International Journal of Economics, Commerce and Management
United Kingdom Vol. VI, Issue 9, September 2018
http://ijecm.co.uk/ ISSN 2348 0386

EFFECTS OF MARKET CHALLENGER STRATEGIES ON PERFORMANCE OF VERNACULAR RADIO BROADCASTING FIRMS IN WESTERN KENYA

Beatrice Akoth Awino
PhD Student, Maseno University, Department of Business Administration, Kenya
beatyakawino@yahoo.com

Charles Omondi Ondoro
Lecturer, Maseno University, Department of Business Administration, Kenya

Beatrice Evelyn Abong'o
Lecturer, Maseno University, Department of Business Administration, Kenya

Abstract

In Kenya, Radio broadcasting firms have played positive roles in the development of democracy. In 2015 51% of Kenyans listened to radio as their main source of entertainment, beating any other medium. However, there has been a decline of 7.2% to 6.8% in the periods 2016, 2017, that may be attributed to the radio firms marketing strategies, particularly market challenger strategies yet empirical evidence on market challenger strategies is limited. The study focused on examining the effect of market challenger strategies on performance of vernacular radio broadcasting firms in western Kenya. The study adopted explanatory research design on 16 vernacular radio stations from the western region of Kenya covering the Nyanza and Western Counties. The study revealed that out of the five market challenger strategies used, frontal attack (β = 0.247, $p<0.05$); encirclement (β=0.531, $p<0.05$); bypass (β=0.131, $p<0.05$); and guerilla warfare (β=0.216, $p<0.05$), had positive and significant effects on the performance. However, flank attack had some minimal positive effects and was not a significant predictor of firm performance (β=0.060, $p>0.05$). The study concluded that, market challenger strategies impact positively and significantly on the performance of vernacular radio broadcasting firms in western Kenya and that variations in the five strategies could occasion a variation of up to 81.4% in the performance of the vernacular radio broadcasting.

Keywords: Market, Challenger strategies, Performance, Competition, Kenya

INTRODUCTION

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

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

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

Companies with low market share are generally not in a position to influence prices, and are often susceptible to the actions of larger firms. Market challengers, being in a position of becoming the dominant player, may face a high degree of risk because they must take potentially radical steps in order to draw away consumers from the market leader. Each of the three primary strategies carries with it a unique risk, with the direct approach and radical approach posing more risk due to the high potential costs (Adewaleet al, 2013).

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

The specific objective was to determine the effect of market challenger strategies on performance of vernacular radio broadcasting firms in western Kenya.

LITERATURE REVIEW

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

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

Oyiela (2011) aimed at determining the influence of competitive strategies to the firm's Performance. The study used a survey study to assist in achieving the objectives of the study. The study involved a collection of both primary and secondary data. Primary data was collected by use of a structured questionnaire which was distributed to corporate strategy managers or operations managers of the banks who's positions and roles gives them the ability to respond effectively to most of the questions. The population of the study consisted of all the 43 commercial banks operating in Kenya as at 31st December 2010. The study was able to establish that despite the challenges faced by banks in implementing competitive strategies, they are very important since they enable them remain competitive. In the banking industry, understanding the market structure is a key determinant for successful implementation of competitive strategies. Banks following differentiation strategy statistically achieved significant superior performance compared to those that pursued cost leadership and focus strategies.

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

Mboga (2013) aimed at establishing the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company. The research design was descriptive cross-sectional approach and the quantitative technique was used. The target populations were KPLC domestic customers located in three sub-regions of Nairobi namely; Nairobi West, Nairobi North and Nairobi South and the main instrument was the questionnaire. Descriptive tables for mean, standard deviation and frequencies were then drawn and linear regression used to determine the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company. This study developed forecasting model for the relationship between marketing strategies and customer service quality at KPLC. The model indicated a positive relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company with R = .801 and the R squared value was .642 at a confidence level of 95 percent. Further the study found out that people strategies has the highest influence on customer service quality at Kenya Power and Lighting Company followed by promotion strategies, pricing strategies, process strategies, product strategies, distribution strategies and physical evidence strategies respectively

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

Oladun (2012) examined the impact of Innovative Distribution Strategies (IDS) on performance of the firms (MNCs and DEs) in Lagos industrial areas. The work examined the relationship between the production capacity, market share, and possible return on investment, profitability as resulting from IDS of both DEs and MNCs. Globally, many firms have been found not to be adequately innovative and there is a wide gap between firms in sub-Saharan Africa and their counterparts elsewhere. To do this, firms need to develop the capability to manage technological change, the development of new processes and design. The study in its descriptive nature, adopted a cross-sectional survey design. One hundred and seventy-five participants were randomly selected from six multinational and indigenous firms. Five hypotheses were stated and tested. The findings revealed that the sales turnover of multinational corporations (MNCs) with high level IDS and domestic enterprises (DEs) with low level of innovative distribution strategies is significantly different at t= 68.442, df= 89 and >0.05. And that, Innovative distribution teams/ strategies adopted by MNCs and DEs when compared and analyzed have a significant effect in predicting annual overall profitability at F (1,174)=

13.086. The findings also reveal that there is a significant effect of IDS of MNCs and DEs on their capacity to increase market shares at $F(1,174)= 18.237$ and there is positive relationship between the obstructive distribution parameter confronted by MNCs and DEs on their annual sales turnover to distribution mix and internal channel management. The study revealed that MNCs because of their size, sophisticated distribution strategies and channels, were able to be more innovative than indigenous firms and thus achieve better performance.

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

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

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

Adewale, Adesola, Oyewale (2013) investigated the impact of marketing strategy on business performance with special reference to the selected SMEs in Oluyole local government area Ibadan, Nigeria. The survey research design method was used in this study which involves using a self-design questionnaire in collecting data from one hundred and three (103) respondents. The instrument used in this study is a close-ended questionnaire that was designed by the researchers. Correlation coefficient and multiple regression analysis were used to analyze the data with the aid of statistical package for social sciences (SPSS) version 20. The results showed that the independent variables (i.e Product, Promotion, Place, Price, Packaging and After sales service) were significant joint predictors of business performance in term of profitability, market share, return on investment, and expansion. ($F(6, 97) = 14.040$; $R2 = 0.465$; $P< .05$). The independent variables jointly explained 46.5% of variance in business performance.

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

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

Adeniyi (2011) examined firms performance in South-West Nigeria. The study was carried out on established conceptualized Contemporary Marketing practice comprising of four different approaches Transaction, Database, Analysis Interactive Mix and Network Marketing. The general objective of the study was to examine the application/adoption of Contemporary Marketing Strategies and the Performance of agricultural Marketing firms in Nigeria's buyer-seller relationships. Data for this research were obtained from both primary and secondary sources. Relevant published and unpublished literature provided the secondary data. The primary data were obtained through structured questionnaires (administered to sampled agricultural marketing firms managers involved in three major divisions of Industrial, Food and other Agro sectors in South-Western, Nigeria). One thousand one hundred and ten copies of the questionnaire were administered, out of which eight hundred and eighteen (818) were collated for the analysis, representing 79 per cent return rate. To achieve the objectives of this study, four hypotheses were formulated. For the data analysis, the statistical test tools used included Analysis of Variance, Multiple Regression Analysis, and independent t-test. The results showed that there is combined contribution of Transaction marketing (arms-length, Marketing mix, functional Marketing and internal capacity) in predicting customers' acquisition. The study also revealed that there is significant difference in generating retainership capacity as well as improved market share between agricultural marketing firms with high adoption of database marketing and those with low adoption of database marketing. It was also observed that agricultural marketing firms with high and low use of face-to-face and dyadic relationship marketing have significant difference in sales value and volume. The results equally showed that agricultural marketing firms with high and low penetration of network marketing have significant difference in market share.

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

While Saif (2015) studied how marketing strategy influences firm performance, Muthengi (2015) on the other hand studied effects of marketing strategies on sales performance of commercial banks in Kenya. Oyela (2011) aimed at determining the influence of competitive strategies to the firm’s Performance, while Nderitu (2015) reviewed the relationship between competitive strategies and performance of Bamburi Cement Limited. It is also noted that Mboga

(2013) studied the relationship between marketing strategies and customer service quality in Kenya Power and Lighting Company quite apart from Amara (2012) who looked at the effect of marketing distribution channel strategies on a firm's performance among commercial banks in Kenya. Whereas Oladun (2012) studied the impact of innovative distribution strategies (IDS) on performance of the firms (MNCs and DEs) in Lagos industrial areas, Karlsson and Tavassoli (2015) were more general. They analyzed the effect of various innovation strategies of firms on their future performance, captured by labour productivity. Sije and Oloko (2013) were more specific on their study. They picked on penetration pricing strategy and investigated it against the performance of the SMEs in Kenya quite different from Fosfuri and Giarratana (2005) who sought to explore the drivers of survival Security Software Industry firms in environments characterized by high rates of entry and exit, fragmented market shares, rapid pace of product innovation and proliferation of young ventures. On the same account Adewale, Adesola, Oyewale (2013) looked at the impact of marketing strategy on business performance with special reference to the selected SMEs in Oluyole local government area Ibadan, Nigeria when Pertusa-Ortega, Molina-Azorı´n and Claver-Corte´ s (2009) studied the viability of hybrid competitive strategies, which combine differentiation and cost elements, and their impact on organizational performance in comparison to pure strategies and 'stuck-in-the-middle' combinations. Parnell (2010) compared competitive strategy-performance relationships in Mexico, Peru, and the USA while Adeniyi (2011) examined firm's performance in South-West Nigeria.

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

RESEARCH METHOD

On the basis of positivist paradigm, the study adopted explanatory research design on 16 vernacular radio stations drawn from the western region of Kenya covering the Nyanza and Western Counties. It is argued that explanatory research also called causal research is conducted for purposes of identifying the extent and nature of cause-and-effect relationships

(Gelman, 2011). Primary data was collected from the identified managerial staff, and analysed descriptively by use of means and standard deviations to explore the prevailing status of the study variables in vernacular radio broadcasting firms in western Kenya.

Management staff was stratified according their category. The required sample of 125 management staff was then drawn proportionate to the number of staff in respective categories. Consequently, 11 Chief Executive Officers, 64 Departmental Managers, and 50 Regional Agents were drawn. Simple random sampling technique was next used to select the required number of management staff from each category. Inclusion criterion was that at least each radio broadcasting firm had adequate representation in each category except for the CEO position.

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

$$VRFP = \beta_1 FRA + \beta_2 FLA + \beta_3 ECA + \beta_4 BYA + \beta_5 GWA + \varepsilon$$

Where;

$VRFP \Rightarrow$Vernacular radio firm performance

$FRA \Rightarrow$ Frontal attack

$FLA \Rightarrow$ Flank attack

$ECA \Rightarrow$ Encirclement attack

$BYA \Rightarrow$ Bypass attack

$GWA \Rightarrow$ Guerilla warfare attack

$\varepsilon \Rightarrow$ Residuals

FINDINGS

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

Frontal Attack Strategy

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

The overall mean response score (*M = 4.30*) with the associated standard deviation (*SD* = 0.601) indicate that respondents were of the opinion that frontal attack is a challenger strategy that is used highly in vernacular radio broadcasting firms in western Kenya during the marketing of products and services (Table 1). Besides, the small value of the standard deviation is testament that respondents were consistent in this opinion.

Table 1. Descriptive Statistics for Frontal Attack Strategy

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

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

Flank Attack Strategy

The second market challenger strategy explored was the Flank Attack Strategy. This strategy was measured using six items reflecting activities that expose weaknesses in marketing among firms. As shown in Table 2, the overall mean score and standard deviation (M=4.53, SD= 0.518) indicated that respondents were consistent in the opinion that vernacular radio firms in western Kenya very highly employ the flank attack strategy to gain a competitive edge. Specific results from individual items show that weak points in competing firms are very highly challenged in terms of geographical locality (M=4.54, SD=0.691); market segmentation (M=4.52, SD=0.649); least expected points (M=4.52, SD=0.704); and from all fronts (M=4.61, SD=0.641).

Table 2. Descriptive Statistics for Flank Attack Strategy

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

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

Encirclement Attack Strategy

The third challenger strategy explored among the sampled radio broadcasting firms was the encirclement attack strategy. Six items were used to measure employment of this strategy by vernacular radio broadcasting firms. Results presented in Table 3 show that encirclement attack strategy is also used highly in the firms (M=4.33, SD=0.598). Typical responses that capture use of encirclement strategy include; firms implement marketing strategies aiming for long term wins in the market (M=4.51, SD = 0.744); firms devise marketing strategies that can see them dominate the market (M = 4.49, SD = 0.793); and challenger firms respond to marketing strategies of leading firms by becoming more aggressive in marketing themselves and designing competitive products simultaneously (M = 4.49, SD = 0.757).

Table 3. Descriptive Statistics for Encirclement Strategy

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

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

Bypass Attack Strategy

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

Table 4. Descriptive Statistics for Bypass Attack

Bypass attack practices	***M***	***SD***
1. The firm's marketing strategies concentrates on attacking easier competitors to increase market share	4.48	.718
2. The firm engages in marketing strategies that diversify unrelated product lines	4.28	.969
3. The firm is keen on tapping new geographical markets through its marketing strategies	4.48	.828

Table 4...

4. The firm improves its technology from time to time in order to compete with other firms	4.56	.728
Overall	**4.45**	**.663**

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

Guerilla Warfare Strategy

Guerilla Warfare Strategy was the fifth challenger strategy explored in the present study. Four items were used to measure application of this strategy in vernacular radio broadcasting firms in western Kenya. Results presented in Table 5 show an overall mean response score of 4.28 with an associated standard deviation of 0.621. The implication is that guerilla warfare strategy is also highly employed by challenger vernacular radio broadcasting firms in the study area.

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

Table 5. Descriptive Statistics of Guerilla Warfare

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

These results imply that challenger firms often resort to both conventional and unconventional tactics to reach to their audiences with a view to attracting more customers. They essentially aim to frustrate leading firms by for instance offering free samples and going more public. Indeed, several radio broadcasting firms organize road shows where besides entertaining their listeners, they also give various sorts of prizes as a way of marketing themselves.

Table 6. Regression Model Summary for Regressing Firm Performance on Market Challenger Strategies

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.902[a]	.814	.805	.23324	1.387
a. Predictors: (Constant), Guerilla, Bypass, Frontal, Flank, Encirclement					
b. Dependent Variable: Firm performance					

The ANOVA results in Table 6 show that the postulated model relating firm performance with market challenger strategies is statistically suitable with at least one of the regressions coefficients not equal to Zero ($F_{5,101}$ = 88.641, P<0.05).

Table 7. ANOVA for Regressing Firm Performance on Market Challenger Strategies

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.110	5	4.822	88.641	.000[b]
	Residual	5.494	101	.054		
	Total	29.604	106			
a. Dependent Variable: Firm Performance						
b. Predictors: (Constant), Guerilla, Bypass, Frontal, Flank, Encirclement						

The standardized multiple regressions coefficient displayed in Table 7 reveals that out of the five market challenger strategies used, frontal attack (β = 0.247, p<0.05); encirclement (β=0.531, p<0.05); bypass (β=0.131, p<0.05); and guerilla warfare (β=0.216, p<0.05), had positive and significant effects on the performance of vernacular radio broadcasting firms in Western Kenya. Although flank attack had some minimal positive effects, it was not a significant predictor of firm performance (β=0.060, p>0.05). Choice of standardized regression coefficients was informed by the need to eliminate units of measuring the respective market challenger strategies. A look at the t-values, confirms that encirclement attack (t= 7.401), followed with frontal attack (t=3.809), and guerilla warfare (t=3,397) in that order, had the most impacts on the performance of vernacular radio broadcasting firms in western Kenya.

Table 8. Effect of Market Challenger Strategies on Firm Performance

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

a. Dependent Variable: Firm Performance

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

$$\boldsymbol{Y = 0.247X_1 + 0.060X_2 + 0.531X_3 + 0.131X_4 + 0.216X_5}$$

Where;

Y= Firm Performance

X_1=Frontal attack strategy

X_2=Flank attack strategy

X_3=Encirclement attack strategy

X_4=Bypass attack strategy

X_5=Guerilla warfare attack strategy

DISCUSSIONS

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

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

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

The finding that flank attack has no significant effect on the performance of radio broadcasting firms in western Kenya is rather surprising. Existing evidence shows that the real victory is won in the flanks when the challenger attacks weak positions in the opponents force (Marketing article, 2012). In this scenario the expectation could have been that flank attack would elicit a positive effect on performance. Whereas the researcher avers that perhaps the leading firms may have been forced to defend their share aggressively, future studies may need to examine this situation from different contexts before settling on a more definitive position regarding the effect of flank attack.

The study revealed that encirclement attack had the larger impact on the performance of vernacular radio broadcasting firms in western Kenya (t=7.401). This was perhaps not a surprise considering that under this strategy, several offensive campaigns are launched against competitors (McDonald et al, 2013). By attacking both the strong and weak points of the competitor simultaneously the ultimate expectation is that the competitor would cave in. It must however, not be assumed that it is only the challenger eclipsing the leading competitor. In fact it could be the market leader who makes an aggressive retaliatory attack to gain the little market share owned by the challenger firm. Either way a positive impact on performance of the vernacular radio broadcasting firms could be felt. It is the position of the researcher that perhaps a better picture could be discerned by focusing either only on market leaders, or on only the challengers.

The minimal but positive contribution established with the bypass attack (t=2.277) could perhaps be explained by the fact that as a strategy it concentrates on untapped segments which may be rare (McMillan, 2014). Besides, the radio broadcasting context may not have been an ideal context for this strategy which, has been found more prevalent in the mobile industry (McMillan, 2014).

The finding that the guerilla attack strategy impacts positively and significantly on the performance of radio broadcasting firms in Western Kenya affirms the benefits accrued from combining conventional and unconventional means of attack as suggested by Lacznick and Prothero (2012). As a matter of fact, nearly all radio and TV broadcasting firms have embraced social media and host both face book platforms and twitter handles. The essence is to maximize on the use of social platforms to reach markets that have hitherto been untapped.

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

Besides, the finding that guerilla warfare, which may call for thorough advertisement to the audience, impacts positively and significantly on the performance of radio broadcasting firms highlight the value of intermittent attacks in the form of publicity gained by meeting the public or through social media. In recent times, radio stations in Kenya have been organizing meet the people road shows intended to tap into market shares belonging to competitors as well as the untapped ones. Radio presenters team up with comedians and move from region to region showcasing the potential possessed by the respective firms. In most cases, these shows have attracted huge numbers of listeners and provide ideal forums to market the firms.

CONCLUSIONS

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

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

RECOMMENDATIONS

Vernacular radio broadcasting firms in western Kenya have taken cognizance of the importance of challenger marketing strategies and have as a result taken to high application of these strategies in their marketing activities. These strategies have a positive impact on the performance of the firms and are more effective when combined. Aggressive use of these strategies will therefore no doubt lead to improved performance of vernacular radio broadcasting firms. The flank attack approach seems not to work well with the radio broadcasting industry despite having positive impacts in other contexts. The study recommends that similar studies should be replicated in vernacular radio broadcasting firms in other regions in Kenya before an elaborate conclusion can be arrived at.

REFERENCES

Adeniyi, A. O. (2011). Contemporary marketing strategies and performance of Agricultural marketing firms in South-West Nigeria. http://eprints.covenantuniversity.edu.ng/1168/1

Adewale, A. G., Adesola M. A., &Oyewale I., (2013). Impact of Marketing Strategy on Business Performance A Study of Selected Small and Medium Enterprises (Smes) In Oluyole Local Government, Ibadan, Nigeria. IOSR Journal of Business and Management 11 (4), 59-66. Available at: http://www.iosrjournals.org/iosrjbm/papers/Vol11-issue4/I01145966.pdf

Amara, S (2012). Effect of marketing distribution channel strategies on a firm's performance among commercial banks in Kenya (Master's Thesis). University of Nairobi

Mboga, L. O. (2013). Marketing strategies and customer service quality: a case of Kenya power and lighting company (Master's Thesis). University of Nairobi

Ferrell, O. C., & Hartline, M.D. (2011). Marketing strategy. 5th Edition. USA, South Western Cengage Learning.

Ferrell, O. C., & Speh, T. W. (2017). Marketing strategy: Text and cases. Australia, Cengage Learning

Fosfuri, A., &Giarratana S., (2007). Product Strategies and Survival in Schumpeterian Environments: Evidence from the US Security Software Industry Marco Organization Studies 28(06): 909–929 ISSN 0170–8406 Copyright © 2007 SAGE Publications (Los Angeles, London, New Delhi and Singapore)

Muthengi, W.K. (2015). The effects of marketing strategies on sales performance of commercial banks in Kenya. http://erepository.uonbi.ac.ke/bitstream/handle/

Oladun M. M. (2012). Innovative distribution strategies and performance of selected multinational corporations (MNCs) and domestic manufacturing firms in Nigeria (Phd Thesis) Covenant University, Ota, Ogun State, Nigeria

Oyela B. M. (2011). The influence of competitive strategies to the firm's performance in commercial banks in Nairobi (Master's Thesis). University of Nairobi

Picon, M. (2015). Sun Tzu and the Art of Economic War. Boston, Grafeno Publishing

Urban, G. L.(2004). Digital marketing strategy: Text and cases. UK, Pearson Prentice Hall.

Parkin, G. (2009). Digital marketing: Strategies for online success. Holland, New Holland Publishers.

Proctor, T. (2008). Strategic marketing. London, Routledge.

Saif, N. M. A. (2015). "How does Marketing Strategy Influence Firm Performance? Implementation of Marketing Strategy for Firm Success," International Journal of Innovation and Economic Development, vol. 1(3): 7-15.

Sije, A., &Oloko. M., (2013). penetration pricing strategy and performance of small and medium enterprises in Kenya. European Journal of Business and Social Sciences, 2, (9), pp 114-123