

Firm Seizing Capabilities for Competitive Advantage of Agriculturally Intensive Retail Enterprises

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Abstract

Kirinyaga County is agriculturally enriched with 90% of its population depending on agriculture for food, income generation and livelihood. However, competitiveness of these enterprises has not been realized due to the constraints caused by inappropriate capabilities thus inhibiting the competitiveness in the value chain. This paper examined how firm seizing capabilities influence competitive advantage in small agriculturally intensive enterprises (SAIE's) facing dynamic situations in the emerging and rapidly growing retail market. Specifically, this study focused on three hypothesized seizing capabilities, which were; knowledge, resources and innovations and their effect on competitive advantage among SAIE's within a developing economy given the business environmental pressures. The study objectives were to determine the direct influence of knowledge, resources and innovations capabilities on competitive advantage of SAIE's. The research was descriptive with the target population being the 431 FMCG agricultural intensive retail enterprises registered with Kirinyaga County. Stratified random sampling technique was used to select a sample of 120 enterprises and data collected by use of questionnaires and then analyzed using multiple regression analysis and tested hypotheses. The study concluded the following; in order to set up successful businesses, the owners must first put the seizing capabilities into practice; SAIE's are very slow to detect fundamental shifts in their industry; SMREs have limited capabilities to effectively develop new knowledge or insights that have the potential to influence their competitive position; despite the SAIE's showing boldness in their efforts to maximize in competitive advantage the implementation of seizing capabilities was the hardest part for small and medium-retailing enterprises in Kenya. Majority of the SAIE's were unable to identify valuable capability elements to connect and combine them in new ways, implement new kinds of management methods that are which are more responsive within their business processes and finally the enterprise's capabilities determine the potential scale and scope of firm level competitive behavior, since the availability of a firm capability can either facilitate or constrain activities, such as responses to competitive attacks. The study thus recommended that; on seizing capabilities there should be more business forums in order to understand their changing trends within their business operational environment and detect fundamental shifts in their industry; on seizing capability SAIE's, need to frequently acquire knowledge about their competitive and market trends from external sources so as to be able to identify and acquire external knowledge. Also identify valuable capability elements to connect and combine them in new ways, change their marketing strategies, implement new kinds of management methods that are which are more responsive within their business processes; managers should have the understanding of their firm's seizing capabilities to drive managerial competitive response decisions since they are expected to undertake their competitive responses based on the evaluation of those capabilities that they perceive as most distinctive or superior related to their competitors.