# Porters' Generic Strategies and Performance of Small and Medium Retail Outlets in Eldoret City, Kenya.

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**Abstract**

Literature reveals that firms adopt various strategies including Porter's generic competitive strategies to create competitive advantage and improve performance. Small and Medium sized enterprises (SMEs) operating in Kenya are experiencing increasing competition and are expected to adopt Porter's generic strategies to enhance performance. The objective of this paper was to examine the effect of Porter's generic strategies on the performance of small and medium retail outlets in Eldoret City, Kenya. The study was guided by Resource Based View theory and Dynamic Capabilities theory. The study adopted an explanatory and cross-sectional survey research design. The target population for this study was 160 small and medium sized retail outlets in Eldoret City, Kenya. A sample of 113 small and medium sized retail outlets was used. Primary data was obtained using self-administered questionnaires. Descriptive statistics such as frequencies, percentages, means and standard deviations were used to summarize data. Multiple regression analysis was used to test the research hypothesis. The study established that the retail outlets to a great extent adopted differentiation strategy, low-cost leadership strategy and focus strategy. The study revealed that the three strategies had a positive and significant effect on the performance of the retail firms. The findings also revealed that differentiation strategy had the greatest effect on performance followed by focus strategy while cost leadership strategy had the least but significant effect on performance. The study recommends adoption of Porter's generic strategies to enhance performance of the retail outlets.

**Keywords**: Cost leadership strategy, Differentiation strategy, Focus strategy, Generic strategies, Performance

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## 1. Introduction

The issue of organizational performance has continued to attract the attention of both researchers and policy makers around the globe (Berger & Udell, 2005). Managers, both public and private, strive to enhance organizational performance through formulation and implementation of effective strategies. As firms strive to enhance performance, the business environment is increasingly becoming competitive.

The rise in technological change, rapid innovation and globalization has triggered the intensity and widened the level of competition. This competition has forced firms, both small and large to employ strategic interventions in order to survive and succeed. These strategies have been classified on various perspectives. They include Miles and Snow typology of prospectus, defenders, analyzers and reactors; Grand strategies that include growth and retrenchment strategies; Ansoff's strategy matrix that includes product development, market development, diversification and market penetration strategies, and Porter's generic competitive strategies which include cost leadership, differentiation and focus strategies (Porter, 1985).

Organizations pursue competitive strategies to gain competitive advantage that allows them to outperform rivals and achieve above industry average profit. Porter (1985) argues that long-term strategy must be based on a core idea about how a firm can best compete in the market place. Porter proposed three generic competitive strategies that a firm can adopt to outperform other firms in a particular industry. These strategies are called generic because they are not firm or industry dependent and can be pursued by any type or size of business, even by non-profit seeking organizations. According to Porter (1985), these strategies are also referred to as business strategies since they focus on improving the competitive position of a company's or business unit's products or services within specific industry or market segment that the company or business unit serves.

Porter's generic strategies entail the interaction between cost minimization strategies, product differentiation strategies, and market focus strategies (Grant, 2018). Cost leadership strategy focuses on producing and selling at the lowest price in the market for consumers who are price sensitive. By adopting this strategy, a firm attempts to gain a competitive advantage by reducing its costs than those of competing firms. Differentiation refers to the development of a unique product or service (David, 2025). A firm uses differentiation strategy to distinguish itself from competitors through the quality of its products which enhances customer loyalty and the firm's ability to charge a higher price for its products. Focus is a strategy in which an organization concentrates on specific market segment or group of buyers (David, 2017). Pursuing focus strategy and integrating differentiation and low-cost activities generates higher profits to a firm.

Competitive strategies provide basic direction for strategic actions and a basis for coordinated and sustained efforts towards achieving business objectives (Porter, 1985). Porter further argues that any long-term strategies should derive from a firm's attempt to seek competitive advantage based on one or the three generic strategies; and to be successful, a company or business unit must achieve at least one of these generic competitive strategies.

Various studies have been conducted on Porter's generic competitive strategies and firm performance. These studies demonstrate a linkage between the strategies and organizational performance. However, these prior studies focused on large firms and scanty attention has been given to the linkage between the generic strategies and performance of small and medium sized enterprises (SMEs). Thus, this study sought to examine the effect of Porter's generic competitive strategies on the performance of SMEs, specifically retail outlets in Eldoret City, Kenya.

## 2. Literature Review

### 2.1 Theoretical Background

This study is guided by the Resource based view theory and Dynamic Capabilities theory. Resource Based View theory (RBV) was advanced by Wernerfelt (1984). The theory states that competitiveness can be gained by innovatively bringing superior value to clients. The RBV draws attention to the firm's internal environment as a driver for competitive advantage and emphasizes on the resources that firms have developed to compete in the environment. The theory views the firm as a bundle of assets or resources which are tied permanently or semi-permanently to the firm (Furrer et al., 2008). These resources can be tangible or intangible. Barney et al (2001) drew attention to 'all assets, capabilities, organizational processes, firm attributes and information, knowledge controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness. Firms that are able to leverage resources to implement a value creating strategy not simultaneously being implemented by any current or potential competitor can achieve competitive advantage. Researchers subscribing to the RBV argue that only strategically important and useful resources and competencies should be viewed as sources of competitive advantage (Furrer et al., 2008). To realize competitive advantage, small and medium enterprises in retail sector should make maximum use of its resources to enhance its market share. This is because according to Barney et al (2001), an intangible resource is a source of sustained competitive advantage unlike tangible resources. In line with this theory, an organization endowed with immense resources may achieve competitive advantage by producing its own products that will increase market share.

The Dynamic Capabilities theory proposes that capabilities are the source of competitive advantage (Ambrosini & Bowman, 2009). Amit and Shoemaker (2003) adopted a similar position and suggested that resources alone do not contribute to sustained competitive advantages for a firm, but capabilities do. A firm can gain competitive advantage from its ability to apply its capabilities to perform important activities within the firm at a low cost. Amit and Shoemaker (2003) define organizational capability as a firm's ability to perform repeatedly a productive task that relates either directly or indirectly to a firm's capacity for creating value through effecting the transformation of inputs to outputs. Hamel and Prahalad (2001) define dynamic capabilities as, the firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. Based on capability view theory, the firm is able to determine where it has an upper hand over its competitors and therefore focus on a certain market where it is likely to beat the competitors. Therefore, the firm will achieve its competitive advantage by segmenting the market, focus on products or services that it is good at leading to increased sale volumes, and market share.

These theories are relevant to this study because they suggest that firms that are adopting competitive strategies will achieve competitive advantage and improvement in performance.

### 2.2 Porters' Generic Strategies and Performance

Organizations adopt various strategies to create competitive advantage and improve performance. Literature has shown that there is a linkage between competitive strategies and organizational performance. Various studies have examined the linkage between Porter's generic competitive strategies and performance.

Dess and Davis (1984) for instance, examined the performance effects of competitive strategies based on a sample of non- diversified manufacturing firms. They found out that those firms could be classified into four clusters based on the strategies they adopt: cost leadership, stuck in the middle that is, the firms that failed to develop a strategic orientation, focus, and differentiation. In terms of sales growth, the four groups were found to be significantly different from one another. The focus cluster was found to have the highest sales growth, followed by cost leadership, differentiation, and stuck in the middle clusters. In terms of return on total assets, performance difference was not significant among the four groups. While the highest return was evident in cost leadership group, the lowest was evident in the focus group.

Kim et al. (2004) examined the applicability of Porter's generic strategies using a sample of Korean online shopping malls. The results suggested that Porter's generic strategies were applicable to e-business and that they explained performance differences across firms. The results revealed that firms pursuing a hybrid cost leadership/differentiation strategy exhibited the highest performance and the cost leadership strategy exhibited the lowest performance.

Powers and Hahn (2004) examined the relationship between competitive methods, generic strategies and firm performance in banking industry in United States. The study found that competitive methods in the banking industry correspond to Porter's generic strategy type and that a cost leadership strategy provided a statistically significant performance advantage over banks that were stuck-in-the-middle without adopting any competitive strategy. The study suggested that in the banking industry, differentiation and focus strategy did not generate superior performance.

A study conducted by Pulaj et al. (2015) examined the relationship between competitive strategies and organizational performance using a sample of Albanian construction companies. The study found significant positive effects of cost leadership, differentiation and focus strategies on performance.

Islami et al. (2020) examined the effect of Porter's generic strategies namely low-cost strategy, differentiation strategy and focus strategy on firm performance. Data was collected from113 firms that operate in the Republic of Kosovo. Econometric results revealed that pursuing differentiation strategy resulted in higher performance compared to the low-cost strategy that also had positive impact.

A study by Nandakumar et al. (2020) examined the relationship between business-level strategy and organisational performance. Adopting a survey of manufacturing firms in the UK, the results indicated that firms adopting one of the strategies, namely cost leadership or differentiation, performed better than 'stuck-in-the-middle' firms which do not adopt any strategic orientation. Further, the study revealed that integrating the strategies achieved lower performance compared with cost leaders and differentiators in terms of financial performance.

In a recent study, Jibreal and Ozcan (2025) investigated the effect of implementing Porter's generic strategies on firm performance among insurance firms in Ghana. Regression analysis results revealed that generic strategies positively affected firm performance. Focus strategy had the greatest effect on firm performance, while cost leadership had no significant effect.

David (2025) conducted a study examining Porter's competitive strategies' influence on performance of mobile telecommunication companies in Kenya. The study found that Porter's generic strategies namely cost leadership, differentiation and focus had a positive significant influence on performance in terms of sales and market share.

Morunde and Paul (2023) conducted a survey study to examine the influence of Porter's generic strategies on performance of cement manufacturing firms in Kenya. The findings demonstrated that cost leadership strategy, differentiation strategy and focus strategy had a positive and significant effect on performance.

Prior empirical studies showed that cost leadership strategy concentrates on efficiency in which the SMEs produces a high volume of standardized products or services (mass production) at a low cost, so that it has a possibility to offer them with lower price compared to its competitors. Differentiation strategy on the other hand emphasizes the production of unique products and services that creates a high value to customers hence paying a high premium price while focus strategy specializes in a particular target segment and within that segment applies either differentiation or low cost. Keller, Parameswaran and Jacob (2011) argue that differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of competitors.

The reviewed studies demonstrate a linkage between Porter's generic strategies and organizational performance. However, these studies examined the effect of Porter's competitive strategies on performance in large organizations and scanty attention has been given to the effect of competitive strategies on the performance of small and medium firms. Thus, the current research bridges this knowledge gap by examining the integrative effect of Porter's generic strategies on the performance of small and medium retail outlets in Eldoret City, Kenya.

Based on the above theoretical arguments and empirical findings, the following hypothesis was proposed:

H1: Porter's generic strategies have a positive effect on performance.

## 3. Methodology

### 3.1 Research Design

The study adopted explanatory and cross-sectional survey research design. Explanatory research design was adopted because it examines the cause-and-effect relationships between variables (Kothari, 2003). The design was adopted since the study sought to examine the effect of generic strategies on performance of small and medium retail outlets in Eldoret City, Kenya. The study also adopted cross sectional survey design in that the data was collected from a sample of retail outlets of small and medium size in Eldoret City, Kenya over a short period of time.

### 3.2 Population and Sample

This study focused on the effect of Porters generic strategies on performance of small and medium retail outlets in Eldoret City, Kenya. The population of this study comprised small and medium retail outlets in Eldoret City. Organizations can be classified as small, medium or large on the basis of the number of employees, sales turnover or capital (Coughlin & Ikiara, 1991; Kibera, 1996*)*. Because information on sales turnover or capital employed is considered sensitive and confidential, and may therefore not be easily obtained, usually the number of employees is used as a measure of size (Coughlin & Ikiara, 1991; Kibera, 1996). In Kenya, firms employing 11 to 50 workers are labelled small, and those employing between 51 and 100 workers are categorized as medium (Kibera, 1996). There are 175 small and medium retail outlets in Eldoret City, Kenya. The retail outlets are further grouped into 10 categories based on the type of products they deal with. These product categories are: Food, Beverages and Tobacco; Metal and Allied; Leather and Footwear; Chemical and Allied; Textile and Apparels; Plastics and Rubber; Timber, Wood and Furniture; Pharmaceutical and Medical Equipment; Motor Vehicle, Cycle and Accessories; Energy, Electricals and Electronics; and Building, Mining and Construction products.

A sample of 113 retail outlets classified into small and medium sized retail outlets was used in this study. To select the 113 outlets which constituted the sample units, proportionate stratified random sampling method was used to ensure the sample was representative of the small and medium outlets.

### 3.3 Data Collection

The study used primary data. The data was collected using self-administered questionnaires. The questionnaire used was made up of closed-ended questions. The respondents were retail outlet managers from the organizations. The drop and pick method was preferred for questionnaire administration since the managers had busy schedules. Since the unit of analysis was the organization, one questionnaire was administered to each of the organizations.

 

### 3.4 Measurement of Variables

In this study, the independent variable is Porter's generic strategies while the dependent variable is organizational performance. Borrowing from the literature, generic strategies was conceptualized in terms cost leadership strategy, differentiation strategy and focus strategy (Porter, 1985). A five-point Likert scale ranging from strongly disagree (1), strongly disagree (2), neutral (3), agree (4) and strongly agree (5) was used to collect data. Firm performance among retail outlets was measured using market measures of sales growth and market share growth (Richard et al., 2009). The scales were anchored on five points Likert scale ranging from very much decreased (1), decreased (2), not changed (3), increased (4) and very much increased (5).

### 3.5 Validity and Reliability

Validity of the research instrument was assessed by experts in strategic management in the Faculty of Commerce, Egerton University. To assess the reliability of the instrument, Cronbach's alpha coefficient was used. The computed Alpha coefficients were above the threshold of 0.7. Low-cost leadership strategy had a Cronbach Alpha coefficient of 0.861, Differentiation strategy 0.742, Focus strategy 0.735 and Performance 0.738. Hence, the research instrument was considered to meet the quality of reliability.

### 3.6 Data Analysis

Descriptive statistics such as frequencies, percentages, mean scores and standard deviation were used to summarize the profiles of the organizations and study variables. Pearson's correlation was used to test the relationship between Porter's generic strategies and performance. Multiple regression analysis was used to examine the effect of Porter's generic strategies on performance. The following multiple regression model was used:

$$Y = \alpha + ß_1x_1 + ß_2x_2 + ß_3x_3 + \varepsilon$$

Where: Y = Organizational performance, $\alpha$ = Constant, $\beta_1$, $\beta_2$ and $\beta_3$, = Regression coefficients, $X_1$ = Cost leadership strategy, $X_2$ = Differentiation strategy, $X_3$ = Focus strategy, $\varepsilon$ = Error term

## 4. Results And Discussion

### 4.1 Descriptive Statistics for the Study Variables

The study examined Porter's generic strategies and Performance of small and medium retail outlets in Eldoret City, Kenya. The respondents were asked to indicate the extent of agreement to which the statements in the questionnaire in regard to Porter's generic strategies and performance aspects described their organizations. The responses were analyzed using mean scores and standard deviations as shown on Table 1.

As shown in Table 1, the Low-cost leadership strategy has an overall mean score of 4.08. Some of the low-cost leadership strategies adopted greatly by small and medium retail outlets include cost cutting technologies, administration overheads cost minimization, and reduction of operations cost as well as maximizing the organizations capacity utilization. Differentiation strategy has an overall mean score of 4.12. The differentiation strategies greatly adopted by small and medium retail outlets include the use of innovative information and technology to differentiate products, procuring a variety of products for different customers, offering after-sale service to promote customers and the use of promotion and advertisement to enhance brand differentiation. Focus strategy has a mean score of 4.01. Focus strategies adopted by retail outlets include entering new market niche, specific customer's segmentation, and specific market focus. The results indicate that the firms implement the strategies to a great extent. Performance had an overall mean score of 3.70. This implies that the performance of the organizations has greatly increased.

**Table 1: Mean and Standard Deviation for the Study Variables**

| **Cost leadership strategy statement** | **N** | **Mean** | **Std. Dev.** |
|---|---|---|---|
| The retail outlet has control over the supply/procurement chain that ensures low costs | 113 | 3.56 | 1.210 |
| The retail outlets adopt large distribution to spread fixed cost | 113 | 3.98 | 0.981 |
| The retail outlet achieves low direct and indirect operating costs | 113 | 4.40 | 0.764 |
| The retail outlet has adopted cost-cutting technologies | 113 | 4.31 | 0.792 |
| There is strict cost-cutting of administration overheads in our retail outlet | 113 | 4.14 | 0.873 |
| The retail outlet purchases its products only from customized suppliers whose prices are fair | 113 | 4.13 | 0.854 |
| **Mean** | | **4.08** | |
| **Differentiation Strategy** | **N** | **Mean** | **Std. Dev.** |
| The retail outlet has differentiated its products to meet needs of different customers | 113 | 4.09 | 0.754 |
| The retail outlet uses innovative information and technology to differentiate its products | 113 | 4.01 | 0.823 |
| The business uses promotion and advertisement to enhance brand differentiation | 113 | 4.11 | 0.912 |
| The retail outlet procures a variety of products for different customers | 113 | 4.28 | 0.841 |
| The retail outlet offers after sale- service to promote customers | 113 | 4.13 | 0.784 |
| **Mean** | | **4.12** | |
| **Focus Strategy** | **N** | **Mean** | **Std. Dev** |
| The retail outlet segments markets during distribution of products | 113 | 4.00 | 0.891 |
| The retail outlet sells products that are tailored to specific markets | 113 | 4.08 | 0.912 |
| The retail outlet focuses on a narrow niche of customers | 113 | 3.89 | 1.023 |
| The retail outlet focuses on specific customers for effective sales | 113 | 4.01 | 0.944 |
| The retail outlet sources products from specific suppliers for quality | 113 | 4.09 | 0.880 |
| **Mean** | | **4.01** | |
| **Performance** | **N** | **Mean** | **Std. Dev.** |
| Sales growth | 113 | 3.60 | 0.824 |
| Market share | 113 | 3.80 | 0.893 |
| **Mean** | | **3.70** | |

### 4.2 Correlation Analysis

The study examined the relationship between the Porter's generic strategies and performance of retail outlets. This was done using Pearson's correlation analysis. The results of the correlation analysis are shown in Table 2.

**Table 2: Correlation Matrix**

| | | Low cost | Differentiation | Focus | Organizational |
|---|---|---|---|---|---|
| Low-cost leadership | Pearson Correlation | 1 | .878** | .962** | .903** |
| | Sig.(2-tailed) | | .000 | .000 | .000 |
| | N | 113 | 113 | 113 | 113 |
| Differentiation Strategy | Pearson Correlation | .878** | 1 | .910** | .911** |
| | Sig.(2-tailed) | .000 | .000 | .000 | .000 |
| | N | 113 | 113 | 113 | 113 |
| Focus Strategy | Pearson Correlation | .962** | .910** | 1 | .903** |
| | Sig.(2-tailed) | .000 | .000 | .000 | .000 |
| | N | 113 | 113 | 113 | 113 |
| Organizational Performance | Pearson Correlation | .903** | .911** | .903** | 1 |
| | Sig.(2-tailed) | .000 | .000 | .000 | .000 |
| | N | 113 | 113 | 113 | 113 |

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

The correlation results on Table 2 shows a positive significant relationship between performance and low-cost leadership strategy (Pearson's $r = 0.903$, $p < 0.05$). This finding is in line with Powers and Hahn (2004), Morunde and Paul (2023) who found that cost-leadership strategy has a positive effect on performance. Low-cost leadership strategy helps firms to produce and sell products or services at the most competitive price to customers. Emphasizing on cost leadership strategy largely seeks to create higher financial performance for firms competing in emerging economies, as the firms can gain a relative advantage because of their lower costs in labor resource and manufacturing.

The results of this study also revealed that there was a positive significant relationship between differentiation strategy and performance (Pearson's $r = 0.911$, $p < 0.05$). This finding is in agreement with Keller, Parameswaran and Jacob (2011) who stated that differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competition. According to Muthiani (2015), differentiation is a more sustainable competitive strategy due to the inherent difficulty of imitation.

Further, the findings showed a positive significant relationship between performance and focus strategy (Pearson's $r = 0.903$, $p < 0.05$). The result concurs with Jibreal and Ozcan (2025) who stressed that focus aims at growing market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors. These niches arise from a number of factors including, buyer characteristics, and product specifications or requirements.

**4.3 Hypotheses Testing**

The study sought to examine the effect of Porter's generic strategies on performance. Multiple regression analysis was used to test the hypothesis. Performance was regressed on the dimensions of generic strategies that is, low-cost leadership, differentiation and focus strategy. The findings are shown in Table 3.

 

**Table 3 Regression Results for Joint Effect of Low-Cost strategy, Differentiation Strategy, Focus Strategy and Organizational Performance**.

**Model Summary**

| Model | R | R Square[b] | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .945[a] | .893 | .886 | 0.015 |

**ANOVA[a,b]**

| | Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 59.071 | 3 | 19.690 | 181.132 | .000[c] |
| | Residual | 11.849 | 109 | 0.109 | | |
| | Total | 70.920[d] | 112 | | | |

**Coefficients [a,b]**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (constant) | 1.000 | 0.011 | | 11.30 | .0000 |
| Cost leadership | .878 | .062 | .903 | 13.000 | .000 |
| Differentiation strategy | .878 | .010 | .911 | 11.090 | .000 |
| Focus strategy | .962 | .010 | .903 | 21.256 | .000 |

a. Dependent Variable: Organizational performance

b. Predictors: Constant, low-cost strategy, Differentiation strategy, Focus strategy

The results in Table 3 indicate that Porter's generic strategies that is, low-cost leadership, differentiation and focus explain 89.3% of the variation in performance (R Square = 0.893).

The ANOVA show that the effect of Porter's generic strategies on performance is significant (F = 181.132, $p < 0.05$). The findings support the hypothesis that generic strategies have a positive effect on performance.

The standardized coefficient shows that the effect of low-cost leadership strategy on performance is positive and significant ($\beta = 0.903$, $t = 13.00$, $p < 0.05$); The standardized coefficient also shows that the effect of differentiation strategy on performance is positive and significant ($\beta = 0.911$, $t = 11.09$, $p < 0.05$). The effect of focus strategy is positive and significant ($\beta = 0.903$, $t = 21.256$, $p < 0.05$).

The findings of this study are in agreement with the findings of studies by Islami et al (2020) who found a positive relationship between differentiation strategy and firm performance. These findings are also in line with Jibreal and Ozcan (2025) who stressed that focus aims at growing market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors. These findings are also consistent with the findings of Morunde and Paul (2023), and David (2019) who found a positive relationship between competitive strategies and performance. The findings also support the findings of Nandakumar et al. (2020) who demonstrated that firms adopting the generic strategic strategies perform better than 'stuck-in-the-middle' firms which do not adopt any strategic orientation.

## 5. Conclusion

The findings of this study demonstrate that generic strategies have a positive effect on performance. The findings of the study revealed that low-cost leadership strategy has a significant and positive effect on performance. The results also revealed that differentiation strategy positively and significantly affects performance. Focus strategy also affected performance positively and significantly. The study concluded that adoption of competitive strategies would lead to improvement in performance of small and medium retail outlets in Eldoret City, Kenya.

 

Therefore, the aspects of Porter's competitive strategies should be well considered since they significantly affect the performance of retail outlets.

The study recommends that the management of small and medium retail outlets in Kenya should adopt competitive strategies to create competitive advantage and improve performance. The management of retail outlets should also engage more on cost-cutting strategies. Low costs will enable a firm to sell relatively standardized products that offer features greatly acceptable to many customers at the lowest competitive price and such low prices will gain competitive advantage and thus, increase market growth and market share. The study further recommends that retail outlets should continue investing in unique products and services so that they can differentiate themselves hence earning premium prices. The retail outlets may at the same time continue innovating services that will compete with other businesses and do aggressive marketing in order to change the perception that the customers have regarding the pricing in order to capture and sustain a larger market. The study finally recommends that the management of retail outlets should develop and maintain innovation, creativity, and organizational learning within a firm to enhance successful differentiation based on a study of buyers' needs and behavior in order to learn what they consider important and valuable. This will enhance differentiation strategy which will then translate to great performance.

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