International Journal of Strategic Management (IJSM)

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International Journal of Strategic Management
Vol.4, Issue 1, No.2, pp 27 - 46, 2025
ISSN: 2958-9681 (Online)

www.iprjb.org

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Article History

Received 11th January 2025

Received in Revised Form 13th February 2025

Accepted 20th March 2025

How to cite in APA format:

Chief, L. K., Mukulu, E., & Karanja, K. (2025). Cost Leadership Strategy and Performance of Media Houses in Kenya. *International Journal of Strategic Management*, *4*(1), 27–46. https://doi.org/10.47604/ijsm.3274

Abstract

Purpose: The aim of the study was to establish the effect of the cost leadership strategy on the performance of the media houses in Kenya. The objectives were to determine the relationship between the cost leadership strategy and the performance of media houses and to establish the moderating role of technology on the relationship between cost leadership strategy and performance of the media houses in Kenya.

Methodology: The study adopted survey research design. The target population was the 41 media houses in Kenya. The study targeted the top management of the media houses which comprised of the Finance, Marketing, Operations and information Communication Departments. According to the human resource of the organizations, there are about 1,976 management staff in the media houses in Kenya. 204 respondents were sampled purposive, stratified and simple random sampling. Data was collected using structured questionnaires and interview guides. Data was analysed using both descriptive and inferential statistics which included regression and moderation analysis. The researcher also tested the hypothesis. The results were presented in tables.

Findings: The study established that media firms employed cost leadership to a moderate extent. The study established that most of the media firms used low cost of production with particular focus on the cost of production and advertising rates. The firms also relied on use of technology to enhance their efficiency and thus minimize the cost of production thus driving down costs. The firms emphasized the use of economies of scale where possible to minimize the costs of production, thus keeping their prices down. Firms minimized wastages by ensuring capacity utilization of resources. The introduction of technology as moderators had no significant effect on the cost leadership strategy. The introduction of technology in the cost leadership model resulted to increase in the R-squared meaning that technology adoption enhanced the relationship between cost leadership and media firm performance.

Unique Contribution to Theory, Practice and Policy: The study recommended that media firms utilize cost leadership strategy by emphasizing minimization of operating costs such as and adopting cost saving measures such as outsourcing, economies of scale, capacity utilization of resources to help achieve competitiveness and improve performance.

Keywords: *Cost Leadership Strategy, Performance, Technology, Media Houses*

INTRODUCTION

During the 1940s and 1950s, the market environments in which organizations operated were relatively stable. As such, organizations' planning systems were based on extrapolating current year performance and environmental trends. However, with the advent of cutthroat competition both locally and internationally, researchers assert that many companies have increasingly adopted different competitive strategies due to an increasingly turbulent environment. This has been highlighted by Wambua, Namusonge, Waema & Ngonzo (2014). According to Porter (1979) (cited in Nderitu, 2015), the competitive strategies utilized by companies in an industry are defined by the rivalry among existing firms, the threat of substitutes, the bargaining power of buyers and suppliers, and entry barriers or the threat of entry. To ensure longevity and gain a competitive edge, organizations need to adopt the most effective strategies.

In the early 2000s, the media and content markets underwent significant changes due to the growth of the internet and digitization, which included the rise of social media platforms such as Facebook, YouTube, Twitter, and various blogs. While some sectors have experienced growth, others have declined, leading to mass layoffs among industry players. The industry as a whole has been affected by financial distress, declining advertising revenues, major shifts in consumer behavior, and emerging disruptive technologies. (Munyoki, 2007)

According to David (2010) competitive strategy is being 'different', whereby, activities are perform differently as compared to rivals with a goal of developing unique mix of value. Developing an appropriate competitive strategy is vital for an organization in order to formulate a broad procedure of how it is going to compete, what should be appropriate goals, and how to achieve and sustain its competitive advantage. To manage current and future competition and to gain superior performance, a firm needs an appropriate competitive strategy (Johnson, Scholes & Whittington, 2009). There are different competitive strategies that firms apply in order to achieve a sustainable competitive advantage.

Firms have continued to adopt competitive strategies to gain competitive advantage. In United Kingdom, Ferdinand (2012) noted that Tesco Company is using competitive strategies to position itself to capitalize on value proposition emerging from low cost emphasis. The company further focused its efforts on value oriented customer in the market. In Rome, Bonaccorsi di Patti and Gobbi (2010) noted that commercial banks in Italy were using competitive strategies to remain competitive as he noted that the competitive strategies were associated with higher rates of growth and greater access to credit by new firms.

CNN uses a mix of geographic and psychographic segmentation strategies to cover the stories based on the variables such as region, nation, literacy level and many others. Selective marketing targeting strategy is used by CNN targeting strategy is used by the company so as to cater to the growing needs of the companies accordingly. It uses value-based positioning strategies in order to connect with the communities and organizations through its offerings globally.

The cost leadership strategy involves selling goods and services at a lower price compared to competitors. This is achieved by reducing costs in areas such as research and development, marketing, sales, and service activities. By doing so, organizations aim to gain a competitive advantage. Effective systems that reduce human resources costs and enable the use of low-priced raw materials can help organizations achieve economies of scale, thereby providing a competitive advantage through cost leadership. This strategy is particularly effective in markets where customers are price-sensitive. Organizations that adopt this strategy focus on reducing costs throughout the value chain.

The primary principle of reducing all actions' costs is crucial for organizations to gain a competitive advantage. This enables them to earn higher profits and income by narrowing the gap between costs and market prices. According to Paauwe and Boon (2018), the strategic logic of cost leadership necessitates that an enterprise must be the cost leader among enterprises that compete to meet the same customers' needs. Failing to recognize this often leads to strategic errors in most organizations. With more than one cost leader competing, the competition among them is usually intense as each market share point is considered crucial.

The Kenyan media industry describes the once very distinct, but today interactive, mass media business of newspapers, magazines, books, radio, Internet and TV industries (Karoney, 2008). Kenyans today have access to over 13 TV channels (Kenya Broadcasting Corporation (KBC), Kenya Television Network (KTN), Nation Television (NTV), East Africa Television (EATV), Family TV, Kiss TV, Q TV, K-24, God TV, KASS TV, Good News Broadcasting System (GBS), Consumer News and Business Channels (CNBC) and Citizen TV); up to 28 radio stations including vernacular stations; the print media is at seven with four alternative media that is: The independent, The Leader, The Confidential and Citizen (Media Council of Kenya, 2013).

The Kenyan media industry has undergone tremendous growth especially from the mid 1990's. Internal and external pressures have brought about the positive change (Nyamori, 2015). The broadcast sector, especially the FM stations provide the audience and advertisers a wide range of choices. The government continues to keep a close eye on these developments (Karoney, 2008). The Kenyan media has since become vibrant, dynamic and economically sound. The issue of growth presents both opportunities and threats for the media houses. Any media houses must therefore, formulate appropriate strategies to exploit the emerging opportunities and face the inherent threats in order to reap the potential benefits. Some of such firms are Kenya Television Network (KTN), Citizen, Nation TV and QTV (Njaaga, 2013).

Statement of the Problem

Media houses in Kenya, just like in other parts of the world, play a crucial role in informing society about developmental, health, and security issues. They also serve as a unifying factor in a democratic society. A strong media house is able to focus better on its key mandate to society, making it a critical developmental tool in Kenya, which is a young democracy. In the mid-1990s, the government liberalized the airwaves, and the recent digital migration was the latest activity in the media sector. This led to significant investment by both the private and government sectors in media houses, creating much-needed job opportunities and access to more objective information. As a result, Kenya is now ranked highly among African states as an icon of media freedom. The positive global image for Kenya due to a vibrant media has attracted more foreign investments and increased foreign earnings.

Recent statistics indicate that media houses are facing challenges, which threaten the gains of a strong performing media industry. For instance, the shares of the largest East African Media

Company, Nation Media Group, have dropped to a six-year low and are currently trading at Sh90. Nation Media has slumped by 46.33% on a Total Return basis and now trades on a Trailing PE Ratio of 7.62. Standard Group, which operates in a similar Media space, did not trade and is down by 40.00% on a Total Return Basis. As a result, most media houses are cutting costs by retrenching and shutting down unprofitable business units, as revealed in the NMG full-year report of 2018.

They are facing a multitude of challenges that threaten their survival. Their traditional sources of revenue, such as advertising, are rapidly declining due to competition from alternative information platforms like the Internet, online marketing firms such as 'Jumia', OLX, and social media like Facebook, among others. Globalization has led to local media houses competing for an audience with international media houses like Al-Jazeera, British Broadcasting Corporation (BBC), and Cable News Network (CNN), among others. There is also an influx of international media licensed to operate in Kenya, such as the GBS of China, among others. This study acknowledges that a struggling media house in a developing country like Kenya is a threat to much-needed development, social and democratic ideals. Therefore, the study aims to identify competitive strategies that significantly influence media house performance in Kenya.

Objective of the Study

1. To establish the effect of cost leadership strategy on the performance of media house firms in Kenya
2. To examine the moderating role of technology on the relation between cost leadership strategies and organizational performance of media houses in Kenya.

LITERATURE REVIEW

Theoretical Framework

The study is anchored on the Porter’s Generic Strategies Theory. According to the theory, an entity’s performance significantly depends on the industry’s environment (Porter, 1985). An industry’s lucrative potential, and an entity’s place on market domination are key factors of success. The purpose of competitive strategy is to establish organizations within pre-determined trade. Its motive is achievement of a point of stable position above rivals. To self-establish and dominate a dignified market share, organizations employ tactical methods of business development. Porter (1985) identifies three strategies of market success, porter`s approaches to competitive market positioning include cost leadership, differentiation, and focus advance. They are referred to as generic because they do not depend on a business external environment.

Cost leadership strategy involves pricing of products or services. Cost leadership is a situation where entities seek market domination through reducing their prices to relatively low levels in comparison to other available products with similar specs. Much focus is directed towards cost reduction. Porter (1980) advances that production costs are reviewed downwards by developing a cost curve control, and employing cost minimization mechanisms. Achievement of effective cost leadership requires reduction of leadership cost, employment of cheap manufacturing techniques, and sensitization of staff towards low cost objectivity. This can be achieved through business process review, and employment of optimum cost accounting methodologies and purchasing habits. Cost leadership achieves best results in large market setups. Achieving it requires cost reduction in all manner of spending (Murage, 2011).

Survival of firms using cost leadership strategy depends on rival products. If competitors deal in differentiated product then, cost leadership does not work since customers choose value difference over price difference. However, where availed products are standardized, the market favors the lowest priced product of an organization (Thompson & Strickland, 2008). Cost leadership does not mean that firms demand low prices but rather, standard prices for product or services offered (Lynch, 2009).

Cost Leadership Strategy

In 2012, Ekundayo conducted an investigation into how insurance companies' pursuit of profit is affected by risk pricing. The aim of the study was to understand how profitability in the Nigerian insurance market is impacted by risk pricing, and how non-life insurance market profitability is related to operational expenses. The study was conducted among workers in broking and underwriting firms in Lagos state. The findings revealed that companies had to adopt some form of economy pricing strategy to achieve specific objectives within cost constraints. For example, if a construction company wants to target a particular construction market, it can bid for jobs at a lower cost level. The study concluded that the economy is a crucial factor in profitability pricing. The economic state plays an essential role in insurance and purchase demand.

As per Miles et al (2005), cost leadership strategies are dependent on the unique capabilities of a firm to achieve and maintain its low-cost position within its industry of operation. To achieve cost advantages, businesses may leverage process innovations, learning curve benefits, economies of scale, efficient product and service designs, and reengineering activities. A low-cost or cost leadership strategy is effectively implemented when a business can design, produce, and market comparable services and products in a more efficient manner than its competitors. The college may have an advantage in accessing cheap materials or superior proprietary technology, which can help to lower costs (Malburg, 2000).

In 2018, Wawaka and Muchelule conducted a study to evaluate the impact of pricing strategies on the competitive advantage of selected cement manufacturing firms in Kenya. The study utilized quantitative approaches and employed an explanatory research method. The research targeted five heads of department (Manufacturing, Environmental, Safety Health, Finance, and Commercial Managers) and 553 workers from five cement manufacturing companies. The findings of the study indicated that value-based and competition-based pricing strategies had a significant and positive impact on the competitive advantage of the selected Kenyan manufacturing firms. The study provided valuable insights into the best pricing strategies for enhancing competitive advantage and identified the difficulties faced while implementing those strategies, as well as how organizational performance was affected. The research has benefited Kenyan cement companies by providing them with useful information that can help them improve their pricing strategies and gain a competitive edge.

Nyaga and Muema (2017) conducted a study to determine how pricing strategies affect the profitability of Kenyan insurance firms. The study aimed to establish how premium, penetration, skimming and economy pricing strategies impacted the firms. The researchers used a descriptive research design and analyzed 45 Kenyan insurance companies, operating as of December 31st, 2012. The sample size consisted of 900 workers from these companies. The findings revealed that price optimization strategies, including premium pricing, penetration pricing, economy pricing, and skimming pricing, had a positive and significant impact on the profitability of insurance companies. Moreover, the study found that premium, penetration, skimming, and economy pricing strategies had a positive effect on insurance companies' profitability. Additionally, the study showed that there was a strong and positive correlation between the variables and profitability, which adequately explained the profitability of the insurance companies.

Marangu, Mwiti and Thoronjo (2017) analysed the influence of cost leadership strategy on organizations' competitiveness of sugar firms. The study used descriptive cross-sectional research design where a total of 148 respondents mainly the managers drawn from the sugar firms were sampled. The study found a statistically significant influence of cost leadership strategy on organization competitiveness.

In a service industry, Maina (2010) found that hospitals follow generic strategies and concluded that a focused cost leadership strategy is the best route to superior performance. Similarly, in their research on the UK wine industry, Kimutai (2010) found the hybrid focused differentiation approach was best for niche segments. Allela (2011) studied the Greek manufacturing and found hybrid strategies were preferable to pure strategies.

Wanyonyi (2011) carried out a research on competitive strategies adopted by Mwalimu SACCO to meet challenges as a result of the 1997 liberalization of the Kenyan cooperative movement. The author found that the competitive strategies adopted gave the SACCO a competitive advantage over other SACCO's in terms of national wide membership. Njaaga and Ragui (2018) studied the effect of cost leadership strategies on performance of pharmaceutical companies in Nairobi City County, Kenya. The study revealed that cost leadership affects performance of pharmaceutical companies.

Another study on expenditure and pricing strategies undertaken by Milan, De Toni, Larentis, and Gava (2013) indicated that organizational performance is influenced by factors relating to their objectives' attainment through new product development. Alternatively, a better organizational performance was exhibited by firms that attained their profit margins, market participation and sales objectives. Hence, it clear that mot organizations' success is connected to new product development adding customer value. Profitability is obtained and more value added to clients by a firm adopting constant innovative strategies mostly on released products (De Toni, Milan, and Reginato, 2011)

Chepchirchir, Omillo and Munyas (2018) investigated the effect of cost leadership strategy on organizational performance of logistics firms at Jomo Kenyatta International Airport, Kenya. The study employed explanatory research design in which it targeted 10 logistics firms operating at JKIA, Nairobi. The study found out that cost leadership had a significant positive effect on logistics firms' performance. It was found out that as a result of utilizing this approach, there was increased sales volume and profits. Further, there was reduction of costs associated with operations that resulted to increased profit margin.

Organizational Performance

According to Oke (2012), performance is outlined because the record of outcomes created on a nominative job function or activity at a nominative period. It is measured in output or outcome, internal processes and procedures, profit, worker perspective, structure structures, and responsiveness to the setting then on (Williams 2012). It's the particular output or results measured against the supposed outputs, goals or objectives. Richard et al (2009) opines that performance primarily encompasses three specific areas of firm outcomes namely: financial performance measured in terms of profits, return on assets, return on investment among others; product market performance measured in terms of sales and market share among others; and shareowner return measured in terms of total shareowner return, value additional then on.

The other measure of firm's performance is by use of normal or prescribed indicators of effectiveness, potency and environmental responsibility that are measured in terms of the firm's productivity, compliance with the regulative necessities and waste reduction. Performance additionally goes on the far side the outcome/output to incorporate to however a specific request is handled or the act performing: of doing one thing with success, victimization data as distinguished from simply possessing it. It is the outcome of all the organizations operations and methods. It is additionally the extent to that a private of the organization meet the expectations. Organizations square measure quick adopting to management of performance by use of the balanced record book methodology within which performance is half-tracked and measured in terms of monetary performance like shareowner come back, client service, social responsibility and worker place.

Kiragu (2005) highlights performance in terms of four perspectives which are the financial, customer, internal processes and innovativeness. The financial perspective identifies the key financial drivers of enhancing performance which are profit margin, asset turnover, leverage, cash flow, and working capital He further states that customer focus describes performance in terms of brand image, customer satisfaction, customer retention and customer profitability. Internal processes involve the efficiency of all the systems in the organization while innovativeness is concerned with the ease with which a firm is able to adapt to changing conditions.

According to Harzing (2010), a firm's performance is not only indicated by the sales figures, rather, changes in sales may simply reflect changes in the market size or changes in economic conditions. Performance of a firm relative to competitors is measured by the proportion of the market that the firm is able to capture (market share). Sales may be determined on a value basis or on a unit basis and while the firm's sales figures are readily available, total market sales is more difficult to determine. Many firms seek to increase their sales relative to competitors. He further stated that a firm may seek to increase its market share to exploit the economies of scale. Operating in higher volumes can be instrumental in developing a cost advantage. Sales growth in a stagnant industry is a reason to increase market share.

International Journal of Strategic Management
Vol.4, Issue 1, No.2, pp 27 - 46, 2025
ISSN: 2958-9681 (Online)
www.iprjb.org

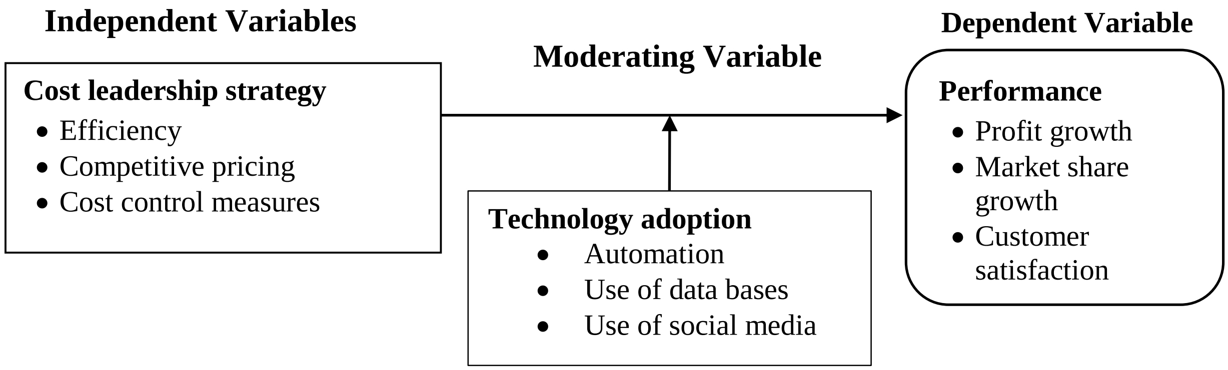

Figure 1: Conceptual Framework

METHODOLOGY

Design

The research design adopted by the study was the survey research design. The aim of a survey is to explore and describe a phenomenon. They help the researcher to understand more about opinions, and attitudes of the respondents. According to Mugenda and Mugenda (2008) surveys enable researchers to obtain data about practices, situations or views at one point in time through questionnaires and interviews. Survey research is concerned with the questions as what, how and why of a phenomenon which is the concern for the study.

Target Population

The target population of the study was all the media houses in Kenya. There were 41 media houses in Kenya according to Communication Authority of Kenya (2018). The study targeted the top management in the Finance, Marketing, Operations and information Communication Departments of the media houses as according to the researcher, it is the management who have the knowledge of the various strategies and their impact on the performance of the firms. The study targeted the 1,976 management staff in the media houses in Kenya.

Sampling Technique

All the media house in Kenya were studied due to the fact that the number is small. The study then sampled 208 respondents using both stratified random sampling and simple random sampling method. Purposive sampling was used to select top management in the marketing, operations, finance and the information and communication departments.

Data Collection

Data was collected using structured questionnaires and interview guides. The researcher self-administered the questionnaires to the respondents. Where it was not possible to complete and return the questionnaire on the same day, the researcher employed drop and pick method. The researcher thereafter conducted face to face interviews.

Data Analysis

The data was analysed using descriptive statistics in using mean, the standard deviation, the mode, the median, the frequencies and percentage. The analysis was done with the aid of SPSS.

International Journal of Strategic Management
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ISSN: 2958-9681 (Online)
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Inferential statistics mainly the linear regression was used to test the hypothesis that differentiation strategy had no significant effect in the performance of the media house. The results were presented in figures and tables.

FINDINGS

Demographic Data

The study first sought to determine the respondents' demographic information which include, the year of establishment, the number of employees, how long they have in the organization and the services offered by the stations. The findings are presented in the subsequent sections.

Number of Years Worked

The researcher first sought to determine how long the respondents have been in their respective organizations. The results as presented in Table1 show that 75(72.8%) have been in their respective organizations for between 5 and 10 years. The researcher ca thus say that the respondents have been in the organizations long enough.

Table 1: Number of Years Worked in the Firm

	Frequency	Percent
Less than 5 years	3	2.9
5-10 years	75	72.8
11-15 years	17	16.5
Over 15 years	8	7.8
Total	**103**	**100.0**

Distribution by Services Offered

The distribution of the respondents shows that most of the respondents have worked in the media firms for between 5 years and 10 years. The results also show that 17 (16.5%) respondents have worked for between 11 years and 15 years. The study findings therefore mean that a majority of the respondents have worked in the firms for over five years with nearly one third working for between 5 and 10 years as shown in in Table 2.

Table 2: Services Offered

	Frequency	Percent
Radio	8	7.8
Television	45	43.7
Both radio and television	46	44.7
Digital	35	34.0
Others	4	3,9

Customer Perception of Service and Programmes Offered

Most of the media houses (46, 44.7%) according to results in Table 3 offer both television and radio while 45(43.7%) specialize in television. Slightly more than one third (35, 34%) offered digital. The most common services as provided by the media houses were both the radio and television, television alone and digital respectively.

Table 3: Customer Perception of Service and Programmes Offered

	Frequency	Percent
No extent	2	1.9
Small extent	15	14.6
Moderate extent	39	37.9
Great extent	27	26.2
Very great extent	20	19.4
Total	**103**	**100.0**

Cost Leadership Strategy

The researcher sought to determine the effect of cost leadership strategy on the performance of the media houses in Kenya. The respondents were asked to state the extent of agreement with the statements regarding cost leadership strategy as practiced by the firms. This was on a five point likert scale of strongly disagree, disagree, neutral, agree and strongly agree. The results are presented in Table 4.

Table 4: Cost Leadership Strategy

Cost leadership statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
Low cost producer in terms of cost of production	1.9%	13.6%	22.3%	48.5%	13.6%	3.58	.955
Low advertising rates	1.9%	12.6%	24.3%	43.7%	17.5%	3.62	.981
Low price of acquiring international programmes determine our purchasing power	6.8%	10.7%	22.3%	44.7%	15.5%	3.51	1.092
Technology employed aims at the need of low cost production	0.0%	2.9%	29.1%	48.5%	19.4%	3.84	.764
Outsource production to reduce costs	1.9%	12.6%	50.5%	25.2%	9.7%	3.28	.879
we are willing to invest in developing production content as long as we are the lowest rates in the market	4.9%	10.7%	29.1%	41.7%	13.6%	3.49	1.018
We are willing to trade-off differentiation for cost	7.8%	10.7%	24.3%	49.5%	7.8%	3.39	1.041
We keep our overheads lower than our competitors	9.7%	8.7%	41.7%	28.2%	11.7%	3.23	1.086
Our organization use economies of scale to minimise on the cost of production	6.8%	10.7%	20.4%	52.4%	9.7%	3.48	1.037
The organization emphasize capacity utilization of resources	7, 6.8%	10.7%	24, 23.3%	45.6%	13.6%	3.49	1.074
The organization emphasis on reducing in operations time and costs	9.7%	7.8%	22, 21.4%	49.5%	11.7%	3.46	1.109
The organization emphasizes on efficiency and cost control	7.8%	7.8%	30, 29.1%	38.8%	16.5%	3.49	1.101
The organization Forms linkages with service providers, suppliers and other supplementary institutions	6.8%	8.7%	28, 27.2%	47.6%	9.7%	3.45	1.017
The organizatioqn minimizes costs through mass distribution	7.8%	7.8%	17, 16.5%	56.3%	11.7%	3.56	1.054

According to results shown in Table 4 48.5% of the respondents agreed with statement that low cost producer in terms of cost of production while 13.6% strongly agree with statement. The findings further show that 43.7% of the respondents agreed with statement that the firms were offering low advertising costs while 17.5% of the respondents strongly agreed with statement. Most respondents 44.7% agreed with the statement that low price of acquiring international programmes determine their purchasing power.

The results show that 48.5% of the respondents agreed with statement that the technology employed aimed at the need of low cost of production. Results also show that 19.4% of the respondents strongly agreed with statement. However, 29.1% of respondents neither agreed nor disagreed with statement. According to the results most respondents (50.5%) neither agreed nor disagreed with statement that outsourcing of production was to reduce costs.

The results show that 41.7% of the respondents agreed with statement that they are willing to invest in developing production content as long as they are lowest rates in the market. 13.6% of respondents strongly agreed while 29.1% neither agreed nor disagree with the statement. The study results show that 49.5% of respondents agreed with the statement that the firms were willing to trade off differentiation for cost. The findings show that 41.7% of the respondents were indifferent regarding the statement of the firm keeps overheads lower than competitors. However, 28.2% of respondents agreed with the statement.

The findings revealed that 52.4% of respondents agreed with statement that the firms use economies of scale to minimize on the cost of production. The results show that 49.5% of respondents agreed with statement that the organization emphasized on reducing in operations time and costs. 38.8% of the respondents agreed with statement that the organization emphasized on efficiency and cost control. 16.5% strongly agree with the statement. The findings show that 30(29.1%) respondents neither disagreed nor disagreed with statement.

Results show that 47.6% of respondents agreed with statement that the organization forms linkages with service providers, suppliers and other supplementary institutions. The findings also show that 9.7% of respondents strongly agree with statement. Most of the respondents (56.3%) agreed with statement that the organization was minimizing costs through mass distribution.

The Effect of Technology on the Performance of Media Houses in Kenya

In this section the researcher sought to determine the effect of technology on the performance of media houses in Kenya. The respondents were thus asked to state the extent to which they agreed with the statements regarding the use of technology. This was on a scale of strongly disagree, disagree, neutral, agree and strongly disagree. The results are presented in Table 5.

International Journal of Strategic Management
Vol.4, Issue 1, No.2, pp 27 - 46, 2025
ISSN: 2958-9681 (Online)

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Table 5: Technology

Technology	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
The firm uses the latest technology to enhance the production of its programmes to increase customer satisfaction	3.9%	10.7%	37.8%	35.0%	12.6%	3.36	1.056
The media firm has a management of technology system and all procedures are defined clearly	4.8%	8.7%	30.1%	41.7%	14.5%	3.54	1.109
The firm invests in the latest technology which has increased its competitive advantage in terms of programmes	5.8%	11.6%	30.1%	36.9%	15.5%	3.44	1.091
The firm has integrated most of its departments which resulted to merger of some departments for leaner structure than before	6.8%	12.6%	23.3%	39.8%	17.5%	3.49	1.128
There is strong tendency to align technology system procedures with other organizational perspective	6.8%	9.7%	28.2%	37.9%	15.5%	3.61	.971
The adoption of integrated systems such as the financial information system have enhanced the efficiency and accountability of the company resources	6.8%	7.8%	20.4%	57.3%	7.8%	3.51	.989
Media technology in this media house has been very critical in our competitiveness	4.8%	9.7%	26.2%	37.9	21.4	3.57	1.134
The adoption of new media technology makes this media house accomplish task efficiently	9.7%	8.7%	20.4%	38.8%	22.3%	3.61	1.131
The media technology is useful in the rapid retrieval of information from the field and passing it on	7.8%	7.8%	30.1%	35.9%	18.4%	3.53	1.153
The media technology has been useful in ensuring quality services to clients and customers.	5.8%	10.7%	21.4%	32.0%	30.1%	3.68	1.214
Information technology serves as a powerful strategic and tactical tool for organizational competitiveness	6.8%	9.7%	26.2%	37.9%	19.4%	3.32	1.112
Information technology serves as a means of facilitating communication and the exchange of information	7.8%	11.6%	28.2%	36.9%	15.5%	3.63	1.129
Information technology has been a tool in facilitating knowledge sharing between various departments and functions in the organization	5.8%	12.6%	30.1%	39.8%	11.6%	3.49	1.104
Technology has acted as an enhancer of collaboration and a networking tool amongst employees, customers and partners	8.7%	10.7%	27.2%	38.8%	14.6	3.39	.974

The results in Table 5, show that respondents generally agreed with the statements (mean > 3.1). The results of the study show that most of the respondents (35%) agreed with the statement that the firm uses the latest technology to enhance the production of its programme so as to increase the customer satisfaction. The results show that 12.6% of the respondents strongly agreed with the statement. The results show that generally, the respondents agreed with statement that the firms use the latest technology in order to enhance the production for its programmes so as to increase its customer satisfaction (mean=3.36, SD=1.056).

The results of the study further show that most of the respondents (36.9%) agreed with the statement that the firm invests in latest technology which has increased its competitive advantage in terms of programmes. Results also show that 15.5% respondents strongly agreed with the statement. The results show that in general, the respondents agreed with the statement that the media firms have invested in the latest technologies which have increased their competitive advantage in terms of the programmes as majority of the respondents generally agreed with the statement (mean 3.44, SD=1.091).

The results show that majority of the respondents (13.8%) agreed with statement that the firms have integrated most of their departments which have resulted to merger of some departments for leaner structure than before. The findings show that 17.5% of the respondents strongly agreed with the statement. The respondents generally agreed with the statement that firms have integrated most of their departments (mean 3.49, SD=1.128).

Majority of the respondents (57.3%) agreed with the statement that the adoption of the integrated systems such as the financial information system have enhanced the efficiency and accountability of the company resources. The results show that respondents generally agreed with the statement that the adoption of the integrated system such as the financial information system have enhanced efficiency and accountability of the company resources (mean 3.51, SD=0.989).

The results show that 37.9% of the respondents agreed with statement that the media technology in the media house has been very critical in the firms' competitiveness. 21.4% strongly agreed with the statement. The average of the responses show that respondents generally agreed with the statement (mean, 3.57, SD=1.134). The study findings mean that according to the respondents, the media technology has been very critical in ensuring the firms' competitiveness.

The findings show that 38.8% of the respondents agreed with statement that the adoption of new media technology makes the media house accomplish tasks efficiently, while 22.3% strongly agreed with the statement. The mean of the responses show that the respondents generally agreed with the statement (mean 3.61, SD=1.131). Based on the study findings, the adoption of new media technology has assisted the media houses to accomplish tasks efficiently.

Organizational Performance

In this section the researcher sought to establish the performance of the media houses in Kenya. This was measured in terms of revenue and ranking position in terms of viewership, listeners and or readers whether this represented a decline of improvement from the previous ranking. The findings are presented in table 6.

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Table 6: Organizational Performance

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std. Dev
The media house profitability has improved significantly over the last five years	4.8%	10.5%	17.5%	57.9%	8.8%	3.28	.888
The media house witnessed a significant increase in its market share over the last five years	5.8%	6.8%	24.3%	43.7%	19.4%	3.25	.916
The media house has been experiencing increase in customers in terms of listeners/viewer/readers	6.3%	13.6%	26.2%	48.5%	4.8%	2.78	.553
The firm has recorded sales growth over the last five years	5.8%	10.7%	13.6%	54.4%	15.5%	2.25	.880
The firm has is experiencing increased new and loyal customer subscription to our products	7.8%	11.6%	23.3%	40.8%	16.5%	3.21	.951
Customer satisfaction index has been on the increase every year for the last five years	6.3%	8.7%	32%	36.9%	15.5%	3.49	.922
The media house has been doing everything to make sure that its customers are satisfied	7.8%	9.7%	29.1%	40.8%	12.6%	3.51	.879

The study findings in Table 6 show that majority of the respondents (57.9%) agreed with the statement that the media house profitability has improved significantly over the last five years. The results further show that most the respondents generally agreed with the statement (mean=3.28, SD=0.888). The results therefore mean that the media houses profitability have improved significantly over the last five years. According to the results of the study, most of the respondents (43.7%) agreed that The media house witnessed a significant increase in its market share over the last five years. Results too show that 19.4% of respondents strongly agreed with the statement. The average of the responses show that the respondents generally agreed with the statement the media houses have witnessed a significant increase in their market share over the years (mean=3.25, SD=0.916). The results therefore mean that for most of the media houses, there has been growth in the revenue in the last five years.

In terms of growth in the number of customers in terms of viewers, listeners, and or readers, most of the respondents 48.5% agreed with statement that the media houses have been experiencing growth in customers. The results further show that 27(26.2%) respondents neither agreed nor disagreed with the statement while 10.7% completely disagreed with the statement. The average of the results show that respondents were generally generally indifferent with regard to the statement (mean 2.87, SD=0.553). The study results then is interpreted that most of the media houses have been experiencing growth in terms of viewership, listeners, or readers.

Ho_1: Cost leadership strategy has no significant effect on performance of media house firms in Kenya

Model Summary

Table 7 show that the coefficient of determination (R squared) of 0.52.5 shows that 52.5% of the firms' performance can be explained by cost leadership strategy. The adjusted R-squared of 52.1%

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indicates that the cost leadership strategy in exclusion of the constant variable explained the change in the firm's performance by 52.1%, the remaining percentage can be explained by other factors excluded from the model.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725[a]	.525	.521	.400

a. Predictors: (Constant), Cost leadership

ANOVA

The Analysis of Variance (ANOVA) for the regression coefficient as shown in Table 8 show that F=111.736, p value = 0.000. With the p-value less than 0.05, the findings mean that there exists a significant relationship between cost leadership strategy and the performance of media houses in Kenya.

Table 8: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.838	1	17.838	111.736	.000[b]
	Residual	16.124	101	.160		
	Total	**33.961**	**102**			

a. Dependent Variable: Performance
b. Predictors: (Constant), Cost leadership

Cost Leadership Strategy and Firm Performance Regress Weights

The study hypothesized that cost leadership has no significant effect on the performance of media houses in Kenya. According to the findings as shown in Table 9, there is a positive significant relationship between the cost leadership strategy and performance of the media houses in Kenya ($\beta = 0.490$, p value 0.000). Therefore, a unit increase in use of cost leadership strategy index led to an increase in the performance of the media houses index by 0.490. Since the p-value was less than 0.05, the null hypothesis was rejected and the alternative hypothesis accepted. The study can therefore conclude that the cost leadership strategy influences the firm performance of media houses in Kenya.

Table 9: Regress Weights

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.271	.166		7.632	.000
	Cost leadership	.490	.046	.725	10.571	.000

a. Dependent Variable: Performance

The study findings show that there was a positive and significant effect relationship between cost leadership strategy and firm performance. It has been show that a unit change in cost leadership strategy result in a change of a magnitude of 0.49 in the firms performance, and a p-value less than 0.005 meaning significance.

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H_{o2}: Technology adoption no significant moderating effect on the relation between cost leadership strategy and performance of media firms in Kenya

Model Summary

The R-squared of 0.525 mean that 52.5% of the media firm performance can be explained by the cost leadership. The introduction of the moderating variable technology adoption the R-square changes to 0.551 meaning that 55.5% of the media firm performance is explained by the cost leadership when technology adoption is introduced. The incorporation of technology adoption has resulted in an increase on 2.6% in explanatory power. The findings show that the model is significant as the p-value < 0.05. Therefore, it can be concluded that the technology adoption had significant moderation.

Table 10: Moderation Effect of Technology on Cost Leadership Strategy and Firm Performance Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.725[a]	.525	.521	.400	.525	111.736	1	101	.000
2	.742[b]	.551	.542	.391	.026	5.724	1	100	.019

a. Predictors: (Constant), Cost leadership

b. Predictors: (Constant), Cost leadership, Technology

Moderating Effect of Technology Adoption on Cost Leadership Strategy and Firm Performance ANOVA

The F-statistics was used to determine the validity of the model as shown in Table 11 (F=111.736, p-value = 0.000) shows that there is a significant relationship between firm performance and cost leadership strategy and the slope (β coefficient) is not zero. With the introduction of technology, the second F-statistics show that F = 61.343 and the p-value of 0.000, meaning there is still a significant relationship between moderated cost leadership and firm performance. It can thus be concluded that the models are significantly valid.

Table 11: Moderating Effect of Technology Adoption on Cost Leadership Strategy and Firm Performance ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.838	1	17.838	111.736	.000[b]
	Residual	16.124	101	.160		
	Total	**33.961**	**102**			
2	Regression	18.711	2	9.355	61.343	.000[c]
	Residual	15.251	100	.153		
	Total	**33.961**	**102**			

a. Dependent Variable: Performance

b. Predictors: (Constant), Cost leadership

c. Predictors: (Constant), Cost leadership, Technology

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Moderating Effect of Technology Adoption on Cost Leadership Strategy and Firm Performance Regression Weights

From the findings of the study in Table 12 there was a positive significant relationship between cost leadership and media firm performance (β = 0.49, and p-value = 0.000). Therefore, a unit increase in cost leadership results 0.49 change in firm performance. With p-value less than 0.05 the null hypothesis is rejected and concluded that cost leadership strategy had significant positive relationship with media firm performance.

The second model show that there is a positive significant relationship moderated cost leadership strategy and firm performance (β=0.327, p-value=0.000). The results mean that the relationship between the cost leadership and firm performance weakened from (β = 0.49, and p-value = 0.000) to (β=0.327, p-value=0.000). Even though the p-value was less than 0.05 meaning significance, the moderation had led to decline in change in firm performance. Despite this, it is still concluded that moderation effect of technology was significant.

Table 12: Moderating Effect of Technology Adoption on Cost Leadership Strategy and Firm Performance Regression Weights

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.271	.166		7.632	.000
	Cost leadership	.490	.046	.725	10.571	.000
2	(Constant)	1.232	.164		7.530	.000
	Cost leadership	.327	.082	.484	3.995	.000
	Technology	.179	.075	.290	2.393	.019

a. Dependent Variable: Performance

Discussion

These results are consistent with previous studies on the effect of cost leadership strategy on the firm performance. For instance, studies by Marangu, Mwiti and Thoronjo (2017) who I their study of the influence of cost leadership strategy on organizations' competitiveness of sugar firms, found a statistically significant influence of cost leadership strategy on organization competitiveness. The studies are equally consistent with Wanyonyi (2011) who researching on the competitive strategies adopted by Mwalimu SACCO, found that cost leadership had a direct influence on the SACCOs competitive advantage. Njaaga and Ragui (2018) looking at the effect of cost leadership strategies on performance of pharmaceutical companies in Nairobi, found that cost leadership affects performance of pharmaceutical companies. In another study by Chepchirchir, Omillo and Munyas (2018) sought the effect of cost leadership strategy on organizational performance of logistics firms at JKIA, found cost leadership to have a significant positive effect on performance of the firms, as the sales volume and profits were increased besides reduction of operations costs.

These findings thus congruent with Porter's (1980) assertion that the cost leadership strategy has a positive effect on the market share because the organization that is able to sustain a competitive advantage in the cost structure is capable of offering the price to customers. As a result of its cost advantage, this firm produces and sells higher volumes than its competitors which intern increases its cost leadership. The study therefore rejects the null hypothesis that cost leadership strategy has no significant effect on the performance of media house firms in Kenya and accept the alternative hypothesis that cost leadership strategy has a significant effect on the performance of media firms in Kenya.

CONCLUSION AND RECOMMENDATIONS

Conclusion

From the study findings the study concludes that cost leadership used by the media firms was statistically significant effect on the media firm performance. As such, media firms seeking to perform at significantly higher levels than their competitors must pursue cost leadership strategy by ensuring that the operational costs such as advertising and outsourcing non-core duties are kept lower. The study concludes that cost leadership was also achieved through cost saving measures such as the use of technology for efficiency, economies of scale and capacity utilization of resources. This implies that successful cost leaders derive their cost advantage from multiple sources.

Recommendations

The study recommends that media firms should adopt cost leadership strategy by emphasizing minimization of operating costs such as and adopting cost saving measures such as outsourcing, economies of scale, capacity utilization of resources to help achieve competitiveness and improve performance. The study recommends that media firm should embrace the best technology that will enhance the effectiveness and efficiency of the cost leadership strategies they employ as the current study has demonstrated that technology has a significant moderating effect on the cost leadership strategy and media firm performance.

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