

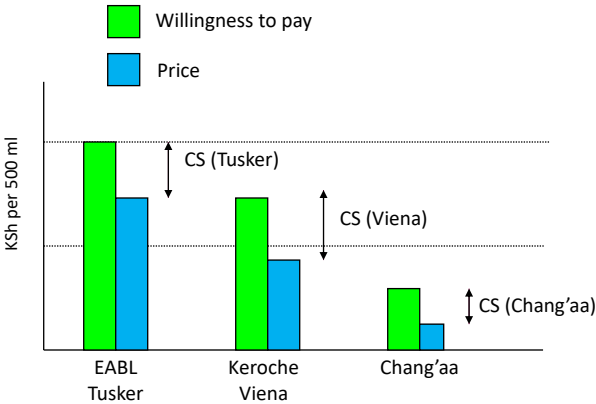


KEROCHE: ANALYSES & REFLECTIONS

SECTIONS B & C  
RC STRATEGY  
ASHISH NANDA  
FALL 2025

Customers’ Perspective: EABL Tusker v. Keroche Viena v. Chang’aa

Target segment: Low-to-middle income Kenyan consumers



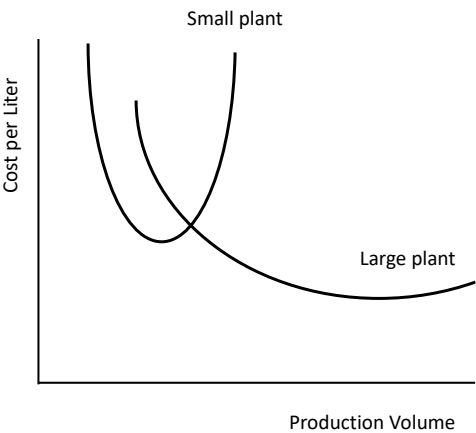
Competitor Analysis of EABL

<p><b>GOALS</b></p> <ul style="list-style-type: none"><li>EABL will do all it can to continue to be the dominant alcoholic drinks company in Kenya</li></ul>	<p><b>ASSUMPTIONS</b></p> <ul style="list-style-type: none"><li>We will dominate the Kenyan alcoholic drinks market</li><li>We can serve all consumer segments</li><li>The government will support us</li></ul>
<p><b>STRATEGY</b></p> <ul style="list-style-type: none"><li>Compete aggressively: price competition, destroyed billboards, new product introductions and pack combinations, new packaging...</li><li>Appeal to Kenyan national pride: "My country, my beer"</li><li>Product scope: Beer (mostly)</li><li>Aggressively counter entrants and signal toughness to potential entrants</li></ul>	<p><b>CAPABILITIES</b></p> <ul style="list-style-type: none"><li>95% market share</li><li>Good market reputation</li><li>Largest company on the Kenyan and Ugandan stock exchanges</li><li>Strong distribution network</li><li>Govt. connections</li><li>In 2003, voted "Most Respected Company in East Africa" for the fourth consecutive year</li><li>Active in CSR, 1% of profit donated for local community projects</li></ul>

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Keroche: Contemplating Entry into the Beer Market



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## Reflections

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- *Keroche!* An example of finding entrepreneurial opportunities where *institutional voids* exist
- *Competitor analysis* can help anticipate competitors' potential responses and guide action
- Strategic actions involve both market actions and non-market actions
- Strategy isn't always *deliberate* and planned well in advance  
Often, strategy is *emergent* and responsive to evolving circumstances
- *Competition and game theory*
  - Be at your sharpest at playing the competitive game; every game requires insight and effort
  - Think forward, reason back  
Predict how rivals might respond to your actions  
Take those potential reactions into account in deciding your actions
  - Beware of hubris  
A completed round of a game is often followed by a new round
  - Take heart if you finished behind this time  
This round of the game may have ended; a new round has just begun

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## Ethics and Competition

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- Why is competition regulated?
  - Social welfare includes returns to producers (both capital providers and workers) and to consumers
  - Reduce deadweight loss, encourage innovation
- How do you define success?
  - Doing well – Doing good
  - Economic returns – Ethical values
- How do you succeed?
  - Managing the balance between creating value and claiming value  
Being shrewd to maximize short term personal gains vs. Doing the right thing to create value over the long run
- Principles to reflect on and practices to inculcate
  - Being legal *and* ethical
  - Being aware of bright lines *but also* grey zones
  - Beware the slippery slope

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