EdinBurg Peer Reviewed Journals and Books Publishers
Journal of Strategic Management
Vol. 5||Issue 2||pp 10-24||May||2025
Email: info@edinburgjournals.org||ISSN: 2789-4851

Competitive Strategies and Performance of Property Development Firms in Nairobi City County, Kenya

Sharon Cheruto Kiprotich[1] & Dr. Paul Waithaka[2]
[1,2]Department of Business Administration, Kenyatta University
Corresponding Author Email: Shar.talai@gmail.com

Accepted: 19 April 2025 || Published: 15 May 2025

Abstract

The purpose of this study was to investigate the connection between competitive strategies and organizational performance in the property development industry in Nairobi, Kenya. The study's particular goals were to determine how organizational performance in Kenya's real estate development sector is impacted by differentiation, cost leadership, and focus strategies. The research design used was descriptive. The study's target demographic consisted of 55 companies that work in Nairobi County's real estate development industry. The quantitative data was examined using descriptive statistics such as mean and standard deviation. Regression and correlation analysis are examples of inferential statistics that were used to show the relationship between the variables. Findings indicated that differentiation strategy had a positive and significant effect with organizational performance of property development firms (β=0.279, p=0.001); cost leadership strategy had a positive and significant effect with organizational performance of property development firms (β =0.573, p=0.000); and focus strategy had a positive and significant effect with organizational performance of property development firms (β=0.213, p=0.004). The study concluded that increasing levels of differentiation lead to improvement in the performance of property development firms. Additionally, introducing new items and improving existing ones through innovation improved the performance of the property development company. The study concluded that Kenyan property development companies increase their operational scale, branch out into allied industries, and enhance their operational procedures to reduce expenses and improve performance. According to the study's findings, property development companies performed better when they increased their level of focus. Offering new items also increased sales, which improved organizational performance even further. To maintain dominant positions and long-lasting advantages until other businesses can copy the firm's distinctive features, which can still be regained by creating new opportunities and strategies that will create new barriers to market entry and another type of competitive advantage, property development companies' management should also continuously innovate. The study suggested that to better foster client loyalty, property development enterprises' management could lower the pricing of their products.

Keywords: *Differentiation strategy, cost leadership strategy, focus strategy, performance of property development firms*

How to Cite: Kiprotich, S. C., & Waithaka, P. (2025). Competitive Strategies and Performance of Property Development Firms in Nairobi City County, Kenya. *Journal of Strategic Management, 5*(2), 10-24.

1. Introduction

Organizational performance is the process of evaluating a business's performance in relation to predefined objectives (Njuguna, 2021). It entails contrasting the planned desirable outputs as stated in the organizational plans with the actual results or outputs. Financial and non-financial variables make up the majority of organizational performance indicators. While financial indicators use a variety of monetary indicators to explain how well a company is achieving its goals, non-financial indicators are the non-monetary components that assess the enterprise's ability to ensure its stakeholders' continuing value and growth. Analytical procedures and performance management are components of organizational performance that help a business reach its objectives. Since performance is the result of putting management decisions into practice, management of the company is one of the main drivers of performance (Chege, 2017).

A company's distinct and long-lasting advantages over rivals are referred to as its competitive advantage. These benefits enable a business to outperform rivals in terms of profitability, market share, and customer satisfaction. According to Korir (2018), there are several approaches to gaining a competitive advantage, including differentiation, innovation, and cost leadership. Businesses that use a cost leadership approach can undercut their rivals on pricing, while those that stand out from the crowd might provide distinctive goods or services that clients are prepared to pay more for. Innovation can also give firms a competitive edge by introducing new and improved products or services that meet customers' changing needs (Anwar, 2016). Understanding the sources of competitive advantage and effectively implementing competitive strategies is crucial for success.

Property development firms in Kenya play a vital role in the country's real estate sector. These firms are established as private businesses or sometimes as joint ventures between local and international investors. Kenya's population has grown significantly, and its cities have become more populated, which has raised demand for homes, businesses, and infrastructure. The mandates of property development firms in Kenya generally include: real estate development, land development, project financing, marketing and sales, and compliance with the law (Muriungi, 2018). Property development in Kenya is subject to various regulations and legal frameworks. The National Construction Authority (NCA) oversees the construction industry, ensuring that firms and professionals adhere to established standards. Planning and land use-related issues are handled by the Ministry of Lands and Physical Planning.

1.1 Problem Statement

Organizational performance is a measurement of what has been accomplished in relation to predetermined goals and includes a set of performance management and analytical procedures that enable a company to achieve its chosen goals. The challenges in the property development sector in Nairobi include issues related to regulatory complexities, access to financing, and meeting the demands for affordable housing, changing consumer needs, influxes in costs of inputs, and stiff competition. For instance, implementing a successful differentiation strategy in a highly competitive property development market is hindered by the need to balance innovation with cost considerations (Kibiru, 2017). Leadership challenges arise in navigating complex regulatory environments, and the focus strategy could be affected by external factors such as economic uncertainties and changing market demands (Kenya Property Developers Association, 2019).

The key drivers of performance are the firm's management, since performance is the outcome of implementing a firm’s managerial decisions (Chege, 2017). It is challenging to align strategies with the rapidly evolving and chaotic business environment in which companies operate. Changes occur at a rate that has never been seen before. According to Kivindo and Kilika (2018), business-level managers are placing a higher priority on the organization of the company's competitive strategy to achieve corporate performance while maintaining a durable competitive edge.

In Kenya, numerous studies on competitive tactics have been carried out in a variety of settings. Muriira (2014) studied the competitive tactics used by Kenyan insurance companies. The study's specific goal was to identify the various competitive tactics used by insurance industry businesses to maintain profitability. The emphasis technique was highlighted in the study. The study's conclusions showed that most businesses used market focus methods because they were either cost-effective or differentiable. The study's empirical limitations stemmed from its restriction to a focus method. There is a need to study the other competitive strategies and how they relate to organizational performance. The current study studied this gap.

Ouma (2016) studied the performance and competitive tactics of Kenyan insurance companies. The research pointed out a need to investigate other industries to see if the outcomes would be comparable. The goal of the current study is to ascertain how organizational success in the product development industry is related to competitive tactics.

Research was done by Korir (2018) on organizational performance and competitive strategies in SMEs that are listed on the NSE. The objective was to ascertain how SMEs' competitive tactics impact their firms' success. In the study, a cross-sectional qualitative survey was employed. The study targeted the four SMEs listed on the NSE that have chief operations managers or equivalents working for them. Data collection was done using interview guides. The study's findings showed that SMEs used tactics for focus, cost leadership, and differentiation. It further stated that as a result of these techniques' successful application, organizational performance improved in terms of customer happiness, sales turnover, ROI, and innovations.

The study by Korir (2018) suggested that more research be done to determine whether the results are the same in other economic areas. In addition, the study focused on only four firms, therefore making it difficult to generalize the results. As a result, a study that includes additional firms must be done. Further, a study on the same area may be conducted using a different research design. The current study covered all the firms in the property development sector in Nairobi, which is a local setting.

From the ongoing research, it is evident that an acknowledged gap exists regarding competitive strategies and organizational performance. First, the study focused on all three main competitive strategies, attempting to fill the gaps in those studies that did not cover all of them. Further, though studies have been done in several sectors of the economy, no study has been conducted on this topic in the property development sector. In addition, there was a need to apply a descriptive research design in a study on this topic, which helped describe the situation. As such, this research was conducted to fill the gaps outlined in how competitive strategies affect the organizational performance of property development firms in Nairobi County, Kenya.

1.2 Research Objectives

i. To investigate the effect of differentiation strategy on the performance of property development firms in Nairobi County, Kenya

ii. To determine the effect of cost leadership strategy on the performance of property development firms in Nairobi County, Kenya

iii. To establish the effect of focus strategy on the performance of property development firms in Nairobi County, Kenya

2. Literature Review

2.1 Theoretical Review

Penrose (1959) popularized the firm's resource-based theory (RBT) through research aimed at creating a practical approach to managing the firm's resources, maximizing its output potential, and adopting diversification methods. Penrose (1959) concentrated on the concepts of opportunity cost and economic profit in developing this theory. He also considered the strategic factors that could affect the profitability of both diversification and expansion. Wernerfelt (1984) enhanced Penrose's (1959) work as a theory of the firm's competitive advantage.

The resource-based theory is particularly applicable to property development enterprises, which are the subject of this study, in terms of their capacity to leverage internal resources to create competitive strategies that are winning. This helps guide the differentiation strategy, which allows a real estate development company to become more competitive by leveraging its special resources. The theory proved to be an invaluable tool, particularly when examining the effects of the three primary factors in the study: focus strategies, differentiation, and cost leadership. The hypothesis states that these tactics would improve the performance of the firms.

However, the attractiveness of the resource-based theory, the approach has been criticized by scholars on the basis that the broad categorization of resources into tangible and intangible assets can be vague, making it challenging for managers to identify and leverage resources effectively. The theory is also seen to contain fault for its static view of resources. In a rapidly changing business environment, the value of resources may be time-dependent (Bromiley & Fleming, 2019).

2.2 Empirical Review

This section presents an empirical review of studies relating to the study objectives.

2.2.1 Differentiation Strategy and Organizational Performance

Munyasia (2014) assessed competitive strategies and Kenya's sugar industry performance. We looked at three competitive strategies: market focus, differentiation strategy, and cost leadership strategy. The chosen study design was a descriptive survey. The research indicates a need for additional analysis of the differentiation strategy. This gap was filled in the current study by including the differentiation strategy as an independent variable.

Nyaga (2015) conducted a study to investigate the impact of differentiation strategy on organizational performance. A case study of Express Connection (Kenya) Limited was used in the study. The results indicated that differentiation strategy positively influences organizational success. A case study limits the number of firms involved in the study; thus, there is a need to conduct a study that involves many firms in the same industry. This research employed a descriptive research method and involve several industry firms.

Burikwa (2017) carried out research on how Kenyan hotels' corporate performance was impacted by their differentiating strategy. Twenty-four hotels operating in Mombasa County, Kenya, that are members of the Kenya Association of Hotel Keepers and Caterers (KAHKC) made up the target demographic. Respondents were employees of the hotels that were listed. To select 144 participants, the study used a stratified random selection technique. According to the study's findings, differentiation has a significant impact on organizational performance and fosters performance. One competitive strategy was the exclusive focus of the study, which created a research gap. To close the gap, this study took into account all of the primary competitive strategies.

2.2.2 Cost Leadership Strategy and Organizational Performance

Atikiya et al. (2015) looked into how Kenyan manufacturing companies performed in relation to cost leadership strategies. The study's conclusions showed a favorable relationship between manufacturing companies' organizational success and cost leadership. The study recommended that firms implement generic strategies, specifically cost leadership, to attain higher performance. The knowledge gap of the study is that it emphasized the cost leadership strategy while ignoring other generic strategies, specifically differentiation and focus strategies. This gap was addressed by studying all three generic competitive strategies.

A study on the connection between a company's financial performance, comprehensive quality management applications, and cost leadership approach was carried out by Kurt & Zehir (2016). 142 corporate managers provided information via questionnaires. The study found that cost leadership and an organization's financial performance were positively correlated.

Ouma (2016) looked into Kenyan insurance companies' performance and cost leadership approach. The forty-nine insurance companies that operate in Kenya were the study's target group. The findings showed that the insurance companies' non-financial and financial performance in the Kenyan market was positively impacted by the cost leadership strategy. A study on how competing strategies affect organizational performance in the context of Kenya's sugar sector was carried out by Makina and Oundo (2020). Examining the suitability of competing strategies in the sugar business was the study's goal. The study used meta-analysis as part of a desktop analysis methodology. The study found that an organization's performance was positively impacted by a cost leadership strategy.

2.2.3 Focus Strategies and Organizational Performance

Research on organizational performance and focus strategy of Albanian construction companies was carried out by Pulaj, Kume, and Cipi (2015). There were 110 construction companies in the target demographic. The results of the study showed that focus strategy benefits Albanian construction companies. There is a contextual vacuum in the study, which calls for a local replication in Kenya. The research sought to close this gap by concentrating on Nairobi, Kenya's real estate development companies.

Nderitu (2015) looked into how Bamburi Cement Kenya Limited's performance related to the emphasis plan. With the use of descriptive statistics, data were analyzed. The findings of the study indicated that a focus strategy enhances organizational success. The study has a knowledge gap in that using only one firm was limiting, and, therefore, the a need to consider more organizations for better comparability results. The research addressed this gap by studying several firms in the property development industry.

Fathali (2016) studied the impact of focus strategy on business innovation in the Iranian automobile sector. Four generic tactics were examined in the study: differentiation, cost emphasis, differentiation focus, and differentiation. Two significant Iranian automakers, SAIPA and Iran Khodro, were its residents. The study's conclusions showed that an organization's focus strategy and innovative elements are positively correlated. There is a contextual vacuum since a local study in Kenya ought to be carried out. This research closed the contextual gaps by concentrating on Kenyan companies involved in the real estate development industry.

3. Methodology

The research design used was descriptive. The study's target demographic consisted of 55 companies that work in Nairobi County's real estate development industry. The chief executive officers or their equivalents from each company were chosen as respondents using a census technique. Primary data for the study was gathered using questionnaires. The validity of the study tool was ensured by content validity, and the reliability of the questionnaires was evaluated using the Cronbach's alpha coefficient test. The quantitative data, which was subsequently shown as tables, was examined using descriptive statistics such as mean and standard deviation. Regression and correlation analysis are examples of inferential statistics that were used to show the relationship between the variables.

4. Results and Discussion

4.1 Response Rate

A total of 55 questionnaires were issued to the CEO of real estate development companies operating in Nairobi County, Kenya.

Table 1: Response Rate

Response	Frequencies	Percentage (%)
Filled and returned	49	89.09%
Unreturned	6	10.91%
Total	55	100

According to Table 1, 49 questionnaires were completed and returned, yielding an overall response rate of 89.09%. Babbie (2004) states that return rates of 70% are extremely good, 60% are good, and 50% are appropriate for analysis and publication. The study's 89.09% response rate was excellent in light of these assertions.

4.2 Descriptive Results

Descriptive results for both the dependent and independent variables were presented in this section.

4.2.1 Descriptive Results for Differentiation Strategy

Descriptive Results for the Differentiation Strategy are presented in Table 2.

Table 2: Differentiation Strategy

statement	SD	D	N	A	SA	M	SD
Product distinction by a property development firm affects its organizational performance	30.60%	6.10%	6.10%	30.60%	26.50%	3.16	1.64
Distinction of the product offering by the firm have led to closing more deal with customers	6.10%	14.30%	16.30%	38.80%	24.50%	3.61	1.19
The superior technology adopted by a property development firm affects its organizational performance level	22.40%	12.20%	4.10%	28.60%	32.70%	3.37	1.59
The innovative promotion employed by a firm determines its level of performance	8.20%	2.00%	24.50%	34.70%	30.60%	3.78	1.16
Incorporation of technology in operations have cut costs and promoted budget efficiency	4.10%	12.20%	0.00%	44.90%	38.80%	4.02	1.13
The company natures and incubates new innovations and inventions	4.10%	6.10%	8.20%	46.90%	34.70%	4.02	1.03

The results showed that majority of the respondents who were 57.1% agreed with the statement that product distinction by a property development firm affects its organizational performance (M=3.16, SD=1.14). This denotes that the distinction of products helped the firms to improve their performance. The results also showed that the majority of respondents, or 63.3%, agreed with the assertion that the company's unique product offering had resulted in more client deals (M=3.61, SD = 1.19). This indicates that the enterprises were able to increase their consumer base by differentiating their offerings. According to additional findings, the majority of respondents—61.3%—agreed that a property development company's organizational performance level is impacted by the better technology it adopts (M=3.37, SD=1.59). This suggests that the firms' performance improved as a result of implementing the newest technology.

Furthermore, 65.3% of respondents felt that a company's performance is determined by the inventive promotion it uses (M=3.78, SD=1.16). According to other findings, the majority of respondents—83.7%—agreed that integrating technology into operations has reduced expenses and increased budget efficiency (M=4.02, SD=1.13). This suggested that integrating technology into real estate development companies assisted them in cutting costs. According to the results, 65.3% of respondents agreed with the statement that the company encourages and supports fresh concepts and inventions (M=4.02 SD=1.03). The results of the study supported those of Nyaga (2015), who discovered that differentiation strategy has a beneficial impact on organizational success. The study's conclusions supported those of Burikwa (2017), who discovered that Kenyan hotels' corporate performance was influenced by their strategy for differentiating themselves.

4.2.2 Descriptive Results for Cost Leadership Strategy

Descriptive Results for cost leadership strategy are presented in Table 3.

Table 3: Cost Leadership Strategy

Statement	SD	D	N	A	SA	M	SD
Cost control in a property development firm is a key determinant of organizational performance.	8.20%	12.20%	6.10%	32.70%	40.80%	3.86	1.31
Cost efficiency measures influence the level of organizational performance in a property development firm.	8.20%	10.20%	4.10%	34.70%	42.90%	3.94	1.28
Economies of scale affect the organizational performance of a firm in the property development sector.	12.20%	14.30%	4.10%	26.50%	42.90%	3.73	1.45
Cost overruns frequently occur in the business	8.20%	10.20%	10.20%	32.70%	38.80%	3.84	1.28
Periodic evaluations are made to measure cost efficiency which reduces unnecessary expenses	2.00%	2.00%	0.00%	49.00%	46.90%	4.37	0.78
Achieving Economies of scale has led / will lead to more organizational competitiveness in the market space	2.00%	4.10%	2.00%	57.10%	34.70%	4.18	0.83

The results revealed that 73.5% of participants agreed that cost control in a property development firm is a key determinant of organizational performance (M=3.86, SD=1.31). This denotes that the control of costs helped the firms to be able to enhance their performance since they were able to attract their customers. The findings revealed that 77.6% of participants agreed with the assertion that organizational performance in a property development firm is

EdinBurg Peer Reviewed Journals and Books Publishers
Journal of Strategic Management
Vol. 5||Issue 2||pp 10-24||May||2025
Email: info@edinburgjournals.org||ISSN: 2789-4851

influenced by cost efficiency measures (M=3.94, SD=1.28). This indicates that real estate development companies were able to adopt cost-effective strategies that improved their performance.

Further, 69.4% of respondents believed that economies of scale have an impact on a company's organizational performance in the real estate development industry (M=3.73, SD=1.45). This suggests that the real estate development companies improved their performance by utilizing economies of scale. Furthermore, 71.5% of respondents agreed that the company regularly experiences cost overruns (M=3.84, SD=1.28). This suggests that the majority of development companies had cost overruns. Additionally, 95.6% of respondents believed that regular assessments are conducted to gauge cost effectiveness, which lowers wasteful spending (M=4.37, SD=0.78). This indicates that real estate development companies were able to cut back on wasteful spending. Furthermore, 91.8% of respondents concurred that increasing organizational competitiveness in the market has resulted from or will result from reaching economies of scale (M=4.18, SD=0.83).

The results are consistent with Atikiya et al. (2015) whose findings showed a favorable relationship between manufacturing companies' organizational success and cost leadership. The study findings agreed with Kurt & Zehir (2016) who found that cost leadership and an organization's financial performance were positively correlated.

4.2.3 Descriptive Results for Focus Strategy

Descriptive Results for focus Strategy are presented in Table 4.

Table 4: Focus Strategy

Statement	strongly Disagree	Disagree	neutral	Agree	strongly agree	M	SD
Niche targeting influences the performance of firms in the property development sector.	10.20%	34.70%	4.10%	16.30%	34.70%	3.31	1.50
Product customization in a property development firm enhances organizational performance	8.20%	22.40%	10.20%	22.40%	36.70%	3.57	1.40
The degree of organizational performance in the real estate development industry is impacted by prestige selling.	10.20%	24.50%	6.10%	20.40%	38.80%	3.53	1.47
The market the property development companies work in is segmented in different lines for customized targeting and to increase clients	12.20%	16.30%	8.20%	26.50%	36.70%	3.59	1.44
Product and property customization has led customer satisfaction	10.20%	24.50%	10.20%	38.80%	16.30%	3.27	1.29
Prestige selling have attracted more customers and increased the profit margins and of the firms in the property sector	12.20%	20.40%	0.00%	40.80%	26.50%	3.49	1.40

The findings revealed that 51.0% of participants agreed that niche targeting influences the performance of firms in the property development sector (M=3.31, SD=1.50). This indicates that property development companies performed better when they were able to pinpoint their market niche. Additionally, according to 59.1% of respondents, product customization improves organizational performance in real estate development firms (M=3.57, SD=1.40). Additionally, 59.2% of respondents felt that prestige selling has an effect on the level of organizational performance in the real estate development sector (M=3.53, SD=1.47). This suggested that prestige selling improved businesses' organizational performance.

In addition, 63.2% agreed that the market the property development companies work in is segmented in different lines for customized targeting and to increase clients (M=3.57, SD=1.44). This denotes property development firms understand the different lines of their market segmentation. Further, 55.1% agreed that the product and property customization has led customer satisfaction (M=3.27, SD=1.29). this implied that product and property customization of the property development firms enhanced their customer satisfaction. In addition, 67.3% agreed that the prestige selling have attracted more customers and increased the profit margins and of the firms in the property sector (M=3.49, SD=1.40). The results of the study supported Nderitu's (2015) assertion that focus strategy improves organizational performance. The study results concurred with those of Fathali (2016), who discovered a favorable correlation between an organization's innovative elements and focus strategy.

4.2.4 Descriptive Results for Organizational Performance

Descriptive results for organizational performance are presented in Table 5.

Table 5: Organizational Performance

Statement	strongly Disagree	Disagree	neutral	Agree	strongly agree	M	SD
Profit level influences performance property development firms in the property development sector.	14.30%	6.10%	6.10%	26.50%	46.90%	3.86	1.44
Number of properties developed by a firm is an indicator of organizational performance	18.40%	4.10%	10.20%	24.50%	42.90%	3.69	1.52
Level of investment by a property development firm influences the level of organizational performance	10.20%	8.20%	22.40%	22.40%	36.70%	3.67	1.33
Competitiveness of firms dealing with property have affected their overall performance in the market	14.30%	16.30%	14.30%	30.60%	24.50%	3.35	1.39
Implementation of competitive strategies by property development firms in Nairobi has led sustained market positioning and growth in market share	10.20%	16.30%	14.30%	12.20%	46.90%	3.69	1.46
Investment levels have led to better service delivery to clients	12.20%	18.40%	18.40%	18.40%	32.70%	3.41	1.43

Based on the results, 73.4% of respondents agreed that the performance of property development enterprises is influenced by their profit level (M=3.86, SD=1.44). This suggests that the real estate development companies' earnings improved their efficiency. Additionally, 67.4% of respondents believed that a company's number of properties is a good way to measure its performance (M=3.69, SD=1.52). This shows that the number of properties the property development companies created was a measure of how well they performed.

Furthermore, 59.1% of respondents concurred that a property development company's investment level affects the organization's performance level (M=3.67, SD=1.33). This implied that a property development company's degree of investment was a measure of how well they performed. Additionally, 55.1% of respondents believed that the competitiveness of real estate companies had impacted their overall market performance (M=3.35, SD=1.39). Further, 51.1% agreed that investment levels have led to better service delivery to clients (M=3.41, SD=1.33). This denotes that investment level was an indication of service delivery to their clients.

4.3 Regression Analysis

Regression analysis was done to determine the relationship between the independent variables and dependent variable.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.929a	0.863	0.854	0.3544

Table 6's findings demonstrated that competing tactics were deemed to be adequate factors in elucidating the organizational performance of real estate development companies. Competitive tactics account for 86.3% of the variances in the dependent variable, which is the organizational performance of businesses' property development. This result serves as more evidence that the model used to link the elements was appropriate.

Table 7: Analysis of Variance

	Sum of Squares	Df	M Square	F	Sig.
Regression	35.677	3	11.892	94.683	.000b
Residual	5.652	45	0.126		
Total	41.329	48			

The F statistic of 94.683 and the reported p value of 0.000, which were below the traditional probability of 0.05 significance level, showed that competitive tactics were a good predictor of organizational performance of property development enterprises (Table 7). Property development companies' organizational performance was well predicted by competitive tactics, as evidenced by the F statistic of 94.683 and the reported p value of 0.000<0.05. (Table 4.10). This suggests that, at a 95% confidence level, competitive strategies have a statistically significant impact on the organizational performance of Kenyan real estate development companies.

Table 8: Regression of Coefficient

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-0.053	0.252		-0.210	0.834
Differentiation strategy	0.268	0.073	0.279	3.678	0.001
cost Leadership strategy	0.576	0.077	0.573	7.486	0.000
Focus strategy	0.200	0.065	0.213	3.054	0.004

Results indicated that differentiation strategy had a positive and significant effect with organizational performance of property development firms (β=0.279, p=0.001). This suggests that property development companies' organizational performance would increase if their differentiating tactics were strengthened. The results of the study supported those of Nyaga (2015), who discovered that differentiation strategy has a beneficial impact on organizational success. The study's conclusions supported those of Burikwa (2017), who discovered that Kenyan hotels' corporate performance was influenced by their strategy for differentiating themselves.

Further results showed that cost leadership strategy had a positive and significant effect with organizational performance of property development firms (β =0.573, p=0.000). This suggests that improving the firms' cost leadership tactics would boost the property development companies' organizational performance. The study's conclusions concurred with those of Atikiya et al. (2015), who found a positive correlation between cost leadership and the organizational success of manufacturing firms. The study's findings supported those of Kurt & Zehir (2016), who found a positive relationship between an organization's financial performance and cost leadership.

Further results showed that focus strategy had a positive and significant effect with organizational performance of property development firms (β =0.213, p=0.004). This suggests that improving the firms' focus strategies would boost the property development companies' organizational performance. The results of the study supported Nderitu's (2015) assertion that focus strategy improves organizational performance. The findings agree with those of Fathali (2016), who discovered a favorable correlation between an organization's innovative elements and focus strategy.

4.4 Qualitative Analysis

From the open-ended questions, the respondents were asked to which other way differentiation strategy affect property development firms’ performance. Majority of the respondents indicate that differentiation strategy enabled them to differentiate themselves from rivals by providing distinctive features, superior design, strategic locations, eco-friendly operations and thus increasing profit margins. The results of the study supported those of Nyaga (2015), who discovered that differentiation strategy has a beneficial impact on organizational success. The study's conclusions supported those of Burikwa (2017), who discovered that Kenyan hotels' corporate performance was influenced by their strategy for differentiating themselves.

From the open-ended questions, the respondents were asked to which other way cost leadership strategy affect property development firms’ performance. The respondents indicates that cost leadership strategy allowed them to offer more affordable housing options, potentially increasing market share. The study's conclusions concurred with those of Atikiya et al. (2015), who found a positive correlation between cost leadership and the organizational success of manufacturing firms. Kurt and Zehir (2016) found a positive relationship between cost leadership and an organization's financial performance, and the study's findings supported their findings.

From the open-ended questions, the respondents were asked to which other way focus strategy affect property development firms' performance. The respondents indicate that focus strategy enabled them to develop highly specialized products or services that meet the unique needs of that customer group. The results of the study supported Nderitu's (2015) assertion that focus strategy improves organizational performance. The study's findings supported those of Fathali (2016), who found a positive relationship between an organization's focus strategy and its innovative components.

5. Conclusion

The study concluded that differentiation strategy had a positive and significant effect with organizational performance of property development firms. The success of real estate development companies improves as levels of differentiation rise. The performance of the real estate development company was also improved by the launch of new items and the innovative enhancement of existing ones. Property development companies may defend themselves against competition and even have a positive impact on the environment by using an effective differentiation strategy. Businesses must outperform their rivals in a changing environment if they hope to thrive in the long run. The study established that the organizational performance of real estate development companies was positively and significantly impacted by the cost leadership strategy. The performance of real estate development companies improves when cost leadership levels rise. By growing their businesses, branching out into allied industries, and streamlining their operational procedures, Kenyan real estate development companies enhance their performance while reducing expenses.

According to the study's findings, focus strategies significantly and favorably impacted the organizational performance of real estate development companies. The performance of real estate development companies improved as levels of focus increased. Additionally, the introduction of new products increased revenues, which improved organizational performance even more.

6. Recommendations

The results of the study demonstrated that differentiation strategy significantly and favorably impacted development firms' performance. As a result, property development companies' management should constantly innovate since this is a crucial component of differentiation that gives them dominant positions and long-lasting advantages until other companies can copy their distinctive features. These can still be regained by creating new opportunities and strategies that will create new barriers to market entry as well as another type of competitive advantage.

The results of the study demonstrated that the performance of development firms was positively and significantly impacted by the cost leadership strategy. The study recommended that managers of real estate development enterprises reduce the prices of their products in order to better cultivate customer loyalty. Property development businesses may also lower their charges to maintain market competitiveness and enhance their overall success. In the same line, the majority of real estate development companies might focus on areas with significant performance improvement potential. To produce items at a lower cost, real estate development companies must prioritize economies of scale and find low-cost suppliers.

The results of the study demonstrated that the performance of development firms was positively and significantly impacted by the focus strategy. The study's conclusions suggest that in order to boost their performance, real estate development firms had to be strongly encouraged to employ the focus method. In order to increase supermarkets' market share through narrow and niche markets that other market participants may not take into account, property development management and policymakers should conduct market research to determine which segment to concentrate on.

References

Anwar, M. (2018). Intellectual capital, entrepreneurial strategy and new ventures performance: Mediating role of competitive advantage. *Business & Economic Review*, *10*(01), 63-94.

Atikiya, R., Mukulu, E., & Waiganjo, W., (2015). Effect Of Differentiation Strategy on The Performance of Manufacturing Firms in Kenya. *Asian journal of humanities and social studies*, 3(2).

Bromiley, P., & Fleming, L. (2019). 15. The resource-based view of strategy: a behaviorist critique. The economics of choice, change and organization: essays in memory of Richard M. Cyert, 319.

Burikwa, S. (2017). Influence Of Competitive Strategies on Organizational Performance: A Survey of Hotels in Mombasa County, Kenya. *Strategic Journal of Business & Change Management*, 4(2)

Chege, M. W. (2017). Effect of liquidity risk management practices on financial performance of firms listed at the Nairobi Securities Exchange. *A research project submitted in partial fulfilment of the degree of masters of business administration (finance option) university of Nairobi*.

Fathali, A. (2016). Examining the Impact of Competitive Strategies on Corporate Innovation: An Empirical Study in Automobile Industry. *International Journal of Asian Social Science*, 6(2), 135-145

Kibiru, C. R. (2017). Determinants of competitive advantage in the real estate industry in Kenya: A case of thika greens golf estate in Muranga County (Doctoral dissertation, University of Nairobi).

Kivindo, S. (2018). Competitive Strategies and Organization Performance: A Review of Literature Review; *Internal Journal of Social Sciences management and Entrepreneurship*; 2(1):94-107

Korir (2018), *Competitive Strategies and Organizational Performance in Small and Medium Enterprises Listed at The Nairobi Securities Exchange.* (MBA Research project). University of Nairobi, Kenya

Kurt, A., & Zehir, C. (2016). The Relationship Between Cost Leadership Strategy, Total Quality Management Applications and Financial Performance. *Research gate publications*

Makina, I. & Oundo, J.N. (2020). Effect Of Competitive Stragies on Organization Performance in Relation to Sugar Industry in Kenya. universal Journal of management. 8(5), 220-230 doi:10.13189/ujm.2020.080502

Munyasia, W. (2014). *Effects of Competitive Strategies on Organizational Performance in the Sugar Industry in Kenya (PhD Thesis)*. Moi University, Kenya

Muriira, L.K. (2014). Competitive Strategies Adopted by Insurance Companies in Kenya. Unpublished MBA Project, School of Business, University of Nairobi

Muriungi, J. N. (2018). Competitive Strategies Used by Real Estate Development Firms in Nairobi (Doctoral dissertation, University of Nairobi).

Nderitu, P. (2015). Relationship Between Competitive Strategies and Performance: A Case Study of Bamburi cement limited. (PhD Thesis). University of Nairobi.

New York: Free Press

Njuguna, S. (2021). *Competitive Strategies and Organizational Performance: A Case of Insurance Companies in Nyeri County, Kenya*. (MBA Research Project). Kenyatta University, Kenya

Nyaga, N. J. (2015). Effects of Competitive Strategies on Performance of Express Connection limited in Kenya (PhD Thesis). University of Nairobi

Ouma, M.O. (2016). Competitive Strategies and Performance of the Insurance Companies in Kenya

Penrose, E. (1959) contributions to the resource-based view of strategic management https://doi.org/10.1111/j.1467-6486.2004.00427.x

Pulaj, E., Kume, V., & Cipi, A. (2015). The Impact of Generic Competitive Strategies on Organizational Performance. The Evidence from Albanian Context. European Scientific journal, 11(28)

Wernerfelt, B. (1984). A Resource- Based View of the Firm. Strategic management journal, 5 (2) https://doi.org/10.1002/smj.4250050207