British Journal of Marketing Studies

Vol.6, No.3, pp. 60-72, June 2018

Published by European Centre for Research Training and Development UK (www.eajournals.org)

RELATIONSHIP BETWEEN PRODUCT DIFFERENTIATION STRATEGIES AND ORGANIZATIONAL PERFORMANCE IN SAMEER AFRICA KENYA LIMITED

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ABSTRACT: *Differentiation is one of the strategies that firms employ in an attempt to gain a competitive advantage by increasing the perceived value of their products and services relative to the perceived value of other firm's products and services. This paper examines the influence of product differentiation and organizational performance based on a study of Sameer Africa Ltd in Nairobi, Kenya. The study targeted 112 employees of Sameer Africa (K) Limited, comprising senior management, HODs and junior staff and 90 dealers based in Nairobi. A sample of 134 respondents was selected using stratified random sampling and simple random sampling techniques. The study was guided by Strategic Balance Theory. Primary data was collected through self-administered questionnaires. The quantitative data was analysed using descriptive statistics in the form of tables and inferential statistics in the form of Pearson correlation and regression analysis with significance level of 0.05 to test the hypothesis. The study was significant and provided an empirical evaluation of the relationship between differentiation strategy and organization performance. The study found that product differentiation had a positive relationship with organizational performance. The study concluded that integrating product differentiation strategies through specific product attributes relevant to competitors and variety of products to match the need of various customers would result to improved performance. The study therefore recommends that product differentiation should be adopted because they have the highest relationship with organisational performance.*

KEYWORDS: Product Differentiation Strategies, Organizational Performance, Sameer Africa Kenya Limited

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INTRODUCTION

According to Spencer, Joiner and Salmon (2009), intense competition in domestic and international markets, more demanding, assertive customers and rapid advancements in technology as a result of internationalization of business have placed greater pressure on organizations to seek new ways to achieve a sustained competitive advantage in their industry. The major focus of competitive strategy is a firm’s relative position in an industry, which indicates whether its profitability is above or below industry average. Attaining a position of competitive advantage and enhancing a firm’s performance relative to its competitors are two of the main objectives that business organizations should strive to achieve. In order to attain competitive advantage to match or exceed that of their business rivals, business organizations must first comprehend the relationship between the internal strengths and weaknesses of their organization, as well as the potential effects on their firm's competitive advantage and performance.

Porter (2009) has developed three generic strategies that, he argues, can be used singly or in combination to create a defendable position and to outperform competitors, whether they are

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

within an industry or across nations. According to Porter, the strategies are generic because they are applicable to a large variety of situations and contexts. The strategies are: low cost leadership, differentiation and focus on a particular market niche.

Raduan, Jegak, Haslinda and Alimin (2009) further affirm that businesses that do things that are distinctive and difficult to replicate have competitive advantage and are likely to be more profitable than its rivals. Factors such as strategic types, adoption of new technologies, quality products among others, have also been considered to have important influence on superior performance of firms. Over the years, business strategies have been found to have direct influence on firms' competitiveness and growth performance (Sandlberg, 2010). To this effect, a number of competitive strategy frameworks have been proposed and empirically tested (Hayes & Schmenner, 2008; Miles & Snow, 2011; Wheelwright, 1978; Porter, 2008; Spanos & Lioukas, 2001; White, 2004). Porter's (1980) generic strategy framework is the most notable one in terms of achieving superior performance and has significantly contributed to development of the strategic management literature. This paper, therefore, focuses on how competitive advantage can be achieved through differentiation strategy and, ultimately, how it relates to performance of Sameer Africa Ltd in Nairobi, Kenya.

Differentiation is a business strategy where firms attempt to gain competitive advantage by increasing the perceived value of their products or services relative to the perceived value of other firms' products or services. To implement these strategies successfully, organizations need to have an accurate view about the current competitive situation to persuade costumers about the features of the sustainable products (Pondeville, Swaen & de Rongé, 2013). According to Rahman *et al.* (2011), differentiation is a business strategy that seeks to build competitive advantage with its product or service by having it "different" from other available competitive products based on features, performance, or other factors not directly related to cost and price.

To be effective, the message of differentiation must reach the clients, as the customers' perceptions of the company are important. Dirisu *et al.* (2013) state that while there are numerous ways to differentiate brands, identifying meaningful product driven differentiators can be especially fruitful in gaining and sustaining a competitive advantage. It is the ability to sell its differentiated product at a price that exceeds what was spent to create it that allows the firm to outperform its rivals and earn above-average returns.

The key step in devising a differentiation strategy is to determine what makes a company different from a competitor's. Factors such as 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 (McCracken Wallance, 2000). A product can be differentiated in various ways. Unusual features, responsive customer service, rapid product innovations and technological leadership, perceived prestige and status, different tastes, and engineering design and performance are examples of approaches to differentiation (Porter, 1980). This specialty can be associated with design, brand image, technology, features, dealers, network, or customers' service.

Product Differentiation and Performance

Kamau (2013) has examined the effects of differentiation strategy on sales performance in supermarkets in Nakuru town central business district. The purpose of the study was to establish the effects of differentiation strategy on sales performance of supermarkets within

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

Nakuru CBD. The study hypothesized that there is no significant relationship between product differentiation strategy adopted by retail supermarkets and sales performance. The study employed non-experimental research survey design and used purposive and simple random sampling to get the sample size of the respondents. The findings of the study showed that product and physical differentiation play a major role in activating annual sales performance at the supermarkets. The study recommended that supermarkets should scale up on the attributes of product and physical differentiation strategies if they are to compete in the growing market.

Kamau's (2013) study was conducted in retail market, which sells products from different manufacturers/distributors. The researcher does not state how the supermarkets were stratified and sampled as the supermarket varies in term of size and type of products they offer to customers. However, the study that informed this paper used Sameer Africa (K) Limited as study area. Therefore, there was no product heterogeneity within the firm compared to Kamau's (2013) retail industry in Nakuru CBD. Further, in respect to product differentiation, this paper utilizes product quality, product design and product variety.

Shafiwu and Mohammed (2013) have investigated the effect of product differentiation on profitability in the petroleum industry in Ghana. The research sought to establish the relationship between differentiation and profitability in the petroleum industry and whether or not people patronized Effimax products. The research employed a correlation research design. It targeted 15 government owned and 14 privately owned oil marketing companies in Ghana. Cluster sampling technique was used to select one company out of the population. The study concluded that despite the fact that the petroleum industry is not seen to have differentiated products relative to other industries, it does not mean that the act of differentiation in itself is not a profitable strategy suitable to the industry. Rather, there may be other factors responsible for the less adoption. Shafiwu and Mohammed (2013) recommend the need to create awareness on the products.

Atikiya, Elegwa and Waiganjo (2015) have examined the effect of competitive strategies on the performance of manufacturing firms in Kenya. The study measured the extent that differentiation strategy affects performance of manufacturing firms in Kenya. The study adopted survey research design using both quantitative and qualitative approaches. Sample size determination formula recommended by Kothari (2011) was used to select 189 firms for intensive study. In this study, data was collected using a questionnaire. Pearson product moment of correlation was used to determine the effect of competitive strategies on performance of manufacturing firms while linear multiple regression analysis was used to explain the extent to which competitive strategies, that is, cost leadership, differentiation and focus strategies (independent variables) explained variation in firm performance (dependent variable).

The findings from Atikiya *et al.*'s (2015) study revealed that offering of broad products, building strong brand reputation within the industry and introduction of innovative products impacted well on manufacturing firm's performance. The researcher recommends that firms adopting differentiation strategy also need to further look deeper into how to make uniqueness less costly in order to make differentiation a significant practice in the sector. The study by Atikiya *et al.* was fundamentally based on cost leadership, focus strategies and differentiation strategy. The author used differentiation strategy as a variable and did not differentiate between product and service differentiation strategy and conclusion was made based on product differentiation.

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

Haarla (2003) has investigated whether or not product differentiation provides competitive advantage for a printing paper company in Finland. The study was guided by a resource-based approach. The study adopted descriptive survey design. Empirical data was collected through 37 in-depth personal interviews between 1999 and 2000. The sample comprised four Finnish paper industry companies, its customers, its suppliers as well as consultancy companies. The study applied qualitative research methods and used conceptual and action analytic research approaches. The research findings indicated that product differentiation used to be strongly manufacturer's technology pushed; presently it is both manufacturer's technology pushed and customer technology pushed. Cost leadership strategy will continue to remain the leading strategy for a printing paper industry company and product differentiation will function in a supporting but important role. The use of Resources Based Model/Theory is not enough. There is need for additional theory such as Capabilities Theory, an expansion of Resources Based Theory that examines the core capabilities of a firm in the industry. Further, Haarla (2003) does not identify what makes product differentiation an inferior sustainable competitive advantage compared to cost leadership in the printing industry.

Nolega, Oloko and Oteki (2015) have analyzed how product differentiation affects a firm's performance using the Kenya Seed Company as a case study. The study adopted descriptive research design. Simple random sampling was used in selecting customers and Kenya Seed Company staff while purposive sampling was used in selecting 140 agents. The findings demonstrated how product differentiation influences market dominance using descriptive analysis. The study recommended that the Kenya Seed Company should increase their seed variety according to soil and climatic requirements.

Dirisu, Oluwule and Ibidunni (2013) have studied product differentiation as a tool of competitive advantage and optimal organizational performance focusing on Unilever Nigeria. The study focused on how competitive advantage can be achieved through product differentiation strategy and, ultimately, on how it influences the performance of the organization in the manufacturing company. Survey research was adopted for the research because of the nature of the respondents. This entailed the administering of questionnaires to the chosen sample. The population of the respondents was rather large, made up of all customers/consumers of the products of Unilever Nigeria Plc. The analysis carried out proved the existence of a positive significant relationship between product differentiation and the sales growth of an organization. The study recommended that executive management ought to focus and invest more on product differentiation as it could be used as a major competitive advantage tool against competitors in the industry and it is capable of guaranteeing the long-term survival of the organization.

Statement of the Problem

Differentiation as a business strategy enables firms to create products with more value (Baines & Langfield-Smith, 2003). In comparison, focusing purely on a cost leadership strategy may no longer be appropriate to accommodate the diverse needs of contemporary manufacturing companies (Perera & Poole, 1997). Effective competitive strategy enables a business to influence the environment in its favour and even defend itself against competition. To succeed in the long-term, organizations must compete effectively and out-perform their rivals in a dynamic environment (Trethowan & Scullion, 1997). To accomplish this, they must find suitable ways of create and add value to their customers.

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

Over time managements have pondered why some organizations in their industry have managed to secure an advantageous competitive position while others have not. Firms worldwide have therefore attempted to imitate products of their competitors or make slight changes to their products to convince or confound their customers. This may bear fruits in the short-run but the long-term effects may not realize the intended objective. Most firms have had their market share dwindle or fail to grow because of challenges in differentiation and lack of strategies to enhance differentiation (Baines & Langfield-Smith, 2003).

A few empirical studies have investigated the direct relationship between differentiation strategy and organizational performance. Some of these empirical studies (Banker, Mashruwala & Tripathy, 2014; Chang, Memili & Chrisman, 2011; Stenholm, 2011) were conducted in the developed countries. Nevertheless, a number of past studies have investigated the relationship between the differentiation strategy and organizational performance have recorded mixed results depending on the industry and country (Acquaah & Yasai, 2006). The research findings show the viability and profitability of implementing cost leadership, differentiation and the combination of the singular strategies.

Nevertheless, the incremental performance benefits to firms implementing a combination strategy do not significantly differ from the performance of firms implementing only the differentiation strategy. The results of a study by Prajogo and Sohal (2006) also indicate that Total Quality Management (TQM) is positively and significantly related to differentiation and it only partially mediates the relationship between differentiation strategy and three performance measures (product quality, product innovation, and process innovation). In sum, even though differentiation strategy has received a great deal of academic attention, its literature has not been successful in providing practical implications. In turn, the possible outcomes of choosing one differentiation dimension over another have rarely been examined.

Clearly, there is a need for more empirical evidence pertaining to the relationship between differentiation strategies and organizational performance in the tyre manufacturing industry in developing countries and in particular in the African continent. The need for studies in developing countries such as Kenya became more important in view of differences in socio-economic and cultural environments between developed and developing Nations. These differences can lead to a different set of factors influencing organization performance in the developing nations. This paper endeavours to fill the gap by discussing the relationship between product differentiation strategy and performance of Sameer Africa Limited in Kenya.

Theoretical and Conceptual Framework

The study adopted the Strategic Balance Theory as propounded by David Deephouse (1999). The theory suggests that intermediate levels of differentiation where organizations balance the benefits of reduced competition against the costs of reduced legitimacy will improve organization's performance. Deephouse recognized a trade-off between differentiation and conformity: strategic differentiation reduces competition which increases performance; but strategic conformity increases legitimacy which increases performance as well. Being different lowers competition and increases competitive advantage, but being too different creates legitimacy issues, which have a negative impact. The theory predicts that the intensity of competition among organizations is directly related to the distribution and availability of the resources. With finite resources, the competition will be intensified especially for the scarce resources. Higher rivalry usually leads to lower performance, because organizations must expand resources to compete more intensely. The increase in cost for getting the scare resources

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

will eventually lead to rational differentiation to reduce competition of similar resources to the extent of their realized strategic (Baum & Mezias, 1992).

Deephouse recognized that organizational performance is how a firm negotiates unavoidable institutional pressures and unavoidable competitive environments that there is value for organizations to be both the same and to be different. Compared to the partisan "sociologist vs strategist" views of writers like Barney, Porter, and Reuf, Deephouse is aware that competition and legitimacy are equally important and valid organizational concerns ("the need for a firm to be different and the need for a firm to be the same") that are strategic in the appropriate context, creating a tension firms must negotiate to develop strategy.

This differentiation strategy underpins a series of widely held beliefs, which can be broadly summarized as the following: A brand must be perceived as different in order to win market share (i.e. customers must have a reason to start buying the brand); A brand must be perceived as different in order to maintain market share. This means that customers must have a reason to prefer the brand in the face of competition from other brands and new entrants; some brands are much more differentiated than others, meaning that their customer base is more loyal and less sensitive to actions of competitors. This may result in greater profitability. However, the highly differentiated brand may suffer from constraints on market share because it is only a select group of people, or only in a specific situation that it is preferred.

Efforts to differentiate often result in higher costs. Profitable differentiation is achieved by either keeping the cost of differentiation below the price premium that the differentiating features command, or by offsetting the lower profit margins through more sales volumes. Kotler (2002) insists that anything that a firm can do to create buyer value represents a potential basis for differentiation. Once it finds a good source of buyer value, it must build the value, creating attributes into its products and service at an acceptable cost. These attributes may raise the product and service performance or make it more economical to use. Differentiation possibilities can grow out of possibilities performed anywhere in the activity cost chain.

Therefore, the challenge in differentiation is that its benefits are offset by its disadvantages; in other words, the benefits of differentiation are limited. Subsequent studies acknowledge these limitations in the benefits of differentiation and suggest a range of differentiation levels in which the benefits exceed the disadvantages. Incorporating both the advantages and disadvantages of differentiation, Deephouse (1999), for example, proposes a strategic balance theory in which the gains and losses from differentiation are well balanced at intermediate levels of differentiation; that is, an intermediate level of strategic similarity ensures optimal performance.

Manufacturing industries operate in a profitable market but they are confronted with the problem of high competition both locally and globally and this creates the necessity of the adoption of appropriate differentiation strategy practices (Bordes, 2009). In the differentiation strategy, firm aims to differentiate within just one or a small number of target market segments using various differentiation practices. Differentiation is perceived to be a source of competitive advantage. Although research in a niche market may result in changing a product in order to improve differentiation, the changes themselves are not differentiation. Marketing or product differentiation is the process of describing the differences between products or services, or the resulting list of differences. This is done in order to demonstrate the unique aspects of a firm's product and create a sense of value.

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

The figure below illustrates the relationship between product differentiation and performance as conceived in the study. could help predict the relationship between differentiation strategy and organizational performance of Sameer Africa Limited.

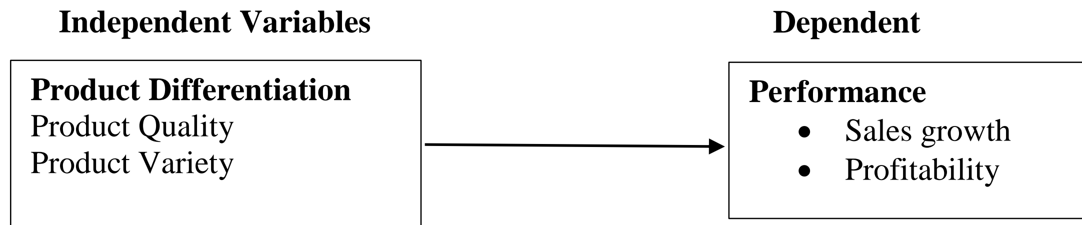

Figure 1: Conceptual Framework

Source: Author (2016)

The conceptual framework above shows the product differentiation strategies as independent variables and performance of Sameer Africa (K) Limited as a dependent variable. Differentiation strategies were operationalized by product differentiation while performance, the dependent variable, was operationalized by sales growth and profitability.

MATERIALS AND METHODS

This study employed a correlational research design to examine the relationship between differentiation strategy and performance of Sameer Africa (K) Limited. The research design allowed the author to analyze relationship between differentiation strategy and organizational performance. The research design also enabled the author to collect data from a large population. It facilitated the collection of discrete data from the targeted population for both descriptive and inferential analysis.

The target population was the staff and dealers of Sameer Africa based in Nairobi, Kenya. The unit of analysis for the study was 112 staff and 90 dealers. The staff comprised senior management, heads of departments and junior staff drawn from various departments within the organization. These categories of respondents were appropriate since they directly deal with the day-to-day management of the company and are conversant with the relationship between differentiation strategy and performance of company. The Sameer Africa dealers based in Nairobi who bought the company products for resale represented the customers.

A sample 134 was selected from the 202 target population. The sample size for the study was selected based on the criteria set according to Roscoe's rule of thumb Sekaran (2003), i.e. a sample that is larger than 30 and less that 500 is appropriate for most research. This meant that, out of 112 staff, 74 were sampled while out of 90 dealers in Nairobi, 60 were sampled through simple random sampling. This allowed for equal representation of all individuals in the defined population to be selected as a member of the sample (Kombo & Tromp, 2006).

Data for the study was collected using a questionnaire and document analysis. The questionnaire was semi-structured, comprising open- and closed-ended questions. Closed-ended questions were used due to ease the administration and analysis of responses, while open-ended questions gave the respondents complete freedom of response. Closed-ended statements utilized a Likert type scale. Document content analysis entailed information related

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

to differentiation strategies used by Sameer Africa (K) Limited, using secondary data that gave the author access to otherwise unavailable information about organizations, individuals and locations (Kombo & Tromp, 2006). This included company magazines and journals.

The data gathered from the field of study was edited to ensure that all questionnaires were completed and contained accurate information. Data collected was then analysed using both descriptive and inferential statistics. The descriptive statistical tools helped in describing the data and determining the respondents' degree of agreement with the various statements under each research question. They included frequencies and percentage as well as mean, standard deviation and variances presented using tables.

To test the hypotheses, inferential statistics was used with a significance level of 0.05. This involved correlation analysis to give multiple coefficients of correlation (R) to indicate the strength and the direction of relationships between the independent and dependant variables. Regression analysis was used to investigate the differentiation strategies affecting performance through the use of Coefficient of determination (R square) to give the indication of the changes in the dependent variables (performance), which are attributed to change in the independent variable (differentiation strategies).

RESULTS

Descriptive Information on Product Differentiation Strategy

The study sought to establish the relationship between product differentiation strategy adopted by Sameer Africa (K) Limited and the organization's performance. Product differentiation is one of the crucial factors of differentiation strategy that relates to performance. To measure product differentiation, a set of nine statements was formulated. The respondents were asked to indicate the extent to which they agreed or disagreed with each of the product differentiation statements. The statements were anchored on a five point Likert-type scale ranging from 1-Strongly disagree, 2-disagree, 3-Neutral, 4-Agree to 5-Strongly agree. The pertinent results were as presented in Table 1 below.

Table 1: Product Differentiation

Product Differentiation	1	2	3	4	5	Mean
We always seek to improve on specific attributes of our products	6 (4.69%)	7 (5.47%)	5 (3.91%)	35 (27.34%)	75 (58.59%)	4.2969
Our organization has expanded the existing product line by introducing additional new products	2 (1.56%)	1 (0.78%)	4 (3.13%)	83 (64.84%)	38 (29.69%)	4.2031
We make conscious effort to differentiate our product from	1 (0.78%)	10 (7.81%)	18 (14.06%)	72 (56.25%)	27 (21.09%)	3.8906

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

those of competitors						
We normally charge higher than our competitors	1 (0.78%)	5 (3.91%)	27 (21.09%)	93 (72.66%)	2 (1.56%)	3.7031
The firm develops new products with components and materials totally different from current ones.	11 (8.59%)	7 (5.47%)	13 (10.16%)	77 (60.16%)	20 (15.63%)	3.6875
The firm maintains a quality control presence at key supplier facilities, purchases superior quality	2 (1.56%)	6 (4.69%)	71 (55.47%)	30 (23.44%)	19 (14.84%)	3.4531
Our products have developed strong brand identification	5 (3.91%)	14 (10.94%)	40 (31.25%)	47 (36.72%)	22 (17.19%)	3.5234
We heavily invest in research and development	3 (2.34%)	3 (2.34%)	10 (7.81%)	94 (73.44%)	18 (14.06%)	3.9453
We continuously develop new products	2 (1.56%)	4 (3.13%)	21(16.41 %)	97(75.78%)	4 (3.13%)	3.7578

From the results in Table 1 above, it is shown that 35(27.34%) and 75(58.59%) of the respondents agreed and strongly agreed, respectively, that Sameer Africa (K) Limited always sought to improve on specific attributes of its products (a mean of 4). However, 10.16% of the respondents did not agree that Sameer Africa (K) Limited always sought to improve on specific attributes of its products. Further, 83(64.84%) and 38(29.69%) of the respondents agreed and strongly agreed, respectively, that Sameer Africa (K) Limited had expanded the existing product line by introducing additional new products (a mean of 4). Only, 2.34% of the respondents did not agree that Sameer Africa (K) Limited has expanded the existing product line by introducing additional new products.

On conscious effort to differentiate, 72(56.25%) and 27(21.09%) of the respondents agreed and strongly agreed, respectively, that Sameer Africa (K) Limited made conscious efforts to differentiate its products from those of competitors (a mean of 4). However, 8.61% of the respondents did not share this view. Moreover, 93(72.66%) and 2(1.56%) of the respondents agreed and strongly agreed, respectively, that Sameer Africa (K) Limited normally charged higher than their competitors (a mean of 4). Only, 4.69% of the respondents did not agree with this view.

In relation to the view that Sameer Africa (K) Limited develops new products with components and materials totally different from current ones, 77(60.16%) and 20(15.63%) of the respondents agreed and strongly agreed, respectively, while 14.06% did not agree. Nevertheless, 71(55.47%) of the respondents were unsure that Sameer Africa (K) Limited maintains a quality control presence at key supplier facilities, purchases superior quality components that raise the quality and image of final products, and carefully inspects products

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

at each production stage to improve quality and lower defects, although 38.28% of the respondents agreed.

On the view that products developed at Sameer Africa (K) Limited have strong brand identification, 47(36.72%)and 22(17.19%) of the respondents agreed and strongly agreed, respectively (mean of 4) and further 40(31.25%) of the respondents were undecided. Similarly, 94(73.44%) and 18(14.06%) of the respondents agreed and strongly agreed, respectively, that Sameer Africa (K) Limited had heavily invested in research and development (mean of 4) while 4.68% of respondents did not agree. Lastly, 97(75.78%) and 4(3.13%) of the respondents agreed and strongly agreed, respectively, that Sameer Africa (K) Limited continuously developed new products (mean of 4) and another 21(16.41%) of the respondents were undecided.

The above study results indicate that majority of the respondents were of the opinion that distinguishing the firm's product to make it more attractive to a particular target market would lead to enhanced performance. This implies that an increase in product differentiation strategy such as improving on specific product attribute by using total different materials from the current ones, maintaining quality control by purchasing superior quality materials, and investing in research and development would result in an increase in performance through market share and revenue.

Correlational Analysis

To explore the relationship between product differentiation strategy and performance, a correlation analysis was conducted. The results of the correlation were as summarized in Table 2 below.

Table 2: Correlation Matrix

		PD
PD- Product differentiation	Pearson Correlation	1
	Sig. (2-tailed)	
	N	128

The results indicated that the product differentiation has a positive, strong and significant effect on the Sameer Africa (K) Limited performance (r = .730). This implies that the differentiation strategy used was having a significant positive effect on the performance of Sameer Africa Limited in Nairobi, Kenya.

Hypothesis 1(**H_{O1}**) stated that there is no significant relationship between product differentiation strategy adopted by Sameer Africa (K) Limited and organization performance. The study findings indicate that there was a positive significant relationship between product differentiation and performance of Sameer Africa. Product differentiation with a beta of 0.534 is at statistically significant level and is a good predictor of performance. This means that an increase in product differentiation by one unit will result in significant increase in performance by 0.534. From these results, the null hypothesis as $P<0.05$ was rejected and it was concluded that product differentiation has a significant relationship with the performance of Sameer Africa (K) Limited.

The researcher findings agree with those of Kamau (2013) who examined the effects of differentiation strategy on sales performance in supermarkets in Nakuru town central business district. Kamau found that there is significant relationship between product differentiation

ISSN 2053-4043(Print), ISSN 2053-4051(Online)

strategy adopted by retail supermarkets and sales performance. He recommends that supermarkets should scale up on the attributes of product differentiation strategies if they are to compete in the growing market. Haarla (2003) has similarly studied how product differentiation provides competitive advantage for a printing paper company in Finland. Haarla's research findings indicated that product differentiation used had strong effect on the performance of printing Paper Company. Dirisu, Oluwule and Ibidunni (2013) have also found a positive significant relationship between product differentiation and the sales growth of an organization.

CONCLUSION AND RECOMMENDATIONS

The findings of the research showed that there is a strong, positive and significant relationship between product differentiation strategy adopted by Sameer Africa (K) Limited and performance. This implies that an increase in product differentiation strategies through specific product attributes relevant to the competitors and variety of product to match the need of various customers would result to increase in performance. As such, there is a need for firms to continuously develop new products at reasonable prices using materials that are unique. This can be done by sourcing raw materials from suppliers who continuously monitor and improve the quality of the material supplied. This would result in an increase overall returns as the firm will be justified to charge above average market price due to the quality of product. Resource should be set aside for further research and development of products. Market research is important for any firm, especially in such times that call for greater market orientation. Market research could help firm to develop product differentiation strategies according to the actual needs of customers thereby increasing customer loyalty and satisfaction.

Acknowledgements

I am very grateful to Almighty God for enabling me to write this thesis successfully. I wish to express my sincere gratitude to my supervisors Sr. Lucy Wanza and Dr. Phyllis Osodo whose guidance, support, insightful thoughts and positive criticisms have enabled me write this thesis. My sincere appreciation also goes to my entire family for their continuous support and encouragement throughout this study period. I am forever indebted to you for your understanding, patience and encouragement.

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ISSN 2053-4043(Print), ISSN 2053-4051(Online)