Generic Strategies and Competitiveness of Tea Brokerage Firms in Kenya

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Abstract

The general objective of the study was to investigate the effect of generic strategies on the competitiveness of tea brokerage firms in Kenya. The generic strategies used in this study were; cost leadership strategy, differentiation strategy, innovation strategy and focus strategy. The specific objectives of the study were: to determine the effect of cost leadership strategy, differentiation strategy, innovation strategy and focus strategy on the competitiveness of tea brokerage firms in Kenya. The study adopted a mixed research design with the specific research design being a descriptive design and cross-sectional research design. The population of the study comprised of the managers of tea brokerage firms in Kenya. The sampling frame consisted of 60 tea brokerage firms whereby 100 managers formed a sample size which ascertained the effect of competitive strategies on the competitiveness of tea brokerage firms in Kenya. The unit of analysis were the managers. The sampling technique used was stratified random sampling. Primary data was collected by use of questionnaires which were administered through drop and pick method. Reliability was tested using Cronbach's Alpha. Data was analyzed using both descriptive and inferential statistics through the software SPSS version 24. Descriptive statistics included standard deviations and mean scores. Inferential statistics included Pearson's correlation and multiple regression analysis for testing of hypotheses. If the p-value was below the significance level (0.05) the study rejected the null hypothesis. The study showed that only two variables had positive and significant effect on Firm Competitiveness, with the most influential being Innovation Strategy which had regression coefficient of 0.572 and a p-value of 0.000 and was also less than 0.005. This was then followed by Cost Leadership Strategy which had regression coefficient of 0.135 and a p-value of 0.005. However, there was no significant relationship between Differentiation Strategy and Firm Competitiveness (0.343), Focus Strategy and Firm Competitiveness (0.417) respectively. This leads to conclusion that Cost Leadership Strategy and Innovation Strategy significantly affects competitiveness of Tea Brokerage firms in Kenya. The study recommends that: Kenyan firms should understand and adopt 2 competitive strategies that have been proven to help them gain a competitive advantage and improve its performance. Therefore, Kenyan firms can wade of competition from their international competitors using proven competitive strategies; and the Kenyan market should foster economic development by encouraging and promoting strategies that ensure the sustainability of tea brokerage firms and SMEs.

Key Words: Cost leadership, Differentiation, Innovation, Focus, Generic strategy, Competitiveness, Brokerage firms

Introduction

Globally, tea is marketed in a variety of ways using different channels. Previously, London Tea Auction was one of the chief actioners of tea globally. Between 1706 and 1998, London Tea Auction dominated the tea market as the chief actions of the tea as it set prices globally. Today, auctioning of tea occurs in countries of origin with auction centre for tea located in different countries across the world, including Colombo Sri Lanka; Mombasa, Kenya; Limbe, Malawi; Guangzhou, China; Jakarta, Indonesia; and South and North of India. Prices of tea are governed by demand; supply and quality. Tea brokerage firms act as intermediaries. They taste, bid and value teas on behalf of their client.

Increase in the global tea production has led to increased number of tea brokerage firms globally. Within the Chinese tea market, tea brokerage firms include Citic Securities, Haitong Securities Guosen Securities; Everbright Securities Co Ltd; Guotai Junan Securities; Industrial Securities Co Ltd; Southwest Securities Co Ltd; Haitong Securities Co Ltd; China Merchants Securities Co; China Securities Co Ltd; Huatai Securities Co Ltd among others. Tea Brokerage Firms in Sri Lanka include Forbes & Walker Tea Brokers; Ceylon Tea Brokers; Asia Siyaka Commodities PLC; Mercentile Produce Brokers Pvt Ltd; Lanka Commodity Brokers Ltd, and Lanka Securities Pvt Ltd. Within the Indian tea market, tea brokerage firms include Assam Tea Brokers; Paramount tea marketing PVT ltd; Care Tea Brokers; Parcon Tea Brokers; Coonor Tea Auction Ltd; Contemporary Brokers; Global Tea Brokers; and Tea Trading.

Regionally, tea brokerage firms include Africa Tea Brokers Ltd; Tea Brokers East Africa Ltd. Locally, tea brokerage firms include Union Tea Brokers; Tea Brokers east Africa Ltd Mombasa; Tea Brokers East Africa Ltd; Centreline Tea Brokers; Venus Tea Brokers Ltd.

Within the Kenyan context and the wider East Africa, tea is often sold through tea brokers who link the ultimate consumer and the farmer. Firms that engage in this tea brokerage are small scale and medium scale firms. These firms play specific roles, which include organizing auctions, organizing sales, increasing price value by re-branding, and choosing countries to market tea at high prices. During the auctioning of tea, these firms engage in the tasting, valuing, and reporting the quality of tea. They represent the buyers' and producers' interest with integrity and effectively. Currently, these firms have come together under the umbrella organization called East African Tea Trade Association (EATTA), which consists of twelve tea brokerage firms representing tea producers in Rwanda, Tanzania, Congo, Kenya, Seychelles, Mozambique, Zimbabwe, Malawi, Uganda and Tanzania. EATTA offers a forum for international buying of tea. This has provided an avenue for tea producers to sell their tea through auctioning via tea brokerage firms in Mombasa, Kenya. This way, these tea brokerage firms play the role of marketing Tea from Kenya and elsewhere.

This increase in the number of tea brokerage firms globally, regionally and locally has led to increased competition among tea brokerage firms. In response, these firms have adopted different approaches to make them have a competitive advantage in the market. It is hypothesized that in the recent years, the increase in the number of tea brokerage firms within the Kenyan tea sector and global context has led to stiff competition due to increased demand of Kenya's low-quality tea-bags. The fiercest competitors of Kenyan tea brokerage firms come from the brokerage firms in global tea market, Sri Lanka and India. Countries of these tea brokerage firms have developed industries in orthodox and CTC production. This offers them a strong advantage in the large CTC global markets, namely Egypt, Pakistan and UK, and within the Orthodox markets such as the U.S. Kenyan producers of tea strongly embrace CTC production methods, despite increased concerted efforts by KTDA (Kenyan Tea Development Authority) to encourage orthodox tea production by charging processing, selling and collection of tea leaves from farmers. These stiff competitions from internal and external small and medium scale tea brokerage enterprises have necessitated the adoption of competitive strategies by tea brokerage SMEs firms within Kenya in an effort to remain competitive in the market. Indeed, it has been confirmed elsewhere that competitive strategies can contribute to a firm's competitiveness in its respective market. Surprisingly, few studies have been carried out focusing on these firms.

Generic Strategies and competitiveness of tea brokerage firms

Strategy as conceptualized by Ali and Wambua, (2019) is an approach, plan or pattern of reaching corporate goals in order to achieve success on a long-term basis. Baylis et al. (2018) consider strategy as the pattern used by an organization to integrate major policies, actions sequence and goals into a cohesive whole. As a plan of action, a strategy can help a firm to achieve it long term goals and objectives (Islami et al., 2020). Accordingly, strategic management is often long-term oriented and directed towards the firm's future, holistic, and substantial growth potentials. It is predominantly determined by the organization's highest level of which is tasked with the determination of culture, mission and vision of the enterprise (Zhou et al., 2021). This on-going process controls and cultivates industries and businesses that the firm is involved in. Through strategy, a firm evaluates competitors and create strategies and goals aimed at meeting the potential and existing competitors within the industry and assesses its strategy to determine its effectiveness.

This view that strategy can enable a firm gain a competitive edge and improve its performance was captured in Michael Porter's analytic frameworks, including five-force analysis framework, the value chain, the generic approaches, the national diamond together with the industry innovation clusters, and the activity systems. In the generic strategies widely referred to as Porter's generic strategies, Porter's recognized three generic strategies, which can be pursued by a company trying to maintain its competitiveness: differentiation, focus and lower cost. Differentiation strategies involve the firm creating uniquely desirable services and products. The focus strategy involves the firm offering specialized services within its niche market. On the other hand, cost leadership strategy involves a firm using cost as its advantage in the market.

Studies have also confirmed empirically that companies can gain competitive advantage and improve their performance by adopting competitive strategies (Haseeb, et al., 2019). Strategies that give companies competitive advantage and lead to improved performance have been identified as those that emphasize product and service innovation; quality of the product or service; discovery of new markets; and the use of new technologies. These strategies are also known to emphasize on extensive advertising, use of external financing, and customer service and support (Donkor & Kwartng, 2018; Kaga et al., 2018; Gachuma & Karugu, 2018; Mohammed & Rugami, 2019). For example, Donkor and Kwartng (2018) demonstrated those strategies that emphasize product/service quality; improving the existing service or product to meet the customer needs; and development of innovative product led to increased market share and high customer retention.

Similarly, Liu and Atuahene-Gima (2018) noted that high performing firms are known to emphasis cost effectiveness, implementation of new production technologies; and emphasize product quality and the use of technologies to produce innovative products. In a similar study, Kaga, Gichunge and Baimwera, (2018) confirmed that a firm can improve its performance, gaining a competitive edge over others within the industry, by adopting competitive strategies identified by Porter and others. In particular, Maamari and Saheb (2018) demonstrated that the adoption of cost leadership approach and other supporting strategies, including corporate culture, effective leadership style can lead to improved organizational performance. Further supporting this evidence, Afum et al. (2020) observed that firms that adopt sound competitive strategies are likely to raise their market share leading to improved profits. In view of the evidence presented herein, it is reasonable to hypothesize that tea brokerage firms that embrace and adopt competitive strategies such as differentiation strategy; cost leadership strategy; focus strategy; and innovation strategy are likely to have a competitive edge over others dealing in tea brokerage.

SMEs tea brokerage firms play a special and pivotal role in Kenya. These firms like other SMEs, contribute to the development of the economy. They play a critical role with regard to contribution to exports, employment generation, production, and enabling equitable income distribution of income. They offer opportunities to the great number of potential and capable entrepreneurs who have been disadvantaged in the pursuit of fitting opportunities. Through their export promotion efforts, these SMEs mitigate the problem of unbalancing the balance of payment accounts. Currently, these firms are experiencing intense competition from similar firms within East Africa, Africa and globally. This increased competition has been informed by the increased demand of Kenya's low-quality tea-bags, and the perceived lucrativeness of the tea industry. Recognizing this stiff competition, tea brokerage firms are devising measures and strategies that can help them meet the challenges of the tea industry and outmatch competitors. The notable strategy is their recent move to form a unified organization identified herein as EATTA. This approach seems short-term as it has not helped wade of the increasing competition from global tea brokerage firms. It is suggested that the best approach to achieving competitive advantage is adopting competitive strategies identified by Porters as focus, differentiation, and lower cost. Accordingly, it is envisaged that these tea brokerage firms have embraced these generic strategies as evidence showed that other SMEs within Kenya and other countries have adopted these strategies in an attempt to gain competitive advantage (Mohammed & Rugami, 2019; Addae-Korankye, & Aryee, 2021). These studies have confirmed that competitive strategies may result in increased performance and competitiveness of the firm. For example, Mohammed and Rugami, (2019) investigated competitive strategies' relationship with the performance of the Medium and Small sized enterprises in Ghana. These studies offer evidence that the survival of the Kenyan SME tea brokerage firms within the highly competitive tea market may be informed by their increasing adoption of competitive strategies.

Theoretical Foundation of the Study

Theories used in this study were: Ansoff's model, Resource Based View Theory and Competitive Advantage Theory

Conceptual framework

The conceptual framework consists of both the independent variables (cost leadership strategy, differentiation strategy, innovation strategy and focus strategy) and dependent variable (firm competitiveness) meant to purpose the relationship between the two and to provide a context to assist in the study interpretations.

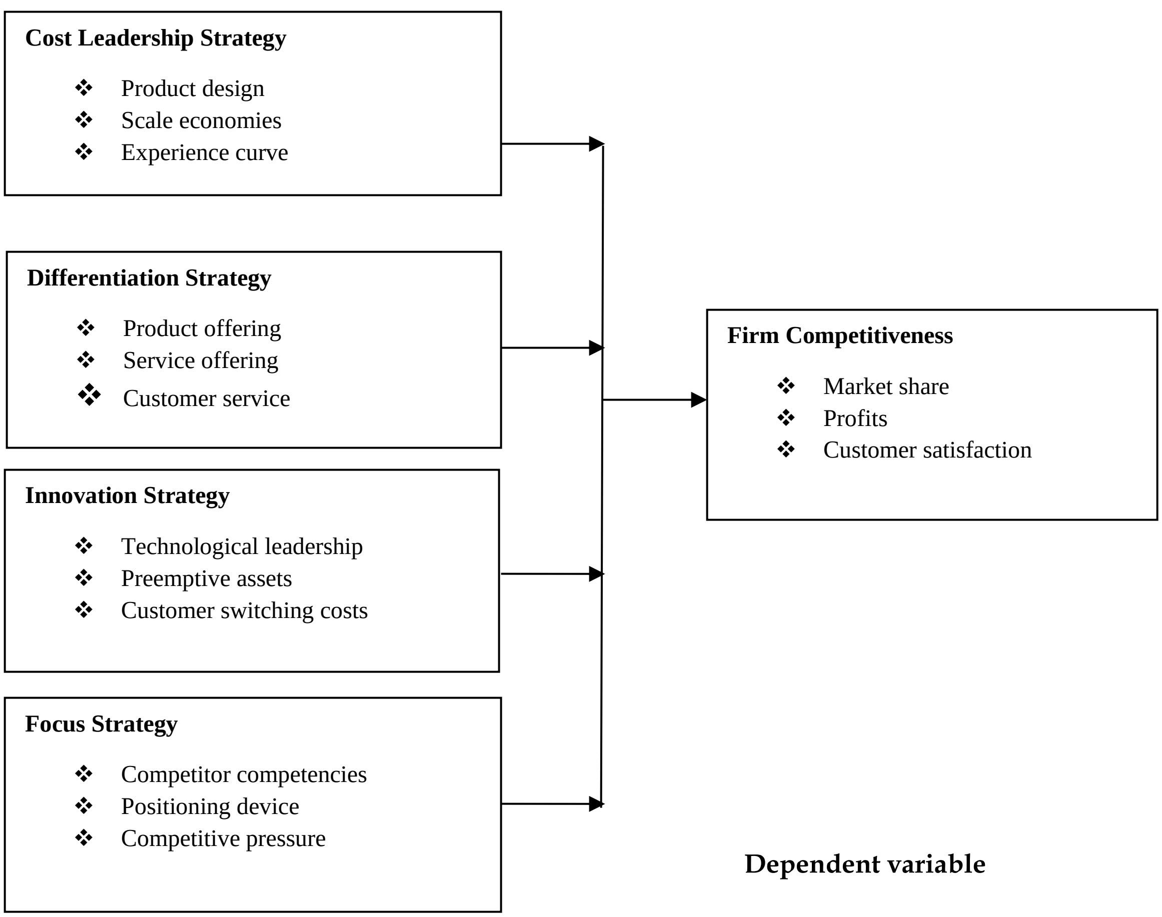

Figure 1. Conceptual Framework

Cost Leadership Strategy

Firms that embrace the cost leadership strategy often focus on transforming into the low-cost company in the industry. This move can be because there are numerous sources of cost advantage depending on the structure of the industry. They may encompass pursuing preferential access to raw materials, economies of scale, proprietary technology and other factors (McNaughton & Green, 2018). The generic focus approach entails the company choosing or focusing on a narrow competitive opportunity in the industry. Such an approach is achieved by a firm selecting a group of segments or a segment within the industry and tailoring its strategy to them while excluding other segments within the industry. Firms that embrace the cost focus strategy often seek to gain a cost advantage within the segmented that it targets (Iruthayasamy, 2021).

***H01**: The adoption of cost leadership strategy had no significant effect on the competitiveness of tea brokerage firms in Kenya*

Differentiation Strategy

A company that adopts a differentiation strategy will develop a service or product distinguishable by unique attributes that are valued or perceived by customers as either superior or better as compared to those presented by rivals. It picks qualities that are broadly perceived by various buyers as vital and it places itself in an exceptional position to satisfy such demands. The return for its distinctiveness is contained in the premium price (Haque et al., 2021). On the contrary, firms that embrace the differentiation focus strategy often seek to gain differentiation advantage in their target segment.

***H02**: The adoption of differentiation strategy has no significant effect on the competitiveness of tea brokerage firms in Kenya*

Innovation strategy

According to Gakure and Orwa (2018), the adoption of innovation strategy is a vital approach in the tea industry since it boosts tea brokerage firms' competitiveness in multiple ways. To begin with, adopting innovation strategy into a company's operations enhances managerial activities and results in improved competition. Innovation strategy will result in high competition that is characterized continuous sustainable innovations, motivated human resource, high financial income and satisfied customers.

***H03**: The adoption of innovation strategy has no significant effect on the competitiveness of tea brokerage firms in Kenya*

Focus Strategy

Focus strategy is among the competitive strategies that have molded the manner in which businesses are done. Partnership, instead of competitive strategies to businesses are today always used by firms like tea brokerage (Maina & Lewa, 2020). A positive relationship exists between customer focus strategy and firm competitiveness.

***H04**: The adoption of focus strategy had no significant effect on the competitiveness of tea brokerage firms in Kenya.*

Firm Competitiveness

The competitiveness of a firm concerns the advantages that enable it to outperform its competitors in the industry. It also concerns the ability of a firm to achieve steadiness and dominance within an industry where other companies prevail. There are several ways of measuring the extent of competitiveness of a firm. Traditionally, marketing or financial terms were used key measures of competitiveness.

Study Methodology

This study employed descriptive and cross-sectional research design. By using descriptive research design, the researcher managed to collect quantitative data from a sample and generalized the findings to the large population of Kenyan small and medium tea broking enterprises. The study population was the Kenyan small and medium enterprises in tea broking. These small-and-medium scale enterprises played specific roles in marketing and broking of Kenyan tea as well as engaging in organizing auctions, organizing sales, increasing price value by re-branding, and choosing countries to market tea at high prices. In this study, data was collected from 60 of the small and medium sized tea broking enterprises distributed across Kenya. It is envisaged that a sample of 60 was large enough to confer large statistical power and the representativeness of the study. The present study used a sample size of 100 managers of tea brokerage firms in Kenya.

Accordingly, the SPSS Cronbach Alpha was used in measuring the reliability or internal consistency. The brokerage firms used in the pilot study were omitted in research's final sample. The threshold for reliability test was set at 0.70 as suggested (Sürücü & Maslakçi, 2020). Sürücü, and Maslakçi, (2020) highlight that Cronbach's alpha coefficient has a range that runs from 0 to 1, where reliability of the values is marked from 0.7 and above. Multiple regression analysis was performed to evaluate the relationship between the variables, dependent and independent, with the industry and size of tea brokerage firms as moderating variables. The relationship between these variables was guided by the following multiple regression equation model:

$$FC = \beta 0 + \beta 1CLS + \beta 2\ DS + \beta 3IS + \beta 4FS + \varepsilon$$

Where: -

FC = Dependent variable (Firm Competitiveness)
β1CLS = Change in Firm Competitiveness resulting from effect of CLS
β2DS = Change in Firm Competitiveness resulting from effect of DS
β3IS = Change in Firm Competitiveness resulting from effect of IS
β4FS = Change in Firm Competitiveness resulting from effect of FS
β1 – β4 = Regression coefficient for each Independent variable
β0 = Constant or intercept (value of dependent variable when all independent variables are zero)
ε = Random or Stochastic Term.

Results

Correlation Results

Correlation analysis was used to ascertain the study variable's strength of association. Correlation is typically used as a measure of the association or relationship between two continuous numeric variables. This measure indicates both the direction and the degree of correlation between variables from one case to another without inferring that either causes the other. Franzese and Iuliano, (2018) states that the results obtained from this measure gives a correlation coefficient that determines the linear association that exists between two variables. Values of the correlation coefficient range between -1 and + 1, where the positive value indicates a perfect relation of two variables in positive linear. Conversely, the negative value indicates a negative linear relationship between the two variables. A correlation coefficient that has a value of 0 indicates the absence of a linear relationship between the variables.

Table 1. Correlation Matrix

		FC	CLS	DS	IS	FS
FC	Pearson Correlation	1				
	Sig. (2-tailed)					
CLS	Pearson Correlation	.378	1			
	Sig. (2-tailed)	.006	.000			
DS	Pearson Correlation	.514**	.761**	1		
	Sig. (2-tailed)	.000	.003	.000		
IS	Pearson Correlation	.577	.706	.636	1	
	Sig. (2-tailed)	.007	.000	.000	.000	
FS	Pearson Correlation	.626	.522	.629	.562	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000

The results of the correlation analysis depicted a clear positive correlation between the independent variables; CLS, DS, IS and FS and the dependent variable; FC. The analysis indicated the coefficient of correlation 'r' equal to 0.378, 0.514, 0.577 and 0.626 for CLS, DS, IS and FS and dependent respectively. The analysis revealed a positive relationship between independent variables and dependent variable. This meant that CLS had a low positive relationship of 0.378 with the FC; while DS, IS and FS had a moderate positive relationship with FC at 0.514, 0.577 and 0.626 respectively.

Multiple Regression Results

The regression analysis was achieved using Ordinary Least Squares (OLS) method.

Coefficient of Determination (R^2)

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.722[a]	0.520	0.512	0.26253

a. Predictors: (Constant), CLS, DS, IS, FS.

The model gives details on 52% of the variance (R-Square = 0.520) on firm competitiveness. Evidently, there are other factors apart from the four studied in this model that could be used to forecast firm competitiveness. Nonetheless, this remains a suitable model since Camerer *et al*., (2018) noted that as much as lower value R square 0.10 – 0.20 was satisfactory in social science research.

This implies that 52% of the relationship is described by the recognized four factors that include differentiation strategy (DS), cost leadership strategy (CLS), focus strategy (FS), and innovation strategy (IS). The remaining 48% was explained by other factors in the firm competitiveness not investigated in this study. In short, the studied factors, CLS, DS, IS and FS, determined only 52% of the relationship whereas the remainder 48% was described by other factors.

Table 3. ANOVA Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	16.361	3	4.090	60.416	0.000[b]
	Residual	15.098	96	0.068		
	Total	31.459	99			

a. Dependent Variable: FC
b. Predictors: (Constant), CLS, DS, IS, FS.

The ANOVA test was used in this study for purposes of determining the regression model's significance. Therefore, statistical significance was said to be significant only when the p-value was equal or less to 0.05. This shows that the regression model was statistically significant in predicting the influence that competitive strategies have on firm competitiveness of Tea Brokerage firm in Kenya.

The ANOVA results indicated that the model was significant at F = 60.416, and a df of 3 with $p < 0.05$. At 95% confidence level, the analysis indicated high reliability of the results attained thus indicating the study was statistically determined. These results are in agreement with (Ebrahim and Ganguli, 2019).

Regression Coefficients Results

The effect of Competitive strategies on the competitiveness of Tea Brokerage firms in Kenya were investigated from the results of the respondents.

Table 4: Regression Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**T**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	0.633	0.257		2.4655	0.014
	CLS	0.135	0.081	0.113	1.676	0.005
	DS	0.083	0.088	0.079	0.950	0.343
	IS	0.572	0.059	0.586	9.678	0.000
	FS	0.058	0.071	0.061	0.831	0.417

Multiple regression analysis was conducted to ascertain the relationship between the independent variable and the dependent variable. Thus, the regression equation was;

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \mathcal{E}.$$

Where $Y = FC$ (dependent variable)

$\beta 0 =$ Constant of Regression

$\beta 1 - \beta 4 =$ The Beta coefficients for the corresponding X (independent)terms, representing the net effect the variable had on the dependent variable, as X's in the question remain constant.

$X1 = CLS$

$X2 = DS$

$X3 = IS$

$X4 = FS$

$\mathcal{E} = Error\ term$

Therefore, the regression equation is now:

Y = β0 + β1CLS + β2DS+ β3IS + β4FS + Ɛ.

Y = 0.633 + 0.135**CLS** + 0.572**IS** + Ɛ**.**

This also indicates that taking all factors constant at zero Firm competitiveness was at a value of β0 = 2.633. The findings depicted that taking all independent variables at zero, a unit increase as a result of Cost Leadership Strategy (CLS) gave a value of 0.135 increase in Firm Competitiveness (FC). It also indicated that a unit increase as a result of Differentiation Strategy (DS) led to a value of 0.083 increase on Firm Competitiveness (FC). A unit increase on Innovation Strategy (IS) gave a value of 0.572 increase on Firm Competitiveness (FC). The study also showed that a unit increase of Focus Strategy (FS) gave a value of 0.058 on Competitiveness (FC) of Tea Brokerage Firms in Kenya. The study showed that only two variables had positive and significant effect on Firm Competitiveness, with the most influential being Innovation Strategy (IS) which had regression coefficient of 0.572 and a p-value of 0.000 and was also less than 0.005. These results are in agreement with the study done by Mbui et.al. (2015) who established in their studies that cost leadership and technological innovation if used as strategic management approaches would eventually expand the Kenyan tea market globally hence increasing its competitiveness. This was then followed by Cost Leadership Strategy (CLS) which had regression coefficient of 0.135 and a p-value of 0.005. However, there was no significant relationship between Differentiation Strategy (DS) and Firm Competitiveness (FC) (0.343), Focus Strategy (FS) and Firm Competitiveness (FC) (0.417).

Hypothesis one: Cost leadership strategy and Firm competitiveness

Since the results shows a p-value of 0.005 which is lower than the alpha at the level of significance of 0.05(5%), the study failed to reject the null hypothesis (H_{o1}) that Cost Leadership Strategy (CLS) had no significant effect on firm competitiveness. But accepted the H_{a1} that Cost Leadership Strategy (CLS) had significant effect on firm competitiveness. Therefore, Cost Leadership Strategy was seen to have significant effect on firm competitiveness (β=0.113; t=1.676; p<0.005 at 0.05 level of significance) and hence accept the Ha1.

Hypothesis two: Differentiation Strategy and Firm Competitiveness

At level of significance of 0.05(5%), the p-value was 0.343 which was higher than the alpha and therefore the Ho2 was accepted that Differentiation Strategy (DS) had no significant effect on firm competitiveness whereas the study failed to reject the Ho2 that Diffentiation Strategy had significant effect on firm competitiveness. Therefore, Differentiation Strategy was seen to have insignificant effect on firm competitiveness (β=0.079; t=0.950; p>0.343 at level of significance of 0.05) and hence accepted Ho2.

Hypothesis Three: Innovation Strategy and Firm Competitiveness

At level of significance of 0.05(5%), the p-value was 0.000 which was lower than the alpha and therefore the study failed to reject the Ho3 that Innovation Strategy (IS) had no significant effect on firm competitiveness but accepted the Ha3 that Innovation Strategy had significant effect on firm competitiveness. Therefore, Ho3 was rejected and instead the Ha3 was accepted. Hence, Innovation Strategy was found to have statistically significant effect on firm competitiveness (β = 0.586; t = 9.678, p<0.000 at level of significance of 0.05).

Hypothesis Four: Focus Strategy and Firm Competitiveness

At level of significance of 0.05(5%), the p-value was 0.417 which was higher than the alpha and therefore the Ho4 was accepted that Focus Strategy (FS) had no significant effect on firm competitiveness but failed to reject the Ho4 that Focus Strategy had significant effect on firm competitiveness. Therefore, Focus Strategy was seen to have insignificant effect on firm competitiveness (β=0.061; t=0.831; p>0.417 at level of significance of 0.05).

Discussion

The first objective of the study sought to investigate the effect of Cost Leadership Strategy on firm competitiveness. Regression analysis conducted proved that there was a positively significant effect of Cost Leadership Strategy on firm competitiveness as indicated by the values β_1 = 0.113, t = 1.676, p<0.005. The study concludes that an increase in Cost Leadership Strategy by one unit would lead to an increase in firm competitiveness by 0.113 units. The findings are consistent with Porter who argued that a cost leadership approach has the ability to improve the competitiveness of Tea Brokerage firms through providing them with unique competencies in the material management as well as during the production process (Iruthayasamy, 2021). According to Haque *et al.* (2021), cost leadership strategy encompasses pursuing preferential access to raw materials, economies of scale, proprietary technology and other factors.

The second objective was to establish the effect of Differentiation Strategy on firm competitiveness. Regression results showed a positively insignificant effect of Differentiation Strategy on firm competitiveness as indicated by the values β_2 = 0.079, t = 0.950, p<0.343. The study concludes that an increase in Differentiation Strategy by one unit would lead to a decrease in firm competitiveness by 0.079 units. The findings are in a disagreement with Galvão et al. (2018) who argued that firms use differentiation approaches to establish customer loyalty. Additionally, firms achieve competitive advantage through offering their customers unique commodities. However, these results are insignificant because at times customers will not be willing to pay extra to obtain the unique features that a firm is trying to build its strategy around. Ultimately in actual sense, a differentiation strategy helps create barriers to entry that protect the firm and its industry from new competition.

The third objective sought to establish the effect of Innovation Strategy on firm competitiveness. Regression analysis conducted showed that there was a positive significant relationship between the two variables as indicated by the values $\beta_3 = 0.586$, $t = 9.678$, $p<0.000$. The study concludes that an increase in Innovation Strategy by one unit would lead to increase in firm competitiveness by 0.586 units. The results are in tandem with Salunke, Weerawardena, and McColl-Kennedy, (2019) who opined that adopting innovation strategy into a company's operation enhances managerial activities and results in improved competition. Maina, Mugambi and Waiganjo (2018) concluded that innovation strategy has been acknowledged to be among the practices of Tea Brokerage firms' competition. Similarly, the results are in agreement with García-Sánchez, Siles, and Vázquez-Méndez (2019) conclusion that there exists a positive relationship between competitiveness and innovation.

The fourth objective sought to examine the effect of Focus Strategy on firm competitiveness. Regression results showed that there was an insignificant relationship between the two variables as indicated by the values $\beta_4 = 0.061$, $t = 0.831$, $p<0.417$. The study concludes that a decrease in Focus Strategy by one unit would lead to a decrease in firm competitiveness by 0.061 units. These results are inconsistent with Atnafu and Balda (2018) who postulated that customer focus strategy increases competitiveness through minimization of the costs incurred in obtaining clientele as well as the profitability which is a resultant of customer loyalty. Besides, Maina (2018) highlighted that customer focus strategy enhances Tea brokerage firms' competitiveness through involving profitability clients in long term associations so as to increase profits. This variable was insignificant because at times there is limited demand available within a niche which is problematic. Once the target market is served well, expansion might be the only way to grow and this needs a new set of skills. Additionally, insignificance could be as a result of a niche which could get diluted or be taken over by larger players.

Conclusion

The study concludes that: Cost Leadership Strategy and Innovation Strategy was found to be statistically significant in explaining the competitiveness of Tea brokerage firms in Kenya. It is possible to conclude therefore that for any a firm to remain competitive, it has to focus on the Cost Leadership Strategy and Innovation Strategy. In addition, the adoption of effective competitive strategies by small organizations enables them to survive, grow and maintain a sustainable competitive advantage. Firms that adopt superior competitive strategies tend to record increased customer base, improved profit and increased market share. Hence the success of a firm is dependent on how it embraces and implements competitive strategies. Many brokerage firms have adopted competitive strategies that make them compete against others. Majority of the brokerage firms have adopted a combination of differentiation, cost leadership strategies, and differentiation focus and that have made them to gain a competitive advantage in the market. Customer feedback affected the competitiveness of brokerage firms. The data collected on customer satisfaction levels enhances competitiveness.

The study recommends that: Kenyan firms should understand and adopt competitive strategies that have been proven to help them gain a competitive advantage and improve its performance. Therefore, Kenyan firms can wade of competition from their international competitors using proven competitive strategies. Similarly, the Kenyan market should foster economic development by encouraging and promoting strategies that ensure the sustainability of tea brokerage firms and SMEs.

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