATIONS x DEFINITION OF TERMS xi CHAPTER ONE 12 INTRODUCTION TO THE STUDY 12.1.1</p> <p>SA Qatamur final project.docx (D140258799)</p>					
4/6	SUBMITTED TEXT	7 WORDS	76%	MATCHING TEXT	7 WORDS
<p>$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$ Where; Y is the</p> <p>$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$ Where; Y = Competitive Strategy, α - Is the</p> <p>SA Answer to Econometrics Post Course Assessment test- Cap 3.docx (D126554777)</p>					
5/6	SUBMITTED TEXT	12 WORDS	83%	MATCHING TEXT	12 WORDS
<p>Specific Objectives 21 1.5 Research Questions 21 1.6 Scope of the Study 21 1.7 Significance of the Study 22</p> <p>SA FWK, FAITH KAMORO.docx (D150659306)</p>					
6/6	SUBMITTED TEXT	31 WORDS	38%	MATCHING TEXT	31 WORDS
<p>the purpose of this study was to establish the effect of individual porter's generic strategies on business performance. 1.4.2 Specific Objectives i. To establish the effect of</p> <p>SA FWK, FAITH KAMORO.docx (D150659306)</p>					