INTERNATIONAL JOURNAL OF SOCIAL Sciences and Information Technology
ISSN 2412-0294 www.ijssit.com
http:// www.ijssit.com

LEVERAGING ON COMPETITIVE STRATEGIES TO GAIN COMPETITIVE ADVANTAGE OF MICRO AND SMALL ENTERPRISES IN NAIROBI COUNTY

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Abstract

Micro and small enterprises (MSEs) form a key component of the economy and are regarded as key drivers of socio-economic development worldwide. However, research shows that most of these enterprises do not survive for long due to the turbulent nature of the environment in which they operate. This paper presents findings on the relationship between innovation and the competitive advantage of MSEs in Toi Market in Kenya, and the influence of focus/niche strategy on the competitive advantage of MSEs in Toi Market in Kenya. A descriptive design was adapted and a population of 1896 was targeted from which a sample size of 400 was selected and 344 responded. The findings showed that though MSEs were engaging in competitive strategies, they did not reap much in terms of improving their competitive posture in the market place. However, innovation and focus/ niche strategies were positively and statistically significant but weakly related to competitiveness of the MSEs. The paper concludes and recommends that MSEs may not greatly benefit from mainstream strategies and may need to be more creative and innovative in focusing the right customers for their products and services.

Keywords: *Leveraging, Competitive strategies, Competitive Advantage, Micro and Small Enterprises*

1.0 Introduction and Background

Micro and small enterprises are important both to the individual and to the nation. To the individual they provide employment and raise the standards of living for both employers and employees. To the nation, they complement large scale modern sector enterprises, they utilize agricultural and other surplus raw materials that would have gone to waste, serve limited or closed markets that warrant only small-scale production, mobilize resources otherwise left out of the mainstream formal mobilization channels and they provide the necessary platform for take-off into large scale modern production (Bridge and O'Neill, 2012).

Small businesses are the main sources of employment in developed and developing countries comprising of over 90% of African business operations and contributing to over 50% of African employment and GDP (Nendakulola, 2015). These ventures play a key role in the Kenyan economy as well. For instance, according to the 2006 economic survey, the sector contributed to over 50 per cent of new jobs created in the year 2005 (Kamunge, Njeru, & Tirimba, 2014).

While the contributions of small businesses to development are generally acknowledged, the entrepreneurs face a myriad of obstacles that limit their long-term survival and development. Research on small business development has shown that the rate of failure in developing countries is higher than in the developed world (Chowdhury, Azam, & Islam, 2015). Past statistics indicate that three out of five businesses fail within the first few months of operation.

Small businesses increasingly face competition not only from their peers but also from large corporations participating in niche markets once regarded as a preserve for small businesses (Ntakobajira, 2013). According to (Nguyen and Waring, 2013), one of the most significant challenges is the negative perception towards small businesses. Potential clients perceive small businesses as lacking the ability to provide quality services and are unable to satisfy more than one critical project simultaneously. Often larger firms are selected and given business for their clout in the industry and name recognition alone (Durst & Runar, 2012). Lack of planning, improper financing, poor management and stiff competition have been cited as the main causes of failure of small enterprises. However, regardless of the high failure rate by MSEs, their enormous contribution to the entire economy cannot be overlooked (Mbogo, 2011).

In Kenya the small businesses contribute significantly to social economic development. According to (Kithae, 2012), MSEs contribute an approximated 18% of the GDP as well as creating employment for 80% of the workforce population. In addition to its importance in creating jobs, according to Muriithi et al., (2012), the MSEs contribute approximately 33% of the value added in manufacturing and the retail trade in Kenya. They also lead to increased participation of indigenous people in the economy, use mainly local resources and promote the creation and use of local technologies.

According to the Economic Survey (2017), the MSME sector in Kenya has over the years been recognized for its role in provision of goods and services, enhancing competition, fostering innovation, generating employment and in effect, alleviation of poverty. The crucial role of MSMEs is underscored in Kenya's Vision 2030, which is the development blueprint which seeks to transform Kenya into an industrialized middle-income country, providing a high-quality life to all its citizens by the year 2030. The MSME sector has been identified and prioritized as a key growth driver for achievement of the development blue print.

Recent focus resulted in the Micro and Small Enterprise Act of 2012 and its operationalization through the setting up of relevant institutional mechanisms. The MSE Act provides for new rules and institutions to support micro and small businesses in Kenya to enable them succeed. It provides legal and institutional frameworks for the promotion, development and regulation of MSEs. These include Office of the Registrar of MSE associations (to formalize and register MSEs), MSE tribunal (for conflict resolution) and the MSE fund (to address issues of financing). It also provides for the establishment of the MSE Authority to provide an enabling environment, facilitate formalization and upgrading of informal MSEs, promote a culture of entrepreneurship and promote representative associations. (GOK 2012b).

1.1. The Competitive Advantage Concept

Competitiveness is a characteristic which allows a firm to be successful when it competes with other businesses in the market (Lii & Kuo, 2016). Businesses must understand how changes in their environment are unfolding and should actively look for opportunities to exploit their strategic abilities, adapt and seek improvements in every area of the business, building on awareness and understanding of current strategies and successes. According to Barney (2014) firms should be able to respond quickly to opportunities and barriers in the sector in which they operate. A firm is considered competitive if it has a comparative advantage in a particular area (Barney, 2014).

Five forces model was created by M. Porter in 1984, it is an analysis tool that uses five forces to determine the profitability of an industry and shape a firm's competitive strategy. It classifies and analyzes the most important forces affecting the intensity of competition in an industry and its profitability level (Porter, 2008). These forces determine an industry's structure and the level of competition in that industry. Porter's five forces framework facilitates the analysis of an industry by identifying the key forces that can affect competition. He identified them as rivals, customers, suppliers, substitutes and potential entrants who are able to affect the performance of a firm. In addition, the external environment scanning tools such as Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis and Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis help a firm calculate its dealing with competition and come up with strategies to gain competitive advantage.

According to Porter (1991), a firm can gain competitive advantage if it is able to create value for its buyers. If a firm wishes to pursue the strategy of cost leadership, it has to be the low-cost producer. A firm may gain cost advantage through economics of scale, proprietary technology, cheap raw material, etc.

A firm gains sustainable competitive advantage through the ability to develop a set of core competencies that enables it to serve its selected target customers better than its rivals. Core competencies are a unique set of capabilities that a company develops in key areas, such as superior quality, customer service, flexibility, differentiation, responsiveness, and others that allow it to leave behind its rivals (Rothaermel, 2015). A firm can also gain competitive advantage from superior innovativeness. This occurs when the implementation of new ideas, products, or processes is encouraged. Innovation is a critical complement to a firm because a business that pursues new opportunities, but is not innovative in meeting the desires of the market, is unlikely to enjoy long-term success (Prajogo, 2016).

When it comes to developing a strategy for establishing competitive advantage, small firms have a range of natural advantages over their larger competitors. Small businesses often have narrower product lines, more clearly defined customer bases, and more specific geographic market areas than big businesses. Consequently, small businesses find that strategic management comes more naturally to them than larger companies with their layers of bureaucracy and wide ranging operations.

1.2. Problem and Purpose

According to the Republic of Kenya (2012), the contribution of MSEs is more than double that of the large manufacturing sector which stands at 7% of the GDP. According to Kinyua (2015), in general, the MSEs create about 75% of all the new jobs. In 2005 for instance, estimates indicated that the MSE sector employed about 5,086,400 people which were an increase from 4,624,400 in the year 2003 and in the same year, the sector contributed about 18.4% to the GDP of the country. While statistics highlight the significance of the MSE sector, poor business performance in the MSE sector has for long remained unexplained especially in the developing countries perspective where these enterprises occupy a large part of the economy.

According to the Kenya Economic Survey Report (2017), the performance of Kenyan MSEs is weak as was evidenced by the decline in growth rate from 5.4% in 2014 to a 4.3% in 2016.

In Nairobi, there is notable growth in the MSE sector in terms of a number of enterprises and products offered across the various subsectors. This growth intensifies the competitive environment for the players. It is worth noting that for an enterprise to survive and achieve and sustain competitive advantage in such a competitive and dynamic environment, it has to differentiate itself in terms of cost and quality of products and services. Given the increasing intensity of competition and the demands and expectations of customers and potential customers for quality products and services, the businesses are day in day out strategizing to always be beat the competition. However, the number of the failed businesses is still high.

ISSN 2412-0294
Vol IV Issue X, October 2018

Empirical research has shown that in competitive and rapidly changing business environment, businesses need to possess capabilities that would help to sustain their competitive advantage. Some of the studies that have been done on MSEs include Muthini (2015) who analysed the factors influencing the performance of small, micro and medium enterprises (MSMEs) owned by women at Muthurwa market in Nairobi County, Mwangi and Ngugi (2014) who studied the influence of entrepreneurial orientation on growth of MSEs in Kerugoya, Kenya, and Muturi, Gesimba and Kithinji (2013) who explored the factors influencing transfer of technology among MSEs in Kenya. Although, various studies have focused on the MSE sector, to the best of the researcher's knowledge, none of these studies have focused on the factors affecting the competitive advantage of micro and small enterprises in Toi Market. This provided a knowledge gap that this paper addresses.

1.3. Research Questions and Scope

This paper is guided by the following questions;

i. What influence does innovation has on the competitive advantage of MSEs in Nairobi County?

ii. What is the influence of focus/niche strategy on the competitive advantage of MSEs in Nairobi County?

These questions formed the basis of enquiry and also helped focus the findings discussed in this paper.

2. 0. Literature Review and Theoretical Underpinning.

2.1.Reviewed Literature

2.1.1. Innovation

Innovation covers a wide range of activities to improve firm performance, including the implementation of a new or significantly improved products, services, distribution process, manufacturing process, marketing methods or organization method (Gunday et al., 2011). Schumpeter (1934) provided definition of "innovation" early in the 20th century. He defined product innovation as "the introduction of a new good … or a new quality of a good" and process innovation as "the introduction of a new method of production …or a new way of handling a commodity commercially." Therefore a firm needs to consider, technological, process and product/ service innovations in order to be competitive in highly volatile market place.

2.1.2. Focus/niche Strategy

Focus/niche strategy is a key determinant of competitive advantage of a firm. Through this strategy, the firm targets a specific section of clientele in the market and leaves out the others. Through this, a firm is able to focus on a narrow section of the market, and in turn gains a high customer loyalty and keeps away other competitors. The significance of this strategy has been acknowledged by various authors and researchers (Chege, 2016). The literature does not give much on how SMEs in Nairobi County have embarked on competitive strategies to build their competitiveness. This paper adds to the existing literature as regards the application of focus strategies in gaining an advantage in the volatile SME sector.

2.2 Theoretical Review

2.2.1. Resource Based Theory

From a resource based view of the firm, it is important to consider the internal organization of a company and its resources in order to understand how firms attain competitive advantage (Wernerfelt, 1984). RBV model discusses the how and why firms are different and the manner in which they attain competitive advantage by deploying their resources (Kostopoulos et al., 2002).

RBV perceives a firm as a collection of capabilities (Kay, 2000), unlike the traditional model that emphasizes on the need for a fit between the external market environment in which the firm operates and the internal capabilities of the firm. Based on this view, the internal environment of a firm (resources and capabilities) is a key determinant of the strategic action to take in pursuance of competitive advantage (Hunt & Derozier, 2004).

The original idea of seeing a firm as a collection of resources can be traced back to Penrose (1959), who contends that it is the heterogeneity, not the homogeneity, of the productive services available from its resources that give each firm a distinctive trait. The view of the firm's resources heterogeneity is the basis of the RBV and was advanced by Wernerfelt (1984), suggesting that the evaluation of firms in terms of their disposable resources could lead to various insights from traditional perspectives that view competitive advantage as a rather external paradigm and argue that the alignment of a firm to its external environment is the key determinant firm's profitability (Porter, 1991).

Barney (1991) developed a framework for the identification of the properties of firm resources needed for the generation of a sustainable competitive advantage. The properties include; whether the resources possessed by a firm are valuable compared to those of competitors, rare among company's current and potential competitors, imitable, and non-substitutable. The resources that have these qualities can be considered as strategic assets of the firm. The key thrust of this model is the contribution of key competencies of a firm as strategic assets, which was the continuing source of new products and services through whatever future developments occur in the industry, which by their nature, are unknown to the outside world (Connor, 2002).

Resources are the specific physical, human, and organizational assets that can be utilized to carry out profitable strategies. The capabilities of a firm present the capacity for a team of resources to implement a task (Grant, 1999). In other words, capabilities present complex bundles of accumulated skills and expertise that are exercised through organizational processes, which enable to the firm to coordinate their operations and utilize their assets. This model helps managers to predict the potential of certain types of resources of a firm to generate competitiveness and eventually superior organizational performance (Ainuddin et al., 2007). In the case of competitive advantage of the MSEs, the theory is applicable as it relates to how MSE's gain competitiveness through pricing, innovation, differentiation among other undertakings aimed at gaining a competitive edge over rivals in the market.

2.2.3. Game Theory

The game theory also referred to as the zero-sum theory, has been a developing branch of economics in years. The theory is applicable in analyzing sequential and highly dynamic decisions at the tactical level. It emphasizes more on the significance of being pro-active or thinking ahead, considering alternatives and anticipating the reaction of rivals and other players in the game, which in the case of MSEs is the industry or the competitive environment in which they operate (Brandenburger & Nalebuff, 1995). The game theory has been applied in the manner in which companies/firms compete in a certain sector, their interrelationship in instances of cut-throat competition, in which one firm gains while another one loses within an unchanging total of market share and characteristics. It is based on different assumptions that foster strategic thinking whereby each party faces a choice among two or more possible strategies (Brandenburger & Nalebuff, 1995).

The game theory's application areas in competitive strategy are in pricing, research and development, new product introduction, advertising, regulation and in choice of either to undertake licensing or produce. By having a good understanding of the game theory, firms are able to create a win-win situation to position the firm in a better position than rivals in the market. Understanding the game well will also make the firm change the rules, players, tactics and scope of the game in its favor. The applicability of this theory in boosting competitive advantage of firms can be seen in the choice of the firm in adopting a new technology, and first-mover advantages, as well as cost leadership or pricing of its products and services. In the case of competitive advantage of the MSEs, the theory is applicable as it relates to how MSEs gain competitiveness through pricing, innovation, differentiation among other undertakings aiming at gaining a competitive edge over rivals in the market.

2.2.4. Porter's Generic Strategies Model

Competition in a market/industry results from various forces in the business operating environment which include rivalry among existing firms, threat of new entrants, substitute products or services, increased bargaining power of suppliers and bargaining power of buyers. For suppliers and buyers, these have a bargaining power on a firm's products/services whereas the potential entrants and substitutes pose a threat to the firm's products and services as illustrated by the Porter's Five Forces Model. Porter's further came up with generic strategies to counter these competitive forces (Barney, 2007 and Porter, 1991).

The generic strategy utilized by MSEs mostly is focus strategy which combines both cost leadership and differentiation strategies. Through this strategy, a firm focuses on a specific market section or customers and leaves out the others. Through this strategy, the firm gains a high degree of customer loyalty, which in turn discourages competing firms from attempting to compete directly with them. (Barney, 2014).

From the literature and the theoretical review, this paper underscores the need for MSEs to be strategic and to adopt strategic measures to gain competiveness as well as survive in the highly volatile market place.

3. Methodology

This paper is guided by a descriptive design and quantitative data set which was gathered from a population size of 1896 registered MSEs operating in Nairobi County's Toi Market. From this a sample size of 400 firm owners or managers were selected to respond to the survey. Structured questionnaires were distributed to the respondents and collected at an agreed time or filled on the spot with the help of a research assistant. 344 usable questionnaires were analyzed using descriptive and inferential statistics.

4. Findings and Discussions.

4.1. Descriptive Analysis for Innovation

This study sought to establish the relationship between innovation and the competitive advantage of MSEs in Nairobi County. In establishing this, the study used the following statements as indicators for innovation. The respondents were asked to rate the extent to which innovation has been incorporated in the business. The following scale; **1=**1-2**, 2=** 4-6**, 3** = 7-9**, 4=** 10-12**, and 5=**13 above. This shows the number of innovations that the businesses have introduced in their businesses since the start of their enterprises. Innovations help businesses adopt new technologies, develop new products or services, introduce new processes as well as come up with new marketing strategies.

Table 4.1: Descriptive Statistics for Innovation

Statements	N	Mean	Std. Deviation
Number of innovative marketing strategies introduced in business? (e. g. Social media, networking, public relations etc.)	344	2.9302	.86109
Number of new technologies adopted since start of business.	344	3.0669	.85282
Number of new processes innovated in your business (e.g pay bill, deliveries, business operations)	344	3.1308	.76191

Number of product or service innovations included in business over the last 3 years.	344	3.2791	.73878
N	**344**		

Table 4.1 above shows that most of the MSEs had integrated between 7-9 innovations for their goods and services. This is shown by a mean score of 3.2 and a standard deviation of .7388. The same finding is seen in as far as new technologies are concerned and new processes all with a means scores of 3 and standard deviations below 1. However the MSEs under investigation scored slightly below average in terms of innovation with a mean score of 2.930, indicating that in this aspect the businesses had most likely adopted between 4-6 innovations in relation to marketing.

4.2. Focus Strategy and the Competitive Advantage of MSEs

Businesses apply focus/niche strategies in order to take advantage of a market segment that may not be adequately served by the existing businesses. This could be a group of customers or individuals whose needs are not met currently. The business that spots this group and serves them as per their expectations stand to gain a competitive advantage.

This study therefore sought to establish the influence of focus/niche strategy on the competitive advantage of MSEs in Nairobi County. The respondents were asked to rate the extent to which focus/niche strategy influence competitive advantage in their business using the following scale; 1 = very low extent, 2 = low extent, 3 = moderate extent, 4 =high extent, 5 = very high extent.

The findings show that the MSEs under review understand the need for differentiating their services and products albeit moderately. The mean scores obtained in this case range from 3.42 to 3.77 and standard deviations of between 0.85 and 0.91, which also implies a moderate consensus among the respondents in these aspects. Strangely for the MSEs they seem to be conscious about planning their marketing activities a scenario that may be assumed to be the preserve of the larger firms.

Clearly the MSEs seem to be keen on differentiating their products and services to meet the needs of a particular target group as well as frequently planning their marketing activities. Given that the location of the businesses is in the vicinity of the slum, this is easy to explain since they may be in a position to understand their clients and tailor their services and products assortment to this group more appropriately. Table 4.2 below gives these findings in detail.

Table 4.2: Descriptive Statistics for Focus Strategy

Statement	N	Mean	Std. Deviation
Extent which MSEs focus on selling their products to particular group of customers	344	3.4273	.85745
Extent which MSEs customize products and services to meet the needs of a particular target market	344	3.5669	.88799
Frequency in planning marketing activities	344	3.7733	.91364
N	**344**		

4.3. Competitive Advantage of MSEs

Understanding the level of competitiveness of the MSEs helps us appreciate the influence of the competitive strategies on the performance of the firm at the long run. The respondents were asked to rate the level of competitive advantage in their business using the following scale; **1** = 1-20%, **2** =21-40%, **3** = 41-60%, **4** =61-

80%, **5** = 81-100%. The scale was meant to bring out the percentage increase on the various aspects of the business which in turn was used as a proxy for competitiveness in their industry. The specific aspects explored included; uniqueness of products, quality of products/ services, market share growth and increase in customer base among others. Although it may not be logical to expect high percentage increase in the various aspects, in the MSE world who serve small markets it may be possible since new products are introduced and new markets discovered every now and then as being small they are more flexible as compared to other business types.

The findings show that MSEs in Toi market had attained a considerable level of competitiveness as a result of the various strategic decisions they adopted in the businesses. In terms of market share, the mean scores show that on average the MSEs recorded between **41-60%** increase as shown by the mean score of 3.18 with a standard deviation of 0.828 showing moderate agreement on this aspect. All the aspects under review recorded a mean score of above 3.00 which was considered as a moderate performance in this case. The standard deviations were also below 1.0 showing consistency in the responses and also a moderate level of agreement in the views. It is important to point out that the productivity levels of the MSEs had improved in the period under review as shown by the mean score of 3.63 which is the highest and a standard of 0.728 implying consensus among the respondents on this aspect. This leans towards high levels of competitiveness in the scale. These findings are presented in table 4.3 below.

Table 4.3: Descriptive Statistics for Competitive Advantage

Statement	N	Mean	Std. Deviation
Percentage market share increased	344	3.1831	.82854
Percentage increase in your customer base?	344	3.1715	.69333
Percent of quality levels attained in products and services	344	3.4622	.89623
Percent increase of production levels in the last 3 years	344	3.6308	.72866
N	**344**		

From these findings and given that this paper sought to establish how MSEs can leverage on competitive strategies to gain competitiveness, it therefore points out that MSEs need to be strategic in their business decisions. They may specifically consider building on their innovativeness as well as focus on specialized untapped markets to beat competition.

4.3: Correlation Analysis

A correlation analysis brings out the relationship between the dependent variables for purposes of showing whether these variables are related and also show how strong their associations are. Also the statistical significance of such associations are given hence showing how much change can be attributed to the dependent variable as a result of the independent variable.

Table 4.4: Correlations of Dependent and Independent Variables

		Innovations	**Focus/Niche**	**Competitive Advantage**
Innovation	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	344		
Focus/ Niche	Pearson Correlation	.148**	1	
	Sig. (2-tailed)	.006		
	N	344	344	

Competitive Advantage	Pearson Correlation	.303**	.280**	1
	Sig. (2-tailed)	.000	.000	
	N	**344**	**344**	**344**

The correlation coefficient between the various independent variables and the dependent variable which is competitive advantage in this case were as follows; innovation was related to competitive advantage with a correlation coefficient of 0.303 which was also statistically significant at 0.01 level which is above the threshold of 0.05 accepted in the study. The relationship is also positive indicating that competitive advantage of MSEs in Toi market improved when the owners consciously chose to pursue the line of increasing the number of innovations for their businesses. However it is important to note that this relationship is weak and hence may not be relied upon as an adequate contributor to competitiveness of MSEs in this case.

Focus/ niche strategies followed in terms of level of associations with a Pearson correlation coefficient of 0.280 which was also significant at 0.01 level and was also positive. The implication is that pursuing a focused strategy stood to positively influence the level of competitiveness of the MSEs albeit in a weak way.

4.4. Regression Analysis

A regression analysis on the dependent variable and the independent variables showed that combining innovation and focus/ niche marketing strategies would benefit MSEs to attain competitive advantage. This was however a weak influence and hence MSEs may need to do more in finding the strategic fit that stands to build more competitive MSE sector.

Table 4.5: Regression Coefficients

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.921	.178		10.785	.000
	innovations	.224	.042	.266	5.291	.000
	Focus/Niche	.110	.039	.166	2.837	.005

Dependent variable: Competitive Advantage.

From the finding we can deduce that for every effort made to increase the number of innovations that the firm engages in, the competitive advantage of MSEs in Nairobi County stands to improve by 0.224 which can be translated into 22.4%. Though this may seem small, it can arguably raise the stakes for the MSEs in as far as competition is concerned.

This study ascertained that focus/niche strategies had a weak but positive influence on the competitive advantage of MSEs in Nairobi County of 0.110 or by 11.0%. This was weak but positive implying that if the firm invested more on this strategy they may reap more benefits.

The study found out that Innovation, and Focus Strategies significantly but with weak values predict competitive advantage of MSEs in Nairobi County. This implies that MSEs can stand to reap benefits though in a small way in terms of competitiveness if they adapt innovative and focused/ niche strategies.

5.0. Summary, Conclusions and Recommendations

In establishing the relationship between innovation and the competitive advantage of MSEs in in Nairobi County, the study found out that the mean score on the number of product or service innovations the MSEs had included in their business over the last 3 years was moderate. This implied that MSEs engaged to some extent in innovations for improving their business competitiveness. The innovations introduced to the firms also contributed significantly and positively though weakly to the competitive advantage of these firms.

The findings showed that on average MSEs in Nairobi County using the case of Toi market were engaging in focused strategies in their business decisions. This had a positive but weak effect however on their overall competitiveness in their industry.

In respect to innovation strategies, this study concludes that there is statistically significant relationship between innovation and the competitive advantage of MSEs in in Nairobi County. When innovation is integrated, the competitive advantage of the MSE increases slightly. In this case innovation was also found to be contributing more to the competitive advantage of MSEs even though not sufficiently.

The study hence concludes that if MSEs engaged more in this strategy they may improve their competitiveness even though moderately. Since this association is also positive it implies that there is some benefits accrued in pursuing these strategies in the long run.

Overall this study concludes that Innovation and Focus Strategies significantly predict the competitive advantage of MSEs in Nairobi County even in weak a way. Therefore MSEs can leverage on competitive strategies to improve their competitive posture in the market place.

This paper recommends that MSEs need to be more focused on specified market niches as well as innovative ways of doing business. This stands to benefit them to be somehow competitive. The paper further recommends mainstream strategies orientations may not be very useful to MSE sector and other sources of competitive advantage maybe explored.

Future researchers can consider other strategic combinations that may contribute more to MSEs' competitiveness.

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