



INFLUENCE OF COMPETITIVE STRATEGY ON COMPETITIVE ADVANTAGE IN TOYOTA KENYA

Mwaluma Elisha Mwakawi¹, Dr. Stanley Kavale², PhD.

^{1& 2}Jomo Kenyatta University of Agriculture and Technology

ABSTRACT

The purpose of the study was to examine the influence of competitive strategy on competitive advantage in Toyota Kenya, a company in the motor industry. The study aimed at establishing how cost leadership strategy affected competitive advantage in Toyota Kenya, how cost focus influenced competitive advantage in Toyota Kenya, determining how differentiation focus strategy affect competitive advantage in Toyota Kenya, examining how differentiation strategy affect competitive advantage in Toyota Kenya. To strengthen the conceptual framework, the study used theories such as resource-based view theory, competitive advantage theory, and the neo-institutional theory. The target population for the study was the employees of Toyota Kenya in the management and supervisory level. The target population was 150 employees of Toyota Kenya Limited. The sample size was 105 employees of Toyota Kenya. A modified Likert scale questionnaire was developed and divided into three parts. A pilot study was carried out to refine the instrument. The quality and consistency of the study was further assessed using Cronbach's alpha. Data analysis was performed on a computer using Statistical Package for Social Science (SPSS Version 25) for Windows. Data was presented in form of means, standard deviation, percentages and tables. From the findings, it was concluded that the favorite strategy is cost leadership owing to strong positive relationship that it holds with firm performance. The principle of charging lower price, engaging in sales promotion and investing in technology in a bid to lower cost should be held securely to avoid outweighing benefit realized by automation, outsourcing, improved internal efficiency and buying raw material at reduced prices. Cost focus strategy strives to supply a standard, high-volume product at the most competitive price to customers. It is important to note that a company might be a cost leader but that does not necessarily imply that the company products would have a low price. The study concluded that cost leadership strategy and differentiation strategy have no effect on competitive advantage in Toyota Kenya. The study recommends that they should have effectively distribution channels, as well as alternative channels in terms of service away from the factory; firm should focus on differentiating its products based on segmentation. Marketing lead to increased sales, as well as giving the firm a competitive advantage and, as regards product process differentiation, the company should adopt technology in an attempt to ease communication during transaction, fostered customer-company relationship, which would increase customer satisfaction, improved operational efficiency, reduced operational costs and transaction time.

Key words: Strategy, leadership, differentiation, management

1. INTRODUCTION

Taken within the historical context, the determinants of competitiveness in the manufacturing sector have evolved over time. Trade, nevertheless, remains the key denominator; having brought along with-it civilization and innovation that gave rise to newer, better quality products (Cavusgil, Knight, & Riesenberger, 2017) The invention of the railway and ocean transport expanded markets in the 1830s while that of electricity lay the foundation for the use of iron and steel technology in extractive and agricultural industries (Cavusgil *et al.*, 2017).

Liberalization of economies and the new world order of trading through formation of customs unions such as the European Union (EU), the North American Free Trade Agreement (NAFTA), and regional economic groupings – the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADAC) among others – have given rise to unprecedented intensification of market competition worldwide (Abdullah & Majid, 2018; UNCTAD, 20018; Levy, 2017). Smaller countries in Africa in particular, responded to the phenomenal global socio-economic changes by consolidating their markets and investment areas through regional economic groupings. The EAC and COMESA Regional Economic Communities (RECs) to which Kenya belongs have adopted trade and investment regimes benchmarked against global rules for purposes of enhancing competitiveness.

Competitive strategies are the long-term action plan that is devised to help a company gain a competitive advantage over its rival. These types of strategies are often used in advertising campaigns by somehow discrediting the competition's product or service. System as a set of detailed methods, procedures and routines created to carry out a specific activity, perform a duty, or solve a problem in an organized, purposeful structure that consists of interrelated and interdependent elements in order to achieve the goal of the system through which an association can declare essential coherence while figuring out how to adjust to the changing condition to increase upper hand (Thompson, 2018).

2. RESEARCH PROBLEM

Determining the competitive strategies used by any firm is partly by the company's competitive forces in the market as the firms must match the turbulence in the environment with their aggressiveness. Toyota Kenya has been facing a number of challenges due intense competition and entry of used and secondhand cars thus resulting in decline in the sales per year. This has been brought by the Toyota Kenya experiencing change in customer expectations, proliferations and increasing secondhand cars leading to cutthroat price competition within the industry. Inability to plan properly due to changing customer expectations and the need for real time, accurate planning, scheduling, repackaging in different pack sizes and deliveries to distributors is a challenge to these firms (David, 2019).

There are different investigations which have been done on aggressive methodologies across over different settings and divisions in the globe. Nonetheless, in Kenya, an examination by Murage, (2017) concentrated on the competition within in the oil business and found that administration stations utilize separation as a strategy for getting upper hand over other administration stations. Muttaka, (2017) conveyed an examination on aggressive competitive strategies utilized by Multinational firms in Kenya. The study findings established that multinational firms in the Agrochemical industry have been using differentiation strategy to gain

competitive advantage and compete effectively in the Kenyan market. Karanja, (2018) assessed the factors influencing market performance and hence market share of companies marketing in the floriculture industry in Kenya. Locally, studies done on generic strategies have focused on floriculture industry, oil industry and multinational corporations in Kenya without focusing on its role of adopting generic strategies in the motor industry. Little information is available or published regarding the challenges and effects of competitive strategies on performance of Toyota Kenya. Therefore, this study seeks to determine the influence of competitive strategy on competitive advantage in Toyota Kenya.

3. GENERAL OBJECTIVE

The general objective of this research proposal is to examine the influence of competitive strategy on competitive advantage in Toyota Kenya.

3.1 Specific Objectives

1. To examine the effect of cost leadership strategy on competitive advantage of Toyota Kenya.
2. To determine the effect of cost focus strategy on competitive advantage of Toyota Kenya.
3. To investigate the effect of differentiated focus strategy on competitive advantage of Toyota Kenya.
4. To evaluate the effect of differentiation strategy on competitive advantage in Toyota Kenya.

4. REVIEW OF LITERATURE

4.1 Theoretical Framework

This study was anchored on the following theories; Resource Based View (RBV) theory and Competitive Advantage Theory.

4.1.1 Resource Based View Theory

The resource-based view theory expresses the significance of internal resources and capabilities in determining competitive advantage within companies (Kozlenkova, 2014). In other words, the main proposition of resource-based view theory is that by using their internal resources, companies become distinct and can accomplish and support a competitive advantage (Al-Ansaari et al., 2015). Crook (2014) contends that the resource-based view theory is based with respect to the idea of economic rent and the thought of an organization as a gathering of capabilities. Though conventional strategy models center around the organization's outside focused condition, the resource-based view complements the requirement for a fit between the outer market setting in which a firm works and its inside capacities. From this point of view, the internal condition of an organization, in terms of its resources and capabilities, is the critical factor for the determination of strategic action (Mahoney & Pandian, 2014).

To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile; valuable resources that are neither perfectly imitable nor substitutable without great effort (Barney, 1991). If these conditions hold, the bundle of resources can sustain the firm's above average returns. Thus, to be competitive, a firm's resources must be: valuable (resource must enable a firm to employ a value-creating strategy, by either outperforming its competitors or reduce its own weaknesses);

rare (resource must be rare by definition and of expected discounted future above-average returns); inimitable (competitors are not able to duplicate this strategic asset perfectly); and, non-substitutable (if competitors are able to counter the firm's value-creating strategy with a substitute, prices are driven down to the point that the price equals the discounted future rents) (Rumelt, 1984; Peteraf, 1993; Amit and Schoemaker, 1993; Ludwig and Pemberton, 2011). Thus, true competitive advantage requires the firm's resource to display each of the four characteristics (valuable, rare, inimitable and non-substitutable) to be a possible source of a sustainable competitive advantage (Crook, Ketchen, Combs, and Todd, 2008; Ludwig and Pemberton, 2011).

4.1.2 Competitive Advantage Theory

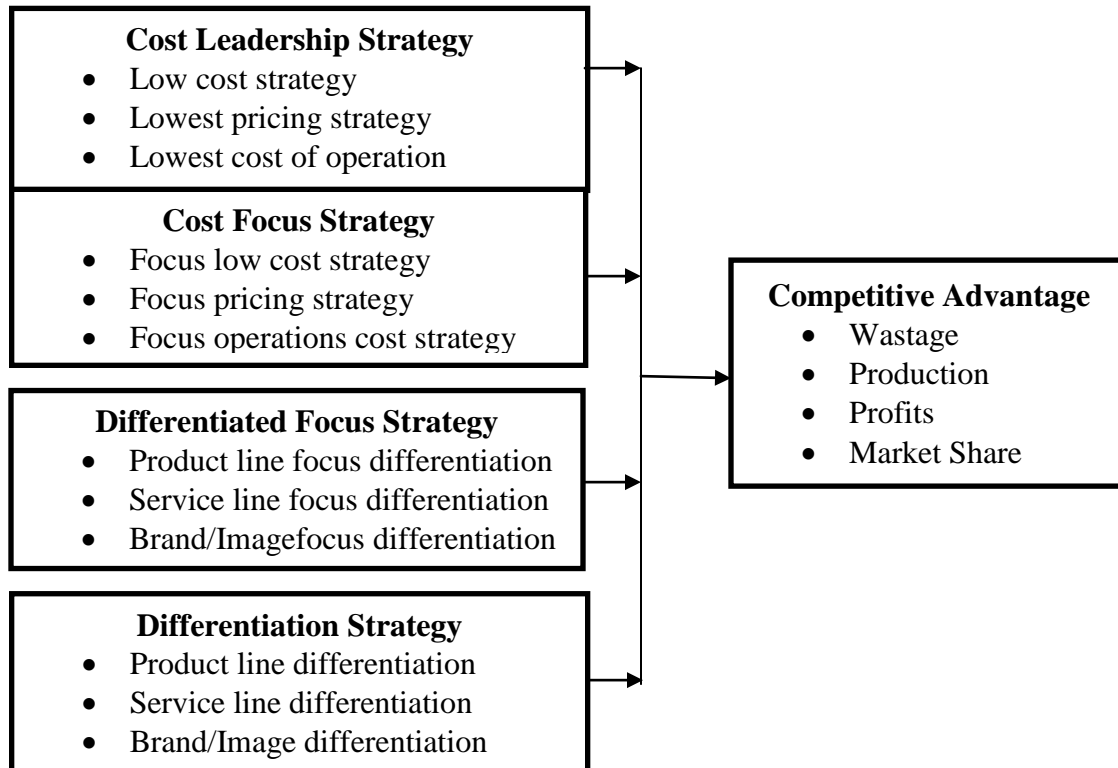
Michael Porter proposed the theory of competitive advantage in 1985. The competitive advantage theory suggests that states and businesses should pursue policies that create high-quality goods to sell at high prices in the market. Porter emphasizes productivity growth as the focus of national strategies. Competitive advantages are conditions that allow a company or country to produce a good or service of equal value at a lower price or in a more desirable fashion. These conditions allow the productive entity to generate more sales or superior margins compared to its market rivals.

According to Porter, "National prosperity is created, not inherited". It grows with natural endowments in a country, as well as its labor pool, its interest rates, or its currency's value. The competitive advantage of nations is the capacity of its industry to innovate and upgrade to form a nation's competitiveness. Companies benefit from having home-based suppliers aggressively, domestic rivals strongly, and demanding local customers. Geographic cluster or companies' concentrations established competitive advantage in different parts of the same industry. According to Porter, nations are most likely to succeed in industries where the national 'diamond' is the most favorable. He believes that success in international trade comes from the four interrelated components, which are factor conditions, demand conditions, related and supporting industries, and firm strategy structure, and rivalry. Porter also concluded that their home environment is the most forward-looking, challenging, and dynamic so that nations succeed in particular industries (Cho *et al.*, 2017).

Companies achieve competitive advantage from acts of innovation. They approach innovation in both new technologies and new ways of doing things. Innovation can be represented in a new product design, new production process, or a new marketing strategy. Perceiving an entirely new market opportunity can contribute to create competitive advantage from some innovations. Innovation yields competitive advantage when competitors are slow to respond. For instance, in autos and home electronics industries, Japanese companies focused on smaller and lower capacity models that foreign competitors despised as low profit, low importance, and low attraction (Cho *et al.*, 2017).

4.2 Conceptual Framework

Bryman and Bell, (2018) defines conceptual framework as a diagrammatical, graphical or visual depiction of a relationship between the independent variables and the dependent variable as shown in Figure 1.



Independent Variables

Dependent Variables

Figure 1 Conceptual Framework

4.3 Review of Study Variables

4.3.1 Cost Leadership Strategy

Cost-leadership technique endeavors to supply a standard, no-frills, high-volume item and no more aggressive cost to clients (Li and Li, 2018). Cost leadership techniques are preferred in creating nations, for example, Indonesia, Malaysia, India and China where they have brought down work cost, and thus, a lower generation cost (Kim, Nam, and Stimpert, 2016). A separation procedure is to make esteem to clients by giving prevalent quality, inventive items, brand image, and good services. This will differentiate the item which implies the item will be more competitive than others (Porter, 1985).

Cost Leadership tends to be a larger number of competitors oriented as opposed to client situated (Frambach, Prabhu, and Verhallen, 2017). Cost Leadership requires a solid concentrate on the supply side instead of the request side of the market, as this requires an abnormal state of contender introduction (Day and Wensley, 2018). Consequently, firms seeking after a cost initiative methodology should ceaselessly benchmark themselves against other contending firms with a specific end goal to survey their relative cost (and therefore profitability) position in commercial center. A firm that seeks after cost initiative system accomplishes an ease position by underlining on forceful development of effective scale offices, energetic quest for cost diminishments for a fact, tight cost and overhead control, shirking of negligible client records, and cost minimization in ranges like innovative work (R&D), administrations, deals drive, publicizing, and some more (Porter, 1985).

Kim, Nam and Stimpert (2016) found that Cost-leadership procedure has been effectively actualized in Japan. For instance, the Toyota organization framework - Its prevalent aggressiveness in cost diminishment, quality and conveyance time, has given the impulse to an overall move toward expanding proficiency through cost-cutting techniques (Schonberger, 2014). In Japan, client administration is characterized to some degree uniquely in contrast to in the West, which may clarify its nearness in this Cost-leadership consider cosmetics (Allen and Helms, 2018).

4.3.2 Cost Focus Strategy

Focusing starts by choosing a market niche where buyers have distinctive preferences or requirements (Allen & Helms, 2019). The niche can be defined by geographic uniqueness, by specialized requirements in using the product, or by special product attributes that appeal only to niche members. A focuser's reason for competitive advantage is either lower costs than rivals in serving the market specialty or a capacity to offer specialty individuals something other than what's expected from other competitors (Sashi & Stern, 2018). A focus strategy based on low cost depends on there being a buyer segment whose needs are less costly to satisfy compared to the rest of the market. A focus strategy based on differentiation depends on there being a buyer segment that demands unique product attributes (Aulakh, et al., 2018).

Using a focus strategy to achieve a cost breakthrough is a fairly common technique (Li & Li, 2018). Budget-priced motel chains like Days Inn, Motel 6, and LaQuinta have lowered their investment and operating cost per room by using a no-frills approach and catering to price-conscious travelers (Abu & Aliqah, 2015). Discount stock brokerage houses have lowered costs by focusing on customers mainly interested in buy-sell transactions who are willing to forgo the investment research, investment advice, and financial services offered by full-service firms like Merrill Lynch. Pursuing cost advantage through focusing works well when a firm can find ways to lower costs by limiting its customer base to a well-defined buyer segment (Ramayah, Samat, & Lo, 2017).

Focus strategy is a business strategy which has molded the way businesses are done. Partnerships rather than competitive approaches to businesses are now always used by firms to concentrate in serving its market fully (Miso, *et al.*, 2015). Melchorita, (2013) postulates that focus strategy refer to orientation by an organization toward serving its clients' needs. It involves ensuring that all aspects of the company put its customers' satisfaction first. The study found out that there exist a positive relationship between customer/ product focus and firm competitiveness.

Focus strategy is also noted as a reasonable strategy for acquiring, retaining and partnering with appropriate consumers to enhance quality for the firm and customer (Christine, 2010). Lodato, (2014) argue that that when the focus strategy is implemented in firms it develops a series of functions, skills, processes and technologies that assist firms to obtain long-term customer loyalty thereby improving on their competitiveness. Lwova, (2013) opines the focus strategy as a core process in promoting competitiveness by highlighting that the focus policies in the tea brokerage firms must concentrate on customer satisfaction, customer retention and customer quality.

4.3.3 Differentiated Focus Strategy

Firms can build a focus in one of two ways. They can adopt a cost-based focus in serving a particular niche or segment of the market, or they can adopt a differentiation-based focus. Focus strategies are different from low-cost leadership and differentiation strategies in terms of the scope of the target market (Spencer, Joiner, & Salmon, 2009). Within a particular targeted market or niche, however, a focused firm can pursue many of the target market. Within characterize as the broader low-cost or differentiation approaches to building competitive advantage (Treacy & Wiersema, 2009). Thus, many of the sources of competitive advantage discussed earlier for cost and differentiation also apply to focus strategies at the niche or segment level. It is important to remember that focus strategies attempt to pursue low-cost or differentiation with respect to a much narrower targeted market niche or product segment. Thus, the resources and skills that the firm or business uses must be specialized as well (Zekiri & Nedelea, 2011).

Olson and Swanson (2010) found that Krispy Kreme Doughnuts, Solectron, magna International, Southwest Airlines, American iron Horse, Bang and Olufsen, Nucor, chaparral Steel, and Patek Philippe have one thing in common? These firms have adopted a well-defined focus/specialization strategy that has enabled them to earn high profits in industries that are fundamentally unattractive or fast changing. All of these companies have reconfigured their focus-driven value chain to emphasize either differentiation or cost-based sources of competitive advantage (Treacy & Wiersema, 2009). Each of these companies has targeted a particular type of buyer or product segment that other borderline competitors cannot serve as well. In effect firms with highly refined focus/specialization strategies have developed a distinctive competence in defending their niches from larger firms that have difficulty understanding or serving their target customers (Frambach, Prabhu, & Verhallen, 2003).

Brand name recognition is underscored to be pivotal to a firm with a focus on the customer (Cohen, 2004). A firm may adopt focus strategy by either differentiating or focusing on cost. It is asserted that if a company, for instance, opts to implement a focusing strategy by differentiation, then it ought to have all the options required by differentiation strategy and compete only in one market. In the same breadth, if it decides to focus on prices, then the focus should be limited to a specific market branch (Zekiri & Nedelea, 2011). The scholars further postulated that, the competitive skill of the firms that adopt the focus strategy particularly by differentiation, rely on the ability of the competitors in issuing or providing a better product in the market. In addition, it is noted that such firms may sometimes take the lead probably due there being no other company offering the same product which ultimately enables them to have control over the customers (Abu & Aliqah, 2012).

4.4.4 Differentiation Strategy

An organization implementing differentiation develops a product defined by its unique characteristics; these characteristics are taken with consideration by customers who perceive these products to be of high value or rather quality than those provided for in the market by the competitor. The firm here picks on elements to a product or service that largely considered by consumers as vital and therefore set in unique standards to settle customer needs; thus firms are able to capitalize on premium price (Kivunja & Ndemo, 2017). On the contrary, firms that embrace the differentiation focus strategy often seek to gain differentiation advantage in their target segment. The two variants in the focus strategy concentrate on differences between the

target segment of the focuser and other segments in the industry. These target segments should have customers with unusual needs that the company seeks to fulfill or the delivery. Alternatively, the target segment should have production and delivery system that it serves best, and it must differ from those of other segments of the industry. The cost focus strategy focuses on differences in cost behavioral differences in some segments. On the contrary, the segmentation focus strategy focuses on exploiting buyers' special needs in certain segments(Kivunja & Ndemo, 2017).

Differentiation may assume different ways like better customer service, superior product image, low prices, high product quality and marketing strategies. Differentiation aids firms to build client loyalty through offering unique products or services thus helping firms to perform better than others (David *et al*, 2015). Firms adopting differentiation can charge higher prices based on their costs, distribution channels, quality or they can choose to differentiate themselves in any other area of their distinctive competencies (De Silva, 2011).New opportunities can arise for both the firms and customers, where technology adopted can be used as a way of differentiation. Consequently, new technology often destabilizes market equilibrium, forcing firms to consider the role new technology will play in determining the new market structure and subsequent competitiveness of the market. In a nutshell, incorporating a new technology changes the service process, and by extension, how firms leverage these changes for positioning thus determine how competitive a firm or a product can be in relation to the otherwise existing in the market (Sun *et al*, 2013).

4.4.5 Competitive Advantage

Competitiveness is a contextual concept associated with the phenomenon being studied. In the context of organizational competitiveness; competitiveness is seen as a measure of the change of the financial state of an organization or the financial outcomes that results from management decisions and executions of those decisions by members of the organization (Datche, 2015). Many studies measure organizational competitiveness on five perspectives as; profit; productivity; sales and market share; customer service and achievement of goals. In relation to profits many researchers use traditional accounting measures of profits (Muogbo, 2013).

A business considered to be performing well elicited some expectations which included high sales, revenue (growth rate) than the market and competitors; better than average profit margin than other firms in the industry; higher than average return-on-investment (ROI) in the industry; a high and leading market share in the industry measured by volume or value terms; stronger brand reputation (e.g. brand awareness) in the market); a well-defined unique selling point that the enables the firm to differentiate its service or products in the customers' eyes; and a significant control of market distribution channels or access to distribution channels (e.g. brands or products that are widely demanded or stocked by intermediaries of the distribution channels) (Sasaka *et al*, 2016).

The measures of competitiveness highlighted herein can be measured with ease. The financial information is widely available and can be used to determine the firm that is recording highest profits within an industry; the brands and products with the highest growth rate or market share. For example, a business can be high performing if there is evident that its net profit margin is significantly higher than that of its competitors or its market share is increasing (Chepkirui,

2011). Similarly, uncompetitive business or brand can be assessed from the evidence of the sustained or substantial decline in the profits or market share.

Profit is an absolute number determined by the amount of income or revenue above and beyond the costs or expenses a company incurs. It is calculated as total revenue minus total expenses and appears on a company's income statement. No matter the size or scope of the business or the industry in which it operates, a company's objective is always to make a profit (Mohamud, *et al.*, 2015). Profitability is a relative term and it is the metric used to determine the scope of a company's profit in relation to the size of the business. Profitability is a measurement of efficiency – and ultimately its success or failure. It can further be defined as the ability of a business to produce a return on an investment based on its resources in comparison with an alternative investment. Although a company can realize a profit, this does not necessarily mean that the company is profitable (Mbui, *et al.*, 2016). Sales turnover is the amount in totality of the revenue which is generated by firm in a given period. The concept is important in tracking sales trends through multiple measurement periods, in order to spot meaningful changes in activity levels. The revenue included in this calculation is from both cash sales and credit sales. Further, the measurement can be broken down by units sold, geographic region or even the subsidiary. Sales turnover is restricted to revenue generated from operations. Thus, it does not include gains from financial or other related activities (Arasa & K'Obonyo, 2012).

5. RESEARCH METHODOLOGY

This study used descriptive survey research design. The target population of this study was 150 employees of Toyota Kenya Limited in senior and middle level management. The total sample size for this study was 64 respondents. The study adopted a simple random sampling technique. Primary data was collected by use of self-administered structured questionnaires which were distributed through the drop and pick method. Secondary data was obtained from literature sources through review of published literature such as journals, articles, published theses and textbooks. The researcher made use of secondary data from organizational competitiveness of Toyota Kenya limited. These sources were reviewed to give insight in the search for the primary information.

6. DATA ANALYSIS AND RESULTS

6.1 Correlation Analysis

Pearson Bivariate correlation coefficient was used to compute the correlation between the dependent variable (Competitive Advantage) and the independent variables (Cost Leadership Strategy, Cost Focus Strategy, Differentiated Focus Strategy and Differentiation Strategy). According to Sekaran, (2015), this relationship is assumed to be linear and the correlation coefficient ranges from -1.0 (perfect negative correlation) to +1.0 (perfect positive relationship). The correlation coefficient was calculated to determine the strength of the relationship between dependent and independent variables (Kothari & Gang, 2014).

In trying to show the relationship between the study variables and their findings, the study used the Karl Pearson's coefficient of correlation. This is as shown in Table 2 below. According to the findings, it was clear that there was a positive correlation between the independent variables, cost leadership strategy, cost focus strategy, differentiated focus strategy and differentiation strategy and the dependent variable competitive advantage. The analysis indicates the coefficient of

correlation, r equal to 0.049, 0.239, 0.466 and 0.096 for cost leadership strategy, cost focus strategy, differentiated focus strategy and differentiation strategy respectively. This indicates positive relationship between the independent variable namely cost leadership strategy, cost focus strategy, differentiated focus strategy and differentiation strategy and the dependent variable competitive advantage.

Table 2 Pearson Correlation

	Competitive Advantage	Cost Leadership Strategy	Cost Focus Strategy	Differentiated Focus Strategy	Differentiation Strategy
Competitive Advantage	1				
	82				
Cost Leadership Strategy	.049	1			
	.005				
Cost Focus Strategy	.239*	.462**	1		
	.001	.000			
Differentiated Focus Strategy	.466**	.216	.720**	1	
	.000	.051	.000		
Differentiation Strategy	.096	.205	.124	.025	1
	.000	.065	.269	.824	
	82	82	82	82	82
*. Correlation is significant at the 0.05 level (2-tailed).					
**. Correlation is significant at the 0.01 level (2-tailed).					

6.2 Coefficient of Determination (R²)

Table 3 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781 ^a	.609	.594	1.61806
a. Predictors: (Constant), Differentiation Strategy, Differentiation Focus Strategy, Cost Leadership Strategy, Cost Focus Strategy				

The model explains 60.9% of the variance (R Square = 0.609) on Competitive Advantage. Clearly, there are factors other than the four proposed in this model which can be used to predict competitive advantage sustainability. However, this is still a good model as Bryman and Bell, (2018) pointed out that as much as lower value R square 0.10-0.20 is acceptable in social science research. This means that 60.9% of the relationship is explained by the identified four factors namely cost leadership strategy, cost focus strategy, differentiated focus strategy and

differentiation strategy. The rest 39.1% is explained by other factors in the competitive advantage in Toyota Kenya, Kenya not studied in this research. In summary the four factors studied namely, cost leadership strategy, cost focus strategy, differentiated focus strategy and differentiation strategy and competitive advantage or determines 60.9% of the relationship while the rest 39.1% is explained or determined by other factors.

6.3 Analysis of Variance

The study used ANOVA to establish the significance of the regression model. In testing the significance level, the statistical significance was considered significant if the p-value was less or equal to 0.05. The significance of the regression model was as per Table 4.13 below with P-value of 0.00 which is less than 0.05. This indicates that the regression model is statistically significant in predicting factors of competitive advantage. Basing the confidence level at 95% the analysis indicates high reliability of the results obtained. The overall Anova results indicates that the model was significant at $F = 29.95$, $p = 0.000$.

Table 4 ANOVA^a

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1869.099	4	467.27	29.95	.000 ^b
	Residual	1201.596	77	15.6		
	Total	3070.695	81			
a. Dependent Variable: Competitive Advantage						
b. Predictors: (Constant), Differentiation Strategy, Differentiation Focus Strategy, Cost Leadership Strategy, Cost Focus Strategy						

6.4 Regression Analysis

Table 5 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.974	3.668		2.719	.000
	Cost Leadership Strategy	.010	.107	.011	.095	.005
	Cost Focus Strategy	.267	.114	.235	2.342	.000
	Differentiation Focus Strategy	.282	.064	.640	4.396	.000
	Differentiation Strategy	.123	.087	.143	1.412	.162
a. Dependent Variable: Competitive Advantage						

The regression equation was:

$$Y = 9.974 + 0.010 X_1 + 0.267 X_2 + 0.282 X_3 + 0.123 X_4$$

Where;

Y = the dependent variable (Competitive Advantage)

X_1 = Cost Leadership Strategy
 X_2 = Cost Focus Strategy
 X_3 = Differentiated Focus Strategy
 X_4 = Differentiation Strategy

The regression equation above established that taking all factors into account (Competitive Advantage in Toyota Kenya) constant at zero competitive advantage in Toyota Kenya, Kenya will be 9.974. The findings presented also showed that taking all other independent variables at zero, a unit increase in cost leadership strategy would lead to a 0.010 increase in the scores of competitive advantage in Toyota Kenya; a unit increase in cost focus strategy would lead to a 0.267 increase in competitive advantage in Toyota Kenya; a unit increase in differentiated focus strategy would lead to a 0.282 increase in the scores of competitive advantage in Toyota Kenya and a unit increase in differentiation strategy would lead to 0.123 increase in the scores of competitive advantage in Toyota Kenya

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

From the study results the following are the conclusions:

The hypothesis test showed that the t-value was 0.095 with a significance value of 0.05. The threshold for accepting or rejecting a null hypothesis recommends a t- value of 2.0 and above. Therefore the t-value being below the threshold, the study results accepts the null hypothesis that cost leadership strategy has no significant effect on competitive advantage in Toyota Kenya. The study concludes that cost leadership strategy has no effect on competitive advantage in Toyota Kenya.

The hypothesis test showed that the t-value was 2.342 with a significance value of 0.00. The threshold for accepting or rejecting a null hypothesis recommends a t- value of 2.0 and above. Therefore the t-value being above the threshold, the study results rejects the null hypothesis that cost focus strategy has no significant effect on competitive advantage in Toyota Kenya. The study concludes that cost focus strategy has an effect on competitive advantage in Toyota Kenya. The hypothesis test showed that the t-value was 4.396 with a significance value of 0.00. The threshold for accepting or rejecting a null hypothesis recommends a t- value of 2.0 and above. Therefore the t-value being above the threshold, the study results rejects the null hypothesis that differentiated focus strategy has no significant effect on competitive advantage in Toyota Kenya. The study concludes that differentiated focus strategy has an effect on competitive advantage in Toyota Kenya.

The hypothesis test showed that the t-value was 1.412 with a significance value of 0.162. The threshold for accepting or rejecting a null hypothesis recommends a t- value of 2.0 and above. Therefore the t-value being above the threshold, the study results rejects the null hypothesis that differentiation strategy has no significant effect on competitive advantage in Toyota Kenya. The study concludes that differentiation strategy has no effect on competitive advantage in Toyota Kenya.

7.2 Recommendations

The study recommends the following.

1. The study recommends that strategic leadership of the firm should consider adopting product differentiation as they are the most dominant competitive strategies adopted by similar organizations. First, the study recommends that companies adopt effective process delivery. They should have effectively distribution channels, as well as alternative channels in terms of service away from the factory.
2. Secondly, the firm should focus on differentiating its products based on segmentation. Marketing lead to increased sales, as well as giving the firm a competitive advantage.
3. Thirdly, as regards product process differentiation, the company should adopt technology in an attempt to ease communication during transaction, fostered customer-company relationship, which would increase customer satisfaction, improved operational efficiency, reduced operational costs and transaction time.

REFERENCES

- Ackermann, F., & Eden, C. (2017). *Strategic Management of Stakeholders: Theory and Practice*. Washington DC: Sage Publishers.
- Acquaah, M., & Yasai-Ardekani, M. (2018). Does the implementation of a combination competitive strategy yield incremental performance benefit? A new perspective from transition economy in Sub-Saharan Africa. *Journal of Business Research*, 61, 346 – 354. .
- Amit, R., & Zott, C. (2018). Value Creation in E-Business. *Strategic Management Journal*, 22, 493-520.
- Anoke, C., & Katuse, P. (2017). The impact of Porter's Generic model on organizational performance: A case study of Weston Group. *International Journal of Business Management*, 12 (3), 456 - 463.
- Arasa, R., & Githinji, L. (2019). The relationship between competitive strategies and firm performance: a case of mobile telecommunication companies in Kenya. *International Journal of Economics, Commerce and Management*, 2 (9) 501 - 511.
- Arasa, R., & K'Obonyo, P. (2012). The Relationship Between Strategic Planning and Firm Competitiveness. *International Journal of Humanities and Social Science*, 2 (22) Special Issue.
- Asiedu, E., & Freeman, J. A. (2016). The Effect of Globalization on the Performance of SMEs in the US. *American Economic Review*, 97 (2) 368 - 372.
- Baroto, M. B., & Abdullah, M. M. (2018). The Application of Cost, Differentiation and Hybrid Strategy in Business Operations: Will Hybrid Strategy Become the New Competitive Strategy. *International Conference on Business and Economic Research*, (pp. 1362-1370). Kuala Lumpur, Malaysia.
- Bryman, A., & Bell, E. (2018). *Business research methods*. London: Oxford University Press.
- Cavusgil, T. S., Knight, G., & Riesenberger, J. (2017). *International Business: The New Realities*. Washington DC: Pearson.
- Cooper, R., & Schinder, S. P. (2018). *Business Research Methods 3rd Ed*. New York: McGrawHill.
- Engels, T. C., Ossenblok, T. B., & Spruyt, E. H. (2012). Changing Publication Patterns in the Social Science and Humanities. *Journal of Social Behaviour*, doi.10.1007/s11192-012-0680-2.
- Erumban, A. A., Los, B., Robert, S., Timmer, M., & De Vries, W. (2018). *Slicing up Global Value Chains; The Role of China*. Shanghai: Pearson.

- Hadi, M. A., David, D. P., Closs, S. J., & Briggs, M. (2017). Mixed-Methods research in Pharmacy practice:Recommendations for quality reporting. *Internal Journal of Pharmacy Practices*, 34 (3), 89 - 93.
- Harzing, A. W., & Giroud, A. (2013). The Competitive Advatnage of nations:An Application to Academia. *Journal of Informetrics*, 14 (5), 90.
- Ishikura, Y. (2017). *Canon, Inc.: Worldwide Copier Strategy*. Boston,: Harvard Business School Case Services.
- Jerop, L., & Juma, D. (2014). Influence of Strategic Innovation on the Competitiveness of Commercial Banks in Kenya:The Case of Kenya Commercial Bank in Nairobi. *Journal of Marketing Science*, 20 (1) 45.
- Johnson, M. W., Christensen, C. M., & Kagermann, H. (2018). Reinventing your Business Model. *Harvard Business Review*, 86 (12), 51 - 59.
- Keter, C. W., & Oloo, A. (2014). An Application of Porte's Theory of the Competitive Advantage of nations in Determination of the Competitiveness of the Kenyan Tea Export Industry. *Journal RainForest International*, 47 (3), 90.
- Khrawish, H. A. (2014). Determinants of Commercial Banks Competitiveness:Evidence from Jordan. *International Research Journal of Finance and Economics*, 148 (2) 8 -19.
- Kilonzo, M. W. (2019). Assessment of the relationship between generic strategies and competitive advantage among organizations in the tourism industry in Kenya. *Journal of Business Processing*, 14 (3), 1-9.
- Kinyuira, D. (2019). Effects of Porter's Generic competitive strategies on the performance of savings and credit cooperatives (Saacos) in Murang'a County, Kenya. *Journal of Busines & Management*, 16 (6), 93-105.
- Kivunja, M. N., & Ndemo, B. (2017). Strategic Management in SMEs at Kariobangi Light Industries. *Journal of Strategic and Change Management*, 23 (3) 911-919.
- Kothari, , C. K., & Garg, G. (2018). *Research Methodology: Methods and Techniques 3rd Edition*. New Delhi, India: New Age International Publishers.
- Kothari, C. K., & Garg, G. (2018). *Research Methodology: Methods and techniques 3rd Edition*. New Delhi, India: New Age International Publishers.
- Kothari, C. R., & Gang, W. (2014). *Research Methodology: Methods and Techniques*. New Delhi: New Age International (P) Ltd Publishers.
- Lall, S., & Albaladejo, M. (2018). China's competitive performance: a threat fo East Asian manufactured exports,. *North American Journal of Economics and Finance.*, 24 (2), 56-63.
- Lopez, N. C., & Merono, C. A. (2018). Strategic knowledge management, innovation and performance,. *International Journal of Information Management* , , 502–509.
- Lynch, K. (2018). *Porter's Generic Strategies*. Washington DC: Sage Publishers.
- Marczyk, G., DeMatteo, D., & Festinger, D. (2018). *Essentials of Research Design and Methodology*. New Jersy: John Wiley & Sons, Inc.
- Mbuvi, L., Namusonge, G. S., & Arani, W. (2016). Factors affecting automation of inventory management in micro, small and medium enterprises:A cae study of Kitui county. *International Journal of Academic Research in Business and Social Sciences*, 6 (1), 39 - 59.
- Melchorita, S. S. (2013). The Influence of Business Strategies and Competitive Advantage on the Organizatioanal Competitiveness of Higher Education Institutions. *Journsl of University if Witwatersrand*, 34 (3), 126-139.

- Mohamed, M. B., Ndinya, A., & Ogada, M. (2020). Influence of cost leadership strategy on performance of medium-scale miners in Taita Taveta County. *International Journal of Business and Management*, 12 (3) 23 - 36.
- Muasa, S. M. (2019). Cost leadership strategy and sustainable competitive advantage of Naivas supermarket limited in Kenya. *Journal of Business Processing*, 19 (2), 52 -63.
- Muia, F. (2017). Effect of Competitive Strategies on the Performance of Insurance Companies in Kenya. *Unpublished MBA Project United States International University*, Retrieved from <https://www.usis.ac.org>.
- Muogbo, U. S. (2013). The Impact of Strategic Management on Organizational Growth and Development (A Study of Selected Manufacturing Firms in Amambra State). *IOSR Journal of Business and Management* , 7 (1), 24-32.
- Nag, R., Hambrick, D. C., & Chen, M. J. (2018). What is Strategic Management Really? Inductive Derivation of a Consensus Definition of the Field. *Journal of Strategic Management*, 12 (3), 67 - 79.
- Nyame, F. K., & Grant, J. A. (2018). The political economy of transitory mining in Ghana: Understanding the trajectories, triumphs, and tribulations of artisanal and small-scale operators. *The Extractive Industries and Society*, 1(1), 75-85. doi:10.1016/j.exis.2018.01.006.
- Omwoyo, R. M. (2018). Effects of Generic Strategies on the Competitive Advantage of Firms In Kenya's Airline Industry: A Survey of Selected Airlines . *Unpublished MBA Project United States International University*, Retrieved from <https://www.usis.ac.org>.
- Ongeti, W. J., & Machuki, V. N. (2018). Organizational resources and performance of Kenyan State Corporations. *European Scientific Journal*, 14 (34), 91 - 117.
- Onyango, J. J. (2019). Influence of cost leadership, differentiation and focus strategies on firm competitiveness: A case of BOC Kenya Limited. *International Journal of Business and Management*, 17 (3), 78 - 89.
- Oyedijo, A. (2012). Effect of Product-Market Diversification Strategy on Corporate Financial Competitiveness and Growth: An Empirical Study of Some Companies in Nigeria. *International Journal of Contemporary Research*, 2 (3) 199.
- Rouse, T. L. (2018). *Competitive Advantage in Business*. London: Oxford University Press.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. New Jersey: John Wiley & Sons.
- Taiwo, A. S., & Idunnu, F. O. (2017). Impact of Strategic Planning on Organizational Competitiveness and Survival. *Research Journal of Business Management*, 4 (1), 73-82.
- Teece, D. (2018). Business Models, Business Strategy and Innovation. *Journal of Competition Law and Economics*, 43 (2-3), 172-194.
- Thomas, J. G., & Walters, B. A. (2017). Generic Competitive Strategies. *Journal of Strategic Management*, 12 (3), 45 - 63.
- Thompson, A., & Strickland, A. J. (2017). *Strategic Management: Concepts and Cases*, . London: Irwin McGraw-Hill.
- Vladimir, K. (2018). *The Global Emerging Market: Strategic Management and Economics*. Washington DC: Routeledge.
- Yamane, T. (2017). *Statistics, an introductory analysis 10th Ed*. New York: Harper and Row.
- Yeasmin, S., & Rahman, K. F. (2018). Triangulation research method as a tool of social science research. *Bangladesh University of Professionals Journal*, 1 (1), 154 - 163.
- Zikmund, G. W., Babin, B. J., Carr, C. J., & Griffin, M. (2018). *Business Research Methods (9th Ed.)*. South Western: Cengage Learning.