THE IMPACT OF COMPETITIVE STRATEGIES ON SALES PERFORMANCE A CASE STUDY: TOTAL FUEL STATION KOBOKO

ADIRU BRENDA BAIGA

2012-B021-20053

A RESEARCH DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A BACHELOR'S DEGREE IN BUSINESS ADMINISTRATION AND MANAGEMENT OF UGANDA MARTYRS UNIVERSITY

JUNE, 2015

DEDICATION

I dedicate this report to my God who has guided me, protected provided me and been with me in every step that I took, to my parent and guardians. And the utmost dedication goes out to my dear brother Data Alias Amodo I thank you so much for the support you have provided and given me and with heartfelt appreciation, dedication goes to my dear brother Mr. Tabuley Jackson Joseph I am very thankful for your special support, encouragements and advice which were of a great boost towards the completion of this study. I shall forever be grateful and indebted to both of you. I treasure all your contributions towards my education thank you. God bless all.

ACKNOWLEDGEMENT

I am grateful to my Supervisor Mr. Sekatawa John for the tireless, timely and helpful guidance provided in the process of developing this report and to those who made it possible for me to produce this report through the efforts they endeavored in giving me, various pieces of advice, encouragement and support from the beginning up to the end.

My appreciation goes to my dear parents Mr. Baiga Abubakari pitia and my mum Mariam and brothers & sisters. I would also like to thank my sponsors who have struggled tirelessly towards my academic progress through the payment of my tuition fees and their moral support, without you people it would have been impossible to complete this report.

Equally am indebted to my classmates for the support provided and my friends' especially Grace, Samuel, Sarah and Daisy I thank you for being good friends and allowing me to carry out my studies effectively. Thank you very much and God bless you all.

I would also like to appreciate Uganda Martyrs University for providing me with the opportunity to pursue my bachelor's degree. God Bless you all.

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LIST OF FIGURE.

LIST OF ABBREVIATIONS.

KTC : Koboko Town Council

R&D : Research and Development.

MIS : Management Information System.

SPSS : Statistical Package for Social Science.

KIT : Key Intelligence Topics.

ABSTRACT

Companies need to learn to manage tomorrow's opportunities as competently as they manage today's businesses. Competitive strategies employed by firms in their operations vary widely. The current operational set-up in fuel stations is a turbulent one and highly competitive market condition. To ensure survival and sustainability in the market place Total fuel station require adopting a competitive strategy. The purpose of this study was to establish "The Impact of Competitive Strategies on Sales Performance" at Total fuel station Koboko.

. The study was predominantly qualitative, utilizing an exploratory, descriptive statistics on research objectives. A qualitative approach was used during data collection and presentation, and quantitative approach was used for the analysis and presentation of the findings. A simple random sampling was used to select 35 respondents to represent the sampled population of 44 people. Responses in the questionnaires were tabulated, coded and processed by use of a computer Statistical Package for Social Science (SPSS).

The results revealed a significant and positive relationship between competitive strategies and sales performance of Total Koboko petrol station(r = 0.722**, Sig. = .012). These findings imply that Total Koboko should increase in more effort to realize more sales through proper use of the competitive strategies.

Therefore Management of Total fuel station Koboko should ensure that factors that have strong impact on the organization's sales performance should be maintained for example; differentiation strategy should be given strong organizational backup or support to make product differentiation a unique aspect that attract will attract more customers hence leading to increased

CHAPTER ONE

GENERAL INTRODUCTIONS

1.0 Introduction.

The study was under taken to establish the impact of competitive strategies on sales performance with reference to total fuel station in koboko town council (KTC). The study covered the background of the study, statement of the problem, objectives of the study major objective, the specific objectives, research questions, and the scope of the study, the significance of the study, justification of the study, definition of key terms conceptual framework

1.1 Background of the study.

Competitive strategies consist of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position. Competitive strategies are employed by firms within a particular Industry. The strategies adopted are expected to relate to performance of the company. From a scheme developed by Grant (2002), long term strategy should derive from a firms attempt to seek and sustain a competitive advantage based on one of the three generic strategies. These are cost leadership, differentiation and focus strategies Cost leadership strategies depend on some fairly unique capabilities of the firm to achieve and sustain their low cost position within the industry of operation. Differentiation strategy refers to a firm striving to create a market unique product for varied customer groups. Competitive strategies dependent on differentiation are designed to appeal to customers with special sensitivity for a particular product attribute. Focus strategy is a marketing strategy in which an organization concentrates its resources on entering or expanding in a narrow market. It is usually employed where the company knows its segment and has products/services

to competitively satisfy its needs. Firms need competitive strategies to enable them overcome the competitive challenges they experience in the environment where they operate

Sustainable competitive advantage is born out of core competencies that yield long term benefit to the company. To succeed in building a sustainable competitive advantage, a firm must try to provide what buyers perceive as superior value. Competition is generally believed to reduce the amount of slack a manager can afford and to have a positive Influence on managerial effort. Competition affects the congruence of interests between the manager and the organization and through a reduction in profits that increases the likelihood of poor Performance and through the associated threat to the manager's incumbency.

According to peace and Robinson (2007), Strategic Responses are the set of decisions and actions that result in the formulation and Implementation of plans designed to achieve a firm's objectives. Thus a reaction to what is happening in the organization's environment. According to Burns and Stalker (1998), when businesses see their environment as turbulent and complex they respond to align with the environment.

Total is one of the leading petroleum companies that was established in 1920 and has expanded internationally over the years. It started operations in Uganda in 1947 with head office on plot 4, 8th street industrial area, p.o.box 3079 Kampala with branches in the major towns across the country the focus for the study is total fuel station koboko located in west Nile region giving variety products and services like engine oils, petrol (PMS), diesel (Ago) and paraffin (kerosene) and services such as car servicing and repairs shopping places for its customers

1.2 Problem statement.

During the period between the 2009 there has been an increase in the number of fuel stations in Koboko district. These are changing into providing products or services to the customers this has been caused by strong forces of globalization, urbanization and location near to the border south Sudan, this increase has been inevitable. The fuel stations have capitalized on provision on superior value, unique physical features, products or services and enjoy more profits. To improve sales performance, the fuel stations offer similar products or services to customers with almost comparable prices. The fuel stations in koboko town council are striving to maximize sales through adoption of competitive strategies such as differentiation, cost leadership and focus strategy. However according to internal auditors report (2013) Total fuel station Koboko district the adoption of various competitive strategies, the performance of Total fuel station in terms annual sales revenue has been on the decline that is 2% annual decrease. This decline in sales performance has not been clearly established thus creating a gap therefore necessitating this research on impact of competitive strategies on sales performance to be conducted at total fuel station (sales manager report 2014).

1.3 Objectives of the study.

1.3.1 Major objective

To analyze the impact of competitive strategies on sales performance in total fuel station Koboko district.

1.3.2 Specific objectives.

- 1 To determine the impact of differentiation strategy on sales performance of organization.
- 2 To establish the impact of cost leadership strategy on sales performance of organization.

3 To examine the impact of focus strategy on sales performance of the organization.

1.4 Research questions

- 1 How does differentiation strategy affects sales performance in an organization?
- 2 What are the effects of cost leadership sales performance in an organization?
- 3 How does focus strategy affect sales performance of the organization?

1.5 The scope of the study.

The content scope.

The study intends to investigate impact of competitive strategies adopted by Total fuel stations in Koboko district. The study would focus on application of competitive strategies that is to say differentiation strategies, cost leadership and focus strategy in Total stations in KTC and how they affect the sales performance.

Geographical scope.

The study was conducted in Total fuel station in KTC because of rapid growth in the economic activities within district and nearness to south Sudan

Time scope

The study covered the period between May 2011 to 2015 and this was confined to Total fuel stations in KTC Koboko district.

1.6 The significance of the study

The study would benefit the management of the fuel station to gain new knowledge of developing effective and efficient competitive strategies that aim at improving sales performance.

The study would also provide information and materials that will guide future studies to be carried out by the other researcher.

The study would provide data on the use of competitive strategies which is currently not available for intervention in planning, monitoring and evaluation of quality performance.

The study would enable other researchers to test and compare different theories and approaches explore different methods and learn from other people's experiences.

1.7 The justifications of the study

The study adds to the existing literature on the competitive strategies and sales performance, the findings would be used as reference for further studies. The study would generate data and information on competitive strategies and how they affected sales performance of Total fuel station Koboko District.

1.8 Definition of key terms

Strategy is a method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem.

Competitive strategy: Is a method used by organizations to achieve a competitive advantage in the market.

Competitive advantage: Competitive advantage is an advantage over competitors gained by offering consumers greater value either by means of lower prices or by providing benefits and services that justify higher prices (Thompson et al, 2007).

Differentiation strategy: a business strategy intended to increase the perceived value of a firm's product or services as compared to the competitor's products or services and create a customer preference for firm's products or services or make it appear distinct.

Cost leadership: This strategy focuses on gaining competitive advantage by having the lowest

cost in the industry (Porter, 1998). In order to achieve a low-cost advantage, an organization

must have a low-cost leadership strategy, low-cost operations, and a workforce committed to the

low-cost strategy (Malburg, 2000).

Focus Strategy: In this strategy the firm concentrates on a select few target markets (Porter,

1998). It is also called a focus strategy or niche strategy. It is hoped that by focusing your

marketing efforts on one or two narrow market segments and tailoring your marketing mix to

these specialized markets, you can better meet the needs of that target market.

Sales performance: a competitive volume of sales on annual bases.

Profitability: It is the capacity to make profit, and a profit is what is left over from income

earned after deducting all costs and expenses related to earning the income.

Sales revenue:

This is the total amount of money generated by the business in a particular period and not just

the profits.

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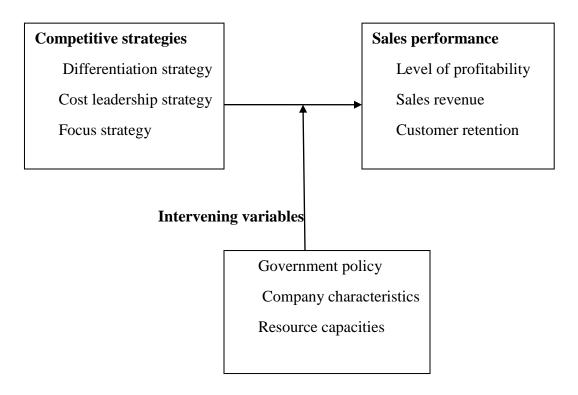
Figure 1

1.9 The conceptual frame work of the study;

The independent variable is competitive strategies and the dependent variable is sales performance.

INDEPENDENT VARIABLE

DEPENDENT VARIABLE.



In the above model, the independent variables [IV] competitive strategies with dimensions like differentiation, cost leadership and focus strategy any change in the independent variables [IV] will cause a change in the Dependent Variable (DV) Sales Performance with dimensions of profitability, sales revenue and customer retention.

This shows that sales performance depends on competitive strategies adopted at Total fuel station therefore the conceptual framework relates competitive strategies to sales performance.

The relationship between the two variables above is moderated by the intervening variables. For this study, the intervening variables include government regulations, organizational characteristics and resource capabilities therefore any change in government regulations could either cause a decrease or increase in the effect of the dependent variables (sales performance) remember that IV & DV relationship must be well articulated and how they are affected by moderating factors.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews theoretical literature as well as evaluating the past research studies and publication conducted in these same areas of study it will also examine the differentiation strategy, cost leadership and focus strategy employed by the firm. This chapter will further cover what other scholars hypothesized on this subject and strategies that have been used to scale up sales performance

2.2 Theoretical Review

Porter (2008) identifies five forces of competition as fierce rivalry, threat to entry, threat to substitutes, power of suppliers and power of buyers. He upholds that understanding the forces that shape a sectors competition is the basis for developing a strategy. Generic strategies can be effectively correlated to organizational performance by using key strategic practices. Porter suggests that if the forces are extreme, no organization earns striking returns on investment and if the forces are benign most of the companies are profitable. The composition of the five forces varies by industry and that an organization needs a separate strategy for every distinct industry such as the fuel station. Porter's (2005) generic strategies comprise of low cost, differentiation,

focus and combination strategies. These are commonly conventional as a strategic typology for all organizations.

Porter asserts that an organization is mostly concerned with the amount of competition within its industry. He asserts that low cost and differentiation are distinct ends of a continuum and that may for no reason be related to one another. This debate may have been partly encouraged by the absence of conceptual building blocks supporting his value system theory (2003) Scholars have since postulated theories that argue against Porter's point of view, proposing that low cost and differentiation may really be independent dimensions that should be strongly pursued concurrently (Fournier, 2008). Empirical research using the MIS database by Miller &Dess (2010) suggests that the generic strategy framework could be enhanced by viewing cost, differentiation and focus as three dimensions of strategic positioning other than as three discrete strategies. The idea that pursuing multiple sources of competitive advantage is both feasible and desirable has also been supported by other researchers (White, 2008). Thus, the research in strategic management following from Porter does not provide explicit support for Porter's original formulation. Porter's model is an influential tool for methodically diagnosing the main competitive pressures in a market and assessing how strong and significant each one is. Kitoto (2005) observed that a correct analysis of the five forces will assist a firm choose one of the generic strategies that will successfully enable the organization to compete profitably in an industry. Managers in the fuel stations therefore can only develop and choose winning strategies by first identifying the competitive pressures that exists, measuring the virtual strength of each and gaining a profound understanding of the sector's whole competitive structure. Porter's value chain approach allows for the determination of the attractiveness of the industry. With the knowledge about intensity and power of competitive forces total petrol station can then develop

options to influence them in a way that improves their own competitive position. To survive, there is need for the company adapts competitive strategies to stand the competition. The winning strategy selected can change the impact of competitive forces on the firm. The aim is to decrease the power of competitive forces. Although numerous companies pursuing cost and differentiation concurrently may become trapped in the middle, there is patent evidence to suggest that at least some companies have been triumphant in achieving higher economic performance by pursuing both advantages (Bresnahan and Reiss, 2010).

From a resource based view of the firm, it is of high importance to take a close look at the internal organization of a company and its resources in order to understand how competitive advantage is determined within firms (Wernerfelt, 2001). In other words, the central premise of resource base view (RBV) addresses the fundamental question of why firms are different and how firms achieve and sustain competitive advantage by deploying their resources (Kostopoulos et al, 2002).

The resource based perspective of firms is based on the concept of economic rent and the notion of an organization as a collection of capabilities (Kay, 2000). Whereas traditional strategy models focus on the organization's external competitive environment, the RBV accentuates the need for a fit between the external market context in which a firm operates and its internal capabilities. From this perspective the internal environment of an organization, in terms of its resources and capabilities, is the critical factor for the determination of strategic action (Hint et al, 2004).

According to Wernerfelt (2006), the review of a firm's resources heterogeneity is the basis of the RBV and he suggests that the evaluation of companies in terms of their disposable

resources could lead to different insights from traditional perspectives that view competitive advantage as a rather external paradigm and argue that the alignment of a firm to its external environment is the main determining factor for a firm's profitability (Andrews, 2004; Porter, 2008). Barney (2007) developed a framework for the identification of the properties of firm resources needed for the generation of a sustainable competitive advantage. The properties include whether resources are valuable, rare among a firm's current and potential competitors, imitable, and non-substitutable. If resources have these characteristics they can be seen as strategic assets. Subsequently, this notion has been adopted by many researchers (Amit &Schoemaker, 2010; Peteraf, 2010) and expanded to include the properties of resource durability, non-tradability, and idiosyncratic nature of resources. The RBV can be depicted as an "inside out" process of strategy formulation. A central thrust is the contribution of core competencies as strategic assets, which will be the continuing source of new products and services through whatever future developments may take place in the market, which by their nature, are not known (Connor, 2002). The emphasis of the RBV approach to strategic management decision-making is on the strategic capabilities as basis for superiority of the firm rather than attempting to constantly ensure a perfect environmental fit. Resources are the specific physical, human, and organizational assets that can be used to implement value-creating strategies. Capabilities present the capacity for a team of resources to perform a task or activity (Grant, 2010). In other words, capabilities present complex bundles of accumulated knowledge and skills that are exercised through organizational processes, which enable companies to coordinate their activities and make use of their assets. Intangible assets are central to the RBV approach to understanding competitive advantage since they cannot easily be acquired or imitated, in contrast to tangible assets. Hall (2002) identified the relevant intangible assets as

know-how, product reputation, culture and networks as main contributing factors to the overall success of a firm. Thus, the asymmetric performances between heterogeneous companies are very much driven by the intangible strategic assets.

A competitive strategy therefore enables a firm to gain a competitive advantage over its rivals and sustain its success in the market. A firm that does not have appropriate strategies cannot exploit the opportunities available in the market and will automatically fail. A company has a competitive advantage whenever it has an edge over its rivals in securing and defending against competitive forces (Thompson and Strickland, 2002).

Adding to this notion, Lovas&Goshal (2000) conclude that firms have to achieve a synergy between exploitation and creation of human and social capital as intangible assets in order to obtain better performances in the long run. Grant developed a practical framework for a resource-based approach to strategy consisting of the identification of resources and capabilities, their potential for achieving competitive advantage with appropriable return, the strategy selection and the consequent identification of resource gaps. Differentiation supports and sustains competitive advantage, but conformity to institutional pressures provides legitimacy, resources, and competitive advantage. In contexts where institutional and competitive pressures exert strong influences, the strategic decisions of managers result both in conformity to institutional pressures, which leads to isomorphism and legitimacy, and in differentiation, which, following the resource-based view of the firm, can increase the possibility of creating a competitive advantage through heterogeneity in resources and capabilities. Although both alternatives have an effect on performance of total petrol station and the creation and maintenance of dominant market positions, little attention has been paid to the analysis of the effects of conformity on performance of total petrol station as competitive advantage.

Differentiation tends to reduce rivalry, increasing the possibility of building competitive advantages, whereas conformity improves the social support of stakeholders and therefore the legitimacy of the firm.

Differentiation reduces competitiveness and the fight for scarce resources, thereby improving performance of total petrol station; but on the other hand, conformity makes all organizations similar and, therefore, the competitive pressures are stronger. Differentiation will create benefits and dominant positions that will last until competitors imitate a firm's key resources, and will be restored through the creation of new opportunities that result in a new competitive advantage and new entry barriers (Ogbonna and Harris, 2003). The new lines of institutional thinking answer this question and establish a point of connection with the resources-based view.

Strategic balancing is founded on the premise that the strategy of an organization is partly comparable to the strategy of an individual. Certainly, the performance of organizations is affected by the actors" behavior, such as the system of leaders" values (Collins et al., 2009). An organization wavers between many antagonistic poles that signify cooperation and competition. This allows for existence of various configurations of alliances that disappear only if the alliance swings in the direction of a mainstream of poles of confrontation. Strategic balancing is comprised of three models which include: relational, symbiotic and deployment models. Competition attests to be part of the relational model and the model of deployment. It can be liable to undulation between the two aggressive strategies, one being primarily cooperative as depicted by the relational model and the other being predominantly competing as exemplified by the model of deployment. The organization can then take turns in adopting the two strategies so as to keep their relationship balanced. This argument is very close to that of Belsley et al, (2003).

According to Beasley et al, (2003), there are three types of competitive relationships: competition-dominated, cooperation-dominated, and equal relationships. The latter is also comparable to the fluctuation between the relational model and the model of deployment as described by Barney (2002). Competitive strategies, should concentrate on the management-needs recognition process. A number of fuel stations have achieved this. Hammer and Champy (2010) used the key intelligence topics (KIT) process to identify and prioritize the major intelligence needs of senior management and the organization itself. This made sure that intelligence operations were successful and suitable intelligence was produced. Their approach is valuable since it allows corporate intelligence staff to recognize strategic issues and as a result senior management can guarantee that action is taken regarding the results given. The additional advantages are that an early warning system can be created and this will allow possible threats to the organization and major players in the industry are identified and monitored.

Brands, as a result of innovations and differentiation, can be considered as a method of signaling quality and other product characteristics to consumers. This allows various models developed in game theory to be applied, such as Akerlof (2003) classic "market for lemons" model in which price signals quality. The "hidden" value that may be uncovered by applying game theory is the deterrence value of investments in intellectual capital. As is well known, patents and copyrights add value by deterring competitors from making use of the same work and allow the patent or copyright holder to enjoy exclusive use of the intellectual work for a limited time. However, game theory shows that such a deterrence effect can also occur in the absence of patents and copyrights. The simplest scenario is where the market is limited and there is overcapacity in the industry. In such a scenario, an incumbent that makes a pre-emptive move by making a large investment may deter new entrants if the entrant believes that the incumbent will react

aggressively to entry, or if the move allows the incumbent to move so far down the learning curve that it is difficult for new entrants to catch up.

The fact that making a large investment may be enough to deter entry even if there is no patent or copyright protection. Most of the examples that can be quoted are practical benefits of applying game theory in the valuation of intellectual capital. However, game theory provides additional benefits in allowing one to draw insights about how to gain strategic value from intellectual capital. The conventional strategic management wisdom expounded by many authors (Grant, 2002) is that, in order for a firm's resources (including intellectual capital) to lead to a sustainable competitive advantage, they must be difficult to replicate, durable and imperfectly mobile or not easily traded

2.3 Differentiation Strategy and sales performance

Pearce et al – (2005) state that differentiation in business refers to the art of marketing a particular product or services in a way that makes it stand out against other product or service at the core, all differentiations strategies attempt to make product appear distinct. It is the strategy that firms use to provide superior value within the industry to customers, porter (2008) argues that the perceived supervisor value as compared to industry competitors and is the key for the firms to charge premium price for superior value of the products or services and these enjoy more profits than competitors in the industry, usually, firms provide the superior value to customers through many ways such as unique product feature, higher quality and all round complementary services, in every aspect of the way that the firms relates to the customers Grant (2010). Attractiveness were classified into four categories that is location, popularity, facilities and sales Produce differentiation is found throughout the economy within most the fuel stations

one may find a wide range of differentiated products. Most products have many small and at times large differences. Product differentiation is often employed in many business firms where the Buyers often appreciate the ability select form a variety of product offering in order to be better able to select the particular product that best suits their preferences.

Differentiation decreases the price sensitivity of customers through creating brand loyalty, creating a unique service or product in an industry. By so doing, a firm can distinguish itself from the rest of the players and their products/services. Creation of brand loyalty will provide a firm with protection against competitive rivalry among existing firms and also will create an entry barrier for potential competitors. A differentiator company can enjoy high levels of profitability since it does not have to care about competitors and price wars between them. There are certain approaches to differentiation: design or brand image, technology, features, customer service, and dealer network (Porter, 2001).

Miller discusses two types of differentiation: innovation and market differentiation (Miller, 2007, 2008). "A market differentiation advantage occurs when a firm creates a unique image in the marketplace and achieves customer loyalty through meeting customers' particular needs (Miller, 2007), and an innovation differentiation advantage arises when a firm creates "the most up-to date and attractive products by leading competitors in quality, efficiency, design innovations, and style" (Zhou, et.al, 2008).

Ellis and Kelley (2002), a motivation of producers in producing a wide variety of slightly different products is to make difficult to compare prices. Product differentiation is therefore inevitable most industries and business firms.

Differentiation strategy is a marketing technique used by the company to establish strong identity in a specific market. Using this strategy, a company will introduce different varieties of

the same basic service or product under the same name into a particular services or products category and thus cover the range of services or products available in that category. Differentiation strategy can also be defined as positioning a brand in such a way as to differentiate it from the competition and establish an image that is unique (Davison 2011). Differentiation strategy is an approach under which a company aims to develop and market unique services and products for different customer segments. Usually employed where the company has clear competitive advantages, and can sustain an expensive advertising campaign. It is one of three generic marketing strategies that can be adopted by any company. To maintain this strategy the company should have strong research and development skills, strong services and products engineering skills, strong creativity skills, good cooperation with distribution channels, strong marketing skills, and incentives based largely on subjective measures, be able to communicate the importance of the differentiating services and products characteristics, stress continuous improvement and innovation and attract highly skilled, creative personnel. Research within service sector (Prescott, 2008), concludes that services and product differentiation is a common way of differentiating the total fuel stations' offerings from those of its competitors

A differentiation strategy calls for the development of a services and products or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the services or products of the competition. The value added by the uniqueness of the services or products may allow the fuel station to charge a premium price for it. Total fuel station hopes that the higher price will then cover the extra costs incurred in offering the unique services and products. Because of the services or products' unique attributes, if suppliers increase their prices the fuel station will be able to transfer the costs to its customers who cannot find substitute services or products easily. Fuel stations that succeed in a

differentiation strategy often have access to leading market research, highly skilled and creative services and products development team, strong sales team with the ability to successfully communicate the perceived strengths of the services or products and corporate reputation for quality and innovation (Prescott, 2008). Successful differentiation is based on a study of buyers from different places needs and behavior in order to learn what they consider important and valuable. The desired features are then incorporated into the services or products to encourage buyer preference for the services or products. The basis for competitive advantage is a services and products whose attributes differ significantly from rival's services or products. Efforts to differentiate often result in higher costs. Profitable differentiation is achieved by either keeping the cost of differentiation below the price premium that the differentiating features command, or by offsetting the lower profit margins through more sales volumes (Grant, 2002). With the differentiation strategy, on the other hand, the unique attributes or perceptions of uniqueness and characteristics of a petrol station services or products other than cost provide value to customers. A company pursuing differentiation seeks to be unique in its industry along some dimension that is valued by customers, which means investing in services or products, Research and Development and marketing (Porter, 2000). It is the ability to sell its differentiated services and products at a price that exceeds what was spent to create it that allows the petrol station to outperform its rivals and earn above-average returns (Dess and Davis, 2004).

porter (2005) argues that a service or a product can be differentiated in various ways Unusual features, responsive customer service, rapid services or products innovations and technological leadership, perceived prestige and status, different tastes, and engineering design and performance are examples of approaches to differentiation (Porter, 2005). Rather than cost reduction, a company using the differentiation strategy needs to concentrate on investing in

developing such things that are distinguishable and customers will perceive. Overall, the essential success factor of differentiation in terms of strategy implementation is to develop and maintain innovativeness, creativeness, and organizational learning within the company.

Hyatt (2011) insists that anything that a fuel station can do to create buyer value represents a potential basis for differentiation. Once it finds a good source of buyer value, it must build the value, creating attributes into its services. These attributes may raise the services and products performance or make it more economical to use. Differentiation possibilities can grow out of possibilities performed anywhere in the activity cost chain. Porter (2008) posited that a fuel station may obtain a competitive advantage by creating a higher value for its customers than the cost of creating it, either by adopting a differentiation strategy or an efficiency strategy. The petrol stations pursuing a differentiation strategy attempt to differentiate themselves from their rivals using a variety of sales, marketing and other related services or product and technology innovations.

Differentiation relates to the degree to which services or products and its enhancements are perceived as unique. Any petrol station adopting a differentiation strategy commands above-market prices made possible by the customers perception of the services and products being special in some way. Oakland (2001) noted that there are at least two different types of differentiation strategy: those based on services and products innovation and those based on intensive marketing and image management. The key success factors which contribute to the profitability of a differentiator include creative flair, strong basic research services and products engineering (Malburg; 2000; Porter, 2008).

The effect of differentiation strategies on sales performance is however; influenced by interplay of intervening variables which include Government policy, company characteristics and resource capabilities. The government policy includes aspects such as product pricing, licensing, quality standards, employee wage rates and working hours. Carpenter (2006).Organizational characteristics include aspects such as governance issues management procedures and ownership structure. Resource capabilities relates to aspects of financial capabilities, technical and technological resources. The researcher argues that these intervening variables tend to influence the way differentiation strategies affect sales performance.

Sales performance, the dependent variable is measured through the value of sales over a given period of time.

Companies that pursue a strategy of differentiation try to create a product or service that is considered unique within their industry. They may attempt to differentiate themselves on the basis of product design or features, brand image, technology, customer service, distribution, or several of these elements. The idea behind a differentiation strategy is to attract customers with a unique offering that meets their needs better than the competition, and for which they will be willing to pay a premium price. This strategy is intended to create brand loyalty among customers and thus provide solid profit margins for the company. Although the company may not be able to achieve a high market share using a differentiation strategy because successful differentiation requires a perception of exclusivity, and because not all customers will be willing or able to pay the higher price the increased profit margins should compensate. Naturally, there are risks associated with committing to a differentiation strategy. For example, competitors may be able to imitate the unique features, customers may lose interest in the unique features, or low-cost competitors may be able to undercut prices in a way that erodes brand loyalty.

2.4 Cost Leadership Strategy and sales performance

This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (cost advantages). In order to achieve a low-cost advantage, the company must have a low-cost leadership strategy, low-cost operations with integrated sections/business units and Workforce committed to the low-cost strategy (Malburg 2000). The company must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other companies with a cost advantage. For an effective cost leadership strategy to be possible the petrol station must have a large market share. There are many areas to achieve cost leadership such as mass production, mass distribution, economies of scale, technology, services or products design, input cost and capacity utilization of resources. Porter (2005) reports that only one firm in an industry can be the cost leader and if this is the only difference between total fuel station and competitors, then the best strategic choice is the low cost leadership role (Malburg, 2000). Lower costs and cost advantages result from process innovations, learning curve benefits, and economics of scale, services and products designs reducing operations time and costs and reengineering activities. A low-cost or cost leadership strategy is effectively implemented when the business designs, produces, and markets comparable services and products more efficiently than its competitors. The company may have access to cheap materials or superior proprietary technology which helps to lower costs. The company does not need to sacrifice revenue to be a cost leader since high revenue is achieved through obtaining a large market share (Porter, 2003). Lower prices lead to higher demand and therefore, have a larger market share. As a low cost leader, the firm can put barriers against new market entrants who would need large amounts of capital to enter the market. The leader then is

somehow insulated from industry wide price reductions (Malburg, 2000). The cost leadership strategy does have some disadvantages. It creates little customer loyalty and if the company lowers prices too much, it may lose revenues. This generic strategy calls for being the low cost producer in an industry for a given level of quality. The firm sells its services or products either at average industry price to earn a profit higher than that of rivals, or below the average industry prices to gain market share. In the event of a price war, the firm can maintain some profitability while the competitor suffers losses. Even without a price war, as the industry matures and prices decline, the fuel station that provides more cheaply will remain profitable for a longer period of time. The cost leadership strategy usually targets a broad market (David, 2011).

Cost leadership is based on lower overall costs than competitors. Companies that achieve low cost leadership generally make low costs relative to competitors the theme of their business strategy. The company then opens up a sustainable cost advantage over competitors and uses that lower cost as a basis for either underpricing the competitors and gaining a larger market share at their expense or earning a higher profit margin by selling at the going price. A low cost leader's basis for competitive advantage is lower overall costs than competitors. This requires the company to do better than its rivals on efficiency and cost control and continuously seek creative and innovative ways of cutting costs. Successful low cost producers achieve cost advantages by exhaustively pursuing cost savings throughout the activity cost chain. A cost leadership strategy is designed to produce goods or services more cheaply than competitors by stressing efficient scale of operation. When the fuel station designs, produces, and sells a comparable service and product more efficiently than its competitors as well as its market scope, it means that the petrol station is carrying out the cost leadership strategy successfully (Brooks, 2010). The companies often drive their cost lower through investments in efficient-scale facilities, tight cost and

overhead control, and cost minimizations in such areas as service, selling and advertising (Porter, 1998). They often sell no-frills, standardized services and products to the most typical customers in industry prices to earn thus, the primary thing for a petrol station seeking a competitively valuable way by reducing cost is to concentrate on maintaining efficiency through all activities in order to effectively control every expense and find new sources of potential cost reduction.

Companies that choose a cost leadership strategy offer relatively standardized products with features or characteristics that are acceptable to customers in other words with minimum level of differentiation at the lowest competitive price. This means that companies that offer standardized products to an industry's typical customers receive value with successful implementation of cost leadership strategy. Companies wish to be successful by following a cost leadership must maintain constant efforts aimed at lowering their cost (relative to competitive costs) and creating value for customer through cost reduction strategies.

Lestor (2009) argues that the main dimension of the cost leadership strategy is efficiency, the degree to which inputs per unit of output are low. Efficiency can be subdivided into two categories: cost efficiency which measures the degree to which costs and asset parsimony which measures the degree to which assets per unit of output are low. Together, cost efficiency and asset parsimony, capture a fuel station's cost leadership orientation. To the extent that the petrol stations following an efficiency strategy succeed in deploying the minimum amount of operating costs and assets needed to achieve the desired sales, they would be able to improve their performance of fuel station (Porter, 1998). Such companies pay great attention to asset use, employee productivity and discretionary overhead. Their customers buy their services and products primarily because they are priced below the competitor's equivalent products and services and an advantage is achieved through minimizing cost and assets per unit output

(Lestor, 2009). The extent that a cost leadership strategy is built on such generic solutions which are related to operational efficiency, we expect that such a strategy would be more susceptible to imitation by competitors and peers, implying that the comparative cost advantages would dissipate over time. It is therefore clear that the petrol stations are maximizing on capacity utilization and observing economies of scale. They are also forming linkages with service providers, suppliers other supplementary companies. The petrol stations enter into long term partnership with their agencies and use many suppliers to hedge on cost exploitation (David, 2011).

However Porter argues that the government is taken as a determinant of the market that is to have the powers to improve or detract from national advantage. according to Porter (2000) the government in a way that it influences prices of products of companies through price legislation where by the competitive strategy of cost leadership in which firms place themselves as low cost providers affect their sales performance that is through fixing prices which are favorable to all the firms in the industry and potential entrants .government should also intervene on factor and currency markets to promote the competitiveness of industries in the nation Oz (2002).

This is done through devaluation, placing input prices, wages, and workforce growth. Regarding the next determinant, demand conditions, government might be influential through government regulation on products and processes, stimulating early or sophisticated demand, technical standards, foreign aid and political ties, improving the buyer industry structure and the level of buyer information and supporting industries might be developed by the government policies toward media, cluster formation, and regional policies (broker 2011). the government could also improve the content for firm strategy and rivalry through a favorable trade policy, supporting foreign investment atmosphere in the nation, influencing individual and company

goals, improving domestic rivalry (via regulation of competition, protection and domestic rivalry, and inter-firm cooperation), forming new businesses and via internationalization of firms (Porter, 2009) Moreover, the company can give a lot of attention to individuals who want to be developed and outsource distribution and some services to cut on operation cost.

Companies that choose a cost leadership strategy offer relatively standardized products with features or characteristics that are acceptable to customers in other words with minimum level of differentiation at the lowest competitive price. This means that companies that offer standardized products to an industry's typical customers receive value with successful implementation of cost leadership strategy. Companies wish to be successful by following a cost leadership must maintain constant efforts aimed at lowering their cost (relative to competitive costs) and creating value for customer through cost reduction strategies.

Building efficient-scale facilities establishing tight control of production and overhead costs, minimizing the cost of sales products research and development. Investing in that state of art manufacturing. Implementing and maintaining a cost leadership strategy means that the fuel station must value chain of primary and secondary activities and effectively link those activities. The critical focus is successful implementing cost leadership strategy on efficiency and cost reduction regardless of creating activity. The company's focus throughout its primary and secondary value creating activities.

2.5 Focus Strategy and sales performance

This strategy is about serving a particular segment of an industry. This strategy takes its roots from the argument that some segments are poorly served by broad based players. In this generic strategy a firm can either focus on a particular buyer group, segment of the product line, or geographic market. The aim of the company is to serve a smaller portion of the market but

serve this segment as 'best' as it can. In order to succeed the firms should struggle to achieve either cost leadership or effective differentiation, but their market is more limited in scale. By directing its capabilities to specific target segments, the focuser seeks competitive advantage even though it does not possess a competitive advantage in the overall market.

The major basis for competitive advantage is either lower costs than competitors serving that market segment or an ability to offer niche members something different from competitors. Focusing is based on selecting a market niche where buyers have distinctive preferences. The niche is defined by geographical uniqueness, specialized requirements in using the services based on a certain physiological aspects or by special attributes that appeal to members of a certain social class (Stone, 2008).

A focus strategy based on low cost depends on whether there is a buyer segment whose needs are less costly to satisfy than the rest of the market based on their income levels. On the other hand, a focus strategy based on differentiation depends on whether there is a buyer segment that demands for unique services and products attributes. In the focus strategy, a fuel station targets a specific segment of the market (Porter, 2003). The petrol station can choose to focus on a selected customer group, services and products range, geographical area, or service line (Stone, 2008). Focus also is based on adopting a narrow competitive scope within an industry.

Focus aims at growing market share through operating in a niche market or in markets either not attractive to or overlooked by larger competitors. These niches arise from a number of factors including geography, buyer characteristics, and services and products specifications or requirements. A successful focus strategy (Porter, 2006) depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors. Market penetration or market development can be an important focus strategy. Midsize and large

petrol stations use focus-based strategies but only in conjunction with differentiation or cost leadership generic strategies. But, focus strategies are most effective when consumers have distinct preferences and when the niche has not been pursued by rival companies.

An organization may also choose a combination strategy by mixing one of the generic strategies of low-cost or differentiation with the focus strategy. Regarding the focus – cost leadership strategy, firms might attempt providing outstanding customer service, improving operational efficiency, controlling the quality off products or services and extensive training of front-line personnel (Obasi et. al., 2006: 50). Similarly, to serve the market with a focus – differentiation strategy, firms might try producing specialty products and services and producing products or services for high price market segments (Obasi et. al., 2006: 51)

There are some factors that are playing important roles in the determination of competitive advantage (CA). The first among them is the technology. Technology is influential in the value chain and thus plays a very important role in determining competitive advantage of the firm both in cost and differentiation strategies.

Furthermore, resources that the firm has, and the way it utilizes them is vital, as well. According the Resource Based Theory, firms with rare, valuable, non substitutable and non-imitable resources, would generate better performance and thus distinguish themselves from the other players. Through these resources, they will benefit either from favorable cost or differentiation position. These resources are classified under three categories: physical capital resources (i.e. physical technology, plant, equipment, geographic location), human capital resources (i.e. training, experience, judgment, intelligence, relationships), and organizational

capital resources (i.e. formal reporting structure, formal and informal planning, controlling and coordinating systems) (Barney, 2003).

According to Lado and Wilson (2007) a firm's resources encompass all inputs these may increase or decrease the sales of the company as they intervene the competitive strategies. Companies undertaking a focus strategy direct their full attention toward serving a particular market, whether it is a specific customer group, product segment, or geographic region. The idea behind the focus strategy is to serve that particular market more effectively than competitors on the basis of product differentiation, low cost, or both. Since focusing on a small segment of the overall market limits the market share a company can command, it must be able to make up for the lost sales volume with increased profitability. The focus strategy may be limited by resource capabilities which may lead to failure of the company to exploit niche markets it also entail some risks for example, there is always a possibility that competitors will be able to exploit submarkets within the strategic target market, that the differences between the target market and the overall market will narrow, or that the high costs associated with serving the target market will eliminate any advantage gained through differentiation (peter Drucker2011)

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In this chapter the research identified the procedures and techniques used in the collection, processing and analysis of data. Specifically the following subsections were included; research design, study area, study population, sampling procedures, sample size, sampling techniques, data collection methods and instruments, quality control data management, data analysis, ethical considerations and the limitations.

3.1 Research Design

Research design is the scheme, outline or plan that is used to generate answers to research problems (Noum, 2007). The intention of research was to gather data at a particular point in time and use it to describe the nature of existing conditions. This research problem would be covered using a descriptive survey design. This design is usually used when the study seeks to describe the characteristics of certain groups, estimate the proportion of people who have certain characteristics and make predictions.

Borg and Gall (2009) recommends descriptive survey design because of its ability to produce statistical information about aspects of business that are of interest to some policy makers and researchers. Furthermore, descriptive survey will not be used only for the purposes of description but also for the determination of relationships between variables at the time of

study. This design is suitable for the study because it looked at the effect of the independent variable (competitive strategies) on the dependent variables (sales performance)

3.2 Study area.

The study was conducted at Total fuel station Koboko town council (KTC) koboko district that lies in northern Uganda westnile region about 536km from Kampala city .it is 8km north from south Sudan is situated in koboko district.

3.3 Study Population

A population is a well defined or set of people, group of things or households that are being investigated (Cooper and Schindler, 2005). For the purpose of investigating the competitive strategies and their effects on sales performance of total fuel station the study considered all 44 employees at various functional units of the company that is total fuel station in koboko town council

Table 3.1 Study population

Functional units	Number of staff	percent
Marketing and sales persons	28	64%
Accountants	10	22%
Managers	4	9%
		50/
Human resource	2	5%
Total	44	100%

3.4 Sampling procedures

3.4.1 Sample size

Cooper and Schindler (2003) argues that a sample size of between 10-30% of the target population can be adequate for generalization of the research findings to the study provided the sample is scientifically determined therefore the considered an estimated target population of 44 employees of Total fuel station simples random sampling techniques was used as it involves selecting groups with common characteristics, views and opinion

3.4.2 Sampling techniques

Cooper and Schindler (2003) define sampling as selecting a given number of subjects from a defined population as representative of that population. According to Cooper and Schindler (2006), a sampling frame is a list of elements from which the sample is actually drawn and closely related to the population. In this study, the sampling frame will be drawn from the administrative positions at the fuel station this is because they are the ones involved in strategic management of the business therefore have a clear understanding of the competitive strategies adopted by the fuel stations to ensure they remain competitive. This will ensure that the sampling frame is current, complete, representative and relevant for the attainment of the study objective.

3.5 Data Collection

Primary data

According to Reston (2001). Primary data is the kind of data that has been gathered for the first time and has never been reported anywhere. Data will be collected from the field which will be obtained mainly by administering questionnaires and interviews to the respondents.

Secondary

According to Reston (2001). Secondary data is the kind available already reported by some scholars. Data was obtained from published materials, which included; journals, magazines, internal reports and newspapers.

Data Collection Instrument

3.5.1 Survey:

The data was collected using survey method; Survey is an investigation about the characteristics of a given population by means of collecting data. It was chosen because it collects data on phenomena that can be directly observed. Survey focus on factual information about individuals, it allows researchers to collect a large amount of data in a relatively short period of time

3.5.2 Questionnaires

According to Mugenda and Mugenda (2003), questionnaires are commonly used to obtain important information about a population under study. The questionnaires for this study were carefully designed and tested with a few members of the population for further improvements. This was done in order to enhance the validity and accuracy of data to be collected for the study as well as other sources such as annual reports. This was also preferred because it saves time both on the side of researcher and the respondent, it makes it easy to deal with hard people who may be unwilling to cooperate and they are reliable that is in terms of information obtained.

3.5.3 Interviews.

An interview is a conversation carried out with a definite purpose of obtaining certain information by means of spoken words. It requires an actual interactive conversation either through the use of telephone communication or face to face conversation between two or more persons and generally requires that all the normal channels of communication be open to them. This method was used because it provided for first-hand information and the researcher was able to get broader explanations on various key issues in the study from the respondents. Instead of written responses, the subject gives the needed information verbally through use of telephone communication and other form of interviews, relationship where the ideas are exchanged. The interview can explain the purpose of the investigation and also explain more clearly what information she or he wants. It also allows clarification of some questions that are not clear to the interviewee.

An interview is a person to person interaction between two or more people with a specific purpose (Kumar, 2005). It involves asking several questions requiring a verbal response that ranges from general to specific information. Interviews were used because they made it possible to obtain data required to meet the specific objectives of the study, they can clarify and elaborate the purpose of the research and effectively convince the respondents about the importance of the research which will enable him to give complete and honest information. Bhandarkar et al. (2000) have further classified interviews as focused or clinical. The researcher focused on clinical interviews to collect data for the research study, in focused interviews; attention was focused on the respondent's experience. During the interview therefore, the researcher focused on the topic of interest and the information required, the researcher focused on the underlying

feeling and life experience; therefore the clinical interviews seek to find out those factors that contribute to or influence people's attitudes towards opinion about issues of interest.

3.6 Quality control methods

This explains the procedure followed in ensuring that the research tools collected the data with utmost reliance and quality. This covers the aspect of reliability and validity of research tools.

3.6.1 Reliability of Research tools

Reliability refers to the ability that the research tools used by one person to collect data and in successive period used by another person to collect data from the same respondents yields same results.

In this case, in order for the researcher to ensure the reliability of research tools test-retest method was used to ensure reliability of the research tools and when the results are close to each other then the tool is considered reliable (Sekaran, 2001).

3.6.2 Validity of Research Tools

Validity is the ability of the research tool to collect data that it sets to collect (Kothari, 2003). To ensure validity of an instrument the research tool was submitted to experts for review and their comments incorporated in the final draft which was later administered to the respondents. The research supervisor reviewed the research tools as a way of ensuring that they are valid and collected data that they intended to collect.

3.7 Data Management and Processing

After collecting data, the research the findings in order to achieve accuracy, consistency and coherence. Codes were attached to the data that were in terms of frequencies, degree and percentages. The data was processed and presented using tables and other graphs that explained

the outcomes of the results, this is done with the help of computer application software that is to say Microsoft excel, Microsoft word and general analysis was done by the Statistical Package for Social Sciences. (SPSS)

3.8 Data analysis.

Amin (2005) defines data analysis as a component of research that leads to data reduction, display of data, drawing of conclusions and making the necessary verification for the intended purpose of the study. In this study data was presented using both qualitative and quantitative methods.

Qualitative data analysis is a subjective approach of interpreting and analyzing data to measure peoples' opinions, feelings and attitudes; it deals with meanings, concepts, characteristics, metaphors, symbols and description of things (John, 2006). The research employed the qualitative method in analyzing data because it allows collection of generalized data which might even be descriptive in nature thereby allowing collection of valid data which was relevant to the phenomenon under investigation. Qualitative analysis is also easy to use when analyzing data and at times it involves making estimates.

3.9 Ethical Considerations

During the study the researcher would ensure that the ethical issues that are advocated for are maintained for purposes of a good image between the researcher and the participants. The respondents' were not be coerced to deliver information and or given money to give data or information in turn. The researcher took responsibility of keeping the data of the respondents confidential, for example the respondents' bio data like their age and level of education attained. This was achieved through proper handling of the research tools that were designed that is to say the questionnaires and interview guides which contained the respondent's bio data.

3.10 Limitations.

The research faced the problem of limited funds that is to say funds for covering the entire research process for example stationeries, printing the questionnaires and the cost of distributing and collecting the answered questionnaires from the respondents.

The researcher faced a problem of non-response to the questionnaires by some potential respondents who may receive them and claim to have busy schedules of work thus have no time to answer the questionnaires that are given to them.

CHAPTER FOUR CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.0 Introduction

This chapter presents analyses and discusses the findings of the study and consists of background information, presentation and analysis of findings of the study objectives and correlation results of independent variable and dependent variable derived from Pearson correlation.

4.1 Response rate

Out of the 44 questionnaires sent out to the field, 35 usable questionnaires were returned giving a percentage response rate of 80%.

4.2 Background information

Respondents were required to state their gender, education level, age group, the duration spent working and the following were the results;

Table: 4.2.1 showing the respondent gender

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	19	54.3	54.3	54.3
Female	16	45.7	45.7	100.0
Total	35	100.0	100.0	

Source: primary data (2015)

Table 4.2.1 above indicates that 19 of the respondents out of 35 were males constituting a response rate of 54.3% whereas 16 respondents were females with a response rate of 45.7%. The

results therefore implied that male respondents are the majority employees found in Total Koboko station as compared to the female employees.

Table: 4.2.2 showing the Age range of the respondents

Age range	Frequency	Percent	Valid Percent	Cumulative Percent
25-29 years	6	17.1	17.1	17.1
30-39 years	7	20.0	20.0	37.1
40-49 years	15	42.9	42.9	80.0
50years and above	7	20.0	20.0	100.0
Total	35	100.0	100.0	

Source: primary data (2015)

Table 4.2.3 above shows the findings got on the age group of the respondents, 15 respondents with a contributing response rate of 42.9% were in the age bracket of 40-49 whereas those respondents who were in the age bracket of 30-39 and those in the age bracket of 50 years and above constituted the same response rate of 20.0% and were the second highest in the table. Finally respondents who were in the age bracket of 25-29 constituted a response rate of 17.1%. This implied that the station had mature employees with high level of commitment and experience.

Table: 4.2.3 showing education level of the respondents

Education level	Frequency	Percent	Valid Percent	Cumulative Percent
masters	3	8.6	8.6	8.6
bachelors	10	28.6	28.6	37.1
diploma	16	45.7	45.7	82.9
certificate	6	17.1	17.1	100.0
Total	35	100.0	100.0	

Source: primary data (2015)

Table 4.2.3 above shows the findings got from the respondents concerning their education level. It is evidential that respondents who were the highest in response rate had diplomas with a contributing response rate of 45.7% whereas the second highest were bachelor degrees holders with a response rate of 28.6%, those who contributed the list response rate were holders of masters degrees and were only 3 in number with a contributing percentage of 8.6%. Finally, respondents who were held certificates were also 6 in number and had a response rate of 17.1%. These results therefore imply that the respondents were knowledgeable of the questionnaires issued to them and were able to understand and interpret to give a fair view.

Table: 4.2.4 showing the duration spent working by the respondent

Duration worked	Frequency	Percent	Valid Percent	Cumulative Percent
1 year	3	8.6	8.6	8.6
1-4 years	10	28.6	28.6	37.1
5-9 years	10	28.6	28.6	65.7
10 years and above	12	34.3	34.3	100.0
Total	35	100.0	100.0	

Source: primary data (2015)

Table: 4.2.4 above indicates the findings got from the duration spent by the respondent working in Total Koboko. The findings show that respondents who worked in the station for 1-4 years and those who worked in the station for 5-9 years constituted the same response rate of 28.6% whereas those respondents who constituted the highest response rate had worked in the station for 10 year and above with a contributing response rate of 34.3%. The list in response rate only had 8.6% of the entire percentage and had worked in the station for only 1 year. This implies that the employees in the station were well experienced in matters concerning competitive strategies for sales performance.

4.3 Differentiation strategy

Table: 4.3.1 showing how Product differentiation attempts to make products to appear distinct and provide superior value

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	8	22.9	22.9	22.9
A	13	37.1	37.1	60.0
NS	5	14.3	14.3	74.3
D	6	17.1	17.1	91.4
SD	3	8.6	8.6	100.0
Total	35	100.0	100.0	

Source: primary data (2015)

Table 4.3.1 above shows the findings got from the statement that Product differentiation attempts to make products to appear distinct and provide superior value. The findings indicate that, the majority of the respondents agreed with the statement with a response rate of 37.1% whereas those who disagreed with the statement constituted a response rate of 17.1%. Those respondents whose response was not sure whether Product differentiation attempts to make products to appear distinct and provide superior value constituted a response rate of 14.3%. There were respondents who strongly agreed with the statement and there were those who strongly disagreed with the statement and constituted response rates of 22.9% and 8.6% respectively. This overall result therefore implies that in Total Koboko station product differentiation attempts to make products to appear distinct and provide superior value promoting the overall station sales. These findings are in line with porter (2008) who argues that the perceived superior value as compared to industry competitors is the key for the firms to charge premium price for superior value of the products or services and these enjoy more profits than competitors in the industry.

Table: 4.3.2 showing how Total fuel station provides superior value to customers through unique product features, higher quality and round complementary

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	8	22.9	22.9	22.9
A	10	28.6	28.6	51.4
NS	2	5.7	5.7	57.1
D	13	37.1	37.1	94.3
SD	2	5.7	5.7	100.0
Total	35	100.0	100.0	

From Table 4.3.2 above, the results indicate that the majority of the respondents disagreed with the statement that Total fuel station provides superior value to customers through unique product features, higher quality and round complementary with an overall response rate of 37.1%. Those who were not sure of the statement were only 2 in number with a contributing response rate of 5.7% and those who agreed with the statement constituted a response rate of 28.6%. On the other hand respondents who strongly agreed with the statement and those who strongly disagreed with the statement constituted response rates of 22.9% and 5.7% respectively. These results therefore imply that Total Koboko station does not provide superior value to customers through unique product features, higher quality and round complementary which has affected the overall sale of the station. The findings are in disagreement with Grant (2010) who asserts that firms should provide the superior value to customers through many ways such as unique product feature, higher quality and all round complementary services, as a way of attracting demand which will result to high sales.

Table: 4.3.3 showing how the fuel station differentiates basing on promotion or advertising campaign

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	14	40.0	40.0	40.0
A	4	11.4	11.4	51.4
NS	5	14.3	14.3	65.7
D	8	22.9	22.9	88.6
SD	4	11.4	11.4	100.0
Total	35	100.0	100.0	

Table 4.3.3 above indicates that the majority of the respondents strongly agreed with the statement that Total Koboko Branch differentiates basing on promotion or advertising campaign with an overall response rate of 40.0% whereas those who strongly disagreed with the statement constituted a response rate of 11.4% making it the same with those who agreed with the statement and also had a response rate of 11.4%. Respondents who disagreed with the statement had a response rate of 22.9% on the other hand there were those respondents who were not sure whether Total Koboko fuel station differentiates basing on promotion or advertising campaign and had a response rate of 14.3%. These results therefore imply that Total Koboko station differentiates basing on promotion or advertising campaign. These findings are in agreement with the likes of Prescott (2008) who concludes in his findings that Advertisement and promotion are a common way of making a product known to those who did not know about it. He adds by saying differentiating the total fuel stations' offerings from those of its competitors is one way increased sales can be realized.

Table: 4.3.4 showing how successful differentiation is based on a study of buyers from different places, needs and behaviour in order to learn

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	2	5.7	5.7	5.7
A	17	48.6	48.6	54.3
NS	2	5.7	5.7	60.0
D	8	22.9	22.9	82.9
DS	6	17.1	17.1	100.0
Total	35	100.0	100.0	

Table 4.3.4 above presents the findings got from the statement that successful differentiation is based on a study of buyers from different places, needs and behaviour in order to learn. The findings show that 48.6% of the response rate was from those respondents who agreed with the statement and were the majority whereas 22.9% response rate was from those respondents who disagreed with the statement and were the second in the response hierarchy. On the other hand, respondents who were not sure of the statement that successful differentiation is based on a study of buyers from different places, needs and behaviour in order to learn constituted a response rate of 5.7% together with those who strongly disagreed and also had a response rate of 5.7%. Those who strongly disagreed with the statement constituted a response rate of 17.1%. These general findings imply that the statement that successful differentiation is based on a study of buyers from different places, needs and behaviour in order to learn is a favorable aspect in Total Koboko station. Oakland (2001) in his findings noted that there are different ways of how a firm can differentiate its products basing on the customer behaviour. Customer behaviours are key aspects that a station should consider in trying implement product attractiveness. This could be based on services and products innovation and those based on

intensive marketing and image management. Oakland findings are in line with the findings got in table 4.3.4 above.

Table: 4.3.5 showing how Total fuel station offers differing prices to its customers

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	5	14.3	14.3	14.3
A	10	28.6	28.6	42.9
NS	10	28.6	28.6	71.4
D	9	25.7	25.7	97.1
SD	1	2.9	2.9	100.0
Total	35	100.0	100.0	

Source: primary data (2015)

From table 4.3.5 above, the findings indicate that the majority of the respondents who agreed and those who were not sure of the statement that Total fuel station offers differing prices to its customers had agreeing response rates of 28.6% those who strongly agreed and those who strongly disagreed with the statement had response rates of 14.3% and 2.9% respectively. There were those respondents who disagreed with the statement and constituted a responses rate of 25.7%. The results therefore imply that Total fuel station offers differing prices to its customers which has helped them improve on their sales. According to Lestor (2009) customers buy their services and products primarily because they are priced below the competitor's equivalent products or services and an advantage is achieved through minimizing cost and assets per unit output and this assertion is in line with the findings in table 4.3.5 above.

Table: 4.3.6 showing how profitability is achieved by keeping the cost of differentiating below price premium

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	6	17.1	17.1	17.1
A	14	40.0	40.0	57.1
NS	6	17.1	17.1	74.3
D	7	20.0	20.0	94.3
SD	2	5.7	5.7	100.0
Total	35	100.0	100.0	

Table 4.3.6 above presents the findings got from the statement that profitability is achieved by keeping the cost of differentiating below price premium and the following results were got; the results indicate that the majority of the respondents were in agreement with the statement and constituted a response rate of 40.0% whereas those who followed in response constituted a response rate of 20.0%. On the other hand, there were respondents who were not sure of the statement that profitability is achieved by keeping the cost of differentiating below price premium and constituted a response rate of 17.1%. Respondents who were in strong agreement had a response rate of 17.1% and those who were in strong disagreement had lowest response rates of 5.7% respectively. The implication of these results is that Total Koboko has achieved profitability by keeping the cost of differentiating below price premium. The findings are in agreement with Grant, (2002) who argues that profitable differentiation is achieved by either keeping the cost of differentiation below the price premium that the differentiating features command, or by offsetting the lower profit margins through more sales volumes.

Table: 4.3.7 showing how perception about different prices of products lays an impact on consumers' decision to buy or not to buy a particular product

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	5	14.3	14.3	14.3
A	12	34.3	34.3	48.6
NS	4	11.4	11.4	60.0
D	7	20.0	20.0	80.0
SD	7	20.0	20.0	100.0
Total	35	100.0	100.0	

Table 4.3.7 above shows the findings got from the statement that perception about different prices of products lays an impact on consumers' decision to buy or not to buy a particular product and the findings are as follows; 34.3% of the highest response rate was from those respondents who agreed with the statement whereas those who disagreed with the statement tied up with those who strongly disagreed with a response rate of 20.0%. Respondents who strongly agreed with the statement constituted a response rate of 14.3% while those who were not sure of the statement had 11.4% response rate. The implication of these results is that perception about different prices of products lays an impact on consumers' decision to buy or not to buy a particular product in Total Koboko fuel station. The findings in table 4.3.7 above are in line with David (2011) who asserts that even without a price war, as the industry matures and prices decline, the fuel station that provides more cheaply will remain profitable for a longer period of time. The cost leadership strategy usually targets a broad market.

4.4. Cost leadership strategy

Table: 4.4.1 showing how cost leadership focuses on gaining competitive advantage by having the lowest cost

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	2	5.7	5.7	5.7
A	4	11.4	11.4	17.1
NS	13	37.1	37.1	54.3
D	9	25.7	25.7	80.0
SD	7	20.0	20.0	100.0
Total	35	100.0	100.0	

Source: primary data (2015)

From Table 4.4.1 above, the findings show results got from the statement that cost leadership focuses on gaining competitive advantage by having the lowest cost. The majority of the respondents according to the results showed that they were not sure of the statement with a response rate of 37.1%, there were those respondents who were in agreement with the statement and constituted a response rate of 11.4% and those who were in disagreement with the statement constituted 25.7%. On the hand, there were respondents who strongly disagreed with the statement that cost leadership focuses on gaining competitive advantage by having the lowest cost these constituted response rates of 20.0% and 5.7% strongly agreed with the statement respectively. The results therefore implied that Total Koboko fuel station does not focus on cost leadership to gain competitive advantage by having the lowest cost. These findings are in line with Malburg (2000) who asserts that in order to achieve a low-cost advantage, the company must have a low-cost leadership strategy, low-cost operations with integrated sections/business units and Workforce committed to the low-cost strategy.

Table: 4.4.2 showing how lower costs result from process innovations, learning curve benefits and economies of scale

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	4	11.4	11.4	11.4
A	16	45.7	45.7	57.1
NS	6	17.1	17.1	74.3
D	9	25.7	25.7	100.0
SD	0	0	0	100.0
Total	35	100.0	100.0	

Table 4.4.2 above shows findings got from the statement that lower costs result from process innovations, learning curve benefits and economies of scale. The findings indicate that 45.7% was the majority response rate of those respondents who agreed with the statement, 25.7% of the respondents disagreed with the statement. Respondents who constituted a response rate of 17.1% were not sure with the statement that costs result from process innovations, learning curve benefits and economies of scale. On the other hand, there were those respondents who strongly agreed and who strongly disagreed with the statement and constituted response rates of 11.4% and 0% respectively. The findings therefore imply that costs result from process innovations, learning curve benefits and economies of scale in Total Koboko petrol station. This findings are also in line with Porter (2005) argues that there are many areas to achieve cost leadership such as mass production, mass distribution, economies of scale, technology, services or products design, input cost and capacity utilization of resources.

Table: 4.4.3 showing how product or service designs reduce operations time and cost

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	4	11.4	11.4	11.4
A	7	20.0	20.0	31.4
NS	14	40.0	40.0	71.4
D	8	22.9	22.9	94.3
SD	2	5.7	5.7	100.0
Total	35	100.0	100.0	

Table 4.4.3 above present findings got from the statement that product or service designs reduce operations time and cost in Total Koboko petrol station. 40.4% of the response rate came from those respondents who were not sure of the statement and were the majority whereas 20.0% of the respondents agreed with the statement and 22.9% of the disagreed with the statement. On the other hand, respondent that strongly agreed and strongly disagreed with the statement constituted 11.4% and 5.7% response rates respectively. The results therefore imply that Total Koboko petrol station product or service designs do not reduce operations time and cos. These findings are in total disagreement with the findings of (Malburg, 2000) who found that lower costs and cost advantages result from process innovations, learning curve benefits, and economics of scale, services and products designs reducing operations time and costs and reengineering activities

Table: 4.4.4 showing how leadership cost is achieved in areas of mass production, mass distribution and capacity utilization

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	6	17.1	17.1	17.1
A	9	25.7	25.7	42.9
NS	8	22.9	22.9	65.7
D	10	28.6	28.6	94.3
SD	2	5.7	5.7	100.0
Total	35	100.0	100.0	

The table 4.4.4 above shows findings got from the statement that cost leadership is achieved in areas of mass production, mass distribution and capacity utilization. The majority of the respondents disagreed with the statement with a contributing response rate of 28.6%, respondents who were not sure of the statement constituted a response rate of 22.9% while those in agreement had a response rate of 25.7%. On the other hand those respondents who strongly agreed with the statement constituted a response rate of 17.1% whereas those who were in strong disagreement constituted 5.7% of the response rate. The results therefore signify that cost leadership is not achieved in areas of mass production, mass distribution and capacity utilization by Total Koboko petrol station. These findings are in total disagreement with the likes of (Brooks, 2010) who asserts that companies usually drive their costs to lower levels through involvement in mass production, mass distribution and capacity utilization which leads the station to profitability.

Table: 4.4.5 showing how successful low cost producers achieve cost advantage by pursuing cost savings throughout

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	9	25.7	25.7	25.7
A	16	45.7	45.7	71.4
NS	7	20.0	20.0	91.4
D	2	5.7	5.7	97.1
SD	1	2.9	2.9	100.0
Total	35	100.0	100.0	

From the table 4.4.5 above, the findings indicate that the majority of the respondents agreed with the statement that successful low cost producers achieve cost advantage by pursuing cost savings throughout the trading period by constituting 45.7% of the response rate whereas those who were not sure constituted a response rate of 20.0% and those who were in disagreement had a response rate of 5.7%. On the other hand, those respondents that constituted 25.7% response rate had a strong agreement with the statement while those who were in strong disagreement constituted a response rate of 2.9% making them the least in the findings. These findings therefore signify that successful low cost producers achieve cost advantage by pursuing cost savings throughout an aspect Total Koboko to base on to achieve its objective. According to Stone (2008), the petrol station can choose to focus on a selected customer group, services and products range, geographical area, or service in order save and incur low costs on operations that are not productive to the company.

Table: 4.4.6 showing how cost leadership requires the fuel station to do better than its rivals on efficiency and cost control

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	3	8.6	8.6	8.6
A	4	11.4	11.4	20.0
NS	11	31.4	31.4	51.4
D	11	31.4	31.4	82.9
SD	6	17.1	17.1	100.0
Total	35	100.0	100.0	

The Table 4.4.6 above shows results on how cost leadership requires the fuel station to do better than its rivals on efficiency and cost control. The majority of the respondents were in agreement with the statement, however there were also those who were not sure of the statement and constituted a total response rate of 62.8% with 31.4% response rate in each category. Those respondents who agreed with the statement constituted a response rate of 11.4%. On the other hand, respondents who strongly agreed with the statement and those who strongly disagreed constituted response rates of 8.6% and 17.1% respectively. The results implied that respondents disagreed with the statement that cost leadership requires the fuel station to do better than its rivals on efficiency and cost control. The findings are in line with Brooks, (2010) assertion who believed that to be a low cost leader for competitive advantage, it will require the company to do better than its rivals on efficiency and cost control and continuously seek creative and innovative ways of cutting costs.

Table: 4.4.7 showing how forming linkages with service providers, suppliers and complementary firms helps to maximize capacity utilization and observing economies

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	10	28.6	28.6	28.6
A	17	48.6	48.6	77.1
NS	5	14.3	14.3	91.4
D	1	2.9	2.9	94.3
SD	2	5.7	5.7	100.0
Total	35	100.0	100.0	

From the Table 4.4.7 above, the results indicate that the least number of respondents disagreed with the statement that forming linkages with service providers, suppliers and complementary firms helps to maximize capacity utilization and observing economies with a response rate of 2.9%, 48.6% of the response rate came from the majority respondents who agreed with the statement whereas 14.3% of the respondents were not sure whether linkages with service providers, suppliers and complementary firms helps to maximize capacity utilization and observing economies. Respondents who strongly agreed and strongly disagreed with the statement constituted response rates of 28.6% and 5.7% respectively. This implies that forming linkages with service providers, suppliers and complementary firms helps to maximize capacity utilization and observing economies. The findings above can be related to the assertion of David (2011) who according to him believed that petrol stations normally maximize on capacity utilization and observing economies of scale through forming linkages with service providers, suppliers and other supplementary companies. They also enter into long term partnership with their agencies and use many suppliers to hedge on cost exploitation

4.5 Focus strategy

Table: 4.5.1 showing how focus strategy seeks to serve segments that are poorly served by broadly based key players

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	6	17.1	17.1	17.1
A	7	20.0	20.0	37.1
NS	11	31.4	31.4	68.6
D	9	25.7	25.7	94.3
SD	2	5.7	5.7	100.0
Total	35	100.0	100.0	

Source: primary data (2015)

From Table 4.5.1 above, the findings indicate that the majority of the respondents were not sure of the statement that focus strategy seeks to serve segments that are poorly served by broadly based key players with a total response rate of 31.4% and those who constituted the least response rate of 5.7% were those respondents who strongly disagreed with the statement. On the other hand, there were respondents who agreed and disagreed with the statement consisting response rates of 20.0% and 25.7% respectively whereas those who strongly agreed with the statement constituted a response rate of 17.1%. Basing on the findings above, the overall results signified that in Total Koboko petrol station, the application of focus strategy has helped in serving segments that are poorly served by broadly based key players. These findings are in line with Stone (2008) who asserts that focus strategy is all about serving a particular segment of an industry. He continues by reviewing that focus strategy takes its roots from the argument that some segments are poorly served by broad based players. This is a situation that Total Koboko petrol station has tackled hence bringing about a realization in sales.

Table: 4.5.2 showing how Total Koboko fuel station segments its market basing on the benefits that the consumers are seeking

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	7	20.0	20.0	20.0
A	8	22.9	22.9	42.9
NS	7	20.0	20.0	62.9
D	8	22.9	22.9	85.7
SD	5	14.3	14.3	100.0
Total	35	100.0	100.0	

Table 4.5.2 above presents the findings got on the statement that Total Koboko fuel station segments its market basing on the benefits that the consumers are seeking. The findings indicate that there was a balance in response rates between respondents who agreed and those who disagreed with the statement with a percentage response rate of 22.9%. Those who strongly agreed and strongly disagreed with the statement constituted response rates of 20.0% and 14.3%. On the other hand, there were respondents who were not sure whether Total Koboko fuel station segments its market basing on the benefits that the consumers are seeking with an overall response rate of 20.0%, however basing on the actual interpretation of the findings above, respondents who strongly agreed and those who also just agreed with the statement were the majority in response rate as compared to those who strongly disagreed and those who just disagreed with the statement, implying that Total Koboko fuel station segments its market basing on the benefits that the consumers are seeking. These findings relate with the assertion of Barney (2003) and resource based theory who in argue that, firms with rare, valuable, non-substitutable and non-imitable resources, would generate better performance and thus distinguish themselves from the other players.

Table: 4.4.3 showing how products serving the market with focused differentiation strategy enables total to produce special and services for the customers that increases the sales revenue

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	8	22.9	22.9	22.9
A	10	28.6	28.6	51.4
NS	5	14.3	14.3	65.7
D	8	22.9	22.9	88.6
SD	4	11.4	11.4	100.0
Total	35	100.0	100.0	

The Table 4.5.3 above indicates findings collected on the statement that products serving the market with focused differentiation strategy enables total to produce special products and services for the customers that increases that sales revenue. The results shows that the majority response rate is 28.6% coming from those respondents who in agreement with the statement. Those who contributed the least response rate were respondents with a strong disagreement of the statement and had a response rate of 11.4% and those in strong agreement had a response rate of 22.9%. Respondents who were not sure of the statement were the second least and had a response rate of 14.3%, those who also agreed with the statement had a response rate of 22.9%. The overall findings therefore indicate that products serving the market with focused differentiation strategy enables Total Koboko petrol station to produce special products and services for the customers that increases the station's sales revenue. These findings contradicts with the findings of Peter Drucker (2011) who illustrates the disadvantages of focused differentiation strategy by asserting that focus strategy may be limited by resource capabilities which may lead to failure of the company to exploit niche markets and also entails some risks for

example, there may be a possibility that competitors will be able to exploit submarkets within the strategic target market.

Table: 4.5.4 showing how Segmentation based on the physiological aspects of the customer helps to increases the market share of total fuel station

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	6	17.1	17.1	17.1
A	14	40.0	40.0	57.1
NS	7	20.0	20.0	77.1
D	4	11.4	11.4	88.6
SD	4	11.4	11.4	100.0
Total	35	100.0	100.0	

Source: primary data (2015)

From Table 4.5.4 above, the findings indicate that the majority response rate s from respondents who agreed with the statement that Segmentation based on the physiological aspects of the customer helps to increases the market share of total fuel station constituting a response rate of 40.0%, those who were no sure constituted a response rate of 20.0% and wee the second highest in the table ranking. Respondents who disagreed and strongly disagreed with the statement had the same response rate of 11.4% whereas those who were in strong agreement had a response rate of 17.1%. The implication of the entire results is that, Segmentation based on the physiological aspects of the customer helps to increases the market share of Total fuel station. According to Lado and Wilson (2007) a firm's resources encompass all inputs which may increase or decrease the sales of the company as they intervene the competitive strategies. Therefore the findings in table 4.5.4 above are in line with the assertion of Lado and Wilson.

Table: 4.5.5 showing how Customers value segmentation based on social classes

Response	Frequency	Percent	Valid Percent	Cumulative Percent
SA	11	31.4	31.4	31.4
A	11	31.4	31.4	62.9
NS	8	22.9	22.9	85.7
D	3	8.6	8.6	94.3
SD	2	5.7	5.7	100.0
Total	35	100.0	100.0	

The table 4.5.5 above indicates findings got from the research statement that Customers value segmentation based on social classes. From the results in the table, it's clearly indicated that the majority respondents were in agreement with the statement constituting a response rate of 31.4% whereas just a few with a response rate of 8.6% were in disagreement. Also respondents who strongly agreed with the statement constituted a response rate of 31.4% and those who were not sure whether Customers value segmentation based on social classes constituted a response rate of 22.9%. On the other hand there were those who strongly disagreed with the statement and contributed the least response rate according to the findings and had a response rate of 5.7%. The overall result shown in table 4.5.5 above therefore signifies that in Total Koboko petrol station customers' value segmentation based on social classes. The findings in table 4.5.5 above relate with the findings of porter (2006) who says that petrol stations use focus-based strategies but only in conjunction with differentiation or cost leadership generic strategies. He further asserted that focus strategies are most effective when consumers have distinct preferences and when the niche has not been pursued by rival companies. The distinct preferences can come as a result of the existence of social classes in the society.

4.6 Correlation analysis

Table: 4.6 showing the Relationship between competitive strategies and sales performance

Correlations		Competitive strategies	Sales performance
Competitive strategies	Person correlation	1.000	0.722**
	Sig. (2. tailed)		.012
	N	35	35
Sales performance	Pearson correlation	0.722**	1.000
	Sig. (2-tailed)	.012	
	N	35	35

^{**} Correlation is significant at the 0.05 level (2-tailed).

Source: Statistical Package for the Social Scientists (SPSS) output

The results revealed a significant and positive relationship between competitive strategies and sales performance of Total Koboko petrol station(r = 0.722**, Sig. = .012). These findings imply that Total Koboko should increase in more effort to realize more sales through proper use of the competitive strategies. The Pearson coefficient 'r' mirrors the degree of linear relationship between the three variables, by ranging it from negative one and positive one as shown-1<=r<=1. If r=0, then, there is no relationship between the three variables, if r ranges between +/-0.1 to +/-0.4 the relationship is weak, if r ranges between +/-0.4 to +/-0.6 the relationship is moderate and if r lies between ± -0.6 to ± -0.9 the relationship is strong. Besides if $r = \pm -1$ there is perfect relationship between the two variables. However, since the correlation coefficient (r=0.722**) lies between +/-0.6 to +/-0.9 the researcher concluded that competitive strategies and sales performance are significantly related. The finding of the study indicated a strong positive relationship between competitive strategies and sales performance for Total Koboko fuel station. According to the findings using Pearson correlation coefficient, the relationship was found to be significant with a correlation coefficient of 0.722 implying a strong relationship between the two variables.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of findings, conclusions, recommendations and suggests further areas for research. The discussion of the findings was based on the impact of competitive strategies on sales performance. It mainly centered in discovering the relationship between the three main objectives of differentiation strategy, cost leadership strategy and focus strategy and sales performance of Total Koboko petrol station and the summary of the findings are as shown below;

5.1 Summary of the findings

The summary of the findings highlight the main objectives of the research report, its research questions and reflects results on differentiation strategy, cost leadership strategy and focus strategy and sales performance of Total Koboko petrol station

5.1.1 Summary on differentiation strategy

The findings revealed differentiation strategy as an important strategy in impacting high level of sales in Total Koboko Petrol station. Differentiation strategy in the findings is reflected to be better strategy that influences the company to make high levels of sales. The findings therefore implied that differentiation strategy has a significant relationship with the organizational sales performance hence gearing the station towards profitability. Differentiation strategy also is shown as a way that a firm can make a distinct value of its product from its competitor. Porter (2008) one of the great authors argues that the perceived supervisor value as

compared to industry competitors is the key for the firms to charge premium price for superior value of the products or services and these enjoy more profits than competitors in the industry.

5.1.2 Summary on Cost leadership strategy

The findings on cost leadership strategy revealed that Total Koboko fuel station to a great extend depends on cost leadership strategy to increase its sales performance, however sales performance according to the findings could also be influenced by certain factors as one of the respondents is quoted saying, "Our station's strategic allocation is one of the factors that has led to its success many transit trailers have always had no option than to branch and take fuel" the findings also revealed respondents disputes on cost strategy leader strategy contradicting with the findings of other scholars like Brooks (2010) who asserts that companies usually drive their costs to lower levels through involvement in mass production, mass distribution and capacity utilization which leads the station to profitability although to some extents the results were in agreement with his findings.

5.1.3 Summary on Focus strategy

The findings on focus strategy revealed a positive relationship with station's sales performance. The majority of the respondents agreed with the statements put under focus strategy. The findings revealed focus strategy as one of the most important strategies Total Koboko fuel station should bench on to improve its sales performance which was in agreement with many other scholars like Lado and Wilson (2007) who believes that a firm's resources encompass all inputs which may increase or decrease the sales of the company as they intervene the competitive strategies, also porter (2006) in relation to the findings argues that fuel stations use focus-based strategies but only in conjunction with differentiation or cost leadership generic strategies.

5.2 Conclusion of the findings

As revealed by the findings, the application of differentiation strategy, cost leadership strategy and focus strategy is a very important turning point for Total Koboko fuel station in impacting the level of sales performance. The Pearson correlation results reveal these strategies to be having a positive significance in bringing about increased sales in the station. According to Grant (2010) in relation to the findings asserts that firms should provide the superior value to customers through many ways such as unique product feature, higher quality and all round complementary services, as a way of attracting customers and increasing demand which will result into high sales summarizing it as differentiation whereas Malburg (2000) believes that in order to achieve a low-cost advantage, the company must have a low-cost leadership strategy, low-cost operations with integrated sections/business units and Workforce that is committed to the low-cost strategy. On the other hand, Peter Drucker (2011) illustrated the disadvantages of focused differentiation strategy by asserting that focus strategy may be limited by resource capabilities which may lead to failure of the company to exploit niche markets and also entails some risks for example, there may be a possibility that competitors will be able to exploit submarkets within the strategic target market. Therefore to achieve increased sales, Total Koboko fuel station should coordinate these competitive strategies in order to out-compete its competitor in the surrounding area.

5.3 Recommendations

Management of Total Koboko should ensure that factors that have strong impact on the organization's sales performance should be maintained for example; differentiation strategy should be given strong organizational backup or support to make product differentiation a unique aspect that attract will attract more customers hence leading to increased sales.

Secondly; the ideology of Malburg (2000) of a company adopting low cost leadership strategy in order to achieve a low-cost advantage and competitive advantage must be strengthened through involving all employees involved in the daily operations of the station. When employees are engaged equally at their place of work, they develop a feeling of belongingness and will work hard to make sure that their company achieves its objective.

The company should also put more effort on developing committed employees who will Endeavour to implement the station's selected competitive strategies. There may be some loopholes that the station could be having that makes some respondents feel that other strategies have not been implemented well as seen from cost leadership strategy results.

5.4 Areas for further research

- Customer care services and customer satisfaction
- Effects of market focus strategy on performance business organizations
- Product quality and customer satisfaction
- Further research need to focus on how the station should make customers derive satisfaction and value for money they have spent in the station.

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APPENDIXS

QUESTIONNAIRE:

Dear respondent,

I am Adiru Brenda Baiga a student at Uganda Martyrs University pursuing a bachelor's degree in Business Administration and Management. I am conducting an academic research on "the impacts of competitive strategies on sales performance" taking total fuel station Koboko as the case study; all the information obtained will purely be used for academic purpose, therefore I kindly request you to answer the questions by ticking the most appropriate answer to you in the space provided.

Thank you.

SECTION A: Bio data.

1)	What is your gender?							
	Female		Male					
			<u>I</u>					
2)	2) What is your highest level of education attained?							
	Masters	Bachelors	Diploma	Certificate				
3)	3) What is your age range?							
	25-29	30-39	40-49	50 and above				
•								
4)	For how long have be	en working Total fuel s	tation?					
	1 year	1-4 years	5-9 years	10 years and above				

SECTION B: differentiation strategy and sales performance.

5)	Product differen	Product differentiation attempts to make products appear distinct and superior value.						
	Strongly agree	Agree	Not sure	Disagree	Strongly disagree			
6)	Total fuel station	n provides sup	erior value to custo	mers through uniqu	ue product features,			
	higher quality and round complementary.							
	Strongly agree	Agree	Not sure	Disagree	Strongly disagree			
7)	The fuel station	differentiates l	pasing on promotion	n or advertising car	mpaign.			
	Strongly agree	Agree	Not sure	Disagree	Strongly disagree			
8)	Successful differentiation is based on study of buyers from different places, needs and							
	behavior in orde			1				
	Strongly agree	Agree	Not sure	Disagree	Strongly disagree			
07	Total fuel station	a offara diffori	na nrivas to its aust	omor				
9)	Strongly agree	Agree	ng prices to its custon Not sure	Disagree	Strongly disagree			
	Strongly agree	Agree	Not sure	Disagree	Strongry disagree			
10) Profitability is a	chieved by kee	eping the cost of dif	ferentiating below	price premium			
	Strongly agree	Agree	Not sure	Disagree	Strongly disagree			
	L	l						

Strongly agree	Agree	Not sure	Disagree	Strongly disag
Give your view	on differentiati	ion strategy on sales	s performance of the	ne fuel
		tegy and sales perf		
	, <u> </u>	ning competitive ad Not sure	<u>_</u>	1
Strongly agree	Agree	THOU SUITE	Disagree	Strongly disag
	alt from proces	ss innovations, learn	ning curve benefits	and economies of
3) Lower costs resuscale. Strongly agree	Agree	Not sure	Disagree	Strongly disagn
scale. Strongly agree		Not sure		Strongly disag
scale. Strongly agree				Strongly disag Strongly disag

Strongly agree	Agree	Not sure	Disagree	Strongly disag
Successful low c the activity cost	=	chieve cost advanta	age by pursuing co	st savings througho
Strongly agree	Agree	Not sure	Disagree	Strongly disag
Cost leadershin i	requires the fu	el station to do hette	er than its rivals or	n efficiency and cos
control.	requires the ru	er station to do bett	er than its rivals or	refriciency and cos
Strongly agree	Agree	Not sure	Disagree	Strongly disag
Forming linkage		providers, suppliers	-	ary firms to help to
Forming linkage		providers, suppliers and observing econo	-	-
Forming linkage maximize capaci	ty utilization a	and observing econo	omies of scale.	-
Forming linkage maximize capaci	ty utilization a	and observing econo	omies of scale.	-
Forming linkage maximize capaci Strongly agree	Agree	Not sure	Disagree	-
Forming linkage maximize capaci Strongly agree	Agree Agree w cost leadersh	Not sure nip impacts on sales	Disagree Disagree	-
Forming linkage maximize capaci Strongly agree	Agree Agree w cost leadersh	Not sure inip impacts on sales	Disagree Disagree	Strongly disag
Forming linkage maximize capaci Strongly agree Comment on how performance	Agree Agree w cost leadersh	Not sure inip impacts on sales	Disagree Disagree	Strongly disag
Forming linkage maximize capaci Strongly agree Comment on how performance	Agree Agree w cost leadersh	Not sure Not sure	Disagree Disagree	Strongly disaş
Forming linkage maximize capaci Strongly agree Comment on how performance SECTION C: F	Agree w cost leadersh cocus strategy	Not sure Not sure	Disagree Disagree	Strongly disaş
Forming linkage maximize capaci Strongly agree Comment on how performance SECTION C: F Focus strategy seplayers.	Agree w cost leadersh cocus strategy eeks to serve so	Not sure Not sure nip impacts on sales and sales perform egments that are po	Disagree Disagree orly served by bro	Strongly disag
Forming linkage maximize capaci Strongly agree Comment on how performance SECTION C: F	Agree w cost leadersh cocus strategy	Not sure in impacts on sales and sales perform	Disagree Disagree	Strongly disag
Forming linkage maximize capaci Strongly agree Comment on how performance SECTION C: F Focus strategy seplayers.	Agree w cost leadersh cocus strategy eeks to serve so	Not sure Not sure nip impacts on sales and sales perform egments that are po	Disagree Disagree orly served by bro	Strongly disag

Strongly agree	Agree	Not sure	Disagree	Strongly disagre		
-				l to produce special		
products and serves for the customers that increases the sales revenue.						
Strongly agree	Agree	Not sure	Disagree	Strongly disagre		
Sagmantation ha	ead on the phy	vsiological aspects of	of the customers he	Inc to increase the		
market share of t		•	of the customers he	aps to increase the		
Strongly agree	Agree	Not sure	Disagree	Strongly disagre		
Customers value	segmentation	based on social cla	ss.			
Strongly agree	Agree	Not sure	Disagree	Strongly disagre		
Nichas arisa from	n a number of	factors including go	oography buyar ak	paragtaristics and		
service or produc			cography, buyer en	aracteristics and		
Strongly agree	Agree	Not sure	Disagree	Strongly disagre		
Any other comm	ents on impac	t focus strategy on	sales nerformance	at the fuel		
Tilly outer commis	iciius oii iiiipac	t rocus strates, on	saids periorinance	at the raci		