EFFECT OF SERVICE QUALITY MANAGEMENT ON THE RELATIONSHIP BETWEEN MARKET CHALLENGER STRATEGIES AND PERFORMANCE OF VERNACULAR RADIO BROADCASTING FIRMS IN WESTERN KENYA

BY

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DECLARATION

I declare that this thesis has never been presented in any university for the award of any degree and that all sources of information have been acknowledged by means of references.

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DEDICATION

I dedicate this work to my parents Daniel and Mary, lovely husband James, children Handel, Arianna and Pendo.

ABSTRACT

Globally, Kenya inclusive evidence shows that Radio remains crucial in the advertising market and development of democracy. Despite this, evidence shows that these firms face challenges in their performance in terms of customer satisfaction, growth and social performance leading to revenue decline from 13.4% to 6.8% between 2012 to 2017. This decline may be attributed to the radio firms marketing strategies, particularly market challenger strategies. Empirical evidence on market challenger strategies is limited and moderation has not been adequately tested. This study sought to examine the effect of service quality management on the relationship between market challenger strategies and firm performance. Specific objectives were: determination of effect of market challenger strategies, establishment of the effect of service quality management: on performance; and investigation of the moderating effect of service quality management on the relationship between market challenger strategies and performance. The study was anchored on Game, Contingency Theories and SERVQUAL Model. A conceptual framework with market challenger strategies as independent variable, service quality management as moderating variable and performance as dependent variable was used. The study adopted explanatory design with a population of 186 managers and a sample of 125 management staff drawn proportionately from these 16 firms. Questionnaires were used to collect primary data. Regression results revealed that market challenger strategies explained up to 81.4% of the variation in performance (R Square = 0.814). Frontal, encirclement, bypass and guerilla warfare attacks had significant positive influence on performance. Flank attack had minimal insignificant positive influence on firm performance ($\beta=0.060$, $p>0.05$). Service quality had direct effect on the performance and accounted for up to 70.4 % of the variance in firm performance (R square = 0.704). Service quality moderates the relationship between market challenger strategies and performance (R–square change = 0.010, $\Delta F=4.686$, $p<0.05$). The study concludes that market challenger strategies and service quality management have significant effect on performance. Service quality management has moderating effect on the relationship between market challenger strategies and performance. Firms need to monitor and control market challenger strategies and service quality management since they significantly affect performance. The study recommends that firms should not only look to market challenger strategies, but should also ensure that the quality of service meets the needs of the customers. These firms should complement market challenger strategies with service quality management. The study finding may be useful to the government of Kenya and owners of broadcasting firms in development of policies for media industry, understanding available market challenger strategies that can be employed to boost revenues, new knowledge to develop effective and efficient marketing strategies and service quality management initiatives. The findings can also be used as reference materials to guide future studies.

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ABBREVIATIONS AND ACRONYMS

CBD	:	Central Business District
CSP	:	corporate social performance
DE	:	Domestic Enterprises
EU	:	Environmental Uncertainty
FM	:	Frequency modulation
FNQ	:	National Quality Foundation (Fundação Nacional da Qualidade)
GUI	**:**	Graphical User Interface
ICF	:	Indigenous Construction Firms
IDS	:	International Distribution Strategies
KAHC	:	Kenya Association of Hotelkeepers and Caterers
KARF	**:**	Kenya Audience Research Foundation
KBC	:	Kenya Broadcasting Corporation
KPLC	:	Kenya Power and Lightening Company
MCK	:	Media Council of Kenya
MCS	:	Market Challenger Strategies
MNC	:	Multinational Corporation
MSC	:	Marketing Strategy Creativity
MSIE	:	Marketing Strategy Implementation Effectiveness
NCWSC	:	Nairobi City Water and Sewerage Company
PNQ	:	Model of National Quality Award (Prêmio Nacional da Qualidade)
R2	:	Coefficient of determination
RATER	:	Reliability, Assurance, Tangibles, Empathy and Responsiveness.
RMS	:	Royal Media Services
SERVQUAL	:	Service Quality Model
SMEs	:	Small and Medium Enterprises
SPSS	:	Statistical Package for the Social Sciences
SQM	:	Service Quality Management
SQMP	:	Service Quality Management Practice
USA	:	United States of America

DEFINITION OF TERMS

Market Challenger: A firm, usually below the market leader which aggressively pursues the market in order to overtake the leader. Can be market leaders in different segments and market leaders can also be market challengers and leaders at the same time.

Market Challenger Strategies: Approaches used by market challenger to overtake the market leader

Frontal attack: Attacking the market leader directly in all the strategic areas of marketing mix and other areas

Flank Attack: Attacking the market leader at its weakest points, where it is performing poorly.

Encirclement Attack: Attacking all the areas that the market leader has left unattended via frontal and or flank attack and developing products in numbers at ago or by moving into unattended market segments

Guerilla Warfare: Sustained intermittent attacks at the market leader when least expected

Bypass Attack: The bypass attack is the indirect attack, wherein the market challenger does not attack the leader directly, but broaden its market share by attacking the easier markets.

Service Quality: A measure of service performance in relation to customer expectations

Service Quality Management: Monitoring and maintenance of the varied services that are offered to customers by an organization.

Reliability: Ability to perform the service dependably and accurately, as promised.

Responsiveness: How quickly services are rendered to the customer and the promptness of service delivery.

Assurance: Ability to convey trust to the customers and how courtesy is extended.

Empathy: Giving personalized attention to, understanding the requirements of and caring for the customers.

Tangibles: Physical attributes like appearance, equipment and facilities.

Organization Performance: Ability of an outcome to achieve effectively its objectives thereby prevailing

Quality: Ability to meeting standards and or expectations

Customer Satisfaction: Experience of customers when their expectations are met or exceeded.

Growth: Increase in size and or value

Radio firms: Vernacular radio stations broadcasting in western Kenya

CHAPTER ONE: INTRODUCTION

This section presents the background to the study, statement of the problem, research objectives, hypotheses, justification for the study and the conceptual framework. It also highlights the context of the study which is media industry in Kenya focusing on vernacular radio broadcasting firms in western Kenya.

1.1 Background to the Study

Promotion, advertising, and public relations remain central facets in contemporary competitive business environments. A broadcast medium like radio no doubt provides an effective avenue through which such important elements of marketing can be achieved. Indeed, in Kenya, lineage is now more than ever before towards vernacular radio broadcasting firms which advertisers use to reach a wider audience and maximize returns on investment (Okoth, 2015). The increasing number of vernacular radio broadcasting firms has occasioned cut throat competition among the outlets leading to use of various marketing strategies to appeal to listeners.

A marketing strategy is an integrated set of choices about how value is created and captured over long periods of time (Cravens & Piercy, 2009). Different companies use marketing strategy to collaborate with their consumers. Marketing strategy is employed to bring awareness to customers about the features, specifications and benefits of a company's products and is focused on encouraging target the population to buy those specific products and services. The marketing strategies might be totally innovative or they can be previously tried or tested strategies. Strategy is the way, method, technique or plan which an individual or organization intends to exploit in achieving success in the marketplace or the society (Ferrell & Speh, 2011). Gleuck (as cited in Achumba, 2000) defines strategy as a unified, comprehensive and integrated plan relating the strategic advantage of the firm to the challenges of the environment. Gleuck further notes that organizations that desire not only to survive but also to improve their marketing effectiveness and efficiency must learn how to create and improve sound marketing strategy.

For any organization to remain stronger in a competitive market, marketing strategy is an important tool globally. Marketing strategy is a vital prerequisite of Industry's

ability to strengthen its market share and minimize the impact of the competition (Adewale, Adesola, & Oyewale, 2013). Owomoyela, Oyeniyi, and Ola, (2013) also see marketing strategy as a way of providing quality products that satisfy customer needs, offering affordable prices and engaging in wider distribution and back it up with effective promotion strategy (Adewale et al, 2013). Marketing strategy draws its strength from the overall corporate strategy. It may be defined as those marketing programs and tactics designed to achieve the objectives of an organization. A marketing strategy outlines the strategic direction and tactical plans that marketing teams must implement to support the company's overall objectives (Ebitu, 2015). Marketing strategy articulates the best uses of a business resources and tactics to achieve its marketing objectives. It states which opportunities are to be pursued by an organization, indicates the specific markets towards which activities are to be targeted, and identifies the types of competitive advantage that are to be developed and exploited (Pride & Ferrel, 2006).

According to Bloom & Kotler (1975), on the basis of market position, market shares, brand image, resources capacities, and domination power (degree of control over others), there are broadly four types of competitors; market leaders, market challengers, market followers and market nichers. This means that firms assumes different positions at different times in different areas. A firm can be a market leader in resource capacity but a market challenger in brand image.

In the majority of industries there is one firm that is generally recognized to be the leader. It typically has the largest market share and, by virtue of its pricing, advertising intensity, distribution coverage, technological advance and rate of new product introductions, it determines the nature, pace and bases of competition. It is this dominance that typically provides the benchmark for other companies in the industry. Market leaders adopt Expanding Total Market, Defending Current Market Share and Expanding Market Share strategies. However, it needs to be emphasized that market leadership, although often associated with size, is in reality a more complex concept and should instead be seen in terms of an organization's ability to determine the nature and bases of competition within the market (Kotler, 2003).

Market challengers are known as runner-up firms. They occupy second, third and lower ranks in an industry. Market challengers are capable to attack the leader and other competitors. Sometimes, capable challengers can overtake the leader, too. **A market challenger can attack any of the following opponents:** Attacking the market leader, Attacking the firms of its own size that are not doing the job well and are underfinanced and Attacking the small local and regional firms that are not doing the job well and are underfinanced (Roberts et al, 2010).

The firms prefer to follow leader rather than to challenge are called the followers. They do not face the leader directly. Some followers are capable to challenge but they prefer to follow. However, market followers always react strongly in case of any loss. Market followers prefer to follow the leader doesn't mean that they don't require specific market strategies. They cannot be simply passive or a carbon copy of leaders. They must know how to hold current customers and win a fair share of new customers. Followers must keep manufacturing cost low and offer better quality products with satisfactory services. At the same time, they must enter new markets as and when there are opportunities.

A niche is a more narrowly defined small market (limited number of buyers) whose needs are not being well-served by existing sellers. It is a small segment that has distinctive needs and is, mostly, ready to pay high price. Marketers can identify niches by dividing a segment into sub-segments or by dividing a group with a distinctive set of traits. They may seek a special combination of benefits. Niches (small groups of buyers) are fairly small and normally attract a few competing firms (nichers). A nicher is the small firm serving only small specific groups of customers called as the niches. Nichers understand their niches' needs so well and minutely that their customers are willing to pay a premium price. They design special products with distinctive features, qualities, uses, and value for special group of limited customers. They have the special skills to serve the niches in a superior fashion and can gain certain economies through specialization. Smaller firms normally avoid competing with larger firms by targeting small markets in which large firms have a little or no interest. Companies with low market shares can be highly profitable through effective niching. Nichers have to perform three main tasks – creating niches, expanding

niches, and protecting niches. They have to remain alert for all the time as they can be invaded any time by the large competitors. Specialization is the basic idea to serve niches (Dalgic et al, 1998).

Market challengers are firms that have a good reputation in the market and enjoy a strong financial position. These firms target the market leader or the competitor at the same level with the objective to reach the first position in the market or become an industry leader (Gilligan & Wilson, 2009). There are general strategies adopted by the market challengers with a view to becoming a market leader and increase the market share (Ebitu, 2015). These strategies are mainly attack in nature and include: frontal attack, flank attack, Encirclement Attack, Bypass Attack and Guerrilla Warfare. According to Karakaya, Fahri & Yannopoulos (2011), the frontal attack is the direct attack, wherein the market challenger matches with the competitor's product, price, advertising, and promotion activities. The flank attack means, attacking the competitor on its weak points. The encirclement attack means, attacking the market leader or a competitor from all the fronts simultaneously, it is the combination of both the frontal and the flank attack. The bypass attack is the indirect attack, wherein the market challenger does not attack the leader directly, but broaden its market share by attacking the easier markets. The Guerrilla warfare is the intermittent attacks imposed by the challenger to demoralize the competitor by adopting both the conventional and unconventional means of attack.

Market challengers are able to jockey for industry leadership in several ways: challenging the market leader on price (direct approach); increasing product differentiation or improving customer service (indirect approach); or launching an entirely new product or service in order to change the field (radical approach) (Adewale, Adesola, & Oyewale, 2013). Companies with low market share are generally not in a position to influence prices, and are often susceptible to the actions of larger firms. Market challengers, being in a position of becoming the dominant player, may face a high degree of risk because they must take potentially radical steps in order to draw away consumers from the market leader.

Service quality can be perceived as the result of customers' comparison of their expectations about a service and their perception of the way the service has been performed (Gronross, 1984; Caruanaet et al 2000). Further, when all service quality features such as tangibility, responsiveness, empathy, assurance and reliability are effectively implemented; it may result in enhanced satisfaction of service clients (Gronross, 1984, Parasuramanet.al 1988; Azman, 2009). Service quality is the extent to which a firm successfully serves the purpose of the customer (Zeithaml, Parasuraman & Berry, 1990). The sum total of customer's expectations, service delivery process and service outcome will have an influence on service quality. Moreover, Edvardsson (2005) note that service quality perception is formed in the process of production, delivery and service consumption. Furthermore, prior experience with a particular service will largely influence the extent of their customer perceptions of service quality (O'Neill and Palmer, 2003).

Organizational performance is the key achievement of an organization in the realization of efficiency and effectiveness (Gibson, 2010) and remaining focused. This therefore means that organizational performance refers to the ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at pre-determined time using relevant strategy for action (Koontz and Donnell, 2003). Performance provides the basis for an organization to assess how well it is progressing towards predetermined objectives, identify areas of strength and weakness and decide on the future initiatives with the goal of how to initiate performance improvement (Vanweele, 2006).

Organizational performance includes multiple activities that help in establishing the goals of the organization, and monitor the progress towards the target (Johnson et al., 2006). It is used to make adjustments to accomplish goals more efficiently and effectively. Organization performance is what business executives and owners are usually frustrated about. This is because even though the employees of the company are hard-working and are busy doing their tasks, their companies are unable to achieve the planned results. Results are achieved more due to unexpected events and good fortune rather than the efforts made by the employees. However, for any

business to be successful, functions must be defined and accomplished. It is important for an organization to develop strategies that are designed around the skills that would enhance the performance of the organization. Organizational performance is affected by myriad factors including   the lines of communication and command connecting these individuals, resources and information to which the individuals have access, the nature of the task faced by the individuals and the type and severity of the crisis under which the individuals operate (Richard et al., 2009).

A number of studies have been conducted in the field of marketing strategies. For example, Kuwu and Gakure (2015) examined the effect of marketing strategies on the business performance of small and medium enterprises in Nigeria. A theoretical framework was developed to examine the effect of marketing strategies, 4Ps of marketing and firm resources of Small and Medium Enterprises (SMEs) performance in Nigeria. Results confirmed positive effect between the dependent and explanatory variable. Kisu (2015) examined the effect of marketing strategies on the performance of seed companies in Kenya. The regression analysis established that marketing strategies influence the performance of seed companies. 'The marketing strategies were found to explain 82.5% of the performance of seed companies'. Muthengi (2015) examined the effects of marketing strategies on sales performance of commercial banks in Kenya. The findings in this study shows an overall significance of the marketing variables adopted, although not much effect is seen when a marketing variable is compared with bank performance in isolation of other variables. This helps to conclude that the marketing strategies techniques must be adequately combined in order to bring about improved performance. Ntongai, Ojera and Ochieng (2015) in their   study that sought to establish the effects of service quality practices on satisfaction levels of mobile phone subscribers in Kenya found out that service quality practices account for 60.9% of variance in the customer satisfaction among mobile phone firms in Kenya. Njaaga (2013) studied competitive strategies adopted by television broadcast media stations in Kenya. The study found out that the competitive strategies used by television media stations were cost leadership and differentiation. The study also found out that the dimensions of competition for television media stations were threats of new entrants, threat of substitutes, power of suppliers, bargaining power of buyers and intensity of rivalry.

It is also noted that Mboga (2013) studied the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company quite apart from Amara (2012) who looked at the effect of marketing distribution channel strategies on a firm's performance among commercial banks in Kenya. Whereas Oladun (2012) studied the impact of innovative distribution strategies (IDS) on performance of the firms (MNCs and DEs) in Lagos industrial areas, Karlsson and Tavassoli (2015) were more general. They analyzed the effect of various innovation strategies of firms on their future performance, captured by labour productivity. Sije and Oloko (2013) were more specific on their study. They picked on penetration pricing strategy and investigated it against the performance of the SMEs in Kenya quite different from Fosfuri and Giarratana (2005) who sought to explore the drivers of survival Security Software Industry.

The studies as presented in literature are not clear on market challenger strategies. They concentrate on marketing strategies conceiving them in different ways for example, marketing mix strategies and competitive strategies. Others use different constructs of marketing strategies such as risk taking, and innovation. Market challenger strategies have received limited attention yet their involvement among firms such as radio firms can improve performance. Therefore, knowledge about market challenger strategies and their relationship with performance of various firms including radio firms is not known.

Studies have been conducted in the area of service quality management but are not specific to media industry. Sadikoglu and Olcay (2014) investigated impacts of TQM practices on various performance measures as well as the reasons and the barriers of the TQM practices of firms in Turkey. Chepkech (2014) also examined the effect of Total Quality Management practices on organizational performance in Kenya while Kerubo (2015) examined the extent of adoption of service quality management by shipping agents in Kenya and analyzed the relationship between service quality management and performance of shipping agents. Munyao (2014) equally looked at the extent of adoption of service quality management practices but in petroleum distributing firms in Kenya, the challenges they face in the implementation of these practices and the effect of these practices on the firms' operational performance.

Service quality management has also received attention by researchers. Majority of them study service quality and not its management. Others are broad generalizing on quality and quality management.

A number of studies address total quality management. In general, the studies covers different contexts including banks and mobile phone firms. They do not pay attention to service quality management in the media industry. Knowledge on the practice of service quality management among radio broadcasting firms particularly vernacular radio firms is not known. The effect of service quality management on performance of these radio firms remain unclear.

There is literature on approaches and results of empirical studies on the relationship between marketing strategies and performance. The literature shows lack of uniformity in results. Nguru, Ombui and Iravo (2016) examined the effects of marketing strategies on the performance of Equity Bank and found that the strategies of customer relationship management and customer satisfaction have a positive relationship with performance but Jaakkola, Parvinen, Möller, Evanschitzky and Mühlbacher (2010) found weak relationships between market orientation and outside-in capabilities, and business performance as opposed to the strong role of inside-out capabilities and innovation orientation. Chari, Katsikeas, Balabanis, Robson (2012) considered a moderator in their study and revealed that market uncertainty aspects condition the association between emergent marketing strategies and market performance in different ways. Oke (2012) also revealed inconsistent results. The study found that not much effect is seen when a marketing variable is compared with bank performance in isolation of other variables. The study by Mbatia (2015) agreed with Oke (2012). He studied effects of marketing strategies on performance of the Heineken Brand in Nairobi Central Business District (CBD) and found that implementation of marketing strategies did not contribute much to annual gross profits, instead contributed to a low of less than 5%. A study by Mbatia (2015), Tangus and Omar (2017) sought to establish the effects of market expansion strategies on performance in Kenyan commercial banks and revealed that a strong correlation coefficient between firm performance and the three market expansion strategies exist. Another close study was by Amondi, Senaji and Thuo (2017) who studied influence

of marketing strategies on performance of the Nairobi City Water and Sewerage Company in Kenya and found that online marketing strategy and relationship marketing strategy increases the performance. In another study, Ghorbaninia and Aligholi (2016) just like Maruta, Sularso and Susanti (2017) found inconsistency in their results. They investigated the influence of dimensions of strategy orientation of organizational performance in companies which are active in food industries in Alborz province and found that except for risk taking, all other dimensions of strategy orientation (aggressive approach, defensive approach, analytical approach, futurism and pro-activeness) had positive impacts on organizational performance.

According to empirical evidence the studies on marketing strategies versus firm performance have indicated inconsistency in results. For example, Risk taking, as a strategy was found to have negative influence on organizational performance while aggressive approach, defensive approach, analytical approach, futurism and pro-activeness had positive impacts on organizational performance. Elsewhere in East Java market orientation, entrepreneurship orientation, and imitation strategy at higher levels was found to contribute to competitive advantage, while at low levels there was no competitive advantage? This evidence indicates intervention in the relationship between marketing strategies and performance. Earlier attempts to resolve these have tried market uncertainty as a moderator in the relationship. Other possible moderators have not been investigated. Therefore, knowledge on moderation in this relationship is still inconclusive. The testing of service quality management as a moderator has not been conducted yet it has direct relationship with firm performance.

The development of media has overtime been influenced by the social economic challenges in Kenya. The first press in Kenya was started by Christian missionaries. in1895. In1901, the East African Standard was set up and later sold to people keen to use it to serve the settler community interests. The dawn of independence in 1963 heralded new roles for the media. The challenges of poverty, disease and ignorance faced by most of the newly independent states in Africa, forced a certain understanding about the roles of media. From purely liberation platforms, the media transformed themselves into vehicles for speeding up development. In Kenya there has been government control of the media and media practice. For example, The

Kenya Broadcasting Corporation was transformed into the Voice of Kenya at independence. At liberalization it reverted to its old name. It was mainly a government mouth piece. Dissenting voices were shut out while those in power got time on national radio and television to talk to *wananchi* (citizens). The framework for governance for media industry consist of general laws and those specific to media, government policy regulations by media council of Kenya. The other players in governance include the media owners association. Some of the laws that govern the media include, the Defamation Act, Cap 36, The Penal Code, Cap 63; The Copyright Act, Cap130 and the Communication Commission of Kenya Act of 1998 among others

In the recent past, there has been proliferation of vernacular, community and local media in many sub- Saharan countries which has had both positive and negative consequences. In terms of governance, for instance, community radio in Mali has led to more transparent and accountable management of public resource. In Kenya, the vernacular radio stations in increased tremendously since 2002. Before then, the Kenya Broadcasting Corporation was the only broadcaster in the country with local language broadcasting. Besides English and Swahili, it also offered Kikuyu, Dholuo, Kalenjin and Luhya, among other local language programming. Radio remains the most common and widely used media platform in Kenya (KARF, 2014). The first vernacular radio station was set up in 2000. Since then, the number has grown steadily (MCK, 2011). Today, there are over 100 vernacular stations with about 30 on air. Of these, Royal Media Services (RMS) has the largest comprising 11 radio stations while Kenya Broadcasting (KBC) has 5 stations. According to a BBC World Service Trust report, by 2007, vernacular radio stations constituted 27percent of the market share. The mainstream media contributed 33 per cent. This growth can be attributed to the liberalization of media sector and the Constitution of Kenya 2010. A law passed in 2004 liberalized the media industry. This paved the way for many other vernacular FM radio stations that targeted listeners from different ethnic communities. Some of these stations include: Kass FM and Chamge broadcast in Kalenjin, Kameme, Inooro and Coro in Kikuyu, Ramogi and Lake Victoria FM in Dholuo, Mulembe FM and West FM in Luhya, Mbaitu and Musyi FM in Kamba and Muuga in Meru.

Overall, there are over 300 frequencies and licenses issues by Communication Authority of Kenya (CA). In spite of the growing number of vernacular radio stations, their efficacy in terms of communication is still in doubt. Nonetheless, they remain part of Kenyan culture and ethnic identity. They are viable and commute-free channels of contact with the confines of the village and rural lives. They are an indispensable source of broadcast rich in local relevant content. Additionally, it is important to point out that radio listenership continues to grow. By March 2014, there were over 4.4 million average weekly listeners (CA, 2014). Radio leads the advertising market in Kenya, thanks to a healthy market landscape of more than 370 radio stations able to reach a wide range of consumers. However, year-on-year growth is not set to reach the highs of 2013 and 2014 over the forecast period: although 51% of Kenyans reported radio as their main source of entertainment in 2015, beating any other medium, this percentage is anticipated to drop as consumers with increased discretionary income derive their entertainment stations elsewhere, be that from pay-TV or, increasingly, the Internet. The role the vernacular radio play cannot be overemphasized. Generally, vernacular radio stations are involved in mass communication like any other mass media. They carry out various functions including surveillance of the environment, correlation of parts of the society (interpretation), education and transmission of social change, persuasion, entertainment and mobilization. In terms of health and educational gains, evidence from Madagascar, for instance, has shown that knowledge about HIV/AIDS, safe motherhood and child vaccination is higher among local radio listeners. In countries like Tanzania, radio dramas have helped significant numbers of couples adopt family planning methods.

Local radio can also act as a warning system in natural disasters, a messaging system for far-flung communities, a price-index for poor farmers, and a life- line giving vital information in humanitarian emergencies. It has also proven its worth in terms of fostering community cohesion from urban youth radio in Senegal to peace radio in Northern Uganda, to township radio in South Africa, according to Howard (2002) vernacular radio stations, like other media, play an important role in the growth and development of the community and country by, for example, providing health awareness and information, education and entertainment. In Kenya, radio stations have played positive roles in the development of democracy. The vernacular radio

stations have offered a platform for political and economic discourse encouraging a culture of inclusive socio-economic and political participation. These radio firms face a challenge in their performance. According to PricewaterhouseCoopers (2016), growth in performance of radio firms has continued to drop. For example, in the years 2011 to 2017 the growth rates in advertising revenue were reported as 6.2%, 13.4%, 9.0%, 7.8%, 7.6%, 7.2% and 6.8% in the years 2011, 2012, 2013, 2014, 2015, 2016 and 2017 respectively. This problem of declining performance can be attributed to the radio firms marketing strategies, particularly market challenger strategies. Vernacular radio firms are also faced with this declining performance.

1.2 Statement of the Problem

Radio leads the advertising market in Kenya. It is estimated that 51% of Kenyans listened to radio as their main source of entertainment in 2015, beating any other medium. The role the vernacular radio stations play cannot be overemphasized. In Kenya, the firms have played positive roles in the development of democracy. They have offered a platform for political and economic discourse encouraging a culture of inclusive socio-economic and political participation. However, the firms face a challenge in their performance. According to PricewaterhouseCoopers report of 2018, growth in performance of radio firms has continued to drop. This problem of declining performance may be attributed to the radio firms marketing strategies, particularly market challenger strategies yet empirical evidence on market challenger strategies is limited. Available evidence is on marketing strategies in general and this also indicates mixed results. Evidence on relationship between market challenger strategies and performance is only in general marketing strategies and in other contexts other than radio industry. Knowledge on effect of market challenger strategies on performance of vernacular radio firms is unavailable. Further, studies around service quality management cover quality management and total quality management in various contexts rather than radio industry. Others cover service quality and not service quality management. Those that are in service quality management did not explore radio firms. In this regard, knowledge on the effect of service quality management on the performance of vernacular radio firms is lacking. The results on the relationship between marketing strategies and performance of firms reveal mixed results. Moderation has not been adequately tested. Attempts at

moderation introduced market uncertainty and found it conditioning relationship of emergent strategies and market performance. The reason for the mixed results remain unclear. Service quality management, though having direct effect on performance has not been involved as a moderator. Knowledge on the effect of service quality management on the relationship between market challenger strategies and performance is lacking.

1.3 Objectives of the study

The overall objective of the study was to investigate the effect of service quality management on the relationship between market challenger strategies and performance of vernacular radio broadcasting firms in western Kenya.

Specific objectives were to:

i. Determine the effect of market challenger strategies on performance of vernacular radio broadcasting firms in western Kenya

ii. Establish the effect of service quality management on performance of vernacular radio broadcasting firms in western Kenya

iii. Investigate the moderating effect of service quality management on the relationship between market challenger strategies and performance of vernacular radio broadcasting firms in western Kenya

1.4 Research Hypotheses

$H_0$1 Market challenger strategies have no significant effect on performance of vernacular radio broadcasting firms in western Kenya

$H_0$2 Service quality management has no significant effect on performance of vernacular radio broadcasting firms in western Kenya

$H_0$3 Service quality management has no moderating effect on the relationship between market challenger strategies and performance of vernacular radio broadcasting firms in western Kenya

1.5 Scope of the Study

This study was interested in determining the effect of market challenger strategies and the effect of service quality management on performance. It also investigated the moderating effect of service quality management on the relationship between market challenger strategies and performance. The focus was on vernacular radio stations in western Kenya. In this context, western Kenya is defined by the twelve counties of Nyamira, Kisii, Migori, Homabay, Siaya, Kisumu, Busia, Vihiga, Kakamega, Bungoma, West Pokot, Trans-Nzoia counties. The study sought data at a point in time but from radio firms which have existed for at least two years. It was cross sectional.

1.6 Significance of the Study

The finding of this study will be useful to the government of Kenya at all levels in development of policies for media industry. Radio broadcasting firms will also benefit from the new knowledge and be able to develop effective and efficient marketing strategies and service quality management initiatives aimed at improving sales performance of their stations. The study findings will also provide the owners of the Radio broadcasting firms with an opportunity to further understand available market challenger strategies that can be employed to boost revenues and increase the number of listeners who tune to their stations. The findings can also be used as reference materials to guide future studies.

1.7 Conceptual Framework

Independent Variable   **Dependent variable**

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┌─────────────────────────────┐          ┌─────────────────────────────┐
│ Market Challenger Strategies │          │ Performance                 │
│   • Flank Attack            │          │   • Customer Satisfaction   │
│   • Frontal Attack          │  ──────► │   • Growth                  │
│   • Encirclement            │          │   • Social Performance      │
│   • Guerilla Warfare        │          │                             │
│   • Bypass Attack           │          │                             │
└─────────────────────────────┘          └─────────────────────────────┘
                    ┌─────────────────────────────┐
                    │ Service Quality Management  │
                    │   • Empathy                 │
                    │   • Tangibles               │
                    │   • Responsiveness          │
                    │   • Assurance               │
                    │   • Reliability             │
                    └─────────────────────────────┘
                         Moderating Variable
```
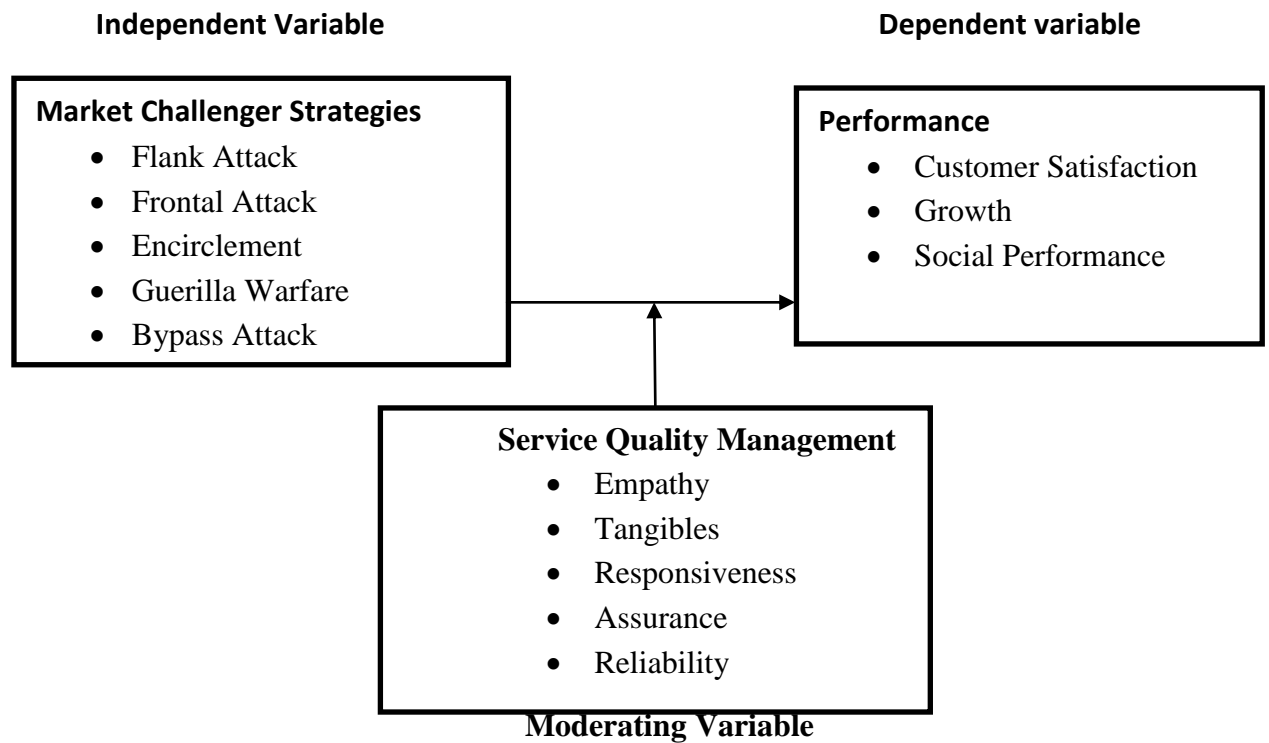
Figure 1.1: Effect of Service Quality Management on the Relationship between Market Challenger Strategies and Performance

Source: Adapted from Ntongai, Ojera and Ochieng (2015), Roberts (2004) and Ferrell and Hartline (2011).

Figure 1.1 depicts the interaction of market challenger strategies, service quality management and performance among firms. Market challenger approaches include Frontal attack, Flank Attack, Encirclement Attack, Guerilla Warfare and Bypass attack. These market challenger approaches are applied jointly by firms to sustain presence in the market. It is expected that with the challenger strategies the firm is able to improve performance in customer satisfaction, growth and expansion and quality fronts. The relationship between the market challenger strategies and performance in Figure 1.1 is however interfered with by service quality management. Service quality management focus areas or dimensions are reliability, empathy, responsiveness, assurance and tangibles. It is expected that service quality management has direct effect on performance. This qualifies its hypothesized interference in the relationship between market challenger strategies and organization performance.

CHAPTER TWO: LITERATURE REVIEW

This section focuses on the theoretical foundations on which the study was built and also explores comparative empirical literature which helped to explain the gap which the study sought to address after discussing concepts.

2.1 Theoretical Framework

The study was anchored on three theories. The theories explain the variables and highlight the relationships between them. The three theories are; Game Theory, Contingency Theory and SERVQUAL Model.

2.1.1 Game Theory

Game theory advanced by Neumann (1928) is the study of human conflict and cooperation within a competitive situation. In some respects, game theory is the science of strategy, or at least the optimal decision-making of independent and competing actors in a strategic setting. Game theory creates a language and formal structure of analysis for making logical decisions in competitive environments. The term "game" can be misleading. Even though game theory applies to recreational games, the concept of "game" simply means any interactive situation in which independent actors share more-or-less formal rules and consequences. Game theory has a wide range of applications, including psychology, evolutionary biology, war, politics, economics and business. In game theory, every decision-maker must anticipate the reaction of those affected by the decision. So, Game theory is the study of how players should rationally play games. Each player would like to the game to end in an outcome which gives him as large a payoff as possible. He has some control over the outcome, since his choice of strategy will influence it. The field known as 'game theory' was introduced in the last century by mathematicians and economists as a tool to analyze both economic competition and political conflicts. Game Theory may be viewed as a sort of umbrella or 'unified field' theory for the rational side of social science, where 'social' is interpreted broadly, to include human as well as non-human players. The subject of Game theory are situations, where the result for a player does not only depend on his own decisions, but also on the behavior of the other players. Game theory is the theory of independent and interdependent decision making in organizations where the outcome depends on the decisions of two or more

autonomous players, one of which may be nature itself, and where no single decision maker has full control over the outcomes (Kelly, 2003). The concepts of game theory provide a common language to formulate, structure, analyze and eventually understand different strategic scenarios. Game theory is a scientific discipline that investigates conflict situations, the interaction between the agents and their decisions (Hotz, 2006).

In business, this means economic agents must anticipate the reactions of rivals, employees, customers and investors. According to Game theory firms compete for same offering and same products in an environment. They compete for the same clients and offer the same product. The theory also explains that the strategies are market driven. This study is anchored in this theory because it is about market challenger strategies, and their effect on performance in the context of radio firms. The study investigated the different market challenger strategies which are exercised by firms which compete for the same market. The market challenger strategies represent alternative approaches the firms use to play games in the market. These approaches are informed by information about performance about other firms in the market.

2.1.2 SERVQUAL Model

The SERVQUAL Model also called Gap model is an empiric model by Zeithaml, Parasuraman and Berry (1991) to compare service quality performance with customer service quality needs. It is used to do a gap analysis of an organization's service quality performance against the service quality needs of its customers. It takes into account the perceptions of customers of the relative importance of service attributes. This allows an organization to prioritize. According to this theory there are core components of service quality. They are Tangibles which includes physical facilities, equipment, staff appearance; Reliability which is the ability to perform service dependably and accurately; Responsiveness which is the willingness to help and respond to customer need; Assurance as the ability of staff to inspire confidence and trust and; Empathy which is the extent to which caring individualized service is given. This study was anchored in this theory because it explains the areas which service quality management should be focused on by management. It defines the element of

service quality which should be focused on by management. Because it points out five core components of service quality this study also imports the same component for service quality management in the context of radio firms.

2.1.3 Contingency Theory

A contingency theory is an organizational theory that claims that there is no best way to organize a corporation, to lead a company, or to make decisions. Instead, the optimal course of action is contingent (dependent) upon the internal and external situation. The theory explains that there are specific situational factors that can affect the direct relationships between independent and dependent variables in the study of organizational behavior. Independent variables (x) are the cause of the change in the dependent variable, while dependent variables (y) are a response affected by an independent variable. This study is anchored in this theory because it is about market challenger strategies, service quality management and their effect on performance in the context of radio firms. The study investigated the market challenger strategies which are exercised by firms in the environment from which they obtain information to formulate them.

2.2 The Concept of Market Challenger Strategies

A market challenger is a company which tries to expand its market share by aggressively flooding the market with its products at competitive prices. It is a firm which is just below the market leader with a good presence (Picon, 2015). A market challenger is a firm or a company which is usually at the number two or number three position. The basic aim of the market challenger is to expand its market share and become the industry leader by introducing a new variety of products or by improving customer service. According to Ferrell and Hartline, (2011), companies with low market share usually try and adopt this strategy to increase their market share. They can challenge the market leader or other competitors by launching these strategies. When a brand enters a market, it is not necessary that the market leader is its competitor. Even companies which are at second or the fourth position may turn out to be competition as they may be eating into the market share.

A brand can stop these by use of frontal attack, flank attack, encirclement attack, bypass attack and guerrilla marketing. Urban (2004) contends that a market challenger can deploy a full-frontal attack by introducing products similar to that of the market leader with similar quality, competitive pricing, aggressive advertisement and distribution process. The best strategy to gain market share is to introduce differentiated products which will help in creating their own brand name and push that product aggressively into the market with different distribution channels. Whatever strategy a firm adopts to gain market share or tries to bring down the market leader, requires a huge sum of money (Parkin, 2009). To become a market challenger is a costly process and firms should be well aware of the same.

Ferrell and Speh (2017) argue that market challenger Strategies are the marketing strategies adopted by the firms, either occupying the third or runners-up position in the market, to attack the leader or the immediate competitor with the intention to capture a greater market share and earn huge revenues. Generally, the market challengers are those firms, which have a good reputation in the market and enjoys a strong financial position. These firms target the market leader or the competitor at the same level with the objective, to reach the first position in the market or become an industry leader. The general attack strategies adopted by the market challengers with a view to becoming a market leader and increase the market share are frontal attack, flank attack, encirclement attack and bypass attack. Proctor (2008) explains that challengers are able to jockey for industry leadership several ways: challenging the market leader on price (direct approach), increasing product differentiation or improving customer service (indirect approach), or launching an entirely new product or service in order to change the field (radical approach). (Adewale, Adesola &Oyewale, 2013). A firm that has a market share below that of the market leader, but enough of a market presence that it can exert upward pressure in its effort to gain more control.

Companies with low market share are generally not in a position to influence prices, and are often susceptible to the actions of larger firms. Market challengers, being in a position of becoming the dominant player, may face a high degree of risk because they must take potentially radical steps in order to draw away consumers from the

market leader. Each of the three primary strategies carries with it a unique risk, with the direct approach and radical approach posing more risk due to the high potential costs. (Adewale et al, 2013).

2.2.1 Frontal attack

The frontal attack is the direct attack, in which the market challenger matches with the competitor's product, price, advertising, and promotion activities (Cravens and Piercy, 2009). The market challenger can even cut the price of the product, provided he convinces the customers that the quality is not compromised and is as good as the high priced products. The Frontal Attack is the marketing strategy adopted by the challenger firm and is intended to have a head on attack on the competitor by matching him in all the aspects viz, product, price, place, promotion.

It is assumed that in order to have an effective frontal attack the challenger must have three times more fire power than the opponent. Now the question arises, that, what is the fire power in marketing? The price and the quality of a product, sales effort, advertising effort and service effort are some of the fire powers that a challenger must be efficient in to win over the opponent. Doyle (2008) says that the frontal attack strategy is suitable for a challenger only when the market is relatively homogenous, and a competitor has fewer resources to retaliate. Also, the brand equity is low, and the products are poorly differentiated. Therefore, the loyalty of customer towards the products is also low. In applying frontal attack, a company can opt for Pure Attack, wherein the challenger matches with all the aspects of the competitor viz, product, price, place, promotion or Limited Frontal Attack, wherein the challenger attacks on the specific customer segments. The firm can also implement Price-based Frontal Attack, wherein the challenger matches with all the attributes of a competitor's product or Research and Development Attack, wherein the challenger invests a huge amount in the research activities to match with the competitors' innovations. The challenger must carefully scrutinize all the strengths and weaknesses of a competitor and attack on that element of an opponent for which he will not be able to defend himself or attack back.

2.2.2 Flank attack

The flank attack means, attacking the competitor on its weak points. Here the market challenger determines the weak areas of the competitor in terms of two strategic dimensions of Geographic and or segmental (Jobber, 2010). It is the marketing strategy adopted by the challenger firm and is intended to attack the weak points or blind spots of the competitor, especially a leader. A flank attack strategy is based on the assumption, that a large firm, may have several product lines and a wide range of services, but may not be necessarily a leader in all the categories. Thus, the flack attack is intended to capture that segment wherein the established player is underperforming.

The challenging firm may launch the flank attack in either of the strategic dimension of geography or segment. In geographic attack, the firm looks for the areas where the established firm has not catered for the needs of customers well or is lagging behind. Whereas, in the case of a Segment attack, the challenger looks for the market segments, left untapped by the established firm and tries to tap those markets with its offerings. According to McDonald, Mouncey and Maklan (2014), the flank attack firm finds the areas where the competitor is under performing and then pushes its marketing strategies in that area. Also, the challenger spots the segments which the competitor left untapped and tries to cover that segment through its products and services.

2.2.4 Encirclement attack

The encirclement attack means, attacking the market leader or a competitor from all the fronts simultaneously, it is the combination of both the frontal and the flank attack. Here, the market challenger launches several offensive campaigns (McDonald, Smith, and Ward, 2013). It surrounds the competitor with a varied brand and forcing the competitor to defend itself from all the sides simultaneously. This strategy is adopted to enjoy the long-term market dominance. The Encirclement Attack is a war strategy adopted by the challenger firm intended to attack the competitor on all the major fronts. Under this strategy, the challenging firm considers both the strengths and weaknesses of the opponent and then launches the attack simultaneously. It is assumed that only those firms that are 10 times stronger or powerful than the

opponent firm can launch the encirclement attack. The attacking firm must be adequate in its resources, and then only it will be able to launch a grand offensive on several fronts.

The two strategies that can be used under the encirclement attack are Product and Market Encirclement. In product encirclement, the challenger firm may introduce different types of products with varied features and quality and may price these differently on the basis of their utility. In the case of market encirclement, the firm may introduce the product for such a market segment, which is left untapped by the competitor and thus enjoys the huge market share. Brennan, Baines, Garneau and Vos (2008) contend that fashion Industry is an example of industries in which firms frequently launch the different variants of products priced differently, in order to have a huge sales turnover and supersede the competitors.

2.2.5 Bypass Attack

The bypass attack is the indirect attack, wherein the market challenger does not attack the leader directly, but broaden its market share by attacking the easier markets. The challengers can bypass the leader through expanding into the untapped markets, diversifying into the unrelated products or modernizing the existing product with the invention of technology. The Bypass Attack is the most indirect marketing strategy adopted by the challenging firm with a view to surpassing the competitor by attacking it's easier markets (McMillan, 2014). The purpose of this strategy is to broaden the firm's resources by capturing the market share of the competing firm. The firm can adopt any of the three approaches before launching the bypass attack; they can either diversify into the unrelated products, into the new geographical markets or leapfrog into the new technology. Any of the approaches can be followed, provided the firm is well equipped with the resources and is more powerful than the competing firm. The leapfrogging in the new technology means the firm performs a thorough research and launches the next generation technology with the intention to attract more customers and shift the battleground to its own territory.

This type of approach is very much prevalent in the Mobile Industry; wherein the companies launch new technology one after the other to supersede the competitors.

Apple and Samsung are the well-renowned companies that follow the bypass attack. The war between the Coke and Pepsi is the other example of this approach. The Pepsi used the bypass attack against Coke by launching the Aquarian, mineral water brand, very much before the coke's Dasani Brand.

2.2.6 Guerrilla Warfare

The Guerrilla warfare is the intermittent attacks imposed by the challenger to demoralize the competitor by adopting both the conventional and unconventional means of attack. These are the major market challenger strategies that a firm may follow depending on its market position and the amount of resources held with the firm. Murphy, Laczniak, and Prothero, (2012) argue that Guerrilla warfare is the marketing strategy adopted by the challenger firm intended to launch the intermittent attacks with an intention to harass or demoralize the competitor. This strategy is more a preparation for the war than an actual war.

Guerrilla warfare can be expensive, but however, is less than the frontal, flank and encirclement attack. Guerilla Warfare can make use of publicity, which is getting the media to talk about your firm. Publicity is more powerful than the advertising because, in the latter media form, it is well known that the message is very well under the control of a firm but however, in a case of publicity the information flows freely without any control.

Guerilla warfare can also make use of Social Networking Sites, which is a way of getting a firm recognized through an account on the social sites such as facebook, twitter wherein the number of likes and follow ups can be ascertained. According to Jobber and Fahy (2012), the other approach in guerilla warfare is called Freebies. This is giving away the products in the form of free samples to the customers. This is done to spread the name of the company and to make the customer try the product at least once. Lastly the firm can use Hard as well as cash approach, the company offers its products against the hard money which include credit cards or debit cards along with the cash money. This gives the customer flexibility to make the payment in any form. Generally (Parnell, 2010), the companies used both the conventional and unconventional means to attack the opponent but provided it does not cross the lines

of legality or morality. Severe price cuts, intense promotional blitzes, occasional legal action, are some of the ways to supersede the counterpart.

2.3 The Concept of Service Quality Management

Managing the quality of products and services is very important to ensure that the business excels in meeting the customer requirements and achieves organizational goals. Whether it's a manufacturing firm producing hardware or a software company providing services to clients, quality management is the very essence of continuous improvement and business growth. Tuten and Solomon (2013) agree that by combining quality control techniques and statistical process control methods, several quality management principles were formulated that are to this day used in industries across the world. Whether you are a professional in the services industry, a quality manager or a businessman.

While product quality is measured through its ability to meet the user's requirement and the value of its features and characteristics, service quality is more of a comparison of the customer expectations and the service performance. Though the principles of improving product quality are applicable to services as well, it's very important to know the focus areas of improvement with respect to increasing customer satisfaction when it comes to service quality management. Parnell (2010) confirms that this can be done by measuring the gap between customers' expectations and how they perceive the services offered to them. The larger the gap size, the more improvements to be made.

The process of managing the quality of services delivered to a customer according to his expectations is called Service Quality Management (Zarrella, 2010). It basically assessing how well a service has been given, so as to improve its quality in the future, identify problems and correct them to increase customer satisfaction. Service quality management encompasses the monitoring and maintenance of the varied services that are offered to customers by an organization. Whether a firm is in the software business offering services to clients or operate in the food, hospitality or travel industry, service quality management is integral to managing customer expectations and business growth (Perez *et al*., 2007). The service quality can either relate to the

service potential (qualifications of the persons offering service), service process (quickness, reliability etc.) or the service result (meeting customer expectations.

Measuring of service quality relies on the customer's perception and this could be different from the expected service (Zeithaman and Bitner, 2003). To determine the gap between services expected and perceived service, several models are used like the SERVQUAL model, RATER model or e-SERVICE QUALITY. Service quality determination hinges on five key dimensions. The first dimension is *Reliability*. This is the ability to perform the service dependably and accurately, as promised. In software service for example, it would be the correct technical functioning of the application and various features such as GUI features, billing and product information. The second dimension is *Responsiveness.* This is how quickly the services are rendered to the customer and the promptness of service delivery. With respect to software services for example, it would be the ability to respond to customer problems or give solutions. The third is *Assurance*. This is a measure of the ability to convey trust to the customers and how well they extend the courtesy. For example, software assurance involves the amount of confidence the customer has in handling the software application or navigating a site, the belief he has on the information provided and its clarity and reputation.

The others are *Empathy and Tangibles.* Empathy refers to giving personalized attention, understanding the requirements and caring for the customers. A software service for example, would include customized applications, one-to-one customer attention, security privacy and understanding customer preferences. Tangibles refer to the physical attributes like appearance, equipment and facilities. In the case of software services for example, the tangibles would be aesthetics of the software application or website, navigation features, accessibility and flexibility.

2.4 The Concept of Organization Performance

Firm performance refers to a firm's level of effectiveness and efficiency. It is defined as the ability of the firm to overcome and prevail (Roberts, 2004). Most of performance measures for firms are categorized as profitability, quality, productivity and growth and customer satisfaction (Perez *et al*, 2007). Growth is yet another area of performance (Lipton, 2003). It is something for which most companies strive,

regardless of their size. Small firms want to get big, big firms want to get bigger. Indeed, firms have to grow at least a bit every year in order to accommodate the increased expenses that develop over time. With the passage of time, salaries increase and the costs of employment benefits rise as well. Organizational growth, however, means different things to different organizations. There are many parameters a firm may use to measure its growth (Roberts, 2004). Business owners may use one of the following criteria for assessing their growth: sales and market share, number of employees or physical expansion (Lipton, 2003). Ultimately, success and growth will be gauged by how well a firm does relative to the goals it has set for itself.

Lastly, customer satisfaction is another key indicator of performance and particularly for service oriented firms such as media firms. According to Dick and Basu (2004), executives should assess performance by listening to customer complaints as a measure of level of satisfaction. However, they should tread with care as some customers are simply difficult to work with for a variety of reasons. Their complaints should not be construed to mean customer dissatisfaction (Zeithaman and Bitner, 2003).

Organization Social Performance also referred to as corporate social performance (CSP) refers to the principles, practices, and outcomes of businesses' relationships with people, organizations, institutions, communities, societies, and the earth, in terms of the deliberate actions of businesses toward these stakeholders as well as the unintended externalities of business activity. It can also be defined as "the effective translation of an institution's mission into practice in line with accepted social values." Adeneye, & Ahmed, (2015) define corporate social performance (CSP) as a business organization's configuration of principles of social responsibility, processes of social responsiveness, and observable outcomes as they relate to the firm's societal relationships. In other words, social performance is about making an organization's social mission a reality, whatever that mission is. Corporate Social Performance (CSP) is an increasingly important concept used to ensure the private sector has a positive impact on communities, employees and consumers (Batra, 2014). This is especially so in geographies where basic governance, the rule of law and accountability mechanisms are lacking or limited. It is founded on corporate social

responsibility which entails economic, legal, ethical and discretionary responsibilities. In this respect, an organization delivers outcomes in these areas in the form of economic, legal, ethical and discretionary performance.

2.5 Market Challenger Strategies and Organization Performance

Saif (2015) studied how marketing strategy influences firm performance. Promotion, pricing, distribution, and product standardization and adaptation were found to have an impact on sales, customer and financial performance of firms. Our study contributes to the existing study of marketing strategy by supporting a relationship between marketing strategy factors and overall firm performance. Deduction from existing literature enabled a construction of a conceptual model that explains overall firm performance. The study suggested that the impact is mediated by marketing strategy implementation success. At the same time the impact of moderating factors of product homogeneity, stage of product life cycle and competitive intensity were present.

Muthengi (2015) studied effects of marketing strategies on sales performance of commercial banks in Kenya. The study was carried out in Nairobi. The target population was the 43 commercial banks registered by the Central Bank of Kenya. The researcher collected data using semi structured questionnaires. The study revealed that marketing has become a major function in the banking industry as a result of increased competition brought about by bank consolidation and reforms. The findings of the study showed an overall significance of the marketing variables adopted, although not much effect was seen when a marketing variable was compared with bank performance in isolation of other variables. The study concluded that the marketing strategies techniques must be adequately combined in order to bring about improved performance.

Oyela (2011) aimed at determining the influence of competitive strategies to the firm's Performance. The study used a survey study to assist in achieving the objectives of the study. The study involved a collection of both primary and secondary data. Primary data was collected by use of a structured questionnaire which was distributed to corporate strategy managers or operations managers of the banks

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who's positions and roles gives them the ability to respond effectively to most of the questions. The population of the study consisted of all the 43 commercial banks operating in Kenya as at 31st December 2010. The study was able to establish that despite the challenges faced by banks in implementing competitive strategies, they are very important since they enable them remain competitive. In the banking industry, understanding the market structure is a key determinant for successful implementation of competitive strategies. Banks following differentiation strategy statistically achieved significant superior performance compared to those that pursued cost leadership and focus strategies.

Nderitu (2015) reviewed the relationship between competitive strategies and performance of Bamburi Cement Limited. The study employed a case study research design. Data was collected using questionnaires which were administered to all the heads of departments and managers in the three branches; Mombasa, Athi River and corporate headquarters in Nairobi. Qualitative data collected was analyzed using descriptive statistics. This enabled the researcher to make general statements in terms of the several attributes and conceptualization of the study. The study established that Bamburi cement measures customer focus and satisfaction, profit after tax and return on investment and rates the performance. The study findings revealed that vigorous pursuit of cost reductions and identification is a competitive strategy adopted by the company. The study concluded that the success of a company is mostly embodied in performance and competitive strategies enabling it to meet stakeholder obligations and survive competitive market forces

Mboga (2013) aimed at establishing the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company. The research design was descriptive cross-sectional approach and the quantitative technique was used. The target populations were KPLC domestic customers located in three sub-regions of Nairobi namely; Nairobi West, Nairobi North and Nairobi South and the main instrument was the questionnaire. Descriptive tables for mean, standard deviation and frequencies were then drawn and linear regression used to determine the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company. This study developed forecasting model for the relationship

between marketing strategies and customer service quality at KPLC. The model indicated a positive relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company with R = .801 and the R squared value was .642 at a confidence level of 95 percent. Further the study found out that people strategies has the highest influence on customer service quality at Kenya Power and Lighting Company followed by promotion strategies, pricing strategies, process strategies, product strategies, distribution strategies and physical evidence strategies respectively

Amara (2012) studied effect of marketing distribution channel strategies on a firm's performance among commercial banks in Kenya. The study adopted a descriptive survey research design. The population of the study was all the forty three commercial banks operating in Kenya. The study used both primary and secondary data to be collected through questionnaires. The data was analyzed and presented using percentages, mean and standard deviation. The study found that the branch network, electronic banking and multiple distributions were used by the banks. Marketing strategies being employed by the banks were aggressive marketing, mass marketing and value marketing. The marketing features employed by the banks were close relationships with customers, product specialization, extensive market research, selective distribution, segmentation of market, high quality innovative products and controlled relationship with customers while increased relational norm with channel partners, intensive distribution to a mass market and low behavioral control on consumers were employed by the banks to a moderate extent. The marketing distribution strategies result in increased sales, market share and profits, the bank being able to market changes more effectively and enhanced ability of the bank to generate, disseminate, and respond to market changes.

Oladun (2012) examined the impact of Innovative Distribution Strategies (IDS) on performance of the firms (MNCs and DEs) in Lagos industrial areas. The work examined the relationship between the production capacity, market share, and possible return on investment, profitability as resulting from IDS of both DEs and MNCs.   Globally, many firms have been found not to be adequately innovative and there is a wide gap between firms in sub-Saharan Africa and their counterparts

elsewhere. To do this, firms need to develop the capability to manage technological change, the development of new processes and design. The study in its descriptive nature, adopted a cross-sectional survey design. One hundred and seventy-five participants were randomly selected from six multinational and indigenous firms. Five hypotheses were stated and tested. The findings revealed that the sales turnover of multinational corporations (MNCs) with high level IDS and domestic enterprises (DEs) with low level of innovative distribution strategies is significantly different at $t= 68.442$, $df= 89$ and >0.05.And that, Innovative distribution teams/ strategies adopted by MNCs and DEs when compared and analyzed have a significant effect in predicting annual overall profitability at $F (1,174)= 13.086$. The findings also reveal that there is a significant effect of IDS of MNCs and DEs on their capacity to increase market shares at $F(1,174)= 18.237$ and there is positive relationship between the obstructive distribution parameter confronted by MNCs and DEs on their annual sales turnover to distribution mix and internal channel management. The study revealed that MNCs because of their size, sophisticated distribution strategies and channels, were able to be more innovative than indigenous firms and thus achieve better performance.

Karlsson and Tavassoli (2015) analyzed the effect of various innovation strategies of firms on their future performance, captured by labour productivity. Using five waves of the Community Innovation Survey in Sweden, the study traced the innovative behaviour of firms over a decade, i.e. from 2002 to 2012. The study distinguished between sixteen innovation strategies, which are composed of Schumpeterian four types of innovations, i.e. process, product, marketing, and organizational (simple innovation strategies) plus various combinations of these four types (complex innovation strategies). The main findings indicated that those firms that choose and afford to have a complex innovation strategy are better off in terms of their future productivity in compare with both those firms that choose not to innovative (base group) and those firms that choose simple innovation strategies. Moreover, not all types of complex innovation strategies were found to affect the future productivity significantly; rather, there are only few of them. This necessitates a purposeful choice of innovation strategy for firms.

Sije and Oloko (2013) examined the relationship between penetration pricing strategy and the performance of the SMEs in Kenya. The population for this study consisted of members of staff of selected SMEs in Kenya. Stratified random sampling was used in the study where members of staff from various SMEs were selected and issued with questionnaires. Primary data collection instrument that was used was questionnaire. The data collected was then analyzed by both descriptive and inferential statistical tools and the information generated was presented in form of figures and tables. The researcher found out that there was strong positive correlation between penetration pricing strategy and performance. The researcher therefore concluded that the enterprises should focus more of its effort on penetration pricing strategy because there was a significant level of effect of penetration pricing strategy on the number of customers, customer loyalty and quality of food and service.

Fosfuri and Giarratana (2005) sought to explore the drivers of survival in environments characterized by high rates of entry and exit, fragmented market shares, rapid pace of product innovation and proliferation of young ventures. Specifically, the study aimed at underscoring the role played by post-entry product strategies, along with their interaction, after carefully controlling for "at entry" factors and demographic conditions. Based on a population of 270 firms that entered the Security Software Industry from 1989 till 1998, evidence was found that surviving entities are those that more aggressively adopt versioning and product portfolio broadening strategies. Particularly, focusing on one of the two product strategies commands a higher survival probability than adopting a mixed strategy.

Adewale, Adesola, Oyewale (2013) investigated the impact of marketing strategy on business performance with special reference to the selected SMEs in Oluyole local government area Ibadan, Nigeria. The survey research design method was used in this study which involves using a self-design questionnaire in collecting data from one hundred and three (103) respondents. The instrument used in this study is a close-ended questionnaire that was designed by the researchers. Correlation coefficient and multiple regression analysis were used to analyze the data with the aid of statistical package for social sciences (SPSS) version 20. The results showed that the independent variables (i.e product, promotion, place, price, packaging and after sales

service) were significant joint predictors of business performance in term of profitability, market share, return on investment, and expansion. ($F(6, 97) = 14.040$; $R2 = 0.465$; $P< .05$). The independent variables jointly explained 46.5% of variance in business performance.

Pertusa-Ortega, Molina-Azorı´n and Claver-Corte´ s (2009) purposed to study the viability of hybrid competitive strategies, which combine differentiation and cost elements, and their impact on organizational performance in comparison to pure strategies and 'stuck-in-the-middle' combinations. The analysis carried out in this paper has centred on a multisectorial sample of 164 Spanish firms. The findings showed that a large number of the organizations use different types of hybrid strategies and also that such strategies tend to be associated with higher levels of firm performance, particularly those strategies which place emphasis on a greater number of strategic dimensions, and specifically on innovation differentiation.

Parnell (2010) compared competitive strategy-performance relationships in Mexico, Peru, and the USA. 334 managers in the USA, 398 in Mexico, and 314 in Peru completed surveys. An innovative strategy orientation was positively associated with performance satisfaction in all three nations. The link between low cost strategy orientation and performance was negative in Mexico and positive in the USA. Mexican firms were the most innovative and Peruvian the most cost-oriented. Top managers in Mexico considered their firms' strategies less innovative and more cost-oriented than did middle and lower level managers. Top managers in Peru considered their firms' strategies more cost-oriented than did middle and lower level managers. The U.S. sample showed no significant strategy differences across management levels.

Adeniyi (2011) examined firms performance in South-West Nigeria. The study was carried out on established conceptualized Contemporary Marketing practice comprising of four different approaches Transaction, Database, Analysis Interactive Mix and Network Marketing. The general objective of the study was to examine the application/adoption of Contemporary Marketing Strategies and the Performance of agricultural Marketing firms in Nigeria's buyer-seller relationships. Data for this

research were obtained from both primary and secondary sources. Relevant published and unpublished literature provided the secondary data. The primary data were obtained through structured questionnaires (administered to sampled agricultural marketing firms managers involved in three major divisions of Industrial, Food and other Agro sectors in South-Western, Nigeria). One thousand one hundred and ten copies of the questionnaire were administered, out of which eight hundred and eighteen (818) were collated for the analysis, representing 79 per cent return rate. To achieve the objectives of this study, four hypotheses were formulated. For the data analysis, the statistical test tools used included Analysis of Variance, Multiple Regression Analysis, and independent t-test. The results showed that there is combined contribution of Transaction marketing (arms-length, Marketing mix, functional Marketing and internal capacity) in predicting customers' acquisition. The study also revealed that there is significant difference in generating retainership capacity as well as improved market share between agricultural marketing firms with high adoption of database marketing and those with low adoption of database marketing. It was also observed that agricultural marketing firms with high and low use of face-to-face and dyadic relationship marketing have significant difference in sales value and volume. The results equally showed that agricultural marketing firms with high and low penetration of network marketing have significant difference in market share.

Awino (2017) sought to determine the association between cost leadership strategy and performance of the radio broadcasting firms based in Kisumu County, Kenya. The study employed a correlational research design and the population of study constituted a total of 35 top managers and middle level managers from the three radio firms operating in Kisumu County. The findings were that the association between cost leadership and performance were positive and significant, that is, (r = 0.475, p = 0.008, n= 30) meaning that use of cost leadership strategies influences performance positively.

Ochieng (2016) sought to establish the relationship between marketing strategies and organizational performance of media houses in Kenya. The study adopted a census in which the entire population was considered. The data was collected by use of semi

structured questionnaires and the respondents were marketing heads. The study findings revealed that there is a significant relationship between marketing strategies and organizational performance. The study found out that pricing strategy contribute more to the organizational performance of media houses followed by distribution strategy, promotion strategy and product differentiation respectively. Marketing collectively account for 76.5% of change in performance of media houses in Kenya.

Mburugu (2015) did a study on effectiveness of competitive strategies adopted by major radio stations in Kenya. A cross-sectional survey was used. The researcher applied proportionate stratified sampling during data collection to select the managers from the study population. The study found out that the competitive strategies used by television media stations were cost leadership and differentiation. These strategies had placed the companies in favorable positions relative to the competition. They had also made the major radio stations not only to achieve high levels of efficiency and effectiveness, but also to gain and sustain competitive advantage. The study also found out that the dimensions of competition for the major radio stations were threat of new entrants, threats of substitutes, power of supplier

Migunde (2003) did a case study on strategic responses by the Kenya Broadcasting Corporation to increased competition. The findings were that the competition in the Broadcast Media Industry had intensified over the last decade as was evidenced by increased collective strength of industry competitive forces. This had resulted in dislodging of KBC from industry leadership to a mere follower.

Lusweti (2009) undertook study to determine the innovation strategies adopted by FM Radio stations in Kenya as well as identify the factors influencing choice of an innovation strategy by an FM station. The study adopted a descriptive survey research design. Simple random sampling technique was used to sample out 35 radio stations from the population. Collected data was both quantitative and qualitative where quantitative data was analyzed using a statistical package while qualitative data was analyzed using descriptive statistics. The findings of the study were that the innovation strategies are very essential in any business and hence they should be put in place at any cost since it helps the organization to realize their objectives.

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A study on competitive strategies employed by FM stations in Nairobi by Nyansera (2009) found out that 60% of the stations had been in operation for less than 5 years due to liberalization of airwaves that was affected in 2002. Most FM stations used a combination of strategies to beat competition. The low cost strategy was mostly used by Radio stations that had been in operation for less than five years while those that had been in operation for more than five years used differentiation as well as combination of strategies.

While Saif (2015) studied how marketing strategy influences firm performance, Muthengi (2015) on the other hand studied effects of marketing strategies on sales performance of commercial banks in Kenya. Oyela (2011) aimed at determining the influence of competitive strategies to the firm's Performance, while Nderitu (2015) reviewed the relationship between competitive strategies and performance of Bamburi Cement Limited. It is also noted that Mboga (2013) studied the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company quite apart from Amara (2012) who looked at the effect of marketing distribution channel strategies on a firm's performance among commercial banks in Kenya. Whereas Oladun (2012) studied the impact of innovative distribution strategies (IDS) on performance of the firms (MNCs and DEs) in Lagos industrial areas, Karlsson and Tavassoli (2015) were more general. They analyzed the effect of various innovation strategies of firms on their future performance, captured by labour productivity. Sije and Oloko (2013) were more specific on their study. They picked on penetration pricing strategy and investigated it against the performance of the SMEs in Kenya quite different fromFosfuri and Giarratana (2005) who sought to explore the drivers of survival Security Software Industry firms in environments characterized by high rates of entry and exit, fragmented market shares, rapid pace of product innovation and proliferation of young ventures. On the same account Adewale, Adesola, Oyewale (2013) looked at the impact of marketing strategy on business performance with special reference to the selected SMEs in Oluyole local government area Ibadan, Nigeria when Pertusa-Ortega, Molina-Azorı́n and Claver-Corte´ s (2009) studied the viability of hybrid competitive strategies, which combine differentiation and cost elements, and their impact on organizational performance in comparison to pure strategies and 'stuck-in-the-middle' combinations. Parnell (2010)

compared competitive strategy-performance relationships in Mexico, Peru, and the USA while Adeniyi (2011) examined firm's performance in South-West Nigeria.

From the above studies it is observed that the researchers concentrated on marketing strategies, competitive strategies, distribution strategies, pricing strategies, innovative strategies, and product strategies. They investigated these on various levels of firm performance for instance sales performance and labour productivity. Others investigated environmental factors and their influence on product strategies. The studies were not specific on market challenger strategies. Information on formulation and implementation of these strategies among firms is unclear neither is there information about the effect of market challenger strategies on performance of firms. Therefore this knowledge is also lacking among media industry firms with radio firms included.

2.6 Service Quality Management and Organization Performance

Pignanelli and Csillag (2008) investigated the impact of quality on profitability, following the evolution during a ten years period of 31 firms recognized by Brazilian National Quality Award (PNQ). Data of other companies from the same sectors were also considered, reaching 5354 observations. The statistical analyses included regressions, parametric and non-parametric analyses. The main finding was the lack of evidence of improved profitability in Brazilian companies that adopted quality management, when comparing the period before and after being recognized by the FNQ.

Mose and Kibera (2015) empirically assessed the influence of service quality management practices (top management support, employee management, customer orientation, quality information, reward and recognition and product/service) on the performance of hotel firms in Kenya. The pertinent hypothesis was derived from the objective. The study population comprised 209 hotel firms registered with the Kenya Association of Hotelkeepers and Caterers (KAHC) which is the principal umbrella body that brings together duly registered hotels, lodges, restaurants, membership clubs and camps operating in Kenya. A descriptive cross-sectional survey was used. The relevant primary data were collected from Chief Executives and Senior Managers

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using semi-structured questionnaire. Data were analyzed using descriptive statistics, inferential statistics and regression analysis. The results of the study revealed that service quality management practices significantly influences performance. The coefficient of determination (R^2) showed that service quality management practices explained 14.8% of the variation in overall firm performance. Holding other factors constant, a unit increase in service quality practices would cause a 0.359 increase in firm performance. A t-value of 3.857 was established at $p=0.000$ depicting that the relationship was statistically significant at 95% confidence level (p-value < .05).

Munyao (2014) determined the extent of adoption of service quality management practices by petroleum distributing firms in Kenya, the challenges they face in the implementation of these practices and the effect of these practices on the firms' operational performance. The study was carried out through a descriptive survey of 32 petroleum distributing firms in Kenya. Questionnaires were used to collect primary data. The collected data was analyzed descriptive statistics while regression analysis technique was used to establish the relationship between the dependent and independent variables. The findings indicated that petroleum distributing firms adopted various service quality management practices to a large extent. The findings also indicated that lack of visionary leadership and top management supports were the biggest challenges the firms faced in their endeavor to implement service quality management practices (SQMP). Further, the relationship between the explored seven aspects of SQMP and operational performance was found to be weak due to the fact that some control variables like size of the firm and number of years in operation were not considered

Kerubo (2015) examined the extent of adoption of service quality management by shipping agents in Kenya and analysed the relationship between service quality management and performance of shipping agents in Kenya. The study was carried out through a descriptive survey of 29 Shipping Agency Firms in Kenya. Questionnaires were used to collect primary data. The collected data was analysed using descriptive statistics while regression analysis technique was used to establish the relationship between the dependent and independent variables. The research findings were presented in tables and a pie chart. The findings indicated that Shipping Agents

adopted Customer Focus as a major service quality management practices compared to other practices; top management support, employee management, process management, system process, continuous improvement, rewards and recognition. Further, the study depicted a statistically positive significant relationship between service quality management practices and performance of Shipping Agents in Kenya.

Cheng' and Lin (2014) discussed the relations between Service Quality and Organizational Performance with a quantitative questionnaire survey. The employees and consumers of De-yi Chinese Food Company were sampled for the survey, in which total 300 copies of questionnaires are distributed and 233 effective copies are retrieved. Service Quality is regarded as the independent variable, Organizational Performance as the dependent variable, and demographic variable as the moderator to discuss the correlations. The data were analyzed with Regression Analysis and Analysis of Variance for the following research conclusions. (1) Service Quality presents partially positive effects on Financial Performance in Organizational Performance. (2) Service Quality shows partially positive effects on Operating Performance in Organizational Performance. (3) Service Quality reveals partially positive effects on Behavioral Performance in Organizational Performance. (4) The correlation between Service Quality and Organizational Performance appears remarkable differences in demographic variables

Liew and Yean (2009) examined the relationship between service quality and market orientation and their impact towards organizational performance. A total of 175 sets of questionnaires were distributed to the employees of the selected organizations in Kuching, and 92% of it, which is 161, was returned. The results showed that service quality has a significant effect on organizational performance and market orientation. Market orientation also has a significant effect on organizational performance. The study also found that market orientation moderate the relationship between service quality and organizational performance. There is still a shortage of research studying the impact of market orientation as a moderator on the relationship between service quality and organizational performance.

Wanyoike (2016) studied effect of quality management practices on performance of manufacturing firms in Kenya. The specific objectives were: To establish the effect of continuous improvement on firm performance; to assess the influence of customer focus on firm performance; to determine the extent to which top management commitment affects the performance of manufacturing firms in Kenya; to assess the extent to which the operating environment moderates the relationship between quality management practices and the performance of manufacturing firms in Kenya; and to establish the mediating effect of organizational capability on the relationship between quality management practices and performance. The target population comprised all 60 manufacturing firms in Kenya and a sample size of 120 respondents. The study adopted census sampling technique. The study used primary data which was collected using self-administered questionnaires. The findings indicate that continuous improvement had positive and significant effect on performance of manufacturing firms. Customer focus was found to be significant in explaining the variation of performance and top management commitment was found to have a significant effect of performance of manufacturing firms. Organizational capability had a partial mediating effect on the relationship between quality management practices and performance. Operating environment had a moderating effect on the relationship between quality management practices and performance.

Nilsson, Johnson and Gustafsson (2016) analyzed and investigated how key internal quality practices of product versus service organizations (employee management, process orientation, and customer orientation) influence customer satisfaction and business results. Using a national quality survey from 482 companies in Sweden, the analysis showed that for product organizations, internal quality practices influence customer satisfaction and business results primarily through an organization's customer orientation. For service organizations, both customer and process orientation impact customers directly, and employee management has a direct impact on business results. The research also supports the claim that organizations with a quality foundation are in a better position to adopt a customer orientation.

Ntongai, Ojera and Ochieng (2015) sought to establish the effects of service quality practices on satisfaction levels of mobile phone subscribers in Kenya. The study used

a proportionate stratified sampling technique to select a sample of 384 respondents on a population of 32.2 million subscribers. The study finding revealed that the R2 for service quality practices was 0.609, p<05, indicating that service quality practices account for 60.9% of variance in the customer satisfaction among mobile phone firms in Kenya.

Sadikoglu and Olcay (2014) investigated impacts of TQM practices on various performance measures as well as the reasons and the barriers of the TQM practices of firms in Turkey. A cross-sectional survey methodology was used, and the unit of the sample was at the plant level. The sample was selected from the member firms to Turkish Quality Association and the firms located in the Kocaeli-Gebze Organized Industrial Zone. They obtained 242 usable questionnaires, with a satisfactory response rate of 48.4 percent. They conducted exploratory factor analysis and multiple regression analysis. The study has showed that different TQM practices significantly affect different performance outcomes. Results revealed that primary obstacles that the firms in Turkey face were lack of employee involvement, awareness and commitment of the employees, inappropriate firm structure, and lack of the resources.

Chepkech (2014) examined the effect of Total Quality Management practices on organizational performance in Kenya. The specific objectives of this study were to determine the effect of top management commitment on organizational performance, to investigate the effect of customer focus on organizational performance and to examine the effect of employee involvement on organizational performance. It adopted explanatory research design. The target population comprised head of departments and tutors in the tertiary institutions within Uasin Gishu County whose total population was 421. The sample size of 264 respondents was drawn using stratified random sampling. Questionnaires were used to collect primary data. Pearson correlation was used to determine the relationship between the total quality management practices and organizational performance while multiple regressions were used to determine the effects of the various elements of total quality management on organizational performance. The study findings of correlation analysis showed that top management commitment, employee involvement, and customer focus were positively and significantly affect organizational performance.

The findings of the multiple regressions analysis showed that the observed changes in organizational performance attributed to the elements of total quality management practice is 56.9% (r2 =.569). This finding of this research supports the hypothesis that total quality management practices significantly affect organizational performance thus any tertiary institution managers aiming to achieve organizational performance should pay close attention to all the elements of total quality management. The study recommends that future studies test the effects of the other elements of total quality management practices on organizational performance that were not part of the current study.

While Liew and Yean (2009) examined the relationship between service quality and market orientation and their impact towards organizational performance, Wanyoike (2016) on the other hand studied effect of quality management practices on performance of manufacturing firms in Kenya. Far from these Sadikoglu & Olcay (2014) investigated impacts of TQM practices on various performance measures as well as the reasons and the barriers of the TQM practices of firms in Turkey. It is also noted that Chepkech (2014) examined the effect of Total Quality Management practices on organizational performance in Kenya while Kerubo (2015) examined the extent of adoption of service quality management by shipping agents in Kenya and analyzed the relationship between service quality management and performance of shipping agents in Kenya. Munyao (2014) equally looked at the extent of adoption of service quality management practices but in petroleum distributing firms in Kenya, the challenges they face in the implementation of these practices and the effect of these practices on the firms' operational performance. Whereas Mose and Kibera (2015) empirically assessed the influence of service quality management practices (top management support, employee management, customer orientation, quality information, reward and recognition and product/service) on the performance of hotel firms in Kenya, Cheng' & Lin (2014) on the other hand discussed the relations between Service Quality and Organizational Performance with a quantitative questionnaire survey. Ntongai, Ojera and Ochieng (2015) added a lone voice to the debate by studying customer satisfaction as an outcome of service quality management.

From the above studies it is observed that the researchers concentrated their studies on customer satisfaction, service quality management practices, total quality management and adoption of service quality. They investigated these on various levels of organizational performance. Service quality management among media firms is unclear. Therefore, this knowledge is also lacking among media industry firms with radio firms included. For those who investigated service quality management their works were limited to individual areas of firm performance and those who covered service quality management and firm performance did so in different context for instance petroleum distribution firms and shipping agents. Operations of these firm are different from those of radio broadcasting firms. Therefore, knowledge on effect of service quality management on performance of vernacular radio broadcasting firms is lacking.

2.7 Market Challenger Strategies, service quality management and organization performance

Ul Hassan, Qureshi, Sharif and Mukhtar (2013) purposed to investigate the direct impact of marketing strategy creativity (MSC) and marketing strategy implementation effectiveness (MSIE) on performance and mediating role of marketing strategy implementation effectiveness on the relationship between strategy creativity and firm performance. The study also focused on examining the moderating role of environmental uncertainty (EU) on the relationship between MSC and MSIE and the impact of MSC and MSIE on the performance across different business strategies (i.e. prospectors, analyzers, differentiated defenders, low cost defenders and reactors). A survey questionnaire was used to collect the data from key sales and marketing personnel of business units in service and manufacturing companies of Pakistan. The results of regression analysis showed that performance is maximized when an organization develops a creative strategy and achieves effective implementation.

Nguru, Ombui and Iravo (2016) purposed to examine the effects of marketing strategies on the performance of Equity Bank. The study adapted a descriptive research design which was exploratory in nature to obtain qualitative information. The target population was customers of two branches of Equity Bank Westlands, Nairobi County. For the study, a questionnaire was the preferred instrument for data collection

and before the study was conducted, the questionnaire was pre-tested to gauge its validity and reliability. In addition, the data analysis illustrated the relationship between market strategies and performance of Equity Bank. The findings revealed that marketing strategies considered in this study namely customer relationship management and customer satisfaction have a positive relationship with performance.

Jaakkola, Parvinen, Möller, Evanschitzky and Mühlbacher (2010) examined the influence of four key strategic marketing concepts—market orientation, innovation orientation, and two marketing capability categories (outside-in and inside-out capabilities)—on company performance. Second, these relationships were studied in three European "engineering countries:" Austria, Finland and Germany. Their relative homogeneity enabled testing the generality versus context-specificity of strategic marketing's performance impact. Using SEM analysis, surprisingly weak relationships between market orientation and outside-in capabilities, and business performance are identified, as opposed to the strong role of inside-out capabilities and innovation orientation. These results could be understood through the "engineering country" characteristics. Moreover, clear differences in results are identified among these relatively homogenous countries. This is a major finding as it challenges the widely assumed generality of the strategic marketing performance relationship. Country-specific results have also considerable managerial relevance.

Chari, Katsikeas, Balabanis, Robson (2012) studied emergent marketing strategies and market performance consequences. Drawing on enactment and information-processing theories, this study viewed the external environment as a source of information and organizations as information-processing entities. The study proposed a conceptual framework of antecedents and market performance consequences of emergent marketing strategies and test it with a sample of 214 UK enterprises. The results suggest that dimensions of market uncertainty (i.e. dynamism and complexity) and strategic feedback systems influence the formation of emergent marketing strategy. Furthermore, the data reveal that market uncertainty aspects condition the association between emergent marketing strategies and market performance in different ways. These findings provide new insights into how emergent marketing strategies evolve and influence organizational outcomes.

Oke (2012) examined effect of marketing strategies on banks performance in the Nigeria consolidated industry using fifteen of the twenty consolidated banks in Nigeria. Qualitative data were sourced through the administration of structure questionnaire while the quantitative data were sourced from the Central Bank of Nigeria publications and the Nigerian Stock Exchange fact book. The quantitative data were transformed to quantitative data with the use of Likert scale. The Ordinary Least Square estimation technique was employed for analysis while the Marketing Efficiency Model Approach was adopted and modified to suit the Nigerian context. The findings in this study shows an overall significance of the marketing variables adopted, although not much effect is seen when a marketing variable is compared with bank performance in isolation of other variables.

Sifuna (2014) purposed to establish the effect of competitive strategies on the performance of public universities in Kenya. This research problem was studied using a descriptive survey design. The target population was 162 respondents from which 54 were chosen as the sample size. Stratified disproportionate sampling technique was used to select the sample. The findings were that economies of scale to a very great extent affect performance of universities. It was further established that capacity utilization of resources, reducing operations time and costs, efficiency and cost control, mass production and mass distribution as aspects of cost leadership affected performance in the university to great extent, differentiation based on product/service, differentiation based on promotion/ advertising campaign and differentiation based on personnel affected performance of the university and market focus affected performance of the university. The study concluded that cost leadership affects performance of universities in Kenya through achieving economies of scale, capacity utilization of resources, reducing operations time and costs, efficiency and cost control, mass production, forming linkages with service providers, suppliers and other supplementary institutions and mass distribution and that differentiation affect performance of the university through product/service, promotion/ advertising campaign, personnel differentiation

Wambugu (2014) sought to establish influence of competitive strategies on performance of large supermarket chains in Nairobi City County as well as determine

the challenges encountered by the large supermarket chains in implementing competitive strategies. The study used a descriptive research design. Primary data was collected from 5 large supermarket chains in Nairobi County using questionnaires. The drop and pick method was used to collect data from the respondents. Descriptive statistics was used to summarize the data. These include percentages, frequencies, pie charts, tabulations and narratives. The study concluded that most of large supermarket chains in Nairobi City County had already adopted competitive strategies to respond to ever changing customer needs and competitive marketing nature whereby differentiation strategy, cost leadership strategy were the key competitive strategies adopted by most large supermarket chains which were surveyed with practices such as pricing products below that of competitors, strategic location of supermarkets to customers, offering unique customer service which is not easily imitated, continuously cutting cost across retail value chain, outsourcing and increased automation. The other competitive strategy also employed to a little extent includes, focus strategy. Further the study concluded that there were various challenges faced by large supermarket chains in Nairobi County in applying the competitive strategies.

Mbatia (2015) studied effects of marketing strategies on performance of the Heineken Brand in Nairobi Central Business District (CBD). The study was guided by the resource based theory and the theory of planned behaviour. The study used a descriptive cross sectional survey research design. A cross sectional survey was undertaken in order to ascertain and be able to describe the characteristics of the variable of interest in the study. The population of interest was outlets selling premium beer within Nairobi CBD. The researcher randomly selected 15 outlets from the cluster. Data was collected using a semi structured questionnaire. The respondents were outlet managers within Nairobi CBD. Findings show that the most of the respondents were managers from all the outlets that the researcher visited for data collection. The study found out that majority of the respondents had at least a secondary education and hence understood the information sought by this study. The study concluded that most of the respondents have worked between 0-5 years in their respective outlets. The findings indicated that the majority of these organizations have been operating for long enough to understand the effects of marketing strategies on performance of the Heineken Brand. The results indicated that most of the beer selling

organizations in Nairobi Central Business District are limited companies. The findings indicated that all the respondents represented by 100% indicated that they sell all the brands provided by the researcher. The findings indicated that performance of Heineken in Nairobi CBD is affected by rebates, digital space management, online campaigns and public relations to a greater extent. The findings of the study indicated that the most of the organizations enjoy less level of market competitive advantage. Findings indicated that the majority of the organizations have less market share. From the findings, the market share attribute to marketing strategies is less than 5% in many organizations. Findings indicated that the highest percentage will attribute less than 5% of their annual gross profits to implementation of marketing strategies implemented by Heineken.

Tangus and Omar (2017) sought to establish the effects of market expansion strategies on performance in Kenyan commercial banks. The study sought to establish the influence of market expansion strategies on performance of commercial banks considering three major strategies; Market challenger, market leader and market niche strategies. Market Expansion as a strategic growth option is particularly relevant in developing countries like Kenya because of very low product penetration and consumption levels. Respondents of the study were 3 senior managers in each commercial bank selected randomly. Descriptive research design was used and proportionate simple random sampling method was employed. Overall finding of the study revealed strong correlation coefficient between firm performance and the three market expansion strategies all with a significance of above 95%. Furthermore, the findings of this study substantiate the call for banking institutions to use market expansion strategies to enhance their performance. These strategies by commercial banks require firms to put necessary policies in place for the strategies to succeed. This will help in the formulation and implementation of such strategies. Staff and management commitment should be achieved so that full support of the strategy can lead to its success.

Amondi, Senaji and Thuo (2017) sought to assess the influence of marketing strategies on performance of the water and sewerage companies in Kenya (A case of Nairobi City Water and Sewerage Company). Since provision of water and sewerage

services in Nairobi city and it's environ in Kenya has for a long time been characterized by poor service delivery, inefficient management and lack of sound strategic approach in addressing the demand for the services. The objectives of this study were to establish the influence of online marketing strategy, branding marketing strategy, relationship marketing strategy and market dominance strategy on the performance of water and sewerage companies in Kenya. The study adopted a descriptive research design which involved observing and describing the behavior of a subject without manipulation, the target population was 300 and a sample size of 171 respondents was used. The sampling design was random sample and the data collection method was questionnaires. The conclusions were that; online marketing strategy can significantly improve the performance of Nairobi City Water and Sewerage Company in Kenya, improvement of branding marketing strategy can increase the performance of NCWSC in Kenya, high levels of relationship marketing strategy increases the performance of NCWSC in Kenya, high levels of market dominance strategy improves the performance of NCWSC.

Maruta, Sularso and Susanti (2017) intended to examine and analyze the effect of market orientation, entrepreneurship orientation, and imitation strategy on the competitive advantage of SME of leather bags and suitcases in East Java. The study population was all members of 515 people of SME of leather bags and suitcases in East Java. The locations were spread in Sidoarjo, Mojokerto city, Magetan and Malang. The sample calculation used Slovin's formula with the calculation result of 180 samples. The data was analyzed by using the Structural Equation Modeling with the help of AMOS 20 software. The results show that market orientation, entrepreneurship orientation, and imitation strategy have a positive and significant impact on the competitive advantage of SME of leather bags and suitcases in East Java. The higher the market orientation is, the stronger the entrepreneurship orientation, and the better the imitation strategy are. Thus the competitive advantage of SME of leather bags and suitcases in East Java is also higher.

Ghorbaninia and Aligholi (2016) investigated the influence of dimensions of strategy orientation of organizational performance in companies which are active in food industries in Alborz province. The study was an applied research in terms of target

and it is a descriptive study in terms of data gathering method and it is a correlation study in terms of data analysis. Research statistical population included all companies which were active in food industries in Alborz Province (152 companies in number). According to Morgan Table, 108 companies were selected randomly. Questionnaire was used for data gathering. Regression coefficient method was used for testing hypotheses. The results of analyses showed that except for risk taking, all other dimensions of strategy orientation (aggressive approach, defensive approach, analytical approach, futurism and pro-activeness) had positive impacts on organizational performance.

Mutuma (2013) purposed to investigate the effects of adopted expansion strategies on the performance at Commercial Banks in Kenya. This research problem was studied through the use of a descriptive research design. The target population of this study was the staff working at Commercial Banks in Kenya in Tier One. The study focused more on the section and particularly on the top, middle and lower level management staff who are directly dealing with the day to day management of the banks since they are the ones conversant with the subject matter of the study. A sample of staff drawn from the population of 232 management staff working in Commercial Banks in Kenya of the top, middle and low level management ranks was used. Stratified proportionate random sampling technique was used to select the sample. From each stratum, simple random sampling was used to select 70 respondents. Primary data was collected using a questionnaire while secondary data was obtained from annual reports of the companies. Data collected was purely quantitative and it was analyzed by descriptive analysis. In addition the study used Karl Pearson‟s product moment correlation analysis to assess the relationship between the variables. From the findings, the study concluded that product development has the highest effect on performance of commercial banks, followed by market penetration, then diversification while market development having the lowest effect on the performance of commercial banks.

Chukuemeka (2016) studied the influence of marketing strategies on the performance levels of ICFs in South-South Nigeria. The study questionnaire were purposively issued to CEOs and managers of ICFs (n=87) in the research area. Maintaining a pool of professionals to boost company image (=3.79) ranks highest among the identified

marketing strategies. Kruskal-Wallis H test of difference in the opinions of the different firm groups showed that a significant difference exists in the frequency of use of the marketing strategies by the different firm groups.

Ishola, Adekonyin, Dangana (2017) studied impact of marketing strategies and performance of banks and its effects on Nigeria economy and aimed at identifying the various types of the marketing mix components employed by the banks, examine the effect of the marketing strategies on the performance of the banks and to determine if the marketing strategies employed by the Banks differ significantly from one another. Questionnaire was administered on two populations which are Management and staff of the banks and customers of the banks. 250 questionnaires was administered to Management and staff of the banks, and also 250 was administered to customers of the bank in Nigeria. Result of the analysis revealed four factors which were distribution network, quality of service, promotion and price with the percentage contribution of each factor being 51.9%, 73.6%, 31.2% and 38.5% respectively. Multiple regression analysis showed that $R2 = 0.563$ which indicated that the four factors accounted for 56% variability in the performance of marketing strategies employed by the banks. The result of the analysis of variance indicated that the mean ratings for the banks were not significantly different at 0.05level.

The literature presented reveals different scenerios on approaches and results of empirical studies. While Nguru, Ombui and Iravo (2016) purposed to examine the effects of marketing strategies on the performance of Equity Bank and found that the strategies of customer relationship management and customer satisfaction have a positive relationship with performance, Jaakkola, Parvinen, Möller, Evanschitzky and Mühlbacher (2010),on the other hand examined the influence of four key strategic of market orientation, innovation orientation, and two marketing capability categories on company performance in three European "engineering countries" and revealed mixed results. They found weak relationships between market orientation and outside-in capabilities, and business performance as opposed to the strong role of inside-out capabilities and innovation orientation. Chari, Katsikeas, Balabanis, Robson (2012) considered a moderator in their study and revealed that market uncertainty aspects condition the association between emergent marketing strategies and market

performance in different ways. Oke (2012) also revealed inconsistent results. He examined effect of marketing strategies on banks performance in the Nigeria and found that not much effect is seen when a marketing variable is compared with bank performance in isolation of other variables.

Sifuna (2014) establish the effect of competitive strategies on the performance of public universities in Kenya and revealed that cost leadership affects performance of universities in Kenya through achieving economies of scale, capacity utilization of resources, reducing operations time and costs, efficiency and cost control, mass production, forming linkages with service providers, suppliers and other supplementary institutions and mass distribution while differentiations affect performance of the university through product/service, promotion/ advertising campaign, personnel differentiation. The study by Mbatia (2015) disagreed. He studied effects of marketing strategies on performance of the Heineken Brand in Nairobi Central Business District (CBD) and found that implementation of marketing strategies did not contribute much to annual gross profits, instead contributed to a low of less than 5%. Quite apart from the study by Mbatia (2015), Tangus and Omar (2017) sought to establish the effects of market expansion strategies on performance in Kenyan commercial banks and revealed that a strong correlation coefficient between firm performance and the three market expansion strategies exist. Another close study was by Amondi, Senaji and Thuo (2017). They assessed the influence of marketing strategies on performance of the Nairobi City Water and Sewerage Company in Kenya and found that online marketing strategy and relationship marketing strategy increases the performance. Maruta, Sularso and Susanti (2017) also revealed mixed results. They examined the effect of market orientation, entrepreneurship orientation, and imitation strategy on the competitive advantage of SME of leather bags and suitcases in East Java and found that at higher levels of the three, competitive advantage is also high while at low levels there was no competitive advantage.

In another study, Ghorbaninia and Aligholi (2016) just like Maruta, Sularso and Susanti (2017) found inconsistency in their results. They investigated the influence of dimensions of strategy orientation of organizational performance in companies which

are active in food industries in Alborz province and found that except for risk taking, all other dimensions of strategy orientation (aggressive approach, defensive approach, analytical approach, futurism and pro-activeness) had positive impacts on organizational performance. Mutuma (2013) purposed to investigate the effects of adopted expansion strategies on the performance at Commercial Banks in Kenya and found that product development has the highest effect on performance of commercial banks, followed by market penetration, then diversification while market development having the lowest effect on the performance of commercial banks. Mutuma (2013) concurs with Ishola, Adekonyin, Dangana (2017) who studied impact of marketing strategies and performance of banks and its effects on Nigeria economy. Results showed that the four factors distribution network, quality of service, promotion and price impacted on performance. Chukuemeka (2016) added a lone voice. He studied the influence of marketing strategies on the performance levels of ICFs in South-South Nigeria and found a significant difference exists in the frequency of use of the marketing strategies by the different firm groups. Ul Hassan, Qureshi, Sharif and Mukhtar (2013) investigated the direct impact of marketing strategy creativity (MSC) and marketing strategy implementation effectiveness (MSIE) on performance an found than an organization that develops a creative strategy and achieves effective implementation maximizes performance.

The literature reveals inconsistent results. Effects of marketing strategies on the performance of Equity Bank customer relationship management and customer satisfaction have a positive relationship with performance while relationships between market orientation and outside-in capabilities, and business performance were found to be weak as opposed to the strong role of inside-out capabilities and innovation orientation. In Nigeria, not much effect was seen when a marketing variable is compared with bank performance in isolation of other variables. Studies on Heineken Brand in Nairobi Central Business District (CBD) found that implementation of marketing strategies did not contribute much to annual gross profits. In other studies a strong correlation coefficient was found to exist between firm performance and market expansion strategies. Elsewhere in East Java market orientation, entrepreneurship orientation, and imitation strategy at higher levels was found to contribute to competitive advantage while at low levels there was no competitive

advantage. Similarly, risk taking, as a strategy was found to have negative influence on organizational performance while aggressive approach, defensive approach, analytical approach, futurism and pro-activeness had positive impacts on organizational performance. The inconsistency in the studies of marketing strategies has remained unresolved. Earlier attempts to resolve this introduced market uncertainty as a moderator but the inconsistency continued to be witnessed. The reason for the mixed results remains unclear. Further, despite service quality management predicting performance of organizations, it has not been considered as a moderator in the relationship between marketing strategies and performance of firms. What its effect would be as moderator in this relationship remains unclear.

CHAPTER THREE: RESEARCH METHODOLOGY

This section provides the methodology the study adopted. It highlights the overall research paradigm and design that guided the study. It begins with presenting the research paradigm, followed by area of study, population, sample and sampling design, data and data collection procedure and finally data analysis and presentation.

3.1 Research Design

Prior deciding on a suitable design for the study, an ideal paradigm on which to base the study was first chosen. Rossman and Rallis (2012) define a paradigm as a "worldview" or a set of assumptions about how things work. They view paradigms as shared understanding of reality. According to Neuman (2011), a paradigm connects and categorizes a variety of research techniques through underlying philosophical assumptions surrounding appropriate research process. The nature of knowledge is then assumed to be different within each paradigm.

The underlying paradigm of this research study was therefore the positivist paradigm. Positivism seeks objective truth that is assumed to exist and tends to drive research towards quantitative approaches. Consequently, it advocates for organized methods to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity through precise empirical observations of individual behaviour (Neuman, 2011). Considering that the study sought to investigate the perceptions of the management staff of the vernacular radio broadcasting firms on the effect of market challenger strategies on performance of the firms, the study therefore assumed that the role of the researcher was limited to the findings obtained through data collection and interpretation through objective approaches. Accordingly, the findings of the study were comprised of discrete, observable elements and events that interact in an observable, determined, regular manner and quantified and supported by statistical analysis (Collins, 2010). This study, therefore, sought to create knowledge by developing hypotheses and propositions, gathering and analyzing data and then testing the hypotheses and propositions against external reality represented by the data generated.

On the basis of the positivist paradigm, the study adopted the explanatory research design. It is argued that explanatory research also called causal research is conducted for purposes of identifying the extent and nature of cause-and-effect relationships (Gelman, 2011). Choice of the explanatory research design was informed by the fact that causal research focuses on understanding variables that are the cause and those that are the effect. Besides, causal research seeks to determine the nature of relationship between the causal variables and the effect predicted (Gelman, 2012). Indeed, use of causal research was justified since, the present study sought to establish causal effects between market challenger strategies and performance of vernacular radio stations, while at the same time examining the moderating effects of service quality management.

3.2 Area of Study

The study was conducted in vernacular radio stations drawn from the western region of Kenya covering the Nyanza and Western Counties. There are twelve counties in this region namely; Nyamira, Kisii, Migori, Homabay, Siaya, Kisumu, Busia, Vihiga, Kakamega, Bungoma, West Pokot, and Trans-Nzoia. Choice of this region was informed by the good presence of vernacular radio stations. Besides, the Dholuo has previously been ranked as the top broadcasting language in Kenya with 28% listeners (Synnovate, as cited in Okoth, 2015, p.16). This location was, therefore, deemed to be rich in the required information that could lead to establishment of the conceptualized relationships.

3.3 Target Population, Sample Size and Sampling

According to Nworgu (2005), a target population defines all members or elements of a well-defined group with some common, observable characteristics. Consequently, the study targeted the management teams of the 16 vernacular radio broadcasting firms operating in the area. The target population was, therefore, made up of 186 individuals comprising 16 Chief Executive Officers; 96 Departmental Managers and 74 Regional Agents (see Table 3.1).

Table 3.1: Target Population

Category of Managers	Number in population
Chief Executive Officers	16
Departmental Managers	96
Regional Sales Agents	74
Total	**186**

Source: Survey Data (2017).

3.3.1 Sampling

Given that target and sometimes study populations can be quite large, there is often a need to obtain a representative portion of the entire population. According to Neuman (2000), sampling is therefore a procedure of selecting a part of population on which research can be conducted, and upon which conclusions drawn can be generalized to the entire population.

3.3.2 Sample Size

A key consideration in deciding on the sample size was the desire to keep it manageable enough (Creswell, 2003). The sample size of the management sample for the present study was therefore based on the formula adopted from Getu and Tegbar (2006). That is:

$$\text{Sample size} = \frac{n}{\left(1 + \frac{n}{N}\right)}$$

And $n = Z^2 p (1-p) / w^2$

Where;

- n is the sample size
- N is the study population, 186 in this case
- p is the estimated proportion taken at 50% since the proportion for the current study was not known
- w is the margin of error allowed, taken at 5% for the proposed study, and

- Z is the value corresponding to the level of confidence taken in the proposed study, the confidence level was 95% (so as to allow for all possible intervals) and therefore Z = 1.96

Thus $n = \dfrac{1.96^2 * 0.5 * 0.5 / 0.05^2}{}$

$= 384$

Since N=186, sample size $= \dfrac{384}{1 + \frac{384}{186}}$

$= 125.3$

$\cong 125$

A sample size of 125 management staff was therefore selected for the purposes of the present study.

3.3.3 Sampling Procedure

On the basis of Creswell's (2003) assertion that the research design and data analysis methods are key factors in determining the sampling procedure, the current study integrated probability sampling techniques in line with the needs of the causal research design. First, a sampling frame showing the listing of all vernacular radio broadcasting firms was prepared (see Appendix IV). Second, management staff was stratified according their category. The required sample of 125 management staff was then drawn proportionate to the number of staff in respective categories. Consequently, 11 Chief Executive Officers, 64 Departmental Managers, and 50 Regional Agents were drawn (see Table 3.2).

Table 3.2: Sample size of Respondents

Category Managers	No. in Population	No. in Sample
Chief Executive Officer	16	$^{16}/_{186} \times 125 = 11$
Departmental managers	96	$^{96}/_{186} \times 125 = 64$
Regional agents	74	$^{74}/_{186} \times 125 = 50$
TOTAL	**186**	**125**

Simple random sampling technique was next used to select the required number of management staff from each category. Inclusion criterion was that at least each radio broadcasting firm had adequate representation in each category except for the CEO position.

3.4 Data Collection Methods

3.4.1 Data Type and Source

The study relied solely on primary data collected at first hand from the identified managerial staff. Primary data is collected from primary sources that provide data that relates to the object of study (Galvan, 2013). Questionnaires were, therefore, developed for purposes of gathering data from these primary sources.

3.4.2 Data Collection Procedures

The study was facilitated through a letter of introduction from the institution, introducing the researcher as a student at the institution. The letter also confirmed that the research was solely meant for academic purposes. Prior to data collection, permission was first sought from the university to gather data for the purposes of the study. The researcher then applied and was granted a permit to collect data from the National Council for Science Technology and Innovation (NACOSTI). Finally, requests for visiting vernacular radio firms to collect data were made to respective Chief Executive Officers.

Managers were notified of the purposes of the study and were requested to suggest a suitable day to respond to the questionnaires with a clear indication that very minimal

time of their schedule could be needed. On the material day, respondents were issued with copies of the questionnaire and asked to fill. On completion, each respondent was asked to return the questionnaire and appreciated for his/her cooperation.

3.4.3 Data Collection Instrument

The principal tool used for data collection in the present study was the management staff questionnaire. This questionnaire as shown in Appendix III was designed to contain four sections. The first section collected information pertaining to the general firm characteristics of size and age. This information was a necessary precaution to the likely influences of these characteristics on firm performance. The second section of the questionnaire for management staff focused on information regarding mechanisms of market challenger strategies often found vernacular radio stations in western Kenya. The information was used to give a pointer towards availability and use of such strategies in these firms. The third section sought information regarding mechanisms used for management of service quality within the vernacular radio broadcasting firms examined. Section four focused on prevailing levels of performance among vernacular radio broadcasting firms operating in western Kenya. The constructs of independent, moderating and dependent variables were scored using a "Very High" to "Very Low" five (5) point Likert scale. This approach though subjective, was used on the basis Acquaah and Eshun (2010).

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The mode of administration of the questionnaire was self-completion. The researcher hired two assistants to help in delivering the questionnaire to respondents, and thereafter to collect them on completion. The researcher briefed the assistants on the requirements of the study, and on the need to observe ethical principles and rules governing the study. Self-completion was deemed to be suitable since it is a cheap mode that does not require recruitment and training of interviewers. It is also viewed as being highly confidential since there is no need for respondents to disclose information directly to any person.

3.4.4 Reliability Tests

A reliability test was undertaken before using the research instrument in the field. The purpose of reliability testing was to assess the consistency with which the questionnaire measured what it was intended to measure (Sekaran, 2005). The reliability test was therefore carried out by computing the internal consistency of the questionnaire using the Cronbach's alpha reliability coefficients.

The researcher undertook a pre-test of the questionnaire by carrying out a pilot study of the research instrument on vernacular radio broadcasting firms in the neighbouring Rift Valley Region where a total of 15 questionnaires were administered to management staff. Since there is little published guidance concerning how large a pilot study should be (Melody and Herztog, 2008), the researcher considered the 15 respondents to be adequate. Choice of the management staff for the pilot study was for purposes of having a group similar in makeup to the actual sample population. Past studies (Polit *et al.,* 2001; Baker, 1994) have shown that it is desirable to pilot a research instrument before collecting data for purposes of ensuring that questions are well understood by respondents and that there are no problems with its wording or measurement. Piloting therefore enables the researcher to take the necessary corrective action before carrying out the actual data collection exercise.

Results presented in Table 3.3 shows that reliability coefficients of the seven measurement scales used to examine the effect of challenger strategies on performance of vernacular radio broadcasting firms under the moderation of service quality management were as follows: frontal attack (α=.894); flank attack (α=.849); encirclement (α=.857); Bypass attack (α=.826); guerilla warfare (α=.854); service quality management (α=.966); and firm performance (α=.900). This implies that the scales in question had a high degree of internal consistency among the measurement items (Kinoti, 2013).

Table 3.3: Scale Reliability

Variables	Number of items	Cronbach's Alpha
1. Frontal Attack	5	.894
2. Flank Attack	5	.899
3. Encirclement	5	.897
4. Bypass Attack	5	.886
5. Guerilla Warfare	5	.889
6. Service Quality Management	11	.966
7. Firm Performance	10	.900

3.4.5 Validity Test for Data Collection Instrument

Validity refers to the extent to which the constructs of the study or measures in the survey instrument represent the study concept and the degree to which it is free from subjective error (Nunally, 1978). Validation of the questionnaire was conducted in terms of face and content. Wilson, Pan and Schumsky (2012) refer to content validity as the extent to which a research instrument represents all the facets of a given construct. The first form of validity tested was face validity. On the basis of suggestions by Neuman (2007), the researcher sought the expert opinion of supervisors on whether the questionnaire appeared suitable both in design and structure, from face value and whether they measured the required construct. On the other hand, validity of the content of the measurement scales was determined by discussing with supervisors, the type, format, layout and sequencing of the research instrument in terms of their technical quality, sampling adequacy, relevance, and clarity of content and whether the content had justification with evidence from literature.

3.5 Data Analysis and Presentation

Data collected were coded and entered into SPSS version 22 for purposes of analysis. Data were first screened and cleaned for missing values, outliers, and assumptions of multiple regressions. Descriptive statistics such as means and standard deviations were used to explore the prevailing status of the study variables in vernacular radio broadcasting firms in western Kenya.

3.5.1 Assumptions of Multiple Regression

Prior to conducting the regression analysis, five assumptions required for multivariate analysis such as regression were tested. They included assumptions of normality, linearity, and homogeneity of variances, autocorrelation, and multicollinearity (Hair *et al.*, 2010). The assumption of normality of the data was tested using the quantile–quantile (Q-Q) plots which are viewed to be more effective than the statistical tests. Loy, Follett and Hofmann (2014) argue that despite formal goodness of fit tests such as the Shapiro-Wilk test being more powerful tests of normality, they lack the ability to point out features of distributions that are non-normal making Q-Q plots more suitable. Q-Q plots were therefore produced for each of the five market challenger strategy variables, as well as, for the service quality management and the performance variables. Data points close to the diagonal line either side would then imply non-violation of normality requirement (Tabachnick & Fidell, 2013).

The assumption of linearity was tested using bivariate scatter plots. Tabachnick and Fidell (2013) contend that that whereas Pearson correlation may be used to test linearity, it is limited in determining the degree of linearity on the premise that it only captures the linear component of the relationship. Under this approach, oval or elliptical Scatter plots between any two variables implied that linearity existed between the two variables. Homogeneity of variances applies to multiple regressions and as noted by Tabachnick and Fidell, (2013), assumes uniform variability in scores for dependent variable in relation to the independent variables. Homogeneity of variance or uniformity of variance was tested using levene's test of equality of variances of market challenger strategies across firm performance. Significant values of the Levene statistics measured at the 5% level were then deemed to indicate violation of the homogeneity of variance assumption (Tabachnick & Fidell, 2013),

Multicollinearity refers to correlations or multiple correlations that are sufficient in magnitude to potentially adversely affect regression estimates (Field, 2009; Hair, *et al.*, 2010). Presence of multicollinearity was tested using Variance Inflation Factors (VIF). According to Tabachnick and Fidell, (2013), VIFs assess the increase in the Variance of estimated regression coefficients in case of correlations among predictors. The threshold for existence multicollinearity was set as a minimum value of '5'

basing on suggestions by Ringle *et al.* (2015). VIF values beyond 5 signified existence of multicollienarity.

Autocorrelation examines existence of correlation among regression residuals (Tabachnick & Fidell, 2013). Independence of regression residuals was tested using the Durbin–Watson (DW) statistic, regarded as an ideal measure of independence of errors that factors in the order in which cases are selected. Independence of regression residuals was confirmed by a Durbin–Watson statistic lying within the critical range $1.4 < d < 2.5$.

3.5.2 Model Formulation and Estimation

In order to test the three hypotheses, three models were formulated in line with the three conceptualized relationships. Multiple regressions analysis was used to model the direct effects of the five market challenger strategies on firm performance. Similarly, a linear regression model was used to model the direct effect of service quality management on firm performance. The third model was the moderation model used to show the moderating effect of service quality management on the relationship between market challenger strategies and the performance of vernacular radio firms. The three models are summarized as shown.

Model 1

A model for the regression of firm performance on market challenger strategies given as

$$VRFP = \beta_0 + \beta_1 cMCS + \varepsilon \quad \text{...1a}$$

$$VRFP = \beta_0 + \beta_1 FRA + \beta_2 FLA + \beta_2 ECA + \beta_3 BYA + \beta_4 GWA + \varepsilon \quad \text{...1b}$$

Where;

VRFP = Vernacular radio firm performance

β_0 = Intercept

β_1 = Effect of Market Challenger Strategies on Firm Performance

cMCS = Centered Market Challenger Strategies

ε = Residual

Where;

$VRFP \Longrightarrow$ Vernacular radio firm performance

$FRA \Longrightarrow$ Frontal attack

$FLA \Longrightarrow$ Flank attack

$ECA \Longrightarrow$ Encirclement attack

$BYA \Longrightarrow$ Bypass attack

$GWA \Longrightarrow$ Guerilla warfare attack

$\varepsilon \Longrightarrow$ Residuals

Model 2

A model for regression of firm performance on service quality management

$VRFP = \beta_0 + \beta_1 cSQM + \varepsilon$

Where;

VRFP = Vernacular radio firm performance

β_0 = Intercept

β_1 = Effect of Service Quality Management on Firm Performance

cSQM = Centered Service Quality Management

ε = Residual

Model 3

The moderation model for service quality management on the relationship between market challenger strategy and vernacular radio broadcasting firm performance

$$VRFP = \beta_0 + aCMCS + bCSQM + cCMCS * CSQM + \varepsilon$$

Where;

$VRFP \Longrightarrow$ Vernacular radio firm performance

$CMCS \Longrightarrow$ Centered market challenger strategy variable

$CSQM \Longrightarrow$ Centered service quality management variable

$CMCS * CSQM \Longrightarrow$ Interaction between centered market challenger strategy variable and centered service quality management variable

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$a \Rightarrow$ Main effects of market challenger strategy on firm performance

$b \Rightarrow$ Main effects of service quality management variable firm performance

$c \Rightarrow$ Moderation effects of service quality management on the relationship between market challenger strategy and vernacular radio broadcasting firm performance

$\varepsilon \Rightarrow$ Residuals

3.6 Ethical Considerations

The study was undertaken in consideration of ethical issues that arise in social science inquiry. The process of collecting, analyzing, and interpreting data was done in a way that respected the rights of participants and individual respondent groups. Specifically, prior to data collection, an introductory letter was prepared for the purpose of seeking informed consent from respondents to participate in the study. Details revealing the purpose of the study and guarantee of anonymity and confidentiality were included in the letter. All research assistants were required to show the letter to all potential respondents when soliciting participation in the research.

As indicated in the introductory letter, the right of anonymity and confidentiality was guaranteed. This included the assurance that the study was only for academic purposes and not for circulation to other parties. Anonymity was assured by concealing respondent's identities and also ensuring that the information collected was not linked to the respondent. Consequently, the respondent's name was not required. Confidentiality was assured by the researcher taking responsibility to protect all data gathered within the scope of the study. Furthermore, the study ensured that the respondent's right to privacy was guaranteed. This is the freedom of an individual to determine the time, extent and circumstances under which the private information should be shared with or withheld from others. The vernacular radio broadcasting firm's management team were interviewed at their own convenient time.

3.7 Preliminary Results

Preliminary results focused on examining the response rate and cleaning data as required by multivariate statistical analysis techniques.

3.7.1 Response Rate

The target population included 186 managers drawn from the 16 vernacular radio firms in the study location. Out of the expected sample of 125 managers, 112 returned their questionnaires completely filled. The overall response rate was therefore 89.6% which was found ideal basing on recommendations that the goal of researchers should be a minimum response of 60% (Draugalis, Coons & Plaza, 2008).

3.7.2 Missing Value Analysis

Extant literature indicates that missing values are a common phenomenon in social science research and often lead to loss of statistical power for making accurate inferences (Masconi, Matsha, Echouffo-Tcheugui, Rajit & Kengue, 2015). Examination of missing values in the present study was done with respect to individual cases. Results presented in Table 4.1 show that there were 20 cases with missing values. Cases 20, 25, 15, 23 and 19 had missing values above the recommended value of 5% (Tabachnick & Fidell, 2013). The five cases were, therefore, deleted from further analysis leaving a total of 107 cases from the 112 responses.

Table 3.4: Missing Patterns (cases with missing values)

Case	# Missing	% Missing
2	1	2.2
76	1	2.2
11	1	2.2
26	1	2.2
33	1	2.2
49	1	2.2
93	1	2.2
34	1	2.2
54	1	2.2
98	1	2.2
65	1	2.2
70	1	2.2
10	1	2.2
78	1	2.2
72	2	4.3
20	4	8.7
25	10	21.7
15	11	23.9
23	34	73.9
19	46	100.0

- indicates an extreme low value, while + indicates an extreme high value. The range used is (Q1 - 1.5*IQR, Q3 + 1.5*IQR).

Source: Survey data (2018)

3.7.3 Outliers

Outliers are scores that markedly differ from others. Outliers can either be univariate in which case, extreme scores are found on single variables; or scores may deviate from the centroid of all cases involving predictor variables, making them to be multivariate outliers. Assessment of the presence of univariate outliers was done on all the independent and dependent variables. Scores drawn from each of these

variables were standardized and then gauged against the interval [-3.0, 3.0] as suggested by Stevens (2002). A score was then deemed an outlier if its standardized value fell outside this interval. An examination of all standardized scores in the present study indicated absence of univariate outliers.

The Mahalanobis distance (D^2) which indicates the distance a particular case deviates from the centroid of all cases for the predictor variables (Tabachnick & Fidell, 2013), was used to detect multivariate outliers. The probabilities associated with computed Mahalanobis values were calculated and arranged in ascending order. All values with probabilities falling below 0.001 were considered to be multivariate outliers. Results presented in Table 4.2 which is a screen print of a few ordered Mahalanobis distances and associated probabilities reveal that data had no multivariate outliers.

Table 3.5: Multivariate Outliers

	MAH_1	p_Mah_1
1	.97593	.0135
2	1.05589	.0166
3	1.06624	.0170
4	1.06624	.0170
5	1.13420	.0200
6	1.13420	.0200
7	1.13420	.0200
8	1.13420	.0200
9	1.13420	.0200
10	1.13420	.0200
11	1.13420	.0200
12	1.13420	.0200
13	1.13420	.0200
14	1.13420	.0200
15	1.13420	.0200
16	1.13420	.0200
17	1.13420	.0200
18	1.13420	.0200

Source: Survey data (2018)

3.8 Testing for the Assumptions of Multiple Regressions

Multiple regression, which was the key inferential statistic for the present study requires that certain key assumptions be made (Tabachnick & Fidell, 2013). Data

collected were, therefore, examined for normality, linearity, homogeneity of variances, autocorrelation and multicollinearity

3.8.1 Testing for Normality Assumption

Normality of data distribution was tested for all the variables measuring challenger strategies and also for the service quality management and performance variables. Response scores for each case on items measuring each of these variables were averaged to yield a typical response score for case on the variable. The quantile–quantile (Q-Q) plots were used to examine normality of data distribution for each variable. These are probability plots in which a normal distribution produces a straight diagonal line which is then compared to the plotted data. Data points close to the diagonal line either side would then imply non-violation of normality requirement (Tabachnick & Fidell, 2013).

3.8.1.1 Normality Test for the Frontal Attack Variable

Frontal attack was conceptualized as the first challenger strategy. The Q-Q plot displayed in figure 3.1 has data points distributed along the diagonal line. This implies that data measuring frontal attack was normally distributed. Hence normality assumption was not violated.
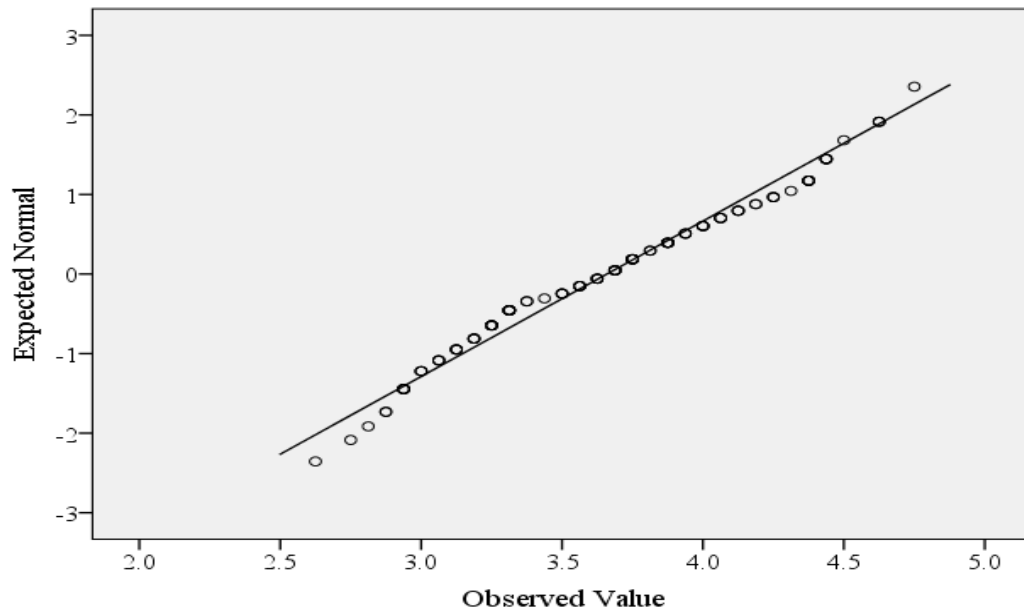
Figure 3.1 Normal Q-Q Plot of Frontal Attack

3.8.1.2 Normality Test for the Flank Attack Variable

Flank attack was conceptualized as the second challenger strategy. A total of six items were used to measure flank attack. The Q-Q plot shown in figure 3.2 confirms that data for flank attack were normally distributed since data points were close to the diagonal line.
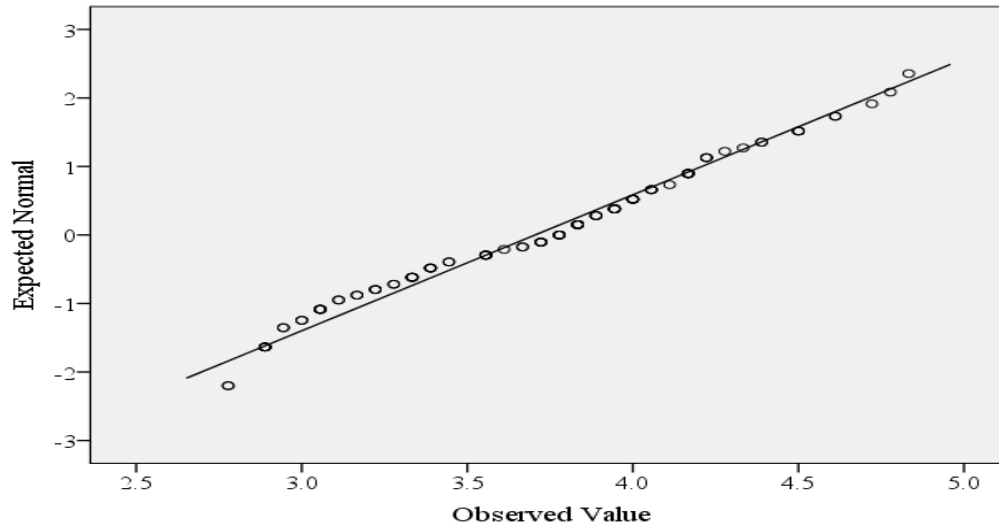
Figure 3.2 Normal Q-Q Plot of Flank Attack

3.8.1.3 Normality Test for Encirclement Variable

Encirclement was conceptualized as the third market challenger strategy adopted by vernacular radio broadcasting firms. The Q-Q plot for encirclement displayed in figure 4.3 indicates that data for encirclement was normally distributed.
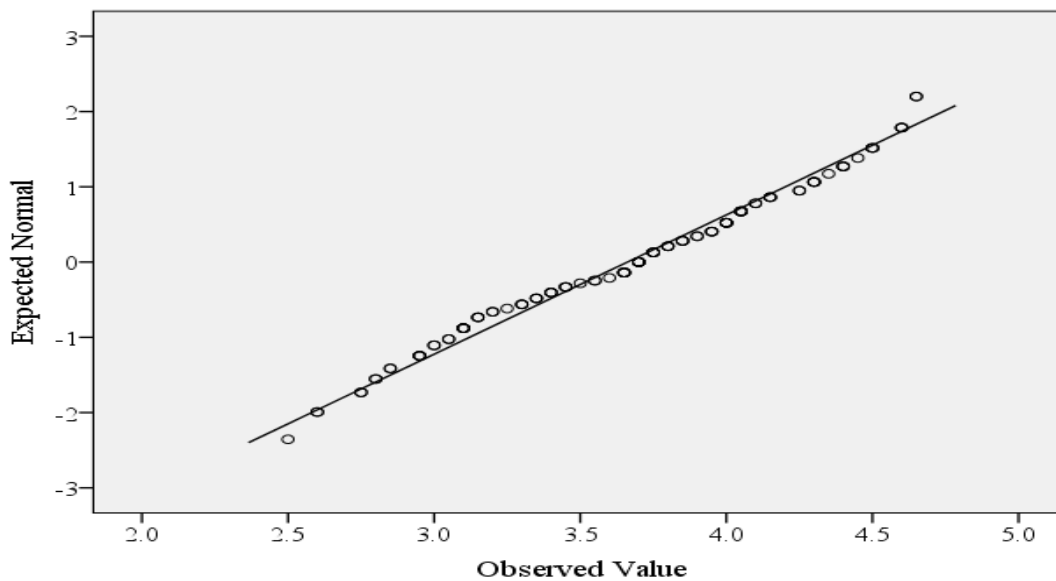
Figure 3.3 Normal Q-Q Plot of Encirclement

3.8.1.4 Normality Test for Bypass Attack

The fifth market challenger strategy conceptualized in the present study was bypass attack strategy. Examination of the Q-Q plot for this variable revealed that data measuring this strategy were normally distributed (Figure 3.4).
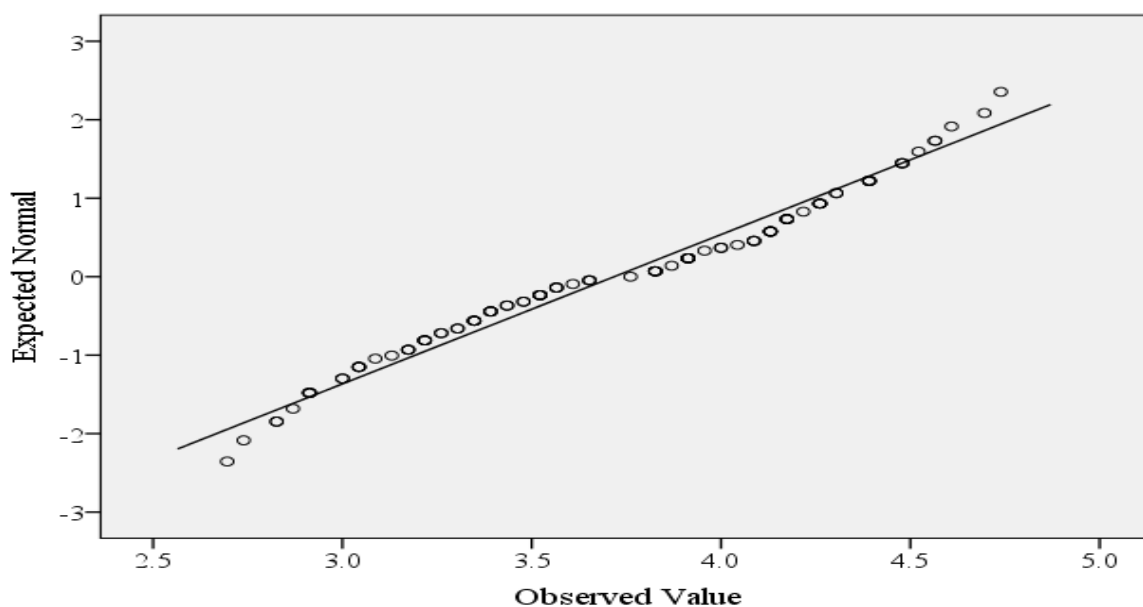
Figure 3.4 Normal Q-Q Plot of Bypass Attack

3.8.1.5 Normality Test for the Guerilla Warfare Variable

Guerilla warfare was the fifth and last market challenger strategy conceptualized in the present study. The Q-Q plot for this variable had all plotted points lying alongside the diagonal line (Figure 3.5). Normality assumption for the guerilla warfare variable was therefore sustained.
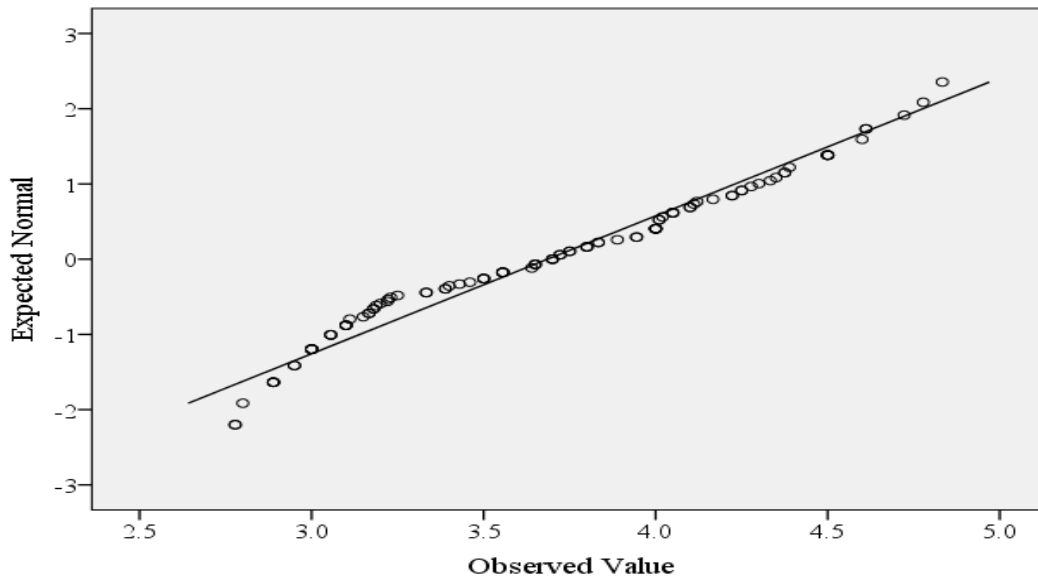
Figure 3.5 Normal Q-Q Plot of Guerilla Warfare

3.8.1.6 Normality Test for Service Quality Management Variable

Service quality management was conceptualized in the present study as a variable moderating the effect of market challenger strategies on the performance of radio broadcasting firms in western Kenya. The Q-Q plot for this variable presented in figure 3.6 shows that plotted points lay along the diagonal line on either side. This shows that the distribution for service quality management was equally a normal distribution.
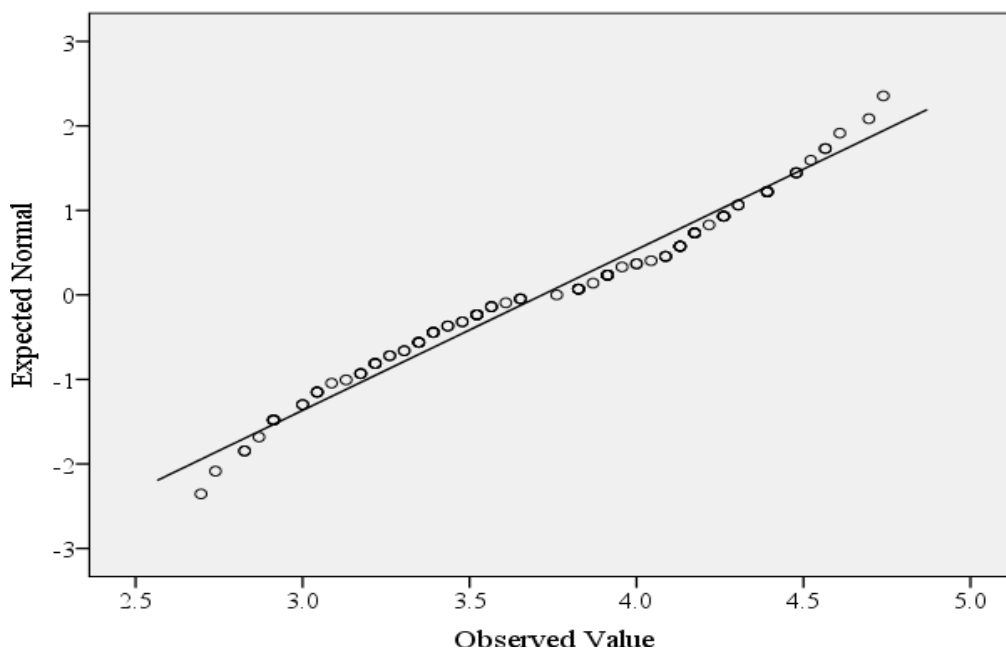
Figure 3.6 Normal Q-Q Plot of Service Quality Management

Firm Performance was conceptualized as the dependent variable in the present study. Firm performance was measured using ten items. The Q-Q plot of firm performance indicates that the firm performance variable was a normal distribution (Figure 3.7).
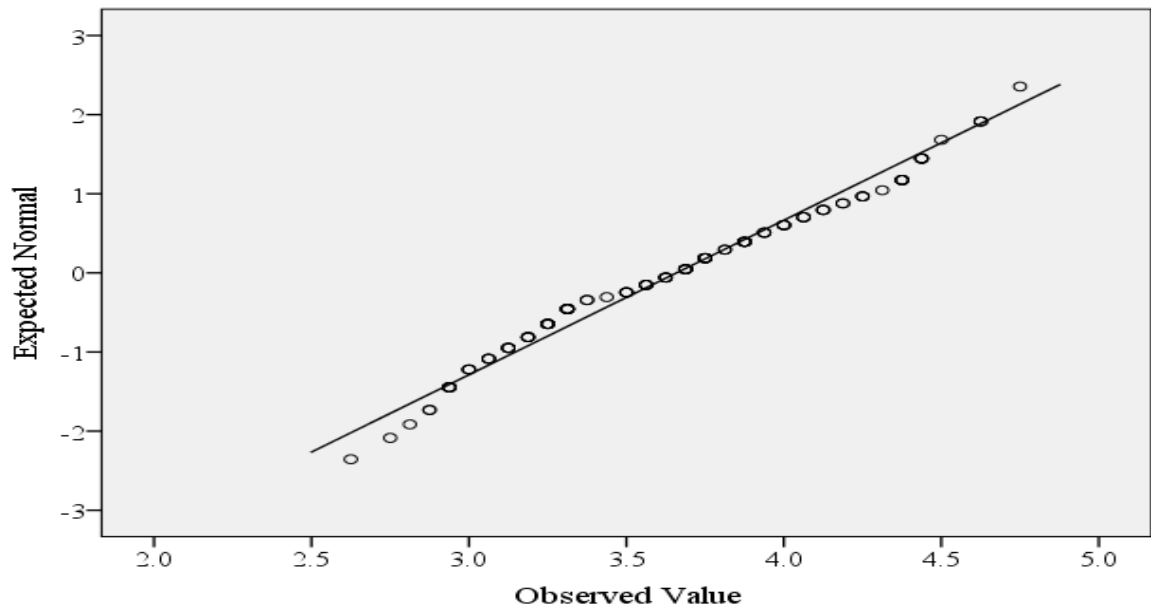
Figure 3.7 Normal Q-Q Plot of Firm Performance

3.9 Testing for the Assumption of Linearity

Linearity assumes that a straight line relationship exists between two variables (Tabachnick & Fidell, 2013). Linearity is an assumption of regression which precedes the running of regression analysis. Bivariate Scatter plots were used to test for the linearity assumption. Oval or elliptical Scatter plots between any two variables implied that linearity existed between the two variables. Results presented in figure 4.8 show that Scatter plots in all the cells were oval in nature. Consequently, linearity assumption was sustained.
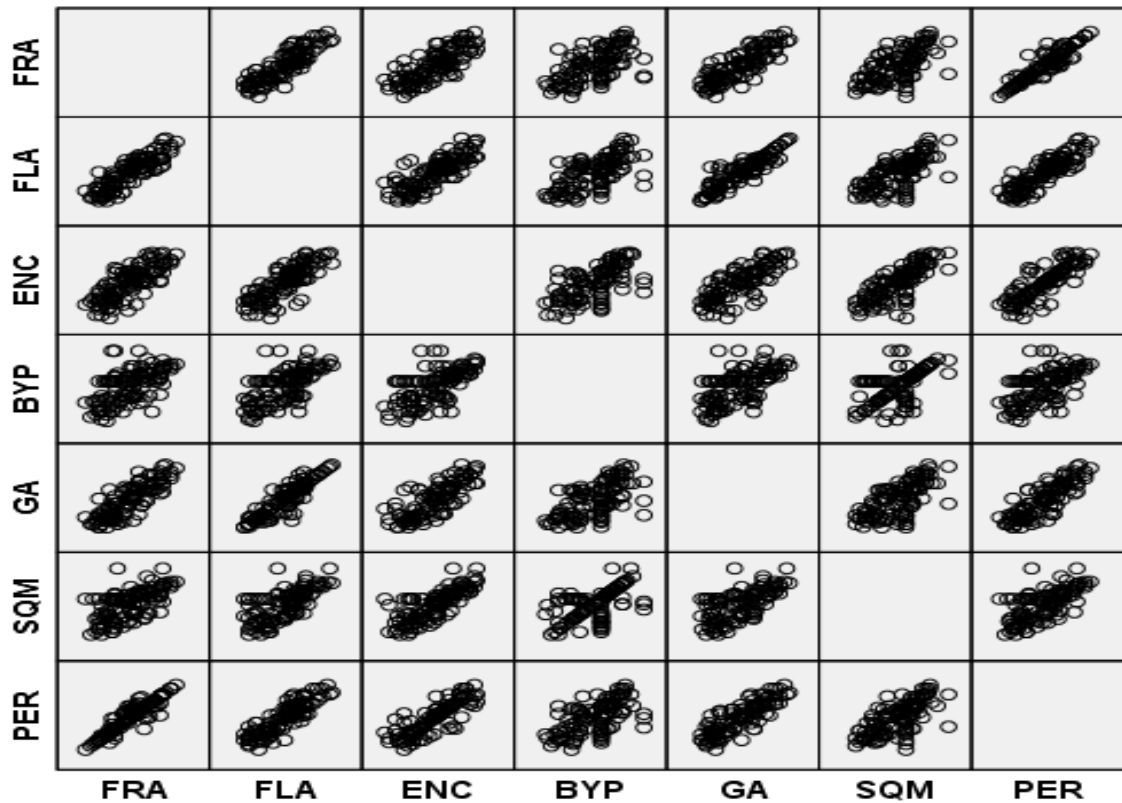
Figure 3.8 Bivariate Scatter Plot

3.9.1 Testing for Homogeneity of Variances

Multiple regressions analysis assumes homogeneity of variances for the dependent variable in relation to the independent variables (Tabachnick & Fidell, 2013). Homogeneity of variances, also known as uniformity of variance relates to uniform variability in scores of the dependent variable as the independent variables are manipulated.

Homogeneity of variances in the present study was tested using Levene's test conducted across market challenger strategies with respect to firm performance. The test examined whether variance of firm performance was the same across the five market challenger strategies. The expectation was that none of the Levene statistics would be significant at the 5% level. Results displayed in Table 4.3 revealed that the Levene statistics for all the five strategies were indeed not significant (All probabilities associated with Levene statistics were greater than 0.05). The homogeneity of variances assumption was therefore sustained.

Table 3.6: Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Frontal Attack	.951	4	102	.438
Flank Attack	.875	4	102	.481
Encirclement	.444	4	102	.776
Bypass attack	.340	4	102	.851
Guerilla attack	.961	4	102	.432

Source: Survey data (2018)

3.9.2 Testing for Autocorrelation

Autocorrelation examines existence of correlation among regression residuals (Tabachnick & Fidell, 2013). Independence of regression residuals was tested using the Durbin–Watson, (DW) statistic, regarded as an ideal measure of independence of errors that factors in the order in which cases are selected (to examine presence or absence of autocorrelation, the critical values in the range $1.4 < d < 2.5$ were used. Independence of regression residuals was confirmed by a Durbin–Watson statistic lying within this range. For the present study, the Durbin–Watson statistic was found to be 1.387 which was approximately 1.4 implying that regression residuals were uncorrelated (Table 4.4).

Table 3.7: Test of Autocorrelation

Std. Error of the Estimate	Durbin-Watson
.23324	1.387

3.9.3 Testing for Presence of Multicollinearity

Multicollinearity relates to high correlations among predictor variables (Vatchera, Lee, McCormick & Rahbar, 2016). The presence of multicollinearity as observed by Vatchera *et al* (2016) can result in unstable and biased standard errors. This may in consequence lead to unrealistic and untenable interpretations of findings.

Presence of multicollinearity was tested using Variance Inflation Factors (VIF). According to Tabachnick and Fidell, (2013), VIFs assess the increase in the Variance

of estimated regression coefficients in case of correlations among predictors. The threshold for existence of multicollinearity was set as a minimum value of '5' basing on suggestions by Ringle *et al.* (2015). Consequently any VIF value beyond 5 signified existence of multicollienarity. Results shown in Table 4.5 indicate that all the VIF values were below the threshold value of 5. Multicollinearity assumption was therefore sustained.

Table 3.8: Multicollinearity Tests

Model		Collinearity Statistics	
		Tolerance	VIF
1	Frontal Attack	.435	2.298
	Flank Attack	.526	1.901
	Encirclement	.357	2.805
	Bypass attack	.559	1.788
	Guerilla attack	.456	2.193

a. Dependent Variable: PERF

CHAPTER FOUR: RESULTS AND DISCUSSIONS

4.1 Introduction

The present study examined the moderating effects of service quality management on the relationship between market challenger strategies and performance of vernacular radio broadcasting firms in western Kenya. This chapter, therefore, reports results of descriptive and inferential analysis of the collected data and a discussion of the results.

4.2 Firm Level Characteristics

Firm level characteristics were examined in terms of size of firm by area of listenership, and in terms of age of firm. Choice of these particular characteristics was informed by previous studies that report the central role that these characteristics play in the performance of radio broadcasting firms. Bussi, Marco Charetti and Fiorini (2012) for instance, contend that spatial coverage is a key goal through which broadcasters manifest their quality. Besides, ability to diversify customer experience through radio programmes is noted to be a function of experience in broadcasting (Forbes, 2018). It was therefore necessary to examine the nature of these characteristics in relation to the sampled firms.

4.2.1 Size of Firm by Area of Listenership

Three indicators were used to examine the size of the firm in terms of listenership. Respondents were asked to state whether coverage was within the county; across more than one county; or across the entire country. The study revealed that most of the vernacular radio stations operating in western Kenya are listened to by listeners from more than one country (53.3%). A number of these firms however, have listeners in the whole country (25%); while others only cover their home county alone (17.8%).

Table 4.1: Size of the Firm by Area of Listenership

Listenership	Frequency	Percent
within the county	19	17.8
more than one county	57	53.3
the whole country	31	29.0
Total	107	100.0

Source: Survey 2018

The implication is that vernacular radio broadcasting stations in western Kenya are making efforts to appeal not only to listeners within the county, but also in the entire country. Perhaps, this is due to the realization of the fact that opening up more markets could be a key strategy in gaining competitive advantage.

4.2.1 Age of Firm

The study sought to establish the age of the vernacular radio broadcasting firms as a way of capturing their broadcasting experience, and potential to hasten customer experience. Respondents were asked to state how old their respective firms have been in operation. Results of the length the firms have been in operation are presented in Table 4.2. From the results, respondents clearly indicate that a majority of the firms (55.1%) have been in existence for at least 9 years. Close to 25% of the respondents indicated that their firms have existed for a period of between 7 and 8 years.

Table 4.2: Age of Organization

Age (years)	Frequency	Percent
2 year old and below	3	2.8
3-4 year old	9	8.4
5-6 years old	9	8.4
7-8 years old	27	25.2
9 years old and above	59	55.1
Total	107	100.0

Source: Survey 2018

The implication of these results is that vernacular radio broadcasting stations in western Kenya have been in existence long enough to know how to maximize customer experiences. The bottom line is that age of a firm is a characteristic that has potential to impact firm performance. Experience gained in many years of broadcasting no doubt exposes respective firms to marketing strategies that could help them to gain an edge over competition.

4.3 Descriptive Data Analysis

Descriptive statistics were used to explore the study variables with a view to understanding their current status in vernacular radio broadcasting firms operating in western Kenya. Response scores on the questionnaire items were elicited on a 5-point likert scale having the following options; 1-very low; 2-low; 3-average; 4-high and 5-very high. Analysis of the mean response scores was conducted on the continuous scale; $0.5 \leq M \leq 1.5$–very low; $1.5 \leq M \leq 2.5$ low; $2.5 \leq M \leq 3.5$ – average; $3.5 \leq M \leq 4.5$–high; and $4.5 \leq M \leq 5$ – very high so as to capture the averaged typical response scores.

4.3.1 Market Challenger Strategies

The first objective of the study examined the effect of market challenger strategies on performance of vernacular radio broadcasting firms in western Kenya. Market challenger strategies were measured across five dimensions, and were conceptualized to have direct effects on the performance of vernacular radio broadcasting firms in western Kenya. Consequently, the five market challenger strategies were first explored to establish whether they are currently being applied in the sampled radio firms

a) Frontal Attack Strategy

The frontal attack strategy was measured using a total of five items. Respondents were asked to rate application of the frontal attack strategy in marketing initiatives in the respective vernacular radio broadcasting firms.

The overall mean response score (*M = 4.30*) with the associated standard deviation (*SD* = 0.601) indicate that respondents were of the opinion that frontal attack is a challenger strategy that is used highly in vernacular radio broadcasting firms in

western Kenya during the marketing of products and services (Table 4.3). Besides, the small value of the standard deviation is testament that respondents were consistent in this opinion.

Table 4.3 Descriptive Statistics for Frontal Attack Strategy

Practices for Frontal Attack	M	SD
1. The firm normally responds to the marketing activities of the leading firms by challenging their weak points in particular locations.	4.61	.626
2. The firm revises the way it promotes its services whenever the leading firms revises	4.59	.629
3. The firm engages agents to expand its services whenever the leading firms do so	4.55	.602
4. The firm revises quality of services whenever leading firms revise their quality.	4.40	.725
5. The firm revises the rates of services whenever the leading firms revises their rates	4.39	.711
Overall	**4.30**	**.601**

Source: Survey 2018

The implication of these results is that, challenger vernacular radio firms in western Kenya closely monitor activities of the leading firms and design their activities, programmmes and services in a way to directly exploit weaknesses of leading firms. This in essence puts challenger firms in positions to match and even outperform leading firms. The frontal attack strategy is, therefore, put to high usage among competing firms out to have a share of the market.

b) Flank Attack Strategy

The second market challenger strategy explored was the Flank Attack Strategy. This strategy was measured using six items reflecting activities that expose weaknesses in marketing among firms. As shown in Table 4.4, the overall mean score and standard deviation (M=4.53, SD= 0.518) indicated that respondents were consistent in the opinion that vernacular radio firms in western Kenya very highly employ the flank attack strategy to gain a competitive edge. Specific results from individual items show that weak points in competing firms are very highly challenged in terms of geographical locality (M=4.54, SD=0.691); market segmentation (M=4.52,

SD=0.649); least expected points (M=4.52, SD=0.704); and from all fronts (M=4.61, SD=0.641).

Table 4.4: Descriptive Statistics for Flank Attack Strategy

Flank attack practices	M	SD
1. The firm normally responds to the marketing activities of the leading firms by challenging their weak points in particular locations.	4.54	.691
2. The firm normally responds to the marketing activities of the leading firms by challenging points which they least suspect/expect in their particular location	4.52	.704
3. The normally responds to marketing activities of the leading firms by challenging their weak points in various segments of the market	4.52	.649
4. The firm normally responds to the marketing activities of the leading firms by challenging points which they least expect in the particular market segments.	4.48	.688
5. The firm normally pools resources to respond to leading firms marketing strategies from all fronts	4.52	.741
6. The attacks the strategies of the leading firms in both the weak and strong points	4.61	.641
Overall	**4.53**	**.518**

Source: Survey 2018

These results clearly show that competition among vernacular radio broadcasters in western Kenya hinges mainly on targeting market segments such as those segmented along geographical location. This is informed by the need to identify the many markets and services that leading firms have control of, and tap into them. The flank attack strategy of marketing is therefore very highly employed by challenger and also leading radio broadcasting firms in western Kenya to try and manage competition.

c) Encirclement Attack Strategy

The third challenger strategy explored among the sampled radio broadcasting firms was the encirclement attack strategy. Six items were used to measure employment of this strategy by vernacular radio broadcasting firms. Results presented in Table 4.5 show that encirclement attack strategy is also used highly in the firms (M=4.33, SD=0.598). Typical responses that capture use of encirclement strategy include; firms implement marketing strategies aiming for long term wins in the market (M=4.51, SD = 0.744); firms devise marketing strategies that can see them dominate the market (M = 4.49, SD = 0.793); and challenger firms respond to marketing strategies of leading firms by becoming more aggressive in marketing themselves and designing competitive products simultaneously (M = 4.49, SD = 0.757).

Table 4.5: Descriptive Statistics for Encirclement Strategy

Encirclement attack practices	M	SD
1. The firm seeks to exploit leading firms weaknesses while building on their strengths	4.48	.718
2. The firm implements its marketing strategies aiming at dominating the market	4.49	.793
3. The firm normally pools resources to respond; to leading firms marketing strategies from all fronts	4.42	.700
4. The firm attacks the strategies of the leading firm in both the weak and strong points	4.48	.730
5. The firm normally responds to all the marketing strategies of leading firms by being more aggressive in marketing and designing new products simultaneously	4.49	.757
6. The firm implements its marketing strategies aiming at long-term wins in the market	4.51	.744
Overall	**4.33**	**.598**

The results show that vernacular radio broadcasting firms in Western Kenya leave no chance when competing for customers. Challenger firms are continually launching various offensive approaches that can help them dominate and lead the markets. Both frontal and flank strategies are often combined in a manner that weaknesses and strengths are identified and attacked. For instance, radio firms often identify strong and popular broadcasters and from competing firms for purposes of luring them. Another popular approach has been to entice listeners with airtime tokens.

d) Bypass Attack Strategy

Use of the bypass strategy in vernacular radio broadcasting firms in western Kenya was explored using four questionnaire items. The exploration revealed that like the other challenger strategies, the bypass strategy is also highly employed in these firms (M = 4.45, SD = 0.663). Firms are continuously improving existing technologies to be more competitive (M = 4.56, SD = 0.728); and are even venturing in unrelated product lines as a way of diversity (M = 4.28, SD = 0.969). Besides, respondents were also of the opinion that vernacular radio broadcasting firms in western Kenya are highly keen on tapping new geographical markets through marketing strategies (M = 4.48, SD = 0.828).

Table 4.6: Descriptive Statistics for Bypass Attack

Bypass attack practices	*M*	*SD*
1. The firm's marketing strategies concentrates on attacking easier competitors to increase market share	4.48	.718
2. The firm engages in marketing strategies that diversify unrelated product lines	4.28	.969
3. The firm is keen on tapping new geographical markets through its marketing strategies	4.48	.828
4. The firm improves its technology from time to time in order to compete with other firms	4.56	.728
Overall	**4.45**	**.663**

The results on employment of the bypass strategy in vernacular radio broadcasting firms in Western Kenya confirms that in an effort to remain a float, most radio broadcasting firms in western Kenya choose to broaden and diversify their markets. In this way, they indirectly attack and eat into the market share belonging to leading firms. Indeed start up broadcasting firms may find such a strategy appealing since by venturing into other unrelated markets, they are able to introduce themselves into the market and compete for a share of the market.

e) Guerilla Warfare Strategy

Guerilla Warfare Strategy was the fifth challenger strategy explored in the present study. Four items were used to measure application of this strategy in vernacular radio broadcasting firms in western Kenya. Results presented in Table 4.6 show an overall mean response score of 4.7 with an associated standard deviation of 0.621. The implication is that guerilla warfare strategy is also highly employed by challenger vernacular radio broadcasting firms in the study area.

Notable practices that emerge from the exploration application use of the guerilla warfare strategy in radio broadcasting firms in western Kenya were: that available resources and market position informs marketing strategies to be used (M=4.51, SD = 0.664); that firms make high use of social networks to gain recognition (M = 4.50, SD = 0.862); that challenger firms highly publicize themselves through public fora (M=4.43, SD = 0.778); and that challenger firms marketing agendas include offering free products samples (M=4.33, SD = 1.062).

Table 4.7: Descriptive Statistics of Guerilla Warfare

Guerilla warfare attack practices	M	SD
1. The firm employs its marketing strategies in a non-uniform way depending on its market position and amount of resources it has	4.51	.664
2. The firm makes use of social networking sites to improve its recognition	4.50	.862
3. The firm uses publicity to communicate about itself to the audience	4.43	.778
4. The firm gives away free samples to its customers to spread its name and attract customers	4.33	1.062
Overall	**4.28**	**.621**

Source: Survey 2018

These results imply that challenger firms often resort to both conventional and unconventional tactics to reach to their audiences with a view to attracting more customers. They essentially aim to frustrate leading firms by for instance offering free samples and going more public. Indeed, several radio broadcasting firms organize road shows where besides entertaining their listeners, they also give various sorts of prizes as a way of marketing themselves. It is observed that the strategy that was most applied by all the firms is flank attack with an overall mean of 4.53. The rest had lower means.

4.3.2 Service Quality Management

The second objective of the study sought to establish the effect of service quality management on performance of vernacular radio broadcasting firms in western Kenya. Consequently, service quality management was conceptualized as a moderator variable with potential to moderate the relationship between challenger marketing strategies and firm performance. A total of eleven items were used to explore the level of service quality management in vernacular radio broadcasting firms in western Kenya.

Results displayed in Table 4.8 show that on the overall, the firms value service quality management very highly as depicted by the very high overall mean and consistent response score among the respondents (M=4.56, SD = 0.702). Specific results show

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that besides focusing very highly on accuracy (M=4.63, SD = 0.756) and building trust very highly among customers (M=4.64, SD = 0.704), radio broadcasting firms also endeavor to show courtesy very highly to customers through diverse service packages (M=4.63, SD = 0.707); aim for very high timely delivery of services (M=4.60, SD = 0.775); aim outdo each other through fast delivery of services (M=4.60, SD = 0.738); and also factor in customers preferences in service orientation (M=4.62, SD = 0.894).

Table 4.8: Descriptive Statistics of Service Quality Management

Service quality management practices	M	SD
1. The firm focuses on the ability of the service to fulfill the customers' needs	4.48	.872
2. The firm focuses on providing services that customers can depend on as promised	4.58	.813
3. The firm focuses on the accuracy with which its services fulfill customers' needs as promised	4.63	.756
4. The firm ensures that its services are delivered to customers just in time	4.60	.775
5. The firm ensures that its services are always delivered faster than other firms	4.60	.738
6. The firm ensures that its services build trust between the customers and the firm	4.64	.704
7. The firm's services are packaged in a way that they show courtesy to customers	4.63	.707
8. Services are oriented towards customers preferences	4.62	.735
9. Services pay attention to customers' privacy and security requirements of customers	4.49	.894
10. The firm emphasizes on the physical attributes that portrays its services such as equipment and facilities	4.36	.914
11. The firm is focused on outlook wider environment and physical access to its facilities for offering services	4.47	.981
Overall	**4.55**	**.702**

Source: Survey 2018

The implication of these results is that in recognition of service quality as precursors to firm performance, vernacular radio broadcasting firms in western Kenya have put in place several mechanisms through which to manage quality of products and services. This is indeed consistent with the views advanced by Perez et al., (2007) that service quality management is integral to the management of both customer and business growth. These results in essence show that radio broadcasting firms combine both empathy and tangibles approaches in ensuring quality in their services. The bottom line is that besides high application of market challenger strategies, the firms have also opted to invest heavily on service quality.

4.3.3 Firm Performance

Firm performance was conceptualized as the dependent variable measured via customer satisfaction, growth and social performance. Consequently, exploration of levels of prevailing levels of performance among the radio broadcasting firms in western Kenya was conducted using ten questionnaire items. Respondents were asked to rate their respective firms on performance in the three measures. Results presented in Table 4.9 show that respondents were of the opinion that the overall performance was high (M=4.40, SD=0.528). Notable areas that respondents felt were performing highly included; meeting statutory obligations (M=4.80, SD = 0.398); customer growth through referrals (M=4.54, SD = 0.634); improvement of industrial relations arising from fair treatment of customers (M=4.46, SD=0.768); reduction in customer complaints (M=4.39, SD = 0.888) and increase in service outlets (M=4.37, SD = 0.917).

Table 4.9: Descriptive Statistics of Firm Performance

Firm performance indicators	M	SD
1. The firm meets its statutory obligations as required by government	4.80	.398
2. Customers are increasingly referring friends, family and colleagues to this firm	4.54	.634
3. The firm enjoys large numbers of repeat orders	4.48	.860
4. The firm's industrial relations has improved due to fair treatment of employees	4.46	.768
5. The firm is currently experiences reduced complaints about its services	4.39	.888
6. The firm has in the recent past increased the number of service outlets	4.37	.917
7. The firm enjoys higher sales and market share as compared to other firms	4.37	.694
8. The firm enjoys higher numbers of employees	4.33	.774
9. The firm experiences reduced court cases over issues	4.27	1.194
10. The firm's voluntary activities towards community development have increased	4.23	1.051
Overall performance	**4.40**	**.528**

Results suggest that performance among vernacular radio broadcasting firms in western Kenya was high in the three measures of customer satisfaction, growth and social performance. This was consistent with exploration results showing high

application of challenger market strategies and service quality management. It was, therefore, necessary to conduct inferential analysis to confirm how the three variables interact among themselves.

4.4 Inferential Analysis Results

Inferential analyses focused on examining the direct effects of market challenger strategies, and service quality management on performance of vernacular radio broadcasting firms; and also, on establishing the moderating influence of service quality management on the relationship between market challenger strategies and firm performance. Multiple regressions analysis was used to establish the direct effects while hierarchical regression was used to examine existence of moderation. Correlations between variables were first run as a precursor to regression analysis.

4.4.1 Correlation Results

Pearson Product Moment Correlations were conducted to examine existence of linear relationships that necessitate regression analysis (Tabachnick, & Fidell, 2013). Results of the correlations as presented in Table 4.10 show that there were positive correlations among market challenger strategies and also between challenger strategies and firm performance; and between service quality and firm performance.

Table 4.10: Relationship between Market Challenger Strategies, Service Quality Management and Performance

	Frontal	Flank	Encirclement	Bypass	Guerilla	S. quality	Performance
Frontal	1						
Flank	.301**	1					
Encirclement	.723**	.284**	1				
Bypass	.215*	.658**	.141	1			
Guerilla	.634**	.181	.716**	.111	1		
S. quality	.666**	.211*	.851**	.079	.567**	1	
Performance	.758**	.238*	.863**	.061	.750**	.773**	1

**Correlation is significant at the 0.01 level (2-tailed)

*Correlation is significant at the 0.05 level (2-tailed)

The implication of these results is that linear relationships exist between market challenger strategies and firm performance; and between service quality management and firm performance. Regressions involving firm performance and market challenger

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strategies on the one side, and firm performance and service quality management on the other were therefore deemed feasible.

4.4.2 Results of Hypothesis Testing

Three hypotheses were formulated with regards to the posited relationships between market challenger strategies, service quality management and performance of vernacular radio broadcasting firms in Western Kenya.

4.4.2.1 The effect of Market Challenger Strategies on Firm Performance

Hypothesis H_01 stated that market challenger strategies have no significant effect on performance of vernacular radio broadcasting firms in western Kenya. To test this hypothesis, firm performance was regressed on the five challenger strategies with a view to establishing the effect of each individual strategy on the performance of vernacular radio broadcasting firms. The model summary results presented in Table 4.11 confirmed that market challenger strategies explained up to 81.4% of the variation in performance of radio broadcasting firms in Western Kenya (R Square = 0.814). The high coefficient of determination (0.814) was proof enough that the combined effect of market challenger strategies on the performance of vernacular radio broadcasting firms in western Kenya was high.

Table 4.11: Regression Model Summary for Regressing Firm Performance on Market Challenger Strategies

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.902[a]	.814	.805	.23324	1.387

a. Predictors: (Constant), Guerilla, Bypass, Frontal, Flank, Encirclement
b. Dependent Variable: Firm performance

The ANOVA results in Table 4.12 show that the postulated model relating firm performance with market challenger strategies is statistically suitable with at least one of the regressions coefficients not equal to Zero ($F_{5,101} = 88.641$, P<0.05).

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Table 4.12: ANOVA for Regressing Firm Performance on Market Challenger Strategies

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	24.110	5	4.822	88.641	.000[b]
Residual	5.494	101	.054		
Total	29.604	106			

a. Dependent Variable: Firm Performance

b. Predictors: (Constant), Guerilla, Bypass, Frontal, Flank, Encirclement

The standardized multiple regressions coefficient displayed in Table 4.12 reveals that out of the five market challenger strategies used, frontal attack ($\beta = 0.247$, $p<0.05$); encirclement ($\beta=0.531$, $p<0.05$); bypass ($\beta=0.131$, $p<0.05$); and guerilla warfare ($\beta=0.216$, $p<0.05$), had positive and significant effects on the performance of vernacular radio broadcasting firms in Western Kenya. Although flank attack had some minimal positive effects, it was not a significant predictor of firm performance ($\beta=0.060$, $p>0.05$). The choice of standardized regression coefficients was informed by the need to eliminate units of measuring the respective market challenger strategies. A look at the t-values, confirms that encirclement attack (t= 7.401), followed with frontal attack (t=3.809), and guerilla warfare (t=3,397) in that order, had the most impacts on the performance of vernacular radio broadcasting firms in western Kenya.

Table 4.13: Effect of Market Challenger Strategies on Firm Performance

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	.833	.240		3.465	.001
Frontal attack	.217	.057	.247	3.809	.000
Flank attack	.061	.060	.060	1.018	.311
Encirclement attack	.470	.063	.531	7.401	.000
Bypass attack	.104	.046	.131	2.277	.025
Guerilla warfare	.184	.054	.216	3.397	.001

a. Dependent Variable: Firm Performance

The multiple regressions model pitting firm performance as a function of market challenger strategies was therefore confirmed to be:

$$Y = 0.247X_1 + 0.060X_2 + 0.531X_3 + 0.131X_4 + 0.216X_5$$

Where;

       Y= Firm Performance

       X_1=Frontal attack strategy

       X_2=Flank attack strategy

       X_3=Encirclement attack strategy

       X_4=Bypass attack strategy

       X_5=Guerilla warfare attack strategy

The implication of these results is that market challenger strategies impacts on the performance of vernacular radio broadcasting firms in a direct way. Encirclement attack which happens to be a combination of frontal and flank strategies had the bigger impact on firm performance. An increase in 1 standard deviation of encirclement leads to an increase of 0.531 standard deviations in the performance of vernacular radio broadcasting firms. Frontal attack had the second most impact on firm performance with an increase of 1 standard deviation in frontal attack occasioning 0.247 standard deviations increase in performance of vernacular radio broadcasting firms. Similarly, guerilla warfare strategy had the third most impact on firm performance with a 1 standard deviation increase in use of the strategy occasioning 0.216 standard deviations increase in performance of vernacular radio broadcasting firms.

The results clearly underscore the fact that heightened use of market challenger strategies potentially improves the performance of the respective firms. Indeed this finding identifies a relationship that has hitherto not been explained in extant literature. It confirms that market challenger strategies when employed in the radio broadcasting industry improve overall performance, akin to what has been established in other sectors. Prior evidence has shown that marketing strategies impact positively on firm performance in the contexts of banks (Muthengi, 2015); Bamburi Cement Ltd (Nderitu, 2015); Kenya Power and Lighting Company (Mboga, 2013); and SMEs

(Sije, & Oloko, 2013) among others. The present study therefore contributes to existing literature by showing that application of market challenger strategies impacts positively on firm performance in the radio broadcasting context.

Perhaps, one major contribution of the present study is the isolation of individual challenger strategies and showing the individual contributions of each of these strategies to the performance of radio broadcasting firms. The finding for instance that frontal attack strategy has a positive and direct effect on the performance of radio broadcasting firms is consistent with previous studies that have shown positive impacts of the frontal attack strategy proxies such as product price, product quality, sales effort, service effort and advertising effort. Saif (2015) for instance, used promotion, pricing, distribution and product standardization as proxies for the frontal attack to show that they impacted positively on firm performance. Though the present finding is consistent with previous findings regarding the impact of frontal attack, it is necessary to observe that, the present study does not use proxies of frontal attack but rather views frontal attack as a variable on its own.

The finding that flank attack has no significant effect on the performance of radio broadcasting firms in western Kenya is rather surprising. Existing evidence shows that the real victory is won in the flanks when the challenger attacks weak positions in the opponents force (Parnell *et al* 2010). In this scenario the expectation could have been that flank attack would elicit a positive effect on performance. Whereas the researcher avers that perhaps the leading firms may have been forced to defend their share aggressively, future studies may need to examine this situation from different contexts before settling on a more definitive position regarding the effect of flank attack.

The study revealed that encirclement attack had the larger impact on the performance of vernacular radio broadcasting firms in western Kenya (t=7.401). This was perhaps not a surprise considering that under this strategy, several offensive campaigns are launched against competitors (McDonald et al, 2013). By attacking both the strong and weak points of the competitor simultaneously the ultimate expectation is that the competitor would cave in. It must, however, not be assumed that it is only the challenger eclipsing the leading competitor. Infact it could be the market leader who

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makes an aggressive retaliatory attack to gain the little market share owned by the challenger firm. Either way a positive impact on performance of the vernacular radio broadcasting firms could be felt. It is the position of the researcher that perhaps a better picture could be discerned by focusing either only on market leaders, or on only the challengers.

The minimal but positive contribution established with the bypass attack (t=2.277) could perhaps be explained by the fact that as a strategy it concentrates on untapped segments which may be rare (McMillan, 2014). Besides, the radio broadcasting context may not have been an ideal context for this strategy which, has been found more prevalent in the mobile industry (McMillan, 2014). The finding that the guerilla attack strategy impacts positively and significantly on the performance of radio broadcasting firms in western Kenya affirms the benefits accrued from combining conventional and unconventional means of attack as suggested by Lacznick and Prothero (2012). As a matter of fact, nearly all radio and TV broadcasting firms have embraced social media and host both face book platforms and twitter handles. The essence is to maximize on the use of social platforms to reach markets that have hitherto been untapped.

Indeed, Maki (2016) used exploratory research to examine the potential of BZC sales to gain a competitive advantage through social media. Results suggested that there is need to exploit social media with respect to marketing. The present study, therefore, through the guerilla warfare confirms that social medias as a mechanism of advertisement holds potential for improved advertisement. The researcher's concern, however, is that the guerilla warfare strategy may only suffice if targets and goals of the marketing are effectively defined which may not necessarily be the case for most vernacular radio broadcasting firms.

Besides, the finding that guerilla warfare, which may call for thorough advertisement to the audience, impacts positively and significantly on the performance of radio broadcasting firms highlight the value of intermittent attacks in the form of publicity gained by meeting the public or through social media. In recent times, radio stations in Kenya have been organizing meet the people road shows intended to tap into

market shares belonging to competitors as well as the untapped ones. Radio presenters team up with comedians and move from region to region showcasing the potential possessed by the respective firms. In most cases, these shows have attracted huge numbers of listeners and provide ideal forums to market the firms.

4.4.2.2 The Effect of Service Quality Management on Performance of Vernacular Radio Broadcasting Firms

Hypothesis H$_0$2 postulated that service quality management had no effect on performance of vernacular radio broadcasting firms in western Kenya. To test this hypothesis, a regression of firm performance on service quality management was conducted. The model summary of this regression as shown in Table 4.19 highlights the fact that service quality management has a direct effect on the performance of vernacular radio broadcasting firms in western Kenya and accounts for up to 70.4 % of the variance in firm performance.

Table 4.14: Model Summary of Regressing Firm Performance on Service Quality Management

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.839[a]	.704	.701	.28892	1.973

a. Predictors: (Constant), Service quality management
b. Dependent Variable: Firm performance

In addition, the ANOVA results displayed in Table 4.15 endorses the hypothesized model relating firm performance with service quality management as being statistically viable ($F_{1, 105} = 249.646$, p< 0.05).

Table 4.15: ANOVA for Regressing Firm Performance on Service Quality Management

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.839	1	20.839	249.646	.000[b]
	Residual	8.765	105	.083		
	Total	29.604	106			

a. Dependent Variable: Firm performance
b. Predictors: (Constant), Service quality management

The standardized regression weight (coefficient) provided in Table 4.16 affirms that service quality management positively and significantly predicts performance of

vernacular radio broadcasting firms in Western Kenya (β = 0.839, p<0.05). The regression weight value of 0.839 implies that an increase of 1 standard deviation in the management of service quality is likely to lead to an increase of 0.839 standard deviations in performance of vernacular radio broadcasting firms.

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Table 4.16: Effect of Service Quality Management on Firm Performance

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1 (Constant)		.724	.234		3.090	.003
Service quality management		.873	.055	.839	15.800	.000

a. Dependent Variable: Firm performance
Source: Survey data, 2018

The results confirm that the management of service quality remains a central criterion in performance of vernacular radio broadcasting firms. By managing the quality of the services they render; the firms have a chance to up their performance. Indeed, the finding that service quality management positively and significantly impacts on firm performance supports a plethora of studies in extant literature, and raises some pertinent issues.

Mose and Kibera (2015) for instance, report that use of diverse service quality management practices significantly and positively influences firm performance. However, the study by Mose and Kibera indicates that service quality management accounts for only up to 14.8% of variations in firm performance. The finding in the present study on the contrary shows that service quality management accounts for up to 70.4% of firm performance. The difference in the contributions of service quality in the two studies raises concerns. However, considering that Mose and Kibera's study was conducted in the hotel industry, it would appear that the context under which the study is undertaken may have some influence on the manner in which service quality management impacts firm performance. Future studies should therefore look to allay such conjectures by controlling for the influence of the context.

The finding showing that service quality management has positive and significant effects on performance of vernacular radio broadcasting firms fills a major void that has hitherto existed in literature, particularly in the Kenyan context. Previous studies in Kenya, have attributed service quality management to improved performance of firms in shipping agencies Kerubo, 2015); manufacturing firms (Wanyoike, 2016); mobile phone industry (Ntongai, *et al*, 2015); tertiary institutions (Chepkech, 2014); and hotel industry (Mose & Kibera, 2015). The present study, therefore, expands the scope of the impact of the management of service quality on improved performance of firms in the radio broadcasting industry.

The finding of this study with regards to the impact of service quality management on firm performance, however, contradicts findings by Pignanelli and Csillag (2008). The two authors lacked evidence to back the claim that Brazilian companies that adopted quality management showed an improvement in profitability. These contradictory results are rather interesting but go to show that generalization of findings on studies focusing on quality management and firm performance need to be sensitive to the context within which studies are conducted. As a cautionary measure, it is prudent to note that service quality management practices have been found to have varying impacts on firm performance (Sadikoglu & Olcay, 2014).

4.4.2.3 The Moderating Effect of Service quality Management on the Relationship between Market Challenger strategies and Firm Performance

Hypothesis H_03 claimed that service quality management does not moderate the relationship between market challenger strategies and performance of vernacular radio broadcasting firms in Western Kenya. The following model that involved centered interactions between the service delivery variable and the market challenger strategies variable was conceptualized to be the moderation model.

$$Y = b_0 + b_1 (cX) + b_2 (cM) + b_3 (cX * cM)$$

Where, Y = Performance of vernacular radio broadcasting firms

cX = Centered market challenger strategies variable

cM = Centered Service Quality Management Variable

cX * cM = Interaction between centered market challenger strategies variable and service quality management variable.

b_i's = Unstandardized estimates

Variables were centred to provide a meaningful zero-point for the challenger strategies variable and the service quality management variable. The unstandardized estimates were preferred for purposes of maintaining original metrics. It is argued that having zero–points that are clearly interpretable is necessary since moderated regression targets the estimation of conditional effects of one variable when the other is held constant (Cohen, et. 2003); (Whisman and McClelland, 2005).

In order to test for the moderation effects of service quality management, the interaction between the centered market challenger strategies variable and the centered service quality management variable was tested. Hierarchical regression analysis was run by first entering the centered market challenger strategies variable and the centered service quality management variable in step 1 of the regression, and then entering the interaction variable in step 2. A significant change in the R-square value was used to confirm moderation.

The moderation model summary presented in Table 4.17 affirms that service quality management moderates the relationship between market challenger strategies and performance of vernacular radio broadcasting firms in Western Kenya (R–square change = 0.010, $\Delta F = 4.646$, $p < 0.05$).

Table 4.17: Interactive Effects

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.871[a]	.759	.755	.26172	.759	164.100	2	104	.000
2	.877[b]	.770	.763	.25720	.010	4.686	1	103	.033

a. Predictors: (Constant), Centered market challenger strategies, Centered Service Quality Management

b. Predictors: (Constant), Centered market challenger strategies, Centered Service Quality Management, Centered market challenger strategies*Centered Service Quality Management

The associated moderation plot (Figure 4.9) confirms that the slope and intercept of the regression of firm performance on market challenger strategies depends on the value of service quality management. A different line is produced for different values of service quality management, confirming that service quality management indeed moderates the relationship between the performance of vernacular radio broadcasting firms in western Kenya and market challenger strategies.
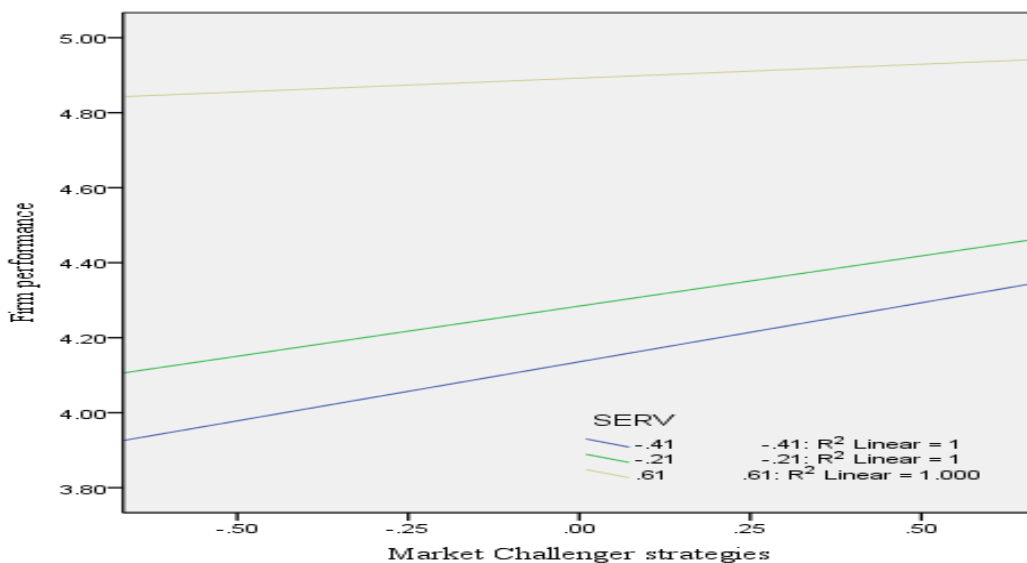
Figure 4.9 Moderation plot

The ANOVA results displayed in Table 4.18 further shows that the hypothesized moderation model was statistically adequate. The F value in model 2 revealed that at least one of the direct effects or moderation effect was different from zero ($F_{3, 103}=114.840$, $p<0.05$).

Table 4.18: ANOVA for Moderation Model

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.481	2	11.240	164.100	.000[b]
	Residual	7.124	104	.068		
	Total	29.604	106			
2	Regression	22.791	3	7.597	114.840	.000[c]
	Residual	6.814	103	.066		
	Total	29.604	106			

a. Dependent Variable: Firm performance

b. Predictors: (Constant), Centered market challenger strategies, Centered Service Quality Management

c. Predictors: (Constant), Centered market challenger strategies, Centered Service Quality Management, Centered market challenger strategies*Centered Service Quality Management

Regression coefficients given in Table 4.19 further reveals that whereas the main effects of challenger strategies amounted to 0.217, the main effects of service quality management amounted to 0.743. The moderation effects amounted to -0.237 justifying existence of moderation. The negative interaction term implies that the effect of market challenger strategies on firm performance decreases as service quality management increases and vice versa.

Table 4.19: Moderation of the effect of Market Challenger Strategies on firm Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.402	.025		173.974	.000
	cX	.251	.051	.286	4.895	.000
	cM	.703	.061	.676	11.556	.000
2	(Constant)	4.443	.031		142.395	.000
	cX	.217	.053	.248	4.111	.000
	cM	.743	.063	.714	11.877	.000
	cX*cM	-.237	.109	-.108	-2.165	.033

a. Dependent Variable: Firm Performance

The final moderation model could therefore be presented as;

Y = 4.443+ 0.217cX + 0.743cM - 0.237 cX*Cm

The model can be re expressed as;

Y = (4.443+ 0.743cM) + (0.217 - 0.237 cM) cX …………….....................

From the model, it can be observed that the intercept and the Y X slope is influenced by cM. Different values of cM (the centered moderator variable) would result in different intercepts and slopes of line Y X. The moderator regression un-standardized co-efficient b_3 is -.237. This means that for each unit increase in cM, the slope relating X to Y decreases by 0.237. This implies that a unit increase in service quality management decreases the slope relating market challenger strategies to performance of the firms by 0.237. This in line with arguments by Irwin & McClelland (2001) and Whisman and McClelland (2005) who established that if the co-efficient of the interaction term is negative then slope is reduced by increase in moderator variable and vice versa.

The finding that service quality management moderates the relationship between market challenger strategies and the performance of vernacular radio broadcasting firms is indeed a new dimension to existing literature. The practice of service quality management weakens the effect of service quality on performance. This can be attributed to reduced focus on market challenger strategies when firms focus on service quality management at the same time. Previous literature has tended to examine moderation along individual quality management measures. Besides, the finding provides actors in the radio broadcasting industry with the awareness that market challenger strategies can only work well in an environment where quality of service is managed.

The finding supports other existing studies which however look at quality management practices. Yang (2012), for instance reports that innovation capability, an element of quality management moderates the effect of logistics service reliability capability on financial performance. Although Yang's study focuses on logistics service, it is the contention of the present study that radio broadcasts industry can be viewed from a logistics perspective. The moderation effects found in the present study are also consistent with findings by Ozsomer and Simomin (2004) who, contend that standardized marketing activities often rely on some moderating effects to impact positively on performance.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

The purpose of this study was to establish the effect of quality service management on the relationship between market challenger strategies and performance of vernacular radio broadcasting firms in western Kenya. To this end, the study investigated the direct effects of market challenger strategies on the performance of the firms; the direct effects of service quality management on the performance of the firms; and the moderation effects of service quality management on the performance of the firms. This chapter, therefore, gives a summary of major findings and draws conclusions based on the findings. The chapter also provides recommendations for practice and for further studies.

5.1 Summary of the Findings

The summary of findings is presented in line with the three objectives that informed the study.

The first objective of the study examined the effect of market challenger strategies on the performance of vernacular radio broadcasting firms in western Kenya. Results from an exploration of current application of challenger strategies revealed that vernacular radio broadcasting firms in the study area are making high use of the five challenger strategies to remain competitive. Strategies such as frontal attack, flank attack, encirclement attack, bypass attack and guerilla warfare are often used to exploit leading firms frailties. Road shows and promotions are among activities used by some of the firms to launch offensive attacks against competition.

Multiple regressions analysis further revealed that market challenger strategies impact positively and significantly on the performance of vernacular radio broadcasting firms in western Kenya. The study established that variations in the five strategies could occasion a variation of up to 81.4% in the performance of the vernacular radio broadcasting firms. Encirclement attack, followed with frontal attack, and guerilla warfare in that order were found to have the most impacts on the performance of vernacular radio broadcasting firms in western Kenya.

The second objective sought to establish the effect of service quality management on the performance of vernacular radio broadcasting firms in western Kenya. Descriptive

exploration of key informants' response scores revealed that service quality is very highly prioritized in the sampled firms. This is mainly in form of accurate reporting; building trust with customers; offering diverse packages; timely and fast delivery of services; and taking into consideration customer preferences.

The regression results revealed that service quality management has a positive and significant effect on the performance of vernacular radio broadcasting firms in western Kenya, and accounts for up to 70.4% of the variation in firm performance. The implication is that the study was able to affirm that despite service quality management being considered as a moderator in the present study, it on the contrary also has direct effects on firm performance. Consequently, it remains a crucial facet of the performance of vernacular radio broadcasting firms.

The third objective of the current study examined the moderating effect of service quality management on the relationship between market challenger strategies and performance of vernacular radio broadcasting firms in western Kenya. Exploration of prevailing levels of performance among the sampled firms revealed that vernacular radio broadcasting firms in western Kenya enjoy a high share of performance in terms of customer satisfaction, growth and social performance.

Besides, the study established that service quality management significantly moderated the relationship between market challenger strategies and performance of vernacular radio broadcasting firms, the change in the coefficient of determination was significant. The moderation plot confirmed existence of moderation with different values of service quality management resulting in different lines with different slopes and intercepts. This tended to justify the high levels of performance that the firms were found to be enjoying.

5.2 Conclusion

In view of the above findings, the following conclusions were drawn in line with the research objectives.

Vernacular radio broadcasting firms in western Kenya have taken cognizance of the importance of challenger marketing strategies and have as a result taken to high application of these strategies in their marketing activities. These strategies have a positive impact on the performance of the firms and are more effective when combined. Aggressive use of these strategies will therefore no doubt lead to improved performance of vernacular radio broadcasting firms. The flank attack approach seems not to work well with the radio broadcasting industry despite having positive impacts in other contexts.

Service quality management is given priority among vernacular radio broadcasting firms in western Kenya. Besides designing products and services by factoring in customer preferences, firms also look for fast and timely delivery of services. This definitely portends well considering that service quality management impacts positively on firm performance. Service quality management appears to have different effects on firm performance in different contexts, which tends to suggest that perhaps the context of study could be a factor.

Service quality management moderates the relationship between market challenger strategies and performance of vernacular radio broadcasting firms operating in western Kenya. Firms should not only look to market challenger strategies, but should also ensure that the quality of service meets the needs of the customers. The negative interaction between market challenger strategies and service quality management however implies that the two may not complement each other as expected.

5.3 Recommendations of the Study

In view of the conclusion made above, the following recommendations were made.

The aggressive nature of utilization of market challenger strategies in vernacular radio broadcasting firms in western Kenya should be sustained. This will potentially result in improved performance among the challenging firms. There is need to redefine practices within the flank attack strategy in order for this strategy to impact more significantly on firm performance. Efforts should be made to identify other strategies that can be used alongside the identified market challenger strategies in order to raise

the coefficient of determination from the 81.4% attributed to the five market challenger strategies.

As per objective one vernacular radio broadcasting firms in western Kenya should look to maximize initiatives aimed at addressing service quality management with a view to improving performance. Despite results indicating that vernacular radio broadcasting firms in western Kenya have prioritized service quality, it is prudent to note that service quality appears to be a function of the context within which the firm operates. Firms should, therefore, exploit the potentiality within their specific contexts in order to model service quality on their uniqueness.

As per objective three vernacular radio firms in western Kenya should complement market challenger strategies with service quality management. From the study it is clear that service quality management moderates the effect of market challenger strategies on performance by increasing or decreasing when both are practiced at the same time.

5.4 Limitations of the Study

The outcome of the study cannot be generalized to all radio firms in Kenya since the study was limited to vernacular radio broadcasting firms in western Kenya and did not incorporate firms in all parts of Kenya. Out of the expected sample of 125 managers, 112 returned their questionnaires completely filled. The overall response rate was therefore 89.6% in addition there were 20 cases with missing values which could have impacted on the findings of this study.

5.5 Suggestions for Further Studies.

The researcher recognizes that service quality management either decreases or increases the effect of market challenger strategies on firm performance. The expectation would have been that introduction of service quality management would at all times increase the effect of market challenger strategies. However, this finding could have been influenced by the context in which this study was conducted. The study, therefore, recommends that similar studies should be replicated in vernacular radio broadcasting firms in other regions in Kenya before an elaborate conclusion can be arrived at.

The present study relied only on quantitative data. For a more incisive understanding of the power of service quality management in the relationship between market challenger strategies and firm performance, future studies should seek to employ mixed methods designs that can allow for qualitative and quantitative approach to this problem. Such designs will complement the quantitative findings such as those in the present study with thematic findings thereby giving a stronger position.

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APPENDICES

Appendix I: Letter of Introduction
C/O DEPARTMENT OF BUSINESS ADMINISTRATION
MASENO UNIVERSITY
PRIVATE BAG
MASENO

DATE_____
TO WHOM IT MAY CONCERN

Dear Sir/Madam,

<u>ACADEMIC RESEARCH</u>

I am a student at Maseno University in pursuit of PhD in Business Administration course. As part of the requirements I am carrying out this research entitled, "*Effect of service quality management on the relationship between market challenger strategies and performance of vernacular radio broadcasting firms in western Kenya*" Your assistance is requested in sparing a few minutes to answer the questions provided in the attached questionnaire you will be provided with. Your Identity is not required and the information you provide will be treated in strict confidence.

If you have any questions about the survey, you can contact me on 0721522942 or my supervisors through Maseno University. They are Dr. Charles Omondi Ondoro and Dr. Beatrice Evelyne Abong'o

Yours Sincerely

Beatrice Akoth Awino
PG PHD/BE/00027/2016
MASENO UNIVERSITY

Appendix II: Questionnaire

a) **General Information**

1. What is the size of the firm by area of listenership
   (a) within the county
   (b) more than one county but not the whole country
   (c) the whole country

2. How old is your organization?
   2 year old and below   (   )   3-4 year old   (   )
   5 -6 years old   (   )   7-8 year old   (   )
   9 years old and above (   )

b) **Market Challenger Strategies**

Tick one box for each, to indicate how you would rate the following market challenger strategies in your firm

		Very high 5	High 4	Average 3	Low 2	Very low 1
1	To what extent does your firm revise quality of its services whenever leading firms revise their quality.					
2	To what extent does your firm revises the rates of services whenever the leading firms revises their rates					
3	To what extent does your firm revise the way it promotes its services whenever the leading firms revises					
4	Your firm engages agents to expand its services whenever the leading firms do so					
5	Your firm normally responds to the marketing activities of the leading firms by challenging their weak points in particular locations					
6	Your firm normally responds to the marketing activities of the leading firms by challenging points which they least suspect/expect in the particular location					
7	Your firm normally responds to marketing activities of the leading firms by challenging					

	their weak points in various segments of the market					
8	Your firm normally responds to the marketing activities of the leading firms by challenging points which they least expect in the particular market segments					
9	Your firm normally pools resources to respond to leading firms marketing strategies from all fronts					
10	Your firm attacks the strategies of the leading frim in both the weak and strong points					
11	Your firm normally responds to all the marketing strategies of leading firms simultaneously					
12	Your firm implements its marketing strategies aiming at long-term wins in the market					
13	Your firm normally pools resources to respond to leading firms marketing strategies from all fronts					
14	Your firm normally pools resources to respond to leading firms marketing strategies from all fronts					
15	Your firm normally pools resources to respond to leading firms marketing strategies from all fronts					
16	Your firm normally responds to all the marketing strategies of leading firms simultaneously					
17	Your firm implements its marketing strategies aiming at long-term wins in the market					
18	Your firm's marketing strategies concentrates on attacking easier competitors to increase your market share					
19	Your firm engages in marketing strategies that diversify unrelated product lines					
20	Your firm is keen on tapping new geographical markets through its marketing strategies					
21	Your firm improves its technology from time to time in order to compete with other firms					
22	Your firm employs its marketing strategies in a non-uniform way depending on its market position and amount of resources it has					

		Very high 5	High 4	Average 3	Low 2	Very Low 1
23	Your firm uses publicity to communicate about itself to the audience					
24	Your firm makes use of social networking sites to improve its recognition					
25	Your firm gives away free samples to its customers to spread its name and attract customers					

c) Service Quality Management

Tick one box for each, to indicate how you would rate the following service quality management in your firm

		Very high 5	High 4	Average 3	Low 2	Very Low 1
1	Your firm focuses on the ability of the service to fulfill the customers' needs					
2	Your firm focuses on providing services that customers can depend on as promised					
3	Your firm focuses on the accuracy with which its services fulfill customers' needs as promised					
4	Your firm ensures that its services are delivered to customers just in time.					
5	Your firm ensures that its services are always delivered faster than other firms					
6	Your firm ensures that its services build trust between the customers and the firm					
7	Your firm's services are packaged in a way that they show courtesy to customers					
8	Your services are oriented towards customers preferences					
9	Your firm's services pay attention to customers' privacy and security requirements of customers					
10	Your firm emphasizes on the physical attributes that portrays its services such as equipment and facilities					
	Your firm is focused on outlook wider environment and physical access to its facilities for offering services					

d) Performance

Tick one box for each, to indicate how you would rate performance in your firm

		Very high 5	High 4	Average 3	Low 2	Very low 1
1	Your firm enjoys higher sales and market share as compared to other firms					
2	Your firm enjoys higher numbers of employees					
3	In the recent past your firm has increased the number of service outlets					
4	Your firm currently experiences reduced complaints about its services					
5	Your customers increasing refers friends, family and colleagues to your firm					
6	Your firm enjoys large numbers of repeat orders					
7	Your firm experiences reduced court cases over issues					
8	The firm's voluntary activities towards community development have increased					
9	The firm's industrial relations has improved due to fair treatment of employees					
10	The firm meets its statutory obligations as required by government					

Appendix IV: List of Vernacular Radio Broadcasting Stations

1. Ramogi FM, Radio Nam Lolwe, Mayienga FM, Radio Lake Victoria FM, Kewi Radio, Dala FM, (Dholuo)
2. Mulembe, West FM (Luhya)
3. Egesa, Star FM (Kisii)
4. Wimwaro (Embu)
5. Vuuka (Maragoli)
6. Sulwe FM (Bukusu)
7. Maa FM (Maasai)
8. Kass FM, Kitwek FM (Kalenjin) Kitwek
9. Coro FM, Timau Radio, Kameme FM, West FM (Kikuyu)
10. Inooro (Kikuyu
11. Musyi, Mbaitu FM (Kamba)
12. Muuga (Meru)
13. Chamgei (Kalenjin)
14. Kaya FM (Agiriyama)
15. Anguo FM (Taita).

Appendix V: Permit to Collect Data from National Council for Science and Technology and Innovation (NACOSTI)

Appendix VI: Budget

ITEM	KSHS
Stationery	18,000
Literature Review and proposal development	22,000
Data collection	26,000
Data analysis	30,000
Secretarial costs	20,000
TOTAL COSTS	**110, 000**