

**COMPETITIVE STRATEGIES AND PERFORMANCE OF  
TELECOMMUNICATION FIRMS IN KENYA.**

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## DECLARATION

This research project is my own innovation and has never been submitted in any institution of higher learning for an award.

Sign.....Date .....

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This research project has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

I devote this work to my mother Elizabeth Wanjiki Ndegwa who believes in education and inspired me to work hard and pursue my University education. Her prayers and counseling words have directed me during my academic endeavors.

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## TABLE OF CONTENTS

<b>DECLARATION</b> .....	<b>ii</b>
<b>ACKNOWLEDGMENT</b> .....	<b>iv</b>
<b>TABLE OF CONTENTS</b> .....	<b>v</b>
<b>LIST OF TABLES</b> .....	<b>viii</b>
<b>LIST OF FIGURES</b> .....	<b>ix</b>
<b>ABBREVIATIONS AND ACRONYMS</b> .....	<b>x</b>
<b>OPERATIONAL DEFINITION OF TERMS</b> .....	<b>xi</b>
<b>ABSTRACT</b> .....	<b>xiii</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.1 Background of the Study.....	1
1.1.1 Competitive Strategies .....	3
1.1.2 Firm Performance.....	6
1.2 Statement of the Problem .....	9
1.3 Research Objectives .....	11
1.3.1 General Objective .....	11
1.3.2 Specific Objectives .....	11
1.4 Research Questions .....	11
1.5 Significance of the Study .....	12
1.6 Scope of The Study .....	12
1.7 Limitation of the study .....	13
1.8 Organization of the study .....	13
<b>CHAPTER TWO</b> .....	<b>14</b>
<b>LITERATURE REVIEW</b> .....	<b>14</b>
2.1 Introduction .....	14
2.2 Theoretical Review .....	14
2.2.1 Theory of Goal Setting .....	14
2.2.2 Firms Behavioral Theory.....	15
2.2.3 Generic Strategies Theory by Porters.....	15
2.3 Empirical Review .....	17
2.3.1 Cost Leadership Strategy and Firm Performance.....	17
2.3.2 Differentiation strategy and Firm Performances .....	19
2.3.3 Focus Cost and Firm Performance .....	21
2.3.4 Focus Differentiation and Firm Performance.....	22
2.4 Conceptual Framework .....	24

<b>CHAPTER THREE .....</b>	<b>25</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>25</b>
3.1 Introduction .....	25
3.2 Research Design .....	25
3.3 Target Population .....	25
3.4 Sampling Design and Sample Size.....	26
3.5 Data Collection Tools.....	27
3.6 Research Reliability and Validity .....	27
3.6.1 Instrument Validity .....	27
3.6.2 Instrument Reliability .....	28
3.7 Data Collection procedure.....	28
3.8 Data Analysis and Presentation.....	28
3.9 Ethical Considerations.....	29
<b>CHAPTER FOUR.....</b>	<b>31</b>
<b>RESEARCH FINDINGS.....</b>	<b>31</b>
4.1 Introduction .....	31
4.2 Research tool reliability and Response Rate .....	31
4.2.1 Research tool reliability.....	31
4.2.2 Response Rate .....	32
4.3 General Information .....	32
4.4 Descriptive statistics.....	36
4.4.1 Performance of Telecommunication Firms .....	36
4.4.2 Cost Leadership .....	38
4.4.3 Differentiation Strategy .....	39
4.4.4 Focus Cost Strategy .....	40
4.4.5 Focus Differentiation Strategy .....	41
4.5 Inferential Statistics.....	42
4.5.1 Correlation Analysis .....	42
4.5.2 Regression Analysis .....	45
4.6 Summary of Key Findings .....	49
<b>CHAPTER FIVE .....</b>	<b>50</b>
<b>SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>50</b>
5.1 Introduction .....	50
5.2 Summary of Findings .....	50
5.3 Conclusion of the study.....	52
5.4 Recommendations of the Study .....	53

5.5 Contribution to Knowledge.....	54
5.6 Areas for Further Study.....	55
<b>REFERENCES.....</b>	<b>56</b>
<b>APPENDICES.....</b>	<b>62</b>
<b>APPENDIX I: Letter of Introduction to the Participants.....</b>	<b>62</b>
<b>APPENDIX II: Questionnaire.....</b>	<b>63</b>
<b>APPENDIX III: Kenyatta University Authorization Letter.....</b>	<b>69</b>
<b>APPENDIX IV: Research Authorization.....</b>	<b>70</b>
<b>APPENDIX V: Introduction Letter by NACOSTI.....</b>	<b>71</b>

## LIST OF TABLES

Table 3.1: Target Population.....	26
Table 3.2: Sample Size .....	27
Table 4.1: Cronbach's Alpha test .....	31
Table 4.2: Response Rate.....	32
Table 4.3: Age of Participants .....	33
Table 4.4: Level of Education.....	35
Table 4.5: Performance of Telecommunication Firms .....	37
Table 4.6: Cost Leadership Strategy .....	38
Table 4.7: Differentiation Strategy .....	39
Table 4.8: Focus Cost Strategy .....	40
Table 4.9: Focus Differentiation Strategy.....	41
Table 4.10: Analysis of Pearson Correlation .....	43
Table 4.11: ANOVA F- Test .....	45
Table 4.12: Regression Model Summary.....	46
Table 4.13: Regression Model Coefficients.....	47

## LIST OF FIGURES

Figure 2.1: Porter's Generic Strategies .....	16
Figure 2.2: Conceptual Framework .....	24
Figure 4.1: Respondents by gender.....	33
Figure 4.2: Working Experience in the Telecommunication Firms .....	34
Figure 4.3: Respondents' Designation.....	36

## **ABBREVIATIONS AND ACRONYMS**

<b>AKL</b>	:	Telecommunication firms in Kenya
<b>BSC</b>	:	Balanced Score Card
<b>DHL</b>	:	Dalsey Hillblom and Lynn
<b>GDP</b>	:	Gross Domestic Product
<b>IMS</b>	:	Intercontinental Marketing Statistics
<b>NGOs</b>	:	Non-Governmental Organizations
<b>NACOSTI</b>	:	National Commission for Science, Technology and Innovation.
<b>NSB</b>	:	Novartis Social Business
<b>P &amp; L</b>	:	Profit and Loss
<b>PESTLE</b>	:	Political Economical Social Technical Legal
<b>PIP</b>	:	Performance Improvement Program
<b>PPB</b>	:	Pharmacy and Poisons Board
<b>SLT</b>	:	Senior Leadership Team
<b>SWOT</b>	:	Strengths Weaknesses Opportunities Threats
<b>TMS</b>	:	Talent Management System
<b>TMT</b>	:	Top management Team
<b>VRIO</b>	:	Value Rarity Imitability Organization
<b>SPSS</b>	:	Statistical package for Social sciences

## **OPERATIONAL DEFINITION OF TERMS**

<b>Competitive strategies</b>	These are plans adopted by the firm in cultivating their competitiveness in the market within three main action areas of differentiation, cost leadership and market focus.
<b>Corporate culture</b>	These are the belief or guiding philosophies adopted in the firm in order to ensure all energies are driven towards maximization of shareholders' wealth maximization.
<b>Corporate strategic Practices</b>	Systematic, formal or informal efforts put across by firms for purpose of stabling their purposes, objectives policies and strategies.
<b>Cost leadership</b>	cost reduction method that aims at producing least costly goods/ services in a market for purposes of sharing market.
<b>Differentiation Strategy</b>	Distinctiveness of products/ services from other for purpose of making them more striking a specific market.

<b>Ethical practices</b>	Code of behavior stipulate in organization for employees and managers
<b>Product development</b>	Process of creating products with different or new attributes with additional values to a client
<b>Performance</b>	This represents the efficiency and effectiveness with which the firm achieve their objectives with regard to market share, sales growth, customers' base, efficiency and firm value.
<b>Focus Cost Strategy</b>	Factors determining a firms long term goal in adoption of development action and resource allocation that are mandatory to achieve goals.

## ABSTRACT

Organizational performance are dependent on firm's strategic practices. For organizational strategies to have an impact on a business the leadership style should be strategic. Telecommunications industry in Kenya has experienced heightened level of competition in both the voice and data service provision. Many companies have been facing declining performance evidenced by low profits and high losses. Telecommunication firms in Kenya experience numerous challenges from low subscription, pitiable connectivity in certain regions, staff retrenchment, poor customer service, poor telecommunication infrastructure and ineffective formulation and implementation of strategies. Effective competitive strategies can be viable tools towards effective and efficient growth and sustainability of the industry. Nonetheless, observed studies on the subject matter; competitive strategies and telecommunication performances within firms are still rare. The objectives of the research were investigating the impact of competitive strategy on telecommunication firm's performances in Kenya with specific objectives of examining impact of cost leadership, differentiation and focus cost on performance of telecommunication firms in Kenya. The research was based on porters, goal setting, behavioral and resource based theories. Descriptive research design was used and it targeted 216 participant who included executive managers, accountants, middle level managers, supervisor's engineers and accountants. It adopted a stratified random sampling to get the actual sample size bringing the number of sample size to 65 with 9 executive members, 11 accountant, 19 engineers, 12 middle level managers and 14 supervisors. Primary data was collected via questionnaire which was administered by dropping and picking. Data collected was analyzed using SPSS. Multi regression analysis was used to indicate the competitive strategies examined. The research established that focus cost, differentiation, focus differentiation and cost leadership strategies has a positive and important effect on telecommunication companies performances. Pearson correlation analysis was used and it established that focus cost, differentiation, focus differentiation and cost leadership strategies had a positive and significant relation with Telecommunication Company's performance and that it was good. The research recommended that there is need to improve corporate strategies for purposes of achieving increased performance within the firms. Further it recommended that there should be regular and frequent market surveys to determine performances, trends and needs. Lastly, the research recommended that there should be a consideration for demographic grouping in products and service pricing.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

In the last twenty years, the term strategic has gradually become a slogan. In the US numerous publications were produced and attributed to the widespread application of strategic management tool in huge firms and extensively accepted concept that economic decision within enterprises despite of their skills, practioners and since have called for the need to embrace strategic planning among SMEs. This view is supported by numerous empirical research that showed the relationship between a firms success and strategic planning (Ibrahim & Rue 2015; Keats, Pearson, Bracker 2015; Kuratko, Orris, Baird, & Lyles 2014; Schwenk and Shrader 2015).

According to numerous authors the term corporate strategic practice denotes to result objectiveness in a strategic plan. In the past ten years, social work institutions have been on the rise and have involved themselves in strategic planning in order to control their future track. The multifaceted changes and competitive environs have becomes impetus for strategic planning which is mandatory in leadership. Despite the rise in use of this methodology, sceptism and confusion concerning its definition and its value has become a setback.

Direct correlation exist between organizational performance and corporate strategic plan (Simerson, 2016). According to Armstrong (2015) corporate strategy is a clear process that determines a company's long term objectives, procedures, alternative evaluating strategies and monitoring plan system for implemented results. Hewlett (2014) in O'regan and Ghobadian (2017), strategic plan is an attempt made by a firm to alter competitor's strength in an effective and efficient manner. Thus it focuses on directing organizational actions towards improving performances.

Sherman, Rowley and Armandi (2015) refers to strategic planning as a procedure where organizations critically analyses its internal and external environment, coin action plan grounded on the best fit method between the companies resources and environmental prospects; coining methods that are acceptable for purposes of minimizing organizational weakness while mitigating threat that might occur externally; determine appropriate strategies of implementing plans; and establishing measurement approaches that are applicable to the organization over time to realize if the firms strategic plan are leading to the desired outcome or not. Corporate strategic practices comprise of strategic planning processes undertaken by companies to enhance performance (Tapinos, Dyson & Meadows, 2005). When looking at the different activities that take place in organization and its environ, according to Ansoff (1970), strategic planning conceptualization as a process enables firms to match their products with technology for purposes of increasing its competitive advantage within its market. Further, he perceived it inform of change from accustomed environment to unaccustomed environment with extraordinary technologies, high competition, change in customer attitude, new factors of social control and corporate social responsibility.

Strategy focused enterprises are more likely to post better results than similar enterprises whose management do not embrace strategic planning; who view planning as secondary in an organization. Simerson (2016) posits that planning is as critical to organizations as it is to individuals, in that it provides a clear and distinctive direction to an organization. Without clear strategy, the purpose of an organization may become blurred to its employees, misunderstood by stakeholders; resources might be misapplied and in totality, the organization will perform sub optimally.

### **1.1.1 Competitive Strategies**

Competitive strategies were adopted by end 20<sup>th</sup> century and were driven by content and context and not strategic management processes. During this period the contribution by Michael porter in strategic management was embraced. In his contribution Michael porter introduced the five model forces in 1980, in the year 1985 value chain analysis and generic strategies. These models were applied to strategic business level. According to Porter, this perception, the business level perception was the major discussion in his book Competitive Strategy and Competitive Advantage.

His works provides an insight of the structural analysis of firms and their techniques and thus it is the most used framework in strategic management. This tool is frequently used in identifying and determining profitability and risks within firms. He opines that firms not only compete with surviving firms producing the same products to same customer segment but as well there are other factors that initiates competition within a particular industry. These competitive forces are beyond tradition view of competition which encompasses, quality, variety and price of good and service rather it goes beyond and brings other perspective of competition which should be taken care of to enhance business survival, profitability and success within its market. According to Orcullo (2007), concept of stakeholders group aims at identifying and analyzing the extent and nature of implementation in a firms.

According to Porter (2007) competitive strategies signifies lantern company's objectives that need to be implemented for purposes of cultivating and sustaining the firm by being at its competitive edge and win in a rivals market. Further competitive strategies that can be implemented include differentiation, market focus and cost leadership. To distinguish competitive strategies an assessment of two major aspects have to be done which include market scope and motivational plan behind the

competitive strategy such as cost or differentiation or any other related item. (Johnson, 2016).

Cost leadership focuses on making the company be the lowest producer within the industry while observing quality levels. This strategy is achieved by reducing costs for purposes of increasing on the profit while upholding the market by offering a lower price and thus retain market share attributed to the reduced costs. Companies that use this strategy need to acquire enough capital to enable them invest on technology and expand their production process thus facilitating lower costs. (Porter 1985).

Cost leadership allows firm to be at a competitive edge within the market. Thus help increase overall sales and turnover which can also help initiate expansion plans. cost leadership strategy should enable firm achieve low operational cost per production unit when compared to another firm. This is because its main focus is on value chain thus resulting to low cost of production. Minimal efforts have been done to differentiate products from competitors while focus has shifted to the targeted market. By offering minimal cost, firms gain market share through pricing. Therefore most successful companies are those that have lowered their prices in the supply chain. (Porter, 1980)

A Competitive state is determined by the competitive forces outlined by the porters five generic strategy. Porter (1998) puts to it that there are three hypothesis of a successful generic strategy that companies apply to enhance performances. Through competitive strategies the firm's major competencies and ability are analyzed against competitive markets so as to establish the competitive position of the firm for a successful competition. Further, he puts to it that competitive strategy brings about differentiation. This is by enabling the firm to choose different activities to innovate a new mix of value. Strategy pertaining to competitive advantage is all concerned with

differentiation before customers, further it adds values by mixing activities that were previously used by competitors. Thus if the major determinant of a company's profitability is attractiveness in terms of its operation, then another significant secondary determinant should be considered within the industry. As much as a company might have profits ratio that are either below or average, optimally positioned firm can generate greater returns (Porter, 1980).

Differentiation strategy aims at offering clients distinct values in products thus increasing value for the customer. Porter, (1985) puts to it that companies charge best prices with the intention of taking care of incurred cost by offering unique attributes to the product. Conditions favoring this strategy include: conducting research, innovation, development and effective marketing. Baykal and Delagarde (2011), puts to it that differentiation strategy aims at providing service/ products that are beneficial and different from the competitors and also that are valued by customers as is supported by Johnson, Scholes and Whittington, (2008). Differentiation bring about unique products being a major driver Porter (1998), it affects other factors such as suppliers, value chain, location, organizations, timings, spill over, interrelationship and policies. Awino et al. (2011) posits that differentiation strategies are linked to environment, leadership, technology, people, markets and style in their capabilities.

Cole (2008) puts to it that products and service differentiation strategies encompasses; products attributes, advantages, locality, employee, operational processes, price, incentive programs for clients, brand name, good will, guarantees and warranties, products and services value additions, sessional operations, building, water, quality, plants, customer experience, animals and organization alliances. Further, he puts to it that the utmost effective differentiation undertaking brings project success from use of

one or more strategies. Porter (1990) posits that it's mandatory for companies to differentiate using more than one method for purposes of attaining the needed outcome.

The market focus strategy is about creating capacity for a business to dominate a particular niche within the wider market. The organisation focusses on a specific market segment and seeks to maintain leadership in that niche either through differentiation or cost leadership. As such, the market focus strategy can be further classified into focus cost and focus differentiation strategies. According Ormanidhi & Stringa, (2008) focus cost strategy provides low process for products within different markets. The focus cost strategy allows a firm to target a specific social class and income level. Through the focus cost approach, the firm can apply discriminate selling and targets unique demographic groupings. The focus differentiation approach is used as the organisation differentiates itself from rivals by targeting specific market segments with uniquely differentiated products (Graham, 2008). Key dimensions of the focus differentiation strategy entails constant product customisations to fit a particular segment and emerging tastes or preferences. It could also be about consideration about social class diverseness, brand selling and unique physical marketing features (Johnson, 2016).

### **1.1.2 Firm Performance**

Numerous factors affect performances within firms in accordance to various management researchers. A company major performances can be measured through financial measures. Among the financial measures include return on sale (ROS), earning per share (EPS), return on equity (ROE) and return on asset (ROA) among others. Again a company's performances can be measures through non-financial means such as company's brand, their corporate social responsibility (CSR) among others. Although these efforts impact negatively the fiscal performance within company's in the short term, they have been shown to positively affect the firm's fiscal performance

in the long run (Ahamed, Almsafir, & Al-Smadi, 2014; Brammer & Millington, 2008; Eisenbeiss, Knippenberg, & Fahrbach, 2015; Nielsen & Nielsen, 2013; Richard, 2017). This explains why numerous studies on factors influences performances within companies have used the financial performance measures. The factors identified in the literature as drivers of firm performance can be broadly grouped into industry-related factors and organization-specific factors. While industry organization theorists view industry factors as the primary determinants of firm performance (Bain, 1954; Schmalensee, 1985) their business-strategy counterparts suggest that a company's unique resources and capabilities are the primary drivers of firm's profitability (Barney, 1991; Barney, 2011; Wernerfelt, 1984; Wernerfelt, 2013). Therefore, two alternative views coexist about the significant importance of manufacturing and organizational firm profitability (Chaddad & Mondelli, 2013).

### **1.1.3 Telecommunications Sector in Kenya**

Kenya's telecommunications market was liberalized in 1998, when Telkom Kenya was incumbently owned by the government and thus split to offer competitiveness. Safaricom, Airtel Kenya, Essar Telecom (Yu Mobile), and Telkom Kenya (Orange mobile) were the four mobile telephony operators in Kenya by 2010. Companies in this sector experienced rising business costs between 2010 and 2011. Fuel prices were rising on a global scale. The Kenyan shilling was losing ground against major foreign currencies on a local basis. Telecommunications companies rely substantially on fuel to operate their Base Transmission Stations. The telecoms industry is likewise heavily reliant on technology. New versions of telecommunication equipment are developed on a regular basis as a result of the high level of technological innovation at the worldwide level. Vendors would subsequently discontinue supporting older versions of the equipment, forcing businesses to invest in new technology on a regular basis. In Kenya

telecommunication industry Safaricom is the largest holder in the share market in terms of revenue and number of subscribers (80%) thus announcing billions profits in the previous years till today.

Its other three competitors have been reporting loses in previous years and thus that has been the trend. Airtel market share stand at 9% while Telekom Kenya and at 3% and 7% respectively. indirect competition has made telecommunication companies such as Kenya data network, MTN access Kenya, jamii and wananchi who are fibre internet service providers who also offer Voice Over the Internet Protocol (VOIP) calls and data, needs a lot of finance to investment and as well to acquire license which is costly.

Telecommunication business in Kenya is high regulated and thus participating in such industries requires a firm to have finances that would enhance investments. The regulating bodies in this sector have also set interconnection rates at wholesale prices to regulate market promotion through acquiring license through written approval when considering to launch the ir products. Attributed to unfavourable economic conditions in Kenya in the year 2010 mobile phone subscribers showed pricing sensitivity and thus reacted to increased prices. This resulted to shift by clients from one mobile subscriber to another attributed to lack of loyalty in service provision while trying to get the cheapest service provider depending on destination. The industry also was subjected to increased equipment obsolescence attributed to ever changing technological factors with minimal suppliers. This made telecommunication firms to depend on suppliers who offered incompatible services thus compromising customer needs and satisfaction. Further, forces within the telecommunication environments such as competitive forces constrained firms growth and thus becoming less profitable thus calling for the need to re strategize to enhance performance to be at a competitive edge.

## **1.2 Statement of the Problem**

Despite the different efforts and strategies put across by actors in telecommunication companies for instance reduced tariffs, free calls, reduced money transfer charges, and short messaging services they have not resulted positive to enhance a competitive edge and there have been continuous dominance in marketing by the firms (Ofwona, 2009 and Odhiambo, 2011). The industry in Kenya have revolutionized rapidly. The Kenya communication authority for the past fifteen years have licensed 4 mobile companies which include Equitel, Aitel, Telekom and Safaricom and served as ISP (Internet service provides) for instance Jami Telkom and Wananchi online. Its very vivid that competition in telecommunication segment have increased in provision of voice and data services. (CAK, 2014).

Aitel has created a decline curve in its operation attributed by high losses and low profit rates, employee retrenchment and closure of shops. Statistics by GOK (2015) structural change in market liberalization within telecommunication companies in Kenya have left many business at the verge of market forces. Thereby, the companies have experienced high competition and reduced profit. According to (Wanjere, 2014, Kombo, 2007; Muturi, 2000; Thiga, 2000) on the impact of competitive strategies on organizational performance established that airtel has been the cheapest telecommunication provider when contrasted to safaricom and telkom. Further that telecommunication companies in Kenya have lowered their prices go get access to safaricom market share which have not been the case. (Kiruga, 2018).

Telecommunication companies have increased on their services. For instance Airtel have added value to their services, offered free money transfer, have both post and pre-paid plans, offer one network services, internet services, 3.75G network, international roaming. 24 hour customer care. Me2U top up services and, SMS confirmation services

(Kiruga, 2018). On the other hand safaricom have same products and services but on a different brand name. According to 2015 report by communication authority in Kenya, safaricom has experienced customer variability when compared to its competitors thus resulting to reduced profitability. Even though telecommunication companies use of strategies, there is a large gap that exists within the market. Thus has called for the need to invent strategic plans pertaining customer retention by the telecommunication firms. Numerous companies have increase their resource in order to acquire customers and ignore issues pertaining to their retention with or without knowing. According to David (2011) customer retention has a positive effect and thus it's a good strategy that can be incorporated by companies since customer satisfaction drives customer retention just as it is in numerous consumer market. Customer satisfaction has had a transactional effect attributed to evaluation of post purchase expectation; actual purchase and cumulative satisfaction is generally mirrored centered on transaction over time which is the net customer experience by the seller. (Hill, Roche & Allen, 2007).

Performances in the telecommunication sector is very minimal and only Safaricom seem to be the only firm perform well and thus considered to acquire a monopoly status an indication that they have unique strategies that helps them be at a competitive advantage. With minimal changes in management and ownership, new strategies have not enhanced performance within the markets attributed to the fact that employee are not confident about their performance. A research revealed the Kenya communication authority in the year 2015 established that profitability in Kenya telecommunication industry had been on the decline with voice traffic reducing from 1.8 billion to 1.7 billion in its last quarter. Nevertheless, market share also declined by 4%. This has resulted to reduced performance and that the major reason why Safaricom have been on the led with high profit margin, high market share 80% as compared to other

companies which share 20% of the market. It's good to know that Safaricom and Airtel were formed in similar year and thus the success difference should be minimal. Based on the above therefore, telecommunication firms have not been in a position to mitigate their challenges. Therefor making it significant to establish the link between corporate strategic practices among telecommunication companies in Kenya and the effect on their performance.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

The studies major objectives was to establish the effect of competitive strategies on performance of telecommunication firms in Kenya.

#### **1.3.2 Specific Objectives**

- i) To establish the influence of cost leadership on performance of telecommunication firms in Kenya.
- ii) To determine the effect of differentiation strategy on performance of telecommunication firms in Kenya.
- iii) To examine the effect of focus cost strategy on performance of telecommunication firms in Kenya.
- iv) To evaluate the influence of focus differentiation strategy on performance of telecommunication firms in Kenya.

### **1.4 Research Questions**

The study was guided by the following questions;

- i) What is the influence of cost leadership strategy on performance of telecommunication firms in Kenya?
- ii) What is the effect of differentiation strategy on performance of telecommunication firms in Kenya?

- iii) What is the effect of focus cost strategy on performance of telecommunication firms in Kenya?
- iv) What is the influence of focus differentiation strategy on performance of telecommunication firm's in Kenya?

### **1.5 Significance of the Study**

This research will benefit scholars studying strategic management since the research will be used as secondary data for conducting further research on issues pertaining to strategic practices and performance within different areas. The research will also be beneficial to managers running telecommunication companies in Kenya since it will provide and understanding on the significance and relationship that exists between organizational performance and corporate strategic practices. Domestic and international policy makers will use the research outcomes as a policy guide on issues pertaining to telecommunication. Further administrators and managers can use the research findings to through its recommendation to curb challenges in corporate practices. The research will provide extra information into the current literature pertaining to telecommunications firms thus enriching knowledge for interested academician and researcher for furthers investigation based on their research.

### **1.6 Scope of The Study**

On contextual scope, the research focused on the telecommunication industry in Kenya where their performance was the main focus. Regarding the methodological scope, the study involved top management employees of the telecommunication sector since they were responsible for corporate strategic planning within institutions. Regarding to content scope, the research concentrated on competitive strategies and how they influence the performance of the telecommunication industry in Nairobi. Precisely, the research established the effect of focus differentiation, cost leadership and differentiation strategies on performances within telecommunication firms in Kenya.

### **1.7 Limitation of the study**

This research had a limitation attributed to lack of funds needed for purposes of meeting researcher financial needs. To mitigate the issues the researcher used available resources to conduct the research. The researcher also encountered unwilling participants during the research undertaking. To shed away their fears, participants were assured that information provided were confidential and that they were for academic purposes. Thirdly accessing information from the management was likely a challenge and thus to mitigate this, the research provided the management with required assurances from relevant authorities before data was collected

### **1.8 Organization of the study**

This research consist of five chapters. The first chapter covers study background, problem statement, research purpose, research objectives, research questions, research significance, limitation, scope and study organization. Chapter two analyses both empirical and theoretical literatures while chapter three explicit on the research approaches used in the research. It expounds more on the research design, targeted population, sampling technique, sampling choices, tool used for data collection, research tool validity and reliability, and data analysis and ethical deliberations. Lastly chapter four gives the outcome of the research through discussing and interpreting results while chapter five provides research findings summary, conclusions and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter provides a summary pertaining to how other researchers have conducted the same research in different fields. Therefore it has covered empirical, theoretical and conceptual reviews and research gaps

#### **2.2 Theoretical Review**

This research was grounded on theories explaining competitive strategies in companies which encompass: goal setting, behavioral and resource based theory.

##### **2.2.1 Theory of Goal Setting**

According to this theory organizational performance is increased when organizational goals have been set (Whittington, 2002). These goals act as a guideline and thus directs employees and leaders towards achieving a particular goal. They also outline standard performance and how they are measures to determine their objectives and completion. Therefore leaders are not only mandate to set goal but also the goals should be specific and challenging in order to give employees meaning and motivation in enhancing their performances as an individual and as an organization. Thus they should be set throughout the organization at individual, team and overall organizational level. By using this theory leaders are in a position to increase engagement and performances within organization by setting clear, meaningful and challenging strategies. This will not only arouse employee thinking but also give them an opportunity for acquiring knowledge and being creative. (Woodcock, 2012).

This theory therefore calls for a transformational leadership which in turn affect employee performance within the organization. Organizational goals are crucial since they enable managers to standards for employee and the general organization thus

bringing about commitment to work for purpose of achieving organizational goals. It enables leaders to engage the organization and set performances providing for a clear, meaningful and challenging goals which is bring sense of commitment to work. This theory is applicable to the research because it sets targeted guidelines on how to achieve performance through set goals and mechanism to complete these tasks towards accomplishing corporate goals.

### **2.2.2 Firms Behavioral Theory**

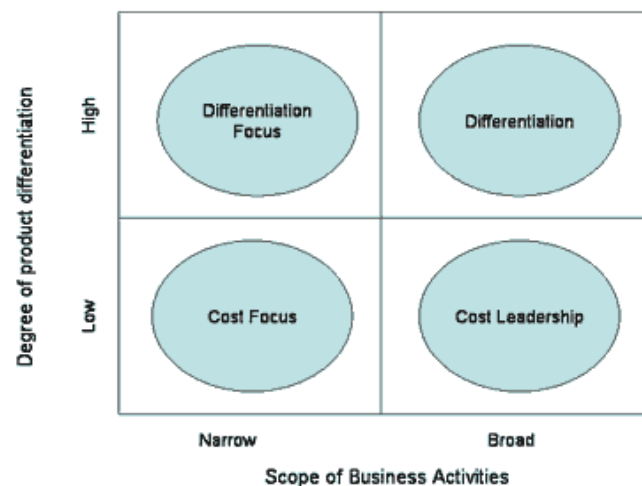
Classification of firm behaviour in organization economic as a strategic management emerged from Barney and Ouchi (1986). According to the theory a firms behavior is important in the theory of transaction cost since it acts as a building block for the theory of dynamic capability and economic evolution (Nelson and Winter, 2002). It emphasizes on the business processes of making decisions and providing detailed opinion on how the organization is going to make decisions. Cyert and March (1992) shows the basics in a firms behavioral theory that have demonstrated it relevancy in economic theory and the theory of complex organization. Organization gives leaders a way of exercising their leadership and authority while influencing other people behaviors. Thus organization influence their environment in terms of information and strategies that they use in making decisions.

### **2.2.3 Generic Strategies Theory by Porters**

Porter (2007) models a set of generic strategies that firms often use to position themselves and have a competitive edge in the market. The theory highlights firm's positioning as a key determinant of the performance of firms. Thus the attractiveness of the sector is not as key as the firm's level of positioning in determining the extent of performance. To this end, organizations that a well-positioned may still performed

exemplarily well in markets that are not so attractive (Akan, Allen, Helms & Spralls, 2006).

The generic strategies by Porter (2007) suggest that a firm's competitive edge resorts from two main thematic areas: cost advantage and differentiation. The exploitation of the two scopes brings forth three key competitive strategies that can be used in cultivating the firm's competitiveness. These strategies are differentiation, market focus and cost leadership which is applied either as either cost or differentiation. Generic approaches applied on the firms are known as generic strategies since they are not dependent on a specific firm.



**Figure 2.1: Porter's Generic Strategies**

**Source:** Porter (2007)

The generic strategies have their own share of merits as demerits to the firm. It is therefore imperative that a thorough cost benefit analysis be undertaken before embarking on the process of implementation or execution of the choice approach (Li & Li, 2008). Cost leadership lays emphasis on low cost as the firm aims at positioning herself as the low cost producer in its industry. Cost leadership cultivates a culture of efficiency in production and operations as the firms position themselves with comparatively low cost products in the market (Thomson, Strickland & Gamble, 2001).

Differentiation helps business make differences between a companies product and other products within the market. Success product differentiation improves brands loyalty between clients which is grounded on saving cost or attaining high quality products (Spencer, Joiner & Salmon, 2009). Focusing strategies on marketing are strategies which companies put more of their resources on by expanding or narrowing market segment. Competitive strategies are effective when companies are aware of their market segments and has products that satisfy customer requirement. Focus strategy are divided into two which include focus differentiation and focus cost. (Best, 2012). Porter's generic strategies model is applicable to the study as the study is principally concerned with determining the impact of competitive strategies on company performances.

### **2.3 Empirical Review**

This subsection analyses and evaluates what has been done with other researcher and or authors in establishing the effect of corporate strategic practices on performances within firms. Literature review will help the researcher determine research gap and justify his study for purposes of showing connection with the relevant viewed theories.

#### **2.3.1 Cost Leadership Strategy and Firm Performance**

Muiruri (2020) investigated competitive strategies and organization performance. The study targeted Tusky's supermarkets in Nairobi. The specific objectives were based on differentiation, cost leadership and focus strategies. Standard deviation and average were used in analyzing descriptive data. Coefficient correlation by Pearson was for inferential analysis. The research outcome established that cost leadership has an important effect on performance within Tusky's supermarket. Further, that an increase in cost leadership increased performances within the organization. Methodological gaps are established on need to target a wide range of organizations to enhance comparability

of results.

Wanjiru (2018) examined through comparison the influence competitive strategies had on Airtel and Safaricom telecommunication firms in Kenya. Cost leadership strategy, service or product differentiation, and focus strategies were the variables of the study. Pearson correlation analysis was used in the research. The analysis pinpointed that cost leadership had a positive and important connection with organization performances. Focus cost and focus differentiation strategy also had a positive impact on performance but not significant. Differentiation has a significant positive effect on company performances. Based on this study, a research gap was identified and thus called for the need to assess more telecommunication companies for comparison.

Norman (2019) investigated competitive strategies and performance on car rental organizations based in Nairobi County with the aim of examining differentiation, cost leadership, and focus strategies. Regression and correlation analysis applied in the study. The research finding was that cost leadership had no important impact on Nairobi's car rental business. Empirically, gaps emerge as the findings contradict other studies such as Muiruri (2020) and Wanjiru (2018). Islami et al., (2020) established the link between generic strategies by porters and performances within firms in the republic of Kosovo. Among the variables considered were low-cost differentiation, focus differentiation and focus cost. Strategies on performances within 113 firms operating in the republic of Kosovo. Data was analyzed through Pearson's correlation analysis and multivariate regression analysis. Low-cost strategy or cost leadership strategy had an important positive predictor of organizational performance. Gaps are clear as most like studies have a foreign orientation leaving scanty local empirical evidence on the subject matter.

The study by Iran, Fathali (2016) considered competitive strategies and the effect on

performance of Iranian automobile manufacturers. Four generic strategies were considered in the assessment which included focus differentiation, differentiation, focus cost and cost leadership strategies. Two companies were considered in this regard, SAIPA and Iran Khodro, both Iranian automobile dealers. Findings established a strong positive effect of cost leadership on organizational performance. The research gap identified here is that the study were carried out in foreign Nations thus calling for the need to conduct the research in Kenya.

### **2.3.2 Differentiation strategy and Firm Performances**

Muiruri (2020) investigated on the link between performances within firms and competitive strategies targeting Tusky's supermarkets in Nairobi. The specific objectives were: differentiation, cost leadership and focus strategies. Descriptive analysis was applied, which used standard deviation and average for descriptive analysis. For inferential analysis, coefficient correlation by Pearson and regression were applied. The findings from the study showed that differentiation had an important negative effect on the performance of Tusky's supermarket. The research concluded that addition in differentiation strategy caused a decline in organization performance. Methodological gaps are established on need to target a wide range of organizations to enhance comparability of results.

Chepngetich and Kimencu (2018) examined competitive strategies and performance. The study was based on Nairobi, mobile service providers. The objectives of the study were: focus, differentiation and cost leadership strategies. The research design in the research was descriptive survey. The study further established that when the three competitive strategies were used they had a positive important impact on the organization's performance. As such, differentiation positively impact on organizational performance. Conceptually, gaps are evident in that past studies have

rarely attempted to split the analysis of market focus strategy into its constituent elements for better understanding of how each component impacts on performance.

Chumba (2019) studied competitive strategies and performance in Telkom Nakuru East Sub county, Kenya. The research question was based on the objectives which concentrated on focus, cost leadership and differentiation strategies. The study used correlation design and statistics were inferential and descriptive. The study findings were that the three objectives had a positive relationship. Differentiation had a significant positive relationship on the performance of the organization. The three strategies cost strategy had the utmost significant impact of performances within firms, followed by focus and differentiation strategy.

Islami et al., (2020) established the link between generic strategies by porters and performances republic of Kosovo. Among the variables considered were low-cost, differentiation, and focus cost and focus differentiation. The research targeted 113 firms operating in the republic of Kosovo. Data was analyzed through correlation analysis by Pearson and multivariate regression analysis. Differentiation was established to be the greatest determinant of firm performance. Findings further showed that differentiation had a positive impact on performances within organization. The research gap identified here is that the study was carried out foreignnation thus calling for the need to conduct the research in Kenya.

With a concentration on the automobile companies in Iran, Fathali (2016) considered competitive strategies and their impact on organizational performance. Four generic strategies were considered in the assessment. These included differentiation, focus differentiation, cost leadership and focus cost strategies. Two companies were considered in this regard, SAIPA and Iran Khodro, both Iranian automobile dealers.

Findings established a strong positive effect of differentiation on performances within organizations. The research gap identified here is that the study were carried out in foreign Nations thus calling for the need to conduct the research in Kenya.

### **2.3.3 Focus Cost and Firm Performance**

Nderitu (2015) studied the link between focus cost strategy and organizational performance. The study adopted a case study approach that targeted Bamburi cement (Kenya) Ltd. All the three divisions (branches) of the company namely Mombasa, Athi River and Bamburi headquarters were studied. The research used descriptive research design. Analysis was done through descriptive as well as inferential statistics. Findings demonstrated a positive link between focus cost strategy and organizational performance. Methodologically, gaps emerge on need to include more organizations in the assessment for better comparison of results.

Wanjiru (2018) examined the influence of competitive strategies on Safaricom and Airtel performance. Cost leadership strategy, service or product differentiation, and focus strategy were the variables of the study. Pearson correlation analysis was used in the research. The analysis pinpointed that cost leadership strategy had a positive and important connection with organizational performances. Focus cost and focus differentiation strategy also had a positive impact on performance but not significant. Differentiation strategies were important and positive determinants of performances within firms. Methodologically, research gap identified here is that the more studies need to be conducted.

Islami et al., (2020) established the connection between generic strategies by porters and performances within firms in the republic of Kosovo. Among the variables considered were low-cost, differentiation, and focus cost and focus differentiation on

performances within firms. The research targeted 113 firms operating in the republic of Kosovo. Data was analyzed through Pearson's correlation analysis and multivariate regression analysis. Market focus strategies; focus cost strategy and focus differentiation strategies were important and positive determinants of performances within firms. Contextual gaps are clear on need to carry out the research locally.

Focusing on the automobile companies in Iran, Fathali (2016) considered competitive strategies and their impact on organizational performance. Four generic strategies were considered in the assessment. These included differentiation, focus differentiation, cost leadership and focus cost strategies. Two companies were considered in this regard, SAIPA and Iran Khodro, both Iranian automobile dealers. Findings established a strong positive effect of focus cost strategy on organizational performance. The research gap identified here is that the study were carried out in foreign Nations thus calling for the need to conduct the research within out nation.

#### **2.3.4 Focus Differentiation and Firm Performance**

A research by Pulaj, Kume&Cipi (2015) examined focus differentiation and performances within firms in Albanian construction industry. The four generic strategies advanced by Porter (2007) were considered. Sample comprised of 110 Albanian construction firms. Both descriptive and inferential statistics were applied. Focus differentiation strategy was established to be a significant determinant in construction firms in Albania. The research gap identified here is that the study were carried out in foreign nations thus calling for the need to conduct the research in Kenya.

Islami et al., (2020) asses the connection between generic strategies by porters and company performances within Kosovo. Among the variables considered were low-cost strategy, focus differentiation, focus cost and differentiation strategies on performances

within firms. The research targeted 113 firms operating in the republic of Kosovo. Data was analyzed through Pearson's correlation analysis and multivariate regression analysis. Focus differentiation strategy had an important and positive effect on organizational performance. Gaps are clear as most like studies have a foreign orientation leaving scanty local empirical evidence on the subject matter.

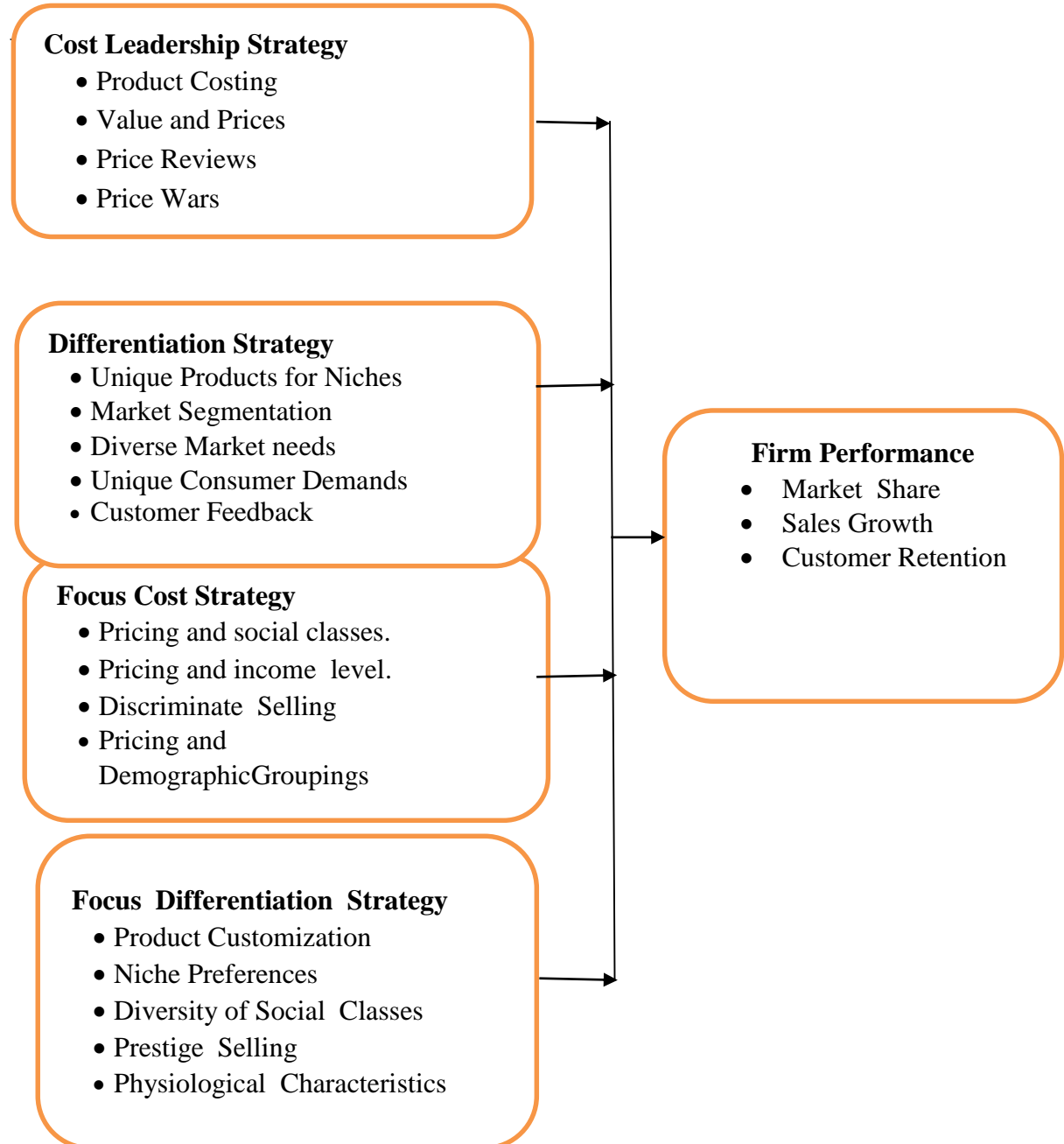
Wanjiru (2018) assessed the influence of competitive strategies on performances of Safaricom and Airtel companies in Kenya. Cost leadership strategy, service or product differentiation, and focus strategy were the variables of the study. Pearson correlation analysis was used in the research. The analysis pinpointed that cost leadership had an important positive connection with organizational performances. Focus cost and focus differentiation strategy also had a positive influence on company performances but not important. Differentiation had an important positive influence on company performances. Methodologically, gaps are established the need to conduct more research on generic strategies by porters and organizational performances.

Fathali (2016) considered competitive strategies and their impact on organizational performance with a concentration on Iranian automobile manufacturers. The study assessed four generic strategies Two companies were considered in this regard, SAIPA and Iran Khodro, both Iranian automobile dealers. Findings established a strong positive effect of focus differentiation strategy on organizational performance. The research gap identified here is that the study were carried out in foreign Nations thus calling for the need to conduct the research in Kenya.

## 2.4 Conceptual Framework

Kombo & Tromp (2009) specified that an idea is a theoretical or general idea translated or obtained from specific events. The independent variables for the current study include:

### Independent Variable



**Figure 2.2: Conceptual Framework**

Source: Author (2021)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter outlines numerous stages followed for research completion. It provides the scheme, structure needed for the researcher to answer the research questions. It explains techniques and methodologies used in data collection, process and analysis. To be specific it entail research design, targeted population, data collection tools, procedure and analysis.

#### **3.2 Research Design**

The researchers used descriptive design methodology as per Mugenda & Mugenda (2003) which refers to a research design a systematic manner to conduct an empirical inquiry by the researcher for purposes of outlining independent variables which cannot be manipulated. Further he posits that it concerned with establishing more on when, who, how and where of an occurrence for purposes of building profile.

#### **3.3 Target Population**

Population refers to group of individuals, elements, household among others under investigation. This research targeted employees instated within 9 telecommunication companies in Kenya whose headquarters offices are Nairobi County. There are 216 (two hundred and sixteen) Permanent staff working within different department in the company stretching from executive managers, middle level managers, engineers, supervisors and accountants.

**Table 3.1: Target Population**

<b>Groupings</b>	<b>Frequency</b>	<b>Percentage</b>
Executive managers	29	13.43%
Middle level manager	41	18.98%
Engineers	64	29.63%
Supervisors	46	21.29%
Accountants	36	16.67%
<b>Total</b>	<b>216</b>	<b>100%</b>

*Telecommunication Industry, Kenya, 2019*

### **3.4 Sampling Design and Sample Size**

This research adopted stratified random sampling approach for purposes of getting targeted sample population which in this instance is not standardized. This method gives a greater precision when compared to simple random sampling further it saves money since it requires small sample. Given that the number of targeted population is high and that there are constrains pertaining to resources and time, the researcher will target 30% of the total population as endorsed by Mugenda Mugenda (2003). This research used a sample size of 65 participants which is 30% of the targeted population from employee at the telecommunication firm in Nairobi County.

Formula by Yamen was used for purpose of obtaining representative sample size because the researchers interest population was finite which is given by;-

$$n = N / (1 + Ne^2)$$

Where;

n= corrected sample size, N = population size, and e = Margin of error (MoE), e = 0.05 based on the research condition.

**Table 3.2: Sample Size**

<b>Categories</b>	<b>Population</b>	<b>Ratio</b>	<b>Sample</b>
Executive managers	29	0.3	9
Middle level manager	41	0.3	12
Engineers	64	0.3	19
Supervisors	46	0.3	14
Accountants	36	0.3	11
<b>Total</b>	<b>216</b>	<b>0.3</b>	<b>65</b>

*Source: Researcher, 2019*

### **3.5 Data Collection Tools**

Primary data was composed through semi- structured questionnaire. Closed ended questions were used to give structural answers in order to enable endorsement on the other hand open ended queries gave extra data that were not seized in the closed ended queries

Primary data used were gathered via self-administered surveys to the permanent staff at the head office in Nairobi City. Questionnaire were used because the employee were educated and acquired knowledge thus could read thereby providing response as required.

### **3.6 Research Reliability and Validity**

#### **3.6.1 Instrument Validity**

Validity refers to the extent to which obtained data from the tools are significant and accurate when representing theoretical constructs and how variable data are represented. After establishing validity, inferences are made from the data in significant and accurate manner (Mugenda & Mugenda, 2003). As per Yin (2003), instrument validity rises when appropriate sources of evidence are used. To enhance instrument

validity, piloting was carried out on the research by sampling two telecommunication companies before undertaking the actual research.

Connelly (2006), current literature provides that a sample pilot study be comprised of 10% of the projected targeted population. The research used econometrics approach to determine the connection between corporate strategic practices and performances within firms in reference to Kenyan telecommunication industry. Data was gathered from permanent staff within company's headquarters in Nairobi. Thus confirming data validity and its relevant outcome. Validity of the tool was tested using construct validity.

### **3.6.2 Instrument reliability**

For purposes of checking result reliability, Cronbach's alpha was used to test internal consistency. Cronbach measure means of items that can be measured and its correlation. Statistical package for social science software (SPSS) was used in verifying reliability of gathered data. Generally, reliability scale presently and the desired output will be tested by Cronbach alpha which must exceed 0.70 Hair et.al.,1988). Alpha ( $\alpha$ ) exceeding 0.70 are acceptable. (George &Mallery, 2003).

### **3.7 Data Collection procedure**

Questionnaires were channeled to participant by dropping and picking attributed to the nature and work of the officers who are characterized to have constricted schedule. Questionnaire which were filled were then collected and feedback made as required. The researcher guaranteed participants of their confidentiality through an introductory letter which was dispensed along side a questionnaire. Data collection was conducted in Nairobi where the organization are established as well as employees within all department.

### **3.8 Data Analysis and Presentation**

Once the data have been collected, a comprehensive audit of the questionnaires will be

performed before SPSS is used to code them. Primary data collected via questionnaires were analyzed via excel to establish prevailing correlation. The importance of obtaining correlation was to inform the researcher whether there is a relationship between companies performance and its corporate strategic practices among telecommunication companies. Qualitative data were presented through tables, average, percentage, frequencies and standard deviation.

Multivariate regression was used to conclude on the relative significance of the variables to the research. Mugenda and Mugenda (2003) posits that multiple regression accesses if a variable or groups of variable can predict a particular dependent variable.

The regression model was adopted as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \alpha$$

Where Y is the dependent variable (performance of telecommunication firms in Kenya),

$\beta_0$  is the regression coefficient,

$\beta_1, \beta_2, \beta_3$  and  $\beta_4$  are the slopes of the regression equation,

$X_1$  = cost leadership

$X_2$  = competitive strategies

$X_3$  = Product development

$X_4$  = differentiation

$\alpha$  = an error term.

### **3.9 Ethical Considerations**

The researcher sought approval from Kenyatta University. Further he got an authorization from NACOSTI (national commission for science technology and innovation) and Nairobi County government as well as the different telecommunication industry management and department. The researcher guaranteed the participants that

data collected will be confidential. Further she elaborated on the research intention before commencing the process of data collection. Again she informed the participants that their participation was voluntary through an informed consent. Respondents to the researched were handled with courtesy and reverence and lastly, the researcher made the respondents aware that no reimbursement will be obtained from being a respondent to the research and that research result will be shared when completed.

## CHAPTER FOUR

### RESEARCH FINDINGS

#### 4.1 Introduction

Chapter four contains data analysis outcome, their interpretation and appraisal. Results are categorised into general information, descriptive statistics and inferential statistics with regard to telecommunication companies' performance and strategic strategies. For each variable, an interpretation is shown as well as its comparative values to clearly differentiate and discuss.

#### 4.2 Research tool reliability and Response Rate

This section tested research tool reliability using Cronbach's further it also summarised response rate achieved in the study.

##### 4.2.1 Research tool reliability

Research tool reliability was tested using Cronbach's Alpha test. The outcome is indicated in the table below.

**Table 4.1: Cronbach's Alpha test**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.799	.775	31

**Source: Survey data (2021)**

Coefficient as tested by Cronbach's alpha for 31 was at 0.799, a statistic that was demonstrated that internal consistency for the research tool was at a high level. Gliem and Gliem (2003), a reliability coefficient of 0.70 and above shows acceptable levels of research tool reliability used in research conducted in social sciences.

### 4.2.2 Response Rate

This subsection summarised and appraise response rate achieved in the study. The responses obtained are compared to the target responses to determine the rate at which the participants responded. The achieved result is then appraised against the threshold recommended for statistical analysis. Table 4.2 captures the statistics to this regard.

**Table 4.2: Response Rate**

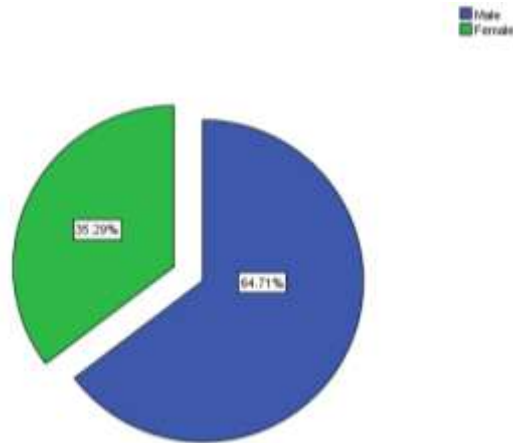
Targeted participants	Received response	Response rate
65	51	78.46%

**Source: Survey data (2021)**

The researcher supplied 65 questionnaires to various respondents as described in the sample by dropping and picking. From this number, 51 questionnaires were collected bringing the response rate to 78.46% which was considered to have met the acceptable response levels and was very good. Mugenda and Mugenda (2003) rate of response of more than 50 is rated as adequate while more than 60 is rated as good while and 70 per cent is rated as very good. Therefore, the response rate for this research is acceptable and rated as very good.

### 4.3 General Information

This section captures a profile of the respondents. The parameters assessed included respondent's gender, age, working experience in the firm, job designation, and highest level of education. The figure below shows statistics pertaining to participant's gender. Approximately 2/3 (64.70%) of participants were male. Only slightly above a third (35.29%) of them were female. This indicates that management of the telecommunication firms was dominated by male employees.



**Figure 4.1: Respondents by gender**

**Source: Survey data (2021)**

Participants were requested to designate their ages. The table below shows information pertaining to the age of the respondents. This was useful in determining whether it is the youth or experienced workforce that held management positions.

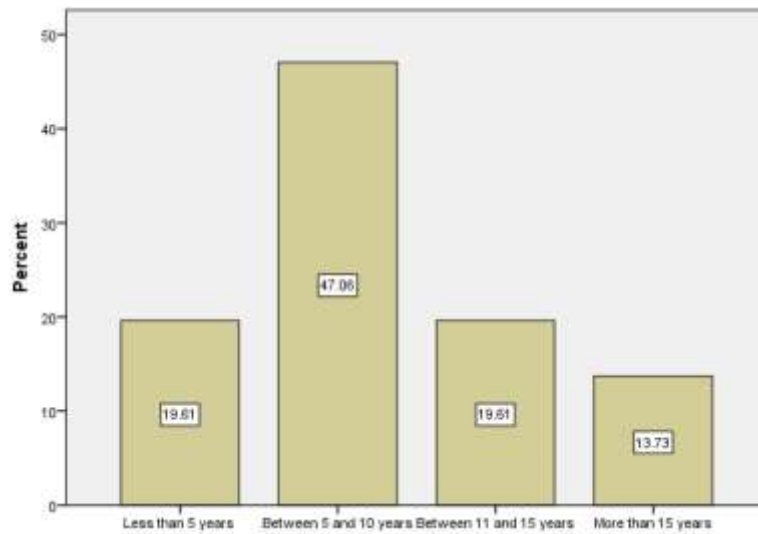
**Table 4.3: Age of Participants**

	Frequency	Percent (%)	Valid Percent(%)	Cumulative Percent(%)
<30 years	7	13.7	13.7	13.7
31-40 years	7	13.7	13.7	27.5
41-50 years	26	51.0	51.0	78.4
Above 51 years	11	21.6	21.6	100.0
Total	51	100.0	100.0	

**Source: Survey data (2021)**

Table 4.3 indicates years of working experience for staffs within the telecommunication firm. Information is useful in determining their capacity to knowledgeably respond to the issues sought by the study regarding their company. Majority of the participants (47.05%) had worked for 5 to 10 years in the telecommunication firms. An additional

33.34 % of the participant worked in the company for more than 11 years. Only 19.61% of participants worked lesser than 5 years in the company



**Figure 4.2: Working Experience in the Telecommunication Firms**

**Source: Survey data (2021)**

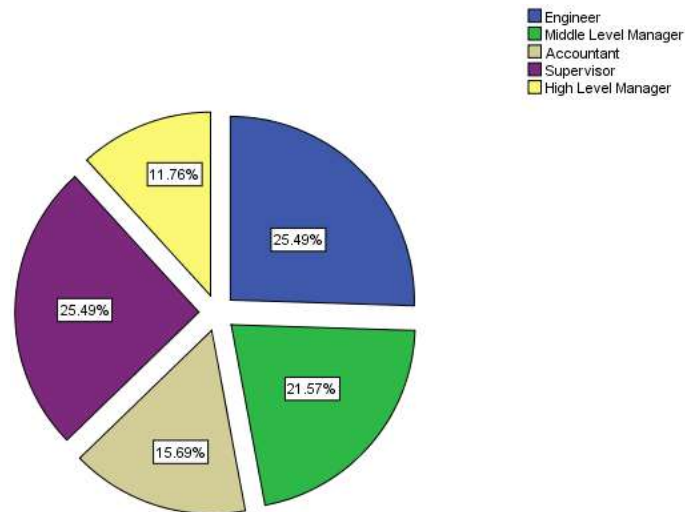
The figure above indicates statistics regarding respondent's education level. The importance of the information concerns determination of the participants capability to contribute to the research and understand questions.

**Table 4.4: Level of Education**

	Frequency(f)	Percent(%)	Valid Percent(%)	Cumulative Percent(%)
Secondary	3	5.9	5.9	5.9
Certificate	10	19.6	19.6	25.5
Diploma	14	27.5	27.5	52.9
Undergraduate	19	37.3	37.3	90.2
Postgraduate	5	9.8	9.8	100.0
Total	51	100.0	100.0	

**Source: Survey data (2021)**

Most participants (52.20%) were diploma holders. An addition 37.30 percent and 9.80 percent had undergraduate and post graduate level qualifications respectively. Finally 19.60% percent and 5.90% had certificate and secondary level academic qualifications respectively. Hence, the management team of the telecommunication firms had fairly richly educated staff with potential to effectively and efficiently participate in the study. The table above indicates statistics on the participants designations in the telecommunication firms. Majority of the responses were registered from the engineers and supervisors who accounted for 25.49% of total responses each. The middle level managers accounted for 21.57% of the responses while accountants and high level managers represented 15.59% and 11.76% of total responses respectively. Hence, the responses were fairly received from all categories of management as targeted.



**Figure 4.3: Respondents' Designation**

**Source: Survey data (2021)**

**4.4 Descriptive statistics.**

This subtopic elaborates on the variables hypothesised in the study where competitive strategies include: -differentiation, focus differentiation, cost leadership and focus cost strategies. Statistics regarding the dependent variable (organization performance) are also presented.

**4.4.1 Performance of Telecommunication Firms**

This section entails descriptive data on telecommunication company's performances. participants were requested to elaborate on the extent to which they approved different aspects telecommunication firms performance. Table 4.5 provides the statistics.

**Table 4.5: Performance of Telecommunication Firms**

	N	Mean	Std. Dev
Over the last three financial years, our organization has increased its market share	51	3.6742	.05632
We have an upward trend in sales growth for the last 3 years.	51	3.4667	.43006
We have had repeat purchases from most of our customers for the last 3 years	51	3.8009	.40606
Customer service has improved with strategic leadership	51	3.5011	.28331
Our efficiency has improved over the past three years	51	4.2013	.64273
Quality of service delivery has improved over the past three years	51	3.8810	.09482
Stakeholder satisfaction has improved over the past three years	51	3.2783	.46530
Value for the taxpayer's money has been enhanced	51	3.6908	.98632
<b>Average</b>	<b>51</b>	<b>3.6868</b>	<b>.48398</b>

**Source: Survey data (2021)**

Shown by mean aggregate (3.69), performance of telecommunication firms was generally good. This is denoted by low standard deviation mean (0.48) an indication that opinion were closer to the average. The results (M=3.67, SD=0.56) indicated the organisations had to a great extent enhanced their market share over the past three financial years. Further as shown by the statistics (M=3.50, SD=0.43), the firms to largely registered an upward trend in sales growth for the last 3 years. The results (M=3.80, SD=0.40) showed that the organisations also registered a great deal of repeat purchases from most customers for the last 3 years. In addition, it was established that customer service (M=3.50, SD=0.28) and efficiency (M=3.88, SD=0.940 and value for tax payers money (M=3.88, SD=0.09) had greatly improved over the past three years.

Nonetheless, stakeholder satisfaction (M3.27, SD=0.47) had registered only moderate improvement over the past three years.

#### 4.4.2 Cost Leadership

This subsection elaborates on findings, discussions and presentation on cost leadership a competitive strategy implemented by the telecommunication firms.

Table 4.6 provides the statistics to this regard.

**Table 4.6: Cost Leadership Strategy**

	N	Mean	Std. Dev
Our products are given the lowest prices in the market	51	3.5074	.22201
Our company sells products with the best quality in the market	51	3.8309	.53101
We reduce our prices conveniently	51	3.6963	.38525
The pricing of our products and services help us to minimize threat from our competitors	51	3.7321	.20525
We ensure that the pricing does not compromise the quality of our products	51	4.4208	.35645
We give value to our customers at the most competitive price in the market	51	3.5986	.44424
We periodically keep reviewing our prices in response to market forces	51	3.9763	.24258
We cushion ourselves from competitor price wars	51	3.6153	.63246
<b>Average</b>	<b>51</b>	<b>3.7972</b>	<b>.377410</b>

**Source: Survey data (2021)**

As denoted by mean aggregate (3.80), companies greatly used of cost leadership as a competitive strategy among the telecommunication firms. This scenario is supported by low standard deviation mean (0.377) an indication that opinion were closer to the average. The respondents largely reported that their companies' products were given

the lowest prices (M=3.51, SD=0.22) and best quality (M=3.83, SD=0.53) in the market. It was also largely held that the companies conveniently reduced their prices (M=3.70, SD=0.40) and that the pricing of the companies' products and services was effective in minimizing threats from competitors (M=3.73, SD=0.21). The results (M=4.42, SD=0.36) also demonstrated that the firms ensured that pricing did not compromise the quality of products. In addition, the statistics (M=3.60, SD=0.44) showed that the telecommunication firms offered supreme value to their customers at the most competitive prices. It was also established that the firms periodically reviewed their prices in response to market forces (M=3.98, SD=0.24) and effectively cushioned themselves from competitor price wars (M=3.61, SD=0.63).

#### 4.4.3 Differentiation Strategy

This subsection discusses the findings and presentation on differentiation as a competitive strategy in the telecommunication firms as shown in the table below.

**Table 4.7: Differentiation Strategy**

	N	Mean	Std. Dev
Our products and services are unique from those offered by our competitors	51	3.8743	.63274
We segment our market based on consumer trends	51	4.0643	.52345
We market our products and services differently and in accordance to different market needs	51	3.2001	.48023
We customize our products and service in response to consumer demands	51	3.9111	.34523
We listen to all our customer concerns and resolve issues immediately	51	3.9002	.32047
<b>Average</b>	<b>51</b>	<b>3.7900</b>	<b>.46042</b>

Source: Survey data (2021)

The average mean (3.79) is an indication that differentiation competitive strategy was basically implemented by the telecommunication firms. The truncated standard deviation mean (0.46) an indication that opinion were closer to the average. The outcome (M=3.87, SD=0.63) pinpointed that companies products and services were largely unique from those offered by our competitors. The statistics pinpointed that company largely segmented their market based on consumer trends (M=4.06, SD=0.52) and customized their products and services in response to consumer demands (M=3.91, SD=0.35). In addition, it was demonstrated that the firms largely listened to customer concerns and promptly resolved issues. Nonetheless, the outcome (M=3.20, SD=0.48) pinpointed that companies moderately marketed their products and services differently and in accordance to different market needs.

#### 4.4.4 Focus Cost Strategy

This subtopic discusses the findings and presentation on focus cost strategy which was one on the competitive strategies pursued by the study. Table 4.8 provides the statistics to this regard.

**Table 4.8: Focus Cost Strategy**

	N	Mean	Std. Dev
We have special product pricing packages for specific social classes.	51	3.9643	.33002
Our firm has facilities that target specific niches depending on income.	51	3.7645	.84323
The firm chooses how they sale within different markets.	51	3.6594	.22436
The firm pays attention to unique demographic groupings while pricing her products and services.	51	3.8745	.14213
Price wars are utilized by the firm in winning specific market niches	51	3.9303	.35832
<b>Average</b>	<b>51</b>	<b>3.8386</b>	<b>.37961</b>

**Source: Survey data (2021)**

From the outcome (aggregate mean 3.84), showed that focus cost as a competitive strategy was largely implemented by the telecommunication firms. This was asserted

further by reduced standard deviation (0.38) that represented proximal observations about the average. The outcome (M=3.96, SD=0.33) showed that companies basically implemented special product pricing packages for specific social classes. In addition, the firms had largely established facilities that target specific market niches based on income level (M=3.76, SD= 0.84). The firms also largely practiced discriminate selling for different market segments (M=3.66, SD=0.22). Finally, the telecommunication firms largely paid attention to unique demographic groupings while pricing her products and services (M=3.87, SD=0.14) and also largely utilised price wars in winning specific market niches (M=3.93, SD=0.36).

#### 4.4.5 Focus Differentiation Strategy

This subtopic discusses the findings and presentation on focus differentiation strategy which was a competitive strategies examined by the study.

Table 4.9 provides the statistics to this regard.

**Table 4.9: Focus Differentiation Strategy**

	N	Mean	Std. Dev
The telecommunication firm utilizes product customization to suit the needs of specific niches.	51	3.8882	.44002
Products are continuously modified and improved to suit unique customer preferences	51	3.6082	.20056
Attention is paid to the diversity of social classes in shaping the deliverables attached with particular products and services.	51	3.8773	.45012
Prestige selling is highly utilized by the firm.	51	3.3423	.14213
The telecommunication firm pays attention to diverse physiological characteristics of different market segments to inform product distinction.	51	3.3476	.18537

Average	51	3.6127	.28364
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Source: Survey data (2021)

As denoted by mean aggregate (3.61), focus differentiation strategy as a competitive strategy was largely used by the telecommunication firms. Reduced mean standard deviation (0.28) also confirmed this scenario by observing right bond between the average. The outcome (M=3.90, SD=0.44) pinpointed that telecommunication firms generally utilized product customised to fit market needs. The firms also largely implemented continuous modification and improvement of their products to suit unique customer preferences (M=3.60, SD=0.20). In addition, the firms paid attention to the diversity of social classes in shaping the deliverables attached with particular products and services (M=3.60, SD=0.20). Nonetheless, outcome indicated that prestige selling was only moderately utilized by the firms (M= 3.34, SD=0.14). In addition, the telecommunication firms only moderately considered diverse physiological characteristics of different market segments to inform product distinction (M= 3.34, SD=0.20).

#### 4.5 Inferential Statistics

Besides the descriptive statistics, the study also applied inferential analysis tools that gave key inferential statistics through correlation and multiple regression analysis. The statistics were important in shaping the influence of competitive strategies on Kenyan telecommunication companies performances. With the inferential statistics, generalisations on the larger population was made possible.

##### 4.5.1 Correlation Analysis

Research applied correlation analysis by Pearson to examine the connection between competitive strategies and performances within firms. Of key interest in the analysis

was the form, power and direction of association among competitive strategy and performance of the telecommunication firms as shown below.

**Table 4.10: Analysis of Pearson Correlation**

		Firm Performance
Cost Leadership Strategy	Pearson Correlation	.701**
	Sig. (2-tailed)	.001
	N	51
Differentiation Strategy	Pearson Correlation	.551**
	Sig. (2-tailed)	.021
	N	51
Focus Cost Leadership Strategy	Pearson Correlation	.423**
	Sig. (2-tailed)	.013
	N	51
Focus Differentiation Strategy	Pearson Correlation	.444**
	Sig. (2-tailed)	.032
	N	51

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: Survey data (2021)**

Pearson Correlation Analysis indicated that all the independent variables assessed focus differentiation, cost leadership, focus cost, differentiation strategies and are positively related with firm performance. The outcome provided evidence that cost leadership has the greatest relationship with firm performance. This was followed by

differentiation strategy, focus differentiation strategy and focus cost leadership strategy respectively. Correlation Coefficient by Pearson for focus cost strategy (0.701) represents a robust and positive connection with firm performance. The connection is statistically important since the p value at (0.001) lies under 5% importance level. The outcome support past studies such as Muiruri (2020), Wanjiru (2018) and Islami et al., (2020) established that cost leadership has positive connection with performance. Study findings however contradicts Norman (2019) who established that the strategy of cost leadership had no important connection with performances within companies.

Correlation coefficient by Pearson on differentiation strategy (0.551) indicated that the connection between firms performance and differentiation is strong and positive. The relationship is important thus indicate by a p value (0.021) which lies within the 5% important level. Study findings are in unison Chepngetich & Kimencu (2018), Chumba (2019), Islami et al., (2020) and Fathali (2016) who indicated that the strategy of differentiation had an important positive connection with firm's performance. However the study contradicts Muiruri (2020) who indicated that the strategy of differentiation has an important negative connection with firm's performance.

Connection between focus cost strategy and firm performance is moderate and positive as indicated by the Pearson Correlation Coefficient (0.423). Further, the association is significant since the p value (0.013) lies amidst 5% significance level. The research is in unison with Nderitu (2015), Wanjiru (2018), Islami et al., (2020) and Fathali (2016) who also showed a positive connection between focus cost strategy and organizational performance.

Finally, correlation coefficient by Pearson for focus differentiation strategy (0.444) indicates moderate connection between focus differentiation strategy and firm

performance. The connection is important since the value of p (0.032) is amidst 5% significant level. The outcome is in unison with Pulaj, Kume, and Cipi (2015), Islami et al., (2020), Wanjiru (2018) and Fathali (2016) who showed a positive connection between focus differentiation and firms performance.

#### 4.5.2 Regression Analysis

The multiple regression analysis sought to establish the effect of competitive strategies on firm performance in the context of telecommunication companies in Kenya as indicated in the table below

**Table 4.11: ANOVA F- Test**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	225.601	4	56.401	101.002	.022
Residual	25.653	47	.546		
Total	251.254	51			

a. Predictors: (Constant), Cost Leadership, Differentiation, Focus Cost, Focus Differentiation

b. Dependent Variable: Firm Performance

**Source: Survey data (2021)4**

At 5% significance level, the study obtained a confirmation and concluded that the regression line gradient differed from zero. This is because the value of p at 0.022 is less than 5% level of significance. Therefore, at minimum one of the competitive strategies assessed; cost leadership, differentiation, focus cost and focus differentiation strategies was an important predictor of telecommunication firms performance.

Another key results from the multiple regression analysis is regression model summary. Output shows the importance of the model in forecasting performances within telecommunication firms. The table below captures the output of the model summary.

**Table 4.12: Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.856 <sup>a</sup>	.733	.729	.20603	1.891

a. Predictors: (Cons), Cost Leadership, Differentiation, Focus Cost, Focus Differentiation

b. Dependent Variable: Firm Performance

**Source: Survey data (2021)**

The coefficient of determination and R square, 73.30% performance variation within telecommunication firms (the dependent variable) is elaborated by variances in competitive strategies i.e differentiation, focus differentiation, cost leadership and focus cost. Therefore, only 26.70% variance within telecommunication firms performance was elaborated by another analysis in the model. It was established that at minimum one variables; differentiation, cost leadership, focus differentiation and focus cost was an important analysis for performances within firms.

The final regression output is the coefficients table. The table below shows regression model coefficients. Companies performance were analysed as dependent variables and competitive strategies (cost leadership, differentiation, focus cost, and focus differentiation) were the independent variables.

**Table 4.13: Regression Model Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.284	.054		79.333	.023
Cost Leadership Strategy	.784	.203	.603	3.862	.013
Differentiation Strategy	.601	.276	.341	2.178	.029
Focus Cost Strategy	.475	.213	.341	2.230	.001
Focus Differentiation Strategy	.593	.388	.408	1.529	.012

a. Dependent Variable: Firm Performance

**Source: Survey data (2021)**

From the analysis result, competitive strategies coefficients show that they are significant determinants of performance of telecommunication firms. Thus, competitive strategies and their components are useful forecaster of performances within firms.

Regression model is developed as:

Firm Performance = 4.284 + 0.784 (Cost Leadership) + 0.601 (Differentiation) + 0.475 (Focus Cost) + 0.593 (Focus Differentiation).

The coefficient for cost leadership strategy (0.784) value of p at 0.013 which minimal by 5% significance level. For that reason, it was concluded that cost leadership is an important forecaster of performances within firms. Since a unit improvement in using cost leadership as a competitive strategy results to a 0.784 unit increase in firm performance. The outcome hold on to past research's like for Muiruri (2020), Wanjiru (2018) and Islami et al., (2020) who found that cost leadership has performance

enhancing effects. The study findings however contradicts Norman (2019) who denoted that cost leadership had no significant influence on performances within firms.

Differentiation strategy coefficient (0.601) is associated with the value of p at 0.029 which is amongst 5% statistical important edge. A conclusion was made that differentiation is an important forecaster on performances within firms. Thereby, a unit increase in implementation of differentiation strategy within firms would lead to 0.601 unit improvement in performances within firms. The study findings agree with Chepngetich and Kimencu (2018), Chumba (2019), Islami et al., (2020) and Fathali (2016) who indicated that differentiation strategies has positive and important impact on organizational performances organization. However the study contradicts Muiruri (2020) who showed that differentiation strategy had an important negative effect on performances within firms.

Focus cost coefficient (0.475) is associated with the value of p at 0.001 which is below 5% importance level. Thereby, it was determined that focus cost strategy is an important factor affecting performances within firms. An increase by a unit in using focus cost strategy results to a 0.475 unit improvement telecommunication firms performance. The study agrees with Nderitu (2015), Wanjiru (2018), Islami et al., (2020) and Fathali (2016) who established a positive importance on focus cost strategy on performances within firms.

The regression coefficient for focus differentiation strategy (0.593) is associated with the value of p at 0.012 which lies at 5% important threshold. Since its concluded that focus differentiation strategy is significant determinant of performances within firms. An increase by a unit in implementation of focus differentiation as a competitive strategy produces 0.593 unit advancement on firms performance within telecommunication firms. The outcome is in unison with Pulaj, Kume, &Cipi (2015),

Islami et al., (2020), Wanjiru (2018) and Fathali (2016) who shows positive impact of focus differentiation strategy on performances within organizations.

#### **4.6 Summary of Key Findings**

In summary, the multiple regression analysis demonstrated all competitive strategies assessed; cost leadership strategy, differentiation strategy, focus cost strategy, and focus differentiation strategy have a positive and statistically significant effect on performance of telecommunication firms. The coefficient for cost leadership strategy ( $\beta=0.784$ ,  $p=0.013$ ) shows that cost leadership has a statistically important influence on telecommunication firms performances. The coefficient for differentiation strategy ( $\beta=0.601$ ,  $p=0.029$ ) indicated that differentiation as a competitive strategy has an important influence on telecommunication firms performances.

The coefficient for focus cost strategy ( $\beta=0.475$ ,  $p=0.001$ ) indicates that focus cost strategy has an important influence on telecommunication firms performances. Finally, regression coefficients for focus differentiation strategy ( $\beta=0.593$ ,  $p=0.012$ ) demonstrates that focus differentiation strategy has a statistically significant effect on performance of telecommunication firms. The outcome of correlation analysis by Pearson showed that cost leadership ( $r=0.701$ ,  $p=0.001$ ), differentiation ( $r=0.551$ ,  $p=0.021$ ), focus cost ( $r=0.423$ ,  $p=0.013$ ) and focus differentiation strategies ( $r=0.444$ ,  $p=0.032$ ) had a strong positive and statistically important connection with telecommunication firms performances.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The fifth chapter provides a summary of the outcome of the study. It further highlights key conclusions and policy recommendations on competitive strategies and performance of telecommunication firms in Kenya.

#### **5.2 Summary of Findings**

The research assessed the effect of competitive strategies on Kenyan telecommunication firm's performances. Specific competitive strategies analysed were cost leadership, focus cost, differentiation and focus differentiation strategy. Specific objectives were to determine how cost leadership, differentiation, cost focus, and differentiation focus strategy affect the performance of telecommunication firms in Kenya. Performances within firms was indicated through dimensions of market share, sales growth and customer retention.

The study established that performance of telecommunication firms was generally good. This was with regard to all the dimensions assessed market share, sales growth and customer retention. Nonetheless, the study established that stakeholder satisfaction registered only moderate improvement over the past three years and therefore warranted strategies towards improvement. Multiple regression analysis outcome showed that competitive strategies were important elements of telecommunication firm's performances.

The results by coefficient determinant and R square, almost three quarters of variance in firms performance were elaborated by a variance in competitive strategies. The correlation analysis by Pearson showed that independent variables are positively linked with performances within firms. The outcome gave evidence that cost leadership

strategy has the highest connectivity with performance within firms followed by differentiation, focus and focus cost leadership respectively.

Regression analysis outcome demonstrated that cost leadership is an important forecaster of performances within firms. Correlation analysis by Pearson shows that cost leadership strategy has a very strong, positive and important link with performances within firms. The study established that cost leadership generally adopted by the telecommunication firms. The companies' were committed to positioning their products as the best quality and lowest priced ones in the market. The telecommunication firms largely ensured that pricing did not compromise the quality of products. There was periodic review of prices in response to market forces and the firms were also steadfast on cushioning themselves from competitor price wars.

The multiple regression analysis outcome showed that differentiation as a competitive strategy is an important forecaster of performances within firms. The correlation analysis by Pearson shows that the connection between differentiation and organizational performances are strong, positive and statistically important. The study established that differentiation as a competitive strategy was largely implemented by the telecommunication firms. The firm's products and services were largely unique from those offered by our competitors. The companies also largely segmented their market based on consumer trends and listened to consumer concerns. They also promptly resolved emerging service issues and customized their products and services in response to consumer demands. However, the companies only moderately marketed their products and services differently and in accordance to different market needs.

The multiple regression analysis outcome demonstrated that focus cost strategy is a significant determinant of firm performance. The relationship between focus cost strategy and firm performance is moderate, positive and statistically significant as

indicated by the Pearson correlation analysis. Focus cost as a competitive strategy was largely implemented by the telecommunication firms. The companies largely implemented special product pricing packages for specific social classes. The firms also largely practiced discriminate selling for different market segments and also had facilities that targeted specific market niches based on income level. Finally, the telecommunication firms largely paid attention to unique demographic groupings while pricing their products and services and utilised price wars in winning specific market niches.

Regression analysis outcome shows that focus differentiation strategy is an important element of performances within firms. The correlation analysis by Pearson indicated that focus differentiation strategy has a moderate, positive and statistically important connection with performances within firms. Focus differentiation strategy as a competitive strategy was largely used by the telecommunication firms. The firms largely utilized product customization as well as continuous modification and improvement of their products to suit unique customer preferences. Close attention was also paid to the diversity of social classes in shaping the deliverables attached with particular products and services. Nonetheless, prestige selling was only moderately utilized by the firms. The telecommunication firms also only moderately considered diverse physiological characteristics of different market segments to inform product distinction.

### **5.3 Conclusion of the study**

It was concluded that pursuit of cost leadership strategy enhances performances within firms. As such, the research concludes that an improvement in usage of cost leadership would lead to an increase in firm performance. Likewise, a decline in implementation of cost leadership would occasion a decline in firm performance. It was concluded that

differentiation serves to increase performances within firms. Therefore, an advancement in implementation of differentiation strategy would lead to increased performances among firms. A decline in usage of differentiation strategy results to a decline in telecommunication firm's performances.

The study concludes that focus cost strategy is important in influencing performances within firms. Therefore, an improvement in usage of focus cost strategy would result in an improvement in telecommunication firm's performances. In addition, decline in adoption of focus cost strategy results to a decline in firm's performances. The study makes a conclusion that focus differentiation strategy is key in positively enhancing the level of firm performance. Increased implementation of focus differentiation result to increased performance within telecommunication firms. In addition, a decline in usage of focus differentiation strategy would result to a decline in performance.

#### **5.4 Recommendations of the Study**

This research recommendations were grounded on the research findings. Although performance of telecommunication firms was generally good, the study recommends strategies towards improvement on stakeholder satisfaction in the firms which was only moderately achieved. The research specifically recommended more regular and participatory market surveys to determine stakeholder perceptions and emerging trends and needs. Although cost leadership as a competitive strategy was largely adopted by the telecommunication firms, the study recommends enhanced determination by the firm's in cushioning themselves from competitor price wars, a factor which was only moderately embedded.

Though the study found that differentiation as a competitive strategy was largely implemented by the telecommunication firms, it is recommended that the telecommunication firms work towards fill an identified gap with regard to marketing

their products and services differently and in accord to different market requirements. In addition, while focus cost as a competitive strategy was largely implemented by the telecommunication firms, the research recommended heightened consideration of unique demographic groupings while pricing their products and services as this was found to be only moderately pursued. Finally, with regard to focus differentiation as a competitive strategy, the study recommends more pursuit of prestige selling which was moderately utilized by the telecommunication firms despite potential to greatly enhance performance. It is also recommended that firms work towards filling an identified gap with regard to consideration of diverse physiological characteristics of different market segments to inform product distinction.

### **5.5 Contribution to Knowledge**

There are notable contributions made by the study to the strategic management discipline and organizational practice. The study findings illuminate the ideology based on competitive strategies and performances within firms in the telecommunication segment. The study is timely and relevant as the telecommunication industry is one of the most competitive in Kenya and pursuit of competitive strategies is a daily activity. The study is unique as it addresses three level of performance, an approach that is rarely adopted in past studies. The dimensions of performance considered are: market share, sales growth and customer retention. The consideration of a wide range of indicators not only makes the study unique, but helps address a wide range of research ramifications and directions. This is a paradigm shift from past studies which considered narrow dimensions of performance and therefore only partially addressed the problem with performance as influenced by competitive strategies. The theory underlines the importance of competitive strategies as fronted by goal setting theory, Porter's theory, behavioral theory and resource-based theory. The study confirms that

indeed, pursuit of competitive strategies helps in positively driving organizational performance.

### **5.6 Areas for Further Study**

On account of resource constraints, the study was limited in scope and although it considered the telecommunication firms in Kenya, data was collected from firms headquarters in Nairobi, Kenya. The study recommended that future studies widen the scope and consider the feasibility of data collection from a larger sample that would also include firm branches. This would help even in understanding how aspects such as geographic location impact on performance of the telecommunication firms. The studies could even consider the telecommunication sector in Sub-Saharan Africa to even better understand how differences in regional business context legislation would impact on performance.

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## **APPENDICES**

### **APPENDIX I: Letter of Introduction to the Participants**

Dorcas Wanjiru Ngugi

Kenyatta University,

P.O. Box 43844-00100

NAIROBI.

#### **RE: RESEARCH PARTICPATION**

Dear participant,

Am student undertaking

Master of Business Administration degree program at the Kenya University and who is currently conducting a research on the “Impact of Corporate Strategic Practices on Performances of Telecommunication Companies in Kenya.” In order to accomplish my Master’s Degree program.

You have been selected randomly to be a respondent to the study. The research will only take 20 minutes of your time and thus when filling the questionnaire honesty and objectivity will be integral. Being an academic research, information provided here will be confidential and thus

your name will not be shown anywhere on the report.

Kindly take you time and fill the attached questionnaire.

Thank you.

Yours faithfully,

Dorcas Wanjiru Ngugi

## APPENDIX II: Questionnaire

Answer all questions by marking [] appropriately or provide an alternative in the given space.

### SECTION A: GENERAL DETAILS

- a. AGE:                    20 – 30 (  )  
                                  31-40 (  )  
                                  41 -50 (  )  
                                  >=51 (  )
- b. GENDER:    Male (  )  
                                  Female (  )
- c. For how long have you been working at Telecommunication firms in Kenya?
- >5 years                                    (  )  
Between 5-10 years                    (  )  
Between 11-15 years                    (  )  
>15years                                    (  )
- d. Which is your designation or level of management do you belong to?
- Engineer                                    (  )                    Middle level manager (  )  
Accountant                                    (  )                    Supervisor                                    (  )  
High level Manager (  )
- e. Identify your highest level of education?
- Primary school                                    (  )  
High school                                    (  )  
College                                    (  )

Undergraduate        ( )

Post-graduate        ( )

**SECTION B: Cost leadership and firm performance**

1. Specify the extent to which agree or disagree with the statements tabulated below pertaining to cost leadership and performance of telecommunication firms in Kenya where; strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1

<b>Indicator</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
Our products are given the lowest prices in the market					
Our company sells products with the best quality in the market					
We reduce our prices conveniently					
The pricing of our products and services help us to minimize threat from our competitors					
We ensure that the pricing does not compromise the quality of our products					
We give value to our customers at the most competitive price in the market					

We periodically keep reviewing our prices in response to market forces					
We cushion ourselves from competitor price wars					

**SECTION C: Focus cost strategy and firm performance**

1. Specify the extent to which agree or disagree with the statements tabulated below pertaining to cost strategy and performances within Telecommunication firms in Kenya, where;

Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree =1

<b>Indicator</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
We have special product pricing packages for specific social classes.					
Our firm has facilities that target identified market segment based income.					
Firm practices chooses ho they sale within different markets.					
The firm pays attention to unique demographic groupings while pricing her products and services.					

Price wars are utilized by the firm in winning specific market niches					
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**SECTION D: Focus differentiation and firm performance**

1. Specify the extent to which agree or disagree with the statements tabulated below pertaining focus differentiation and performance of Telecommunication firms in Kenya,where;

Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1

<b>Indicator</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
The telecommunication firm utilized product customization to suit the needs of specific niches.					
Products are continuously modified and improved to suit unique customer preferences					
Attention is paid to the diversity of social classes in shaping the deliverables attached with particular products and services.					
Prestige selling is highly utilized by the firm.					
The telecommunication firm pays attention to diverse physiological characteristics of different market segments to inform product					

distinction.					
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**SECTION E: Differentiation and firm performance**

1. Specify the extent to which agree or disagree with the statements tabulated below pertaining to differentiation and performance of Telecommunication firms in Kenya where; Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree =1

<b>Indicator</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutra l</b>	<b>Agree</b>	<b>Strongly Agree</b>
Our products and services are unique from those offered by our competitors					
We segment our market based on consumer trends					
We market our products and services differently and in accordance to different market needs					
We customize our products and service in response to consumer demands					
We listen to all our customer concerns and resolve issues immediately					

**SECTION F: Firm Performance of telecommunication firms in Kenya**

1. If you agree with the following statements regarding telecommunication firm performance in Kenya, please indicate the degree to which you agree;

Strongly agree=5, Agree=4, Neutral=3, Disagree=2 and Strongly Disagree=1

<b>Indicator</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
Over the last three financial years, our organization has increased its market share					
We have an upward trend in sales growth for the last 3 years.					
We have had repeat purchase from most of our customers for the last 3 years					
Customer service has improved with strategic leadership					
Our efficiency has improved					
Quality of service delivery has improved					
Stakeholder satisfaction has improved					
Value for the taxpayer's money has been enhanced					

## APPENDIX III: Kenyatta University Authorization Letter



KENYATTA UNIVERSITY  
GRADUATE SCHOOL

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)

Website: [www.ku.ac.ke](http://www.ku.ac.ke)

P.O. Box 43844, 00100  
NAIROBI, KENYA  
Tel. 810901 Ext. 4150

Internal Memo

FROM: Dean, Graduate School

DATE: 8<sup>th</sup> September, 2021

TO: Dorcas Wanjiru Ngugi  
C/o Business Administration Dept.

REF: D53/CTY/PT/37899/2017

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 25<sup>th</sup> August, 2021 approved your Research Project Proposal for the M.B.A Degree Entitled, "Competitive Strategies and Performance of Telecommunication Firms in Kenya"

*You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.*

- As you embark on your data collection, please note that you will be required to submit to Graduate School completed supervision tracking and progress report forms per semester. The forms are available at the university's website under Graduate School webpage downloads.

Thank you.

A handwritten signature in blue ink.

ELIJAH MUTUA  
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Business Administration Department.

Supervisors:

I. Dr. Elishiba Murugi  
C/o Department of Business Administration  
Kenyatta University

EM/inn

## APPENDIX IV: Research Authorization



KENYATTA UNIVERSITY  
GRADUATE SCHOOL

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)

Website: [www.ku.ac.ke](http://www.ku.ac.ke)

P.O. Box 43844, 00100  
NAIROBI, KENYA  
Tel. 8710901 Ext. 57530

Our Ref: D53/CTY/PT/37899/2017

DATE: 8<sup>th</sup> September, 2021

Director General,  
National Commission for Science, Technology  
and Innovation  
P.O. Box 30623-00100  
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR DORCAS WANJIRU NGUGI - REG. NO. D53/CTY/PT/37899/2017.

I write to introduce Dorcas Wanjiru Ngugi who is a Postgraduate Student of this University. The student is registered for M.B.A degree programme in the Department of Business Administration.

Dorcas intends to conduct research for a M.B.A Project Proposal entitled, "Competitive Strategies and Performance of Telecommunication Firms in Kenya".

Any assistance given will be highly appreciated.

Yours faithfully,

  
PROF. ELISHIBA KIMANI  
DEAN, GRADUATE SCHOOL

EM/Im

**APPENDIX V: Introduction Letter by NACOSTI**

 <b>REPUBLIC OF KENYA</b>	 <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
<b>Ref No: 200769</b>	<b>Date of Issue: 09/April/2023</b>
<b>RESEARCH LICENSE</b>	
	
<b>This is to Certify that Mrs. DORCAS WANJIRU NGUGI of Kenyatta University, has been licensed to conduct research in Kisumu, Mombasa, Nairobi on the topic: COMPETITIVE STRATEGIES AND PERFORMANCE OF TELECOMMUNICATION FIRMS IN KENYA, for the period ending : 09/April/2023.</b>	
<b>License No: NACOSTI/P22/16771</b>	
<b>200769</b>	
<b>Applicant Identification Number</b>	<b>Director General</b> <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
	<b>Verification QR Code</b> 
<b>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</b>	