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# INFLUENCE OF COMPETITIVE STRATEGIES ON PERFORMANCE OF MOBILE TELEPHONE SERVICE PROVIDERS IN KENYA

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**Abstract**

Competitive strategies involve undertaking steps which strengthens a company and enables it to perform better compared to rivals. Organizations therefore have to continuously assess the competitive environment in which they operate and also assess their own approaches. This research navigated by competitive strategies which included cost leadership, focus and differentiation. The mobile telephone industry in Kenya is lucrative but faces challenges like any other industry. The Kenyan mobile telephone industry is competitive hence the players need to review strategies to counter competition. Specific objectives included, To determine influence of cost leadership strategies on performance, To assess scope of focus strategies on performance, to establish effect of differentiation strategy on performance. The target population of the study was 260 employees working in management, marketing, finance, research and innovation departments in selected mobile telephone phone companies. The research applied stratified sampling approach. The sample size was 78. The study used questionnaires with open ended and closed ended questions to collect data. Validity and reliability of data collection instrument was tested where Cronbach value of 0.7 was accepted. A pilot study was conducted where respondents did not take part in the final study. Confidentiality was assured and maintained throughout the process. Statistical Package for Social Sciences model 26 was applied for data analysis. Association between the study variables was evaluated using correlation and regression. Data was presented by use of tables and graphs. Performance of the mobile telephone service providers in Kenya was highly determined by cost leadership, focus and differentiation strategies. This research advocates management in these entities to firmly assess these strategies so as to actuate their efficacy. The research advocates that before putting into action any of the above strategies, the management should first have a clear perception of the need and rationale just before endorsing it. Due to market aggression application of relevant approaches will ensure that entity remains lucrative.

**Keywords:** Competitive Strategy, Cost Leadership Strategy, Focus Strategy, Differentiation Strategy

## 1.0 INTRODUCTION

### 1.1 Background to the study

Rivalry in commercial activities existed long before strategy. Strategies provide directions to a firm. Competitive strategy is a decision necessary to achieve organizational goals. Today firms exist in rapidly changing environment; the business may be viewed as complex adaptive system that evolves through life cycle stages (Lestor, 2012). The demands of businesses change due to competition, customer demands as well as changes in management. Competition affects performance and reduces attractiveness. To enhance market performance, endure pressure and attract more customers from competition there is need for firms to do things differently as their competitors (Thompson, Strickland and Gamble, 2010).According to Porter (2003) being different is about strategy. It is performing activities in unique and better ways than rivals. Competitive strategy involves approaches such us being overall low cost provider, differentiating, being focused and innovative.

Globally, competitive strategies have been studied by many scholars. According to Lestor (2012), who has done her study in America expressed that strategies allow a firm to compete effectively. Companies that adopt competitive strategies and plan adequately have improved performance compared to their competitors. (Barney 2012). According to Thompson and Strickland (2010), having an advantage over competitors enables a company to have competitive advantage and Core competencies yielding long term benefits gives a company competitive advantage.

Kvint (2013) states that future of companies is determined by response to competition change in business environment and strategic capability. The business environment, competence, resources and political will within which a firm exists determines the strategies adopted.

Currently in Africa, the mobile web lines up roughly 70% of the citizenly, signifying that 30% of the population in the territory do not have connection to mobile network services (Muto Megumi, 2010).

In the mobile telephone sector there is competition as in the other sectors of the economy. Akar (2010) revealed MTN subscribers in Nigeria spend $40 on the Network monthly. MTN group has experienced harmonious magnification in its followers support as a consequence of the Nigerian performance. Between 2004 and 2005 for example, MTN posted a 123 percent growth in contribution from the Nigerian trade to about 4.5million. Extension in the other territory where MTN controls was a mean of 40 percent. Magnificent for expansion in the telecommunications industry in Nigeria were further justified by the CEO of Nigerian Communication Commission (NCC, 2009). Innovations and reforms are important prerequisites for competitive strategies. Allen (2009) states two broad strategies usually employed by firms in a bid to improve performance are pure and hybrid strategies. With the pure strategies firms tend to employ one of the Porter's (1980) strategies. Firms choose strategies which suit them best and pursue them

(Allen & helms, 2009). This follows an argument on whether environmental characteristics limit the range of possible strategies.

A combination of strategies resulted in hybrid strategy Wambua, (2014). Another school of thought felt that a hybrid strategy is a strategic approach laying more emphasis on differentiation and low cost strategy (Sumer, 2012). This implies that the strategy gives more monetary value to satisfy the customer needs and wants (Thompson & Strickland, 2010). Hybrid strategies have been considered more effective in a turbulent environment as they offer more flexibility. Experimental study proved that this strategy indeed yielded better performance in a turbulent environment (Shinkle, Kriauciunas & Hundley, 2013).

For economic development, Uganda welcomed its first mobile phone service in 1994. The high end users mainly diplomats and business people were targets by Celtel which launched operations in Uganda using GSM 900 technology. This greatly affected performance of the sector because many users could not afford mobile devices to connect to the network (Sabiti, 2016). When Mobile Telecommunications Network (MTN) entered the Ugandan market, one of the conditions that were made with the regulatory body was that no new mobile entrant would enter the market until 2006.

After 2006 when the market was opened up, calling became affordable which lead to extension of the mobile services to the remote locations. More telecommunication companies like Warid, Vodafone, Smile Telecom, and Sure Telecom entered the lucrative mobile market. This lead to diversification and introduction of more products and services making calling rates even more affordable due to competition.

In Kenya this industry is regulated by the government under communication department. Due to the high seed capital requirement and stringent government regulation the industry in Kenya is dominated by few operators.

Safaricom, Airtel, Telkom Kenya and Equitel being the leading service providers, offer similar services and products ranging from mobile phone handsets, money transfer services and platform for payment for utility bills among others. In terms of market share Safaricom dominates with 64%, Airtel 22.3%, Telkom 8.8% and Equitel 4.3% of the market share as at September 2018 (CAK, 2018). Safaricom recorded Kshs. 48.4 billion profit, Airtel recorded a loss of 5.95 billion in the year 2017(CAK, 2018). The customers who subscribed were 29.9 million for Safaricom, 10.4 million subscribers for Airtel, 4.2 million for Telkom Kenya and 1.9 million subscribers for Equitel in year 2018, (CAK, 2018) .In the money transfer services there were 24 million and 3.4 million active subscriptions for Safaricom and Airtel in 2018 and 22.8 million for Safaricom and 1.6 million active subscriptions for Airtel in 2017,(CAK,2018).Market share dominance is dictated by competition as each firm tries to dominate the industry . According to Mwaniki (2018) Safaricom offered itself across the market as Airtel targeted high end consumers. Capacity development and capability enhances accomplishment, increased better results and management of competition in a competitive industry.

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### 1.2Mobile Telephone Industry in Kenya

Kenya government through Kenya Posts and Telecommunication (KPTC) controlled all telecommunication before 1998.In 1998, through telecommunication Act put forward by CCK, launched Telkom Kenya in 1999.In the year 2000 both Kencel (Airtel now) and Safaricom started operations mainly in the urban center of Nairobi and other major towns in Kenya. Telecom operators in Kenya are categorized under network facilities provider .This covers operators who are authorized to construct, own and operate any form of communication infrastructure within the country. This includes mobile operators. The mobile service industry is characterized by the need to develop products and services to the ever growing consumer's numbers. The high principal required and regulations by the authority through CAK are the main hindrance to entrants. Due to technological innovation, high population demand for mobile services and devices, globalization, diverseness of goods and utilities, mobile phone growth aspiration of furnishing additional services through mobile phones the industry remains future promising (Wambua,2014)

### 1.3 Safaricom Kenya Ltd

Safaricom started as a department of KPTC formed to tap upcoming mobile phone market. Safaricom Kenya got incorporated in 1997. Safaricom PLC is listed in Kenya to provide mobile network operations with headquarters in Nairobi, Kenya. Vodafone group from Britain secured a 40% shareholding and administration of Safaricom in year 2000. Michael Joseph reigned for ten years as Safaricom first chief executive officer and handed over to late Bob Collymore the role in 2010.Michael Joseph was on July 2019 appointed as the CEO of the company in an acting capacity.

Safaricom is the originator of mobile money transfer business and having the widest coverage in Kenya. Safaricom brands includes mpesa, masoko, songa, mshwari and mpesa 1 tap and recently launched Fuliza, an overdraft facility enabling mpesa subscribers to settle bills in retail outlets at the convenience of mobile wallets. Safaricom controls 64.2 % of the Kenyan mobile market as at September 2018 and a subscriber base estimate of 29.9 million (CAK 2018). Safaricom employs over 5,500 people in Kenya of whom 75 % are based in Nairobi, (Safaricom Ltd 2019).Through corporate responsibility, Safaricom engages in sports, education, culture, environmental conservation among other activities. The Company has nationwide dealers who make products readily available to clients across all towns in Kenya.

### 1.4 Airtel Kenya

According to CAK (2018) Airtel had 10.4 million subscribers and 22.3% of the Kenyan mobile market share following Safaricom. The parent company Bharti Airtel is a dominant multinational telecommunication company based in India. The subsidiary in Kenya started operations and

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changed names severally before acquiring current name (Akar, 2010) .The Company underwent changes in name as a result of changes in ownership.

Airtel Networks is headquartered at Parkside towers along Mombasa road in Nairobi and Prasanta Das Sarma is the current chief executive officer. Airtel provides numerous services and products such as prepaid and postpaid call rates, money transfer, mobile phones and tablets. Airtel has a network all over Kenya in major towns and cities where clients are served for better service provision.

### 1.5 Telkom Kenya

Telkom Kenya is the oldest provider of telephone and postal services in Kenya. The company was established to provide integrated communication solutions. Due to competition from private service providers, TKL performance deteriorated from the year 2000 to 2008. To save the company from collapsing privatization was undertaken in 2006 and finalized in 2008 where France Telkom Orange acquired 51% stake in TKL. The company has a subscription base of 4.1m subscribers in 2018 (CAK, 2018), being the third in subscription after Safaricom and Airtel. The company has been in the market for over 18 years and was previously part of KPTC which was split into CCK, POSTA and Telkom Kenya. Telkom Kenya can be termed as the base of telecommunication in Kenya owning the infrastructure in which most internet service providers ride. The company has in the recent past signed a deal to merge with Airtel Kenya to diversify operations and remain competitive.

### 1.6 Finserve Africa

This company trades as Equitel and is a mobile service provider in Kenya owned by Equity bank Ltd. Established in 2014, Equitel is a subsidiary of Equity bank the largest bank in Kenya. The service provider enables subscribers to be in control of cash and communication. According to Communication Authority of Kenya, the company has a subscription base of 1.9m subscribers as at September 2018.

### *1.7 Statement of the Problem*

Game plan in existing businesses can increase output by becoming competitive within the environment. Firms exist to reward the owners by having the largest market share which generates profit to serve the purpose of their existence (Sumer & Bayraktar, 2012).

There is a concern on mobile telephone service company's performance in the sector due to varying output trends. In Kenya there are over 45 million mobile phone subscribers (CAK 2018). The increasing competition, regulations created necessity for the industry players coming up with ways for challenging these phenomena. Finserve Africa (Equitel) entered in 2015 due to attractiveness of the Kenyan market. Some mobile service providers like Essar Telkom (Yu) were not able to retain their customers due to high competition and had to exit the Kenyan market in 2015 (Ooko, Nzomoi, 2014).Akar & Mbiti, (2010) stated there was high competition in the industry, calling for providers to look for strategies to contribute and make them perform better. The business environment is dynamic; due to factors like automation, customer preference, and competition among others. This forced industry players in the telecommunication industry to calibrate themselves and harbour changes in the external environment clientele needs. Safaricom remains a market leader for efficacy of strategies however its market share dropped from 71.9 % in 2017 to 64.2 % in 2018 compared to Airtel whose market share moved from 14.9 to 22.3% (CAK 2018), in the same period. Even though much attempts have been tried, by the mobile service providers to penetrate and better the market share, subscription, profitability and value of mobile money transactions, Airtel, Telkom and Equitel has been struggling to contain costs, recorded poor financial performance, unable to contain the power exerted by the customers in the market and remain innovative (Wambua, 2014) having started operations almost in the same period with Safaricom. The mobile telephone sector is described by continually dynamic governance and heightened rivalry conceiving the urgency for entities to promote competing approaches for survival. The heightened rivalry marked one company Yu become indebted and exited Kenya, calling for an assessment of the capabilities of approaches employed. Not much is acknowledged on performance and competitive strategies of mobile telephone service companies regardless of their significance to Kenyan economic growth. Due to rivalry by the service providers, opportunities will be derived by those who provide tailor made value for money products and services to the clients. As the political, social and economic surroundings revolve, a major noticeable metamorphosis of trade scene lays ahead (Kiprotich, 2018) calling for more renewed ways to improve levels of activity in the sector.

**1.8. Objectives of the Study**

i. To determine influence of cost leadership strategies on performance of mobile telephone service providers in Kenya
ii. To assess extent of focus strategy on performance of mobile telephone service providers in Kenya
iii. To establish the effect of differentiation strategies on performance of mobile telephone service providers in Kenya

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### *1.9 Research Questions*

i. What is the influence of cost leadership strategies on performance of mobile telephone service providers in Kenya?
ii. To what extent does market focus strategy influence performance on mobile telephone companies?
iii. What is the effect of differentiation strategy on performance of mobile telephone service providers in Kenya?

## 2.0 LITERATURE REVIEW

### *2.1 Theoretical Review*

Strategies have been discussed by many scholars in different places and contexts regarding competitive strategies and performance. Theoretical framework in research views the world clearly (Shinkle, 2013). Several theories were discussed.

### 2.1.1 Resource Based View Theory

Resources are strategic if they are scarce, dear and not changeable (Karimi, 2014). Capabilities must be developed rather than being taken as given resources must satisfy the user need. Business activities could utilize for their execution people characterized by their knowledge, experience, skills and talents; machines, devices and tools characterized by their technical characteristics and constraints; methodologies, tools and models installed in the organization, and/or various types of tangible assets buildings, real estate, and intangible assets like patents, brand names(Barney, 2012). According to Barney, (2012) finance, technology, labour and marketing are the organizational resources which are employed to acquire competitiveness. The theory highlights assets managed by an entity major player of competitiveness and accomplishment. The theory explains that the organizations source of competing with rivals is founded within the company's capability to be in charge of own resources and strength (Das and Teng, 2012**)**. Wealth unlikeness is a vital condition for an asset resource to contribute to competitiveness**.** Capability is particular to grouping and is hardly duplicated; organizations differ in terms of wealth base. The uniquenessness is what leads to competitive advantage.

RBV argues that technology strategies affect a firm's performance. Ogbonna (2014) states processes operations and routines are affected by technical advancements. Strategies applied by mobile telephone firms will be determined by resources at their disposal. According to RBV entities with adequate capabilities are likely to achieve their objectives better than those with limited capabilities. To implement strategies mobile service providers ought to have the right resources in place as the successful strategies depend on resources at disposal.

The service providers require resources to implement their strategies and compete effectively. Actions well allied to the organization's targets contribute an element part of assembly and apportion entity's assets into feasible context**.** According to Barney (2012) if all the entities were same in wealth and capabilities, there could be no advantage contrast amid them as either response could be actualized by either firm in similar sector.

RBV advocate that competitive advantage and achievement aftermath are results of entity-precise collaterals, competences dear imitating on rivals. Consequently institution's attempt to boost competitive advantage necessitates stabilization of wealth processed by the entity. According to Thompson, (2010), this study finds the theory of importance as wealth processed by a firm is critical in determining the performance. The resources may be tangible or intangible, tangible are the physical things while intangible are those that have no physical presence like trademarks and reputation.

This theory has an intra-organizational concentrate and go after that achievement is an outcome of precise wealth and appropriateness (Barney, 2012). Collis and Montgomery, (2014) advocated that this theory is a support for the aggressive leverage of management that depends principally in the utilization of an assortment of dear capabilities at their firm's availability. The theory disconnects distinctive assets that are convoluted, impalpable, and changing in a certain organization which can be used by the organization to achieve and uphold competitive edge (Barney, 2012). The assortment of assets that are extraordinary to an organization give it an upper hand which other entities can hardly imitate hence administering viability of the competitiveness (Wernerfelt, 1984).The distinctive development and unique competences are the basis of resource based view which may often be implicit or impalpable in description processed by successful organizations which find their future aggressiveness (Wernerfelt, 1984).

Organizations rare reserves and competences give an edge of the game plan. Barney (2012) contends that if all institutions were same in capabilities, there would be no opportunism variations among them because any game plan could be carried out by any organization in the similar trade. Firm-specific competences and capabilities are a competitive advantage and performance result oriented as suggested by resource based view theory as the competences are dear to imitate. Competitive advantage is gained by those organizations that seek reality about their appropriateness .Capabilities processed by a company should be established in an effort to gain competitive advantage and how such capabilities can be thumped for the given entities.

### 2.1.2 Theory of Competitive Advantage

This theory relates to superior value. The benefit that a company has over competitors is competitive advantage. Brand loyalty is as a result of better prices and value offered to clients. Cost leadership and differentiation enables firms to make quality product at a lower cost (Kiprotich, 2018. The prices paid for by consumers are determined by their perceived value. According to Robbins (2011) innovation brings out improvement of existing products and services .Kiprotich (2018) states that shared vision and mission brings out innovation. Creativity and innovation in firms is as a result of clients, market changes and solutions to customers problems. Competitive advantage results in carrying out important activities cost effectively compared to rivals (Kvint, 2013). A consumer worth is amplified by the ratio of gains the client

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draws against the costs incurred**.** Therefore, nature of benefit and client anticipated gain can appropriately run cost advantage of an entity. Industry players can thrive swiftly, produce viable returns and furnish better shareholder benefit when client worth drives strategy (Allen 2009).Commerce need to examine both inner and exterior factors pertaining to the business territory. Moreover it is important to establish the aggressive merits in the view of differentiation responsiveness to needs of clientele to be in agreement with the chances and hindrances of both internal and external surroundings of the entity. Such operation indeed matches to the theory on the optimal utilization of wealth to generate outcome diversity.

### 2.1.3 Systems Theory

This was advanced by Rosh Ashby in 1956. According to Palmore, (1978) it helps us to see how people, tasks, and technologies enhance organizational performance. The systems theory entails the surroundings in which firms operate. The theory reveals the nature of the surroundings and elements thereof. The theory states that entities operate and are interdependent. Businesses are influenced by external factors prevailing in the environment. Karimi, (2014) states that to gain competitive advantage, evaluation of strategies by rivals, overcoming them and formulating better strategies is required. Firm's decisions will be determined by external pressure. Strategies adopted by mobile companies determine their performance. When rival firms introduce new strategies competitors may counter them in order to reduce the competitor's growth curve.

Businesses are systems which interact with the external environment where rivalry exists. The systems theory enables better relations within the environment for success of the business. Allen (2009) states that social, political, and economic factors constitute the business environment. The environment hosts capabilities needed by the entities to exist. The industry produces a great deal of profit, making it attractive to new entrants hence the need for operating entities realignment of their strategies to remain on top of the industry.

Business environment constantly changes hence the mobile service providers exist with potential threats from new entrants and existing players. According to the systems theory, more investors are likely to be attracted to a lucrative industry due to the high growth potential. The directives by regulatory agency require industry players to keep evaluating their strategy to remain compliant. In order for firms to be effective and successful, they should adapt changes that occur in their surroundings. Firms are environment vulnerable hence to remain viable they have to create a fit to their surroundings.

In any arrangement, organizations can continue their affairs by reaching out its external environment, Lawrence and Lorsch (1967). By surrounding and interacting with external environment the firm nourishes itself by being accessible, boundaries and interacts with the surroundings. Open systems are living systems and maintain themselves in exchange of takings with extraneous surroundings. Organizations existing under open systems are exceedingly flexible while closed ones are not as they are not permeable as they do not make any takings with surroundings. Organizations should relentlessly collaborate with their surroundings to draw the backings that can bolster or enhance their achievements. Ooko and Mumo (2014) stated that entities have to battle out for the limited assets culpable for continuity and only organizations that are adaptable with the immediate surroundings ward off closing down. This theory explains the logic at the back of elevated rivalry in telecommunication industry.

## *2.2 Empirical Review*

### 2.2.1 Cost Leadership Strategy on Performance

The aim of an entity following this approach becomes low priced cost maker in its industry. A low cost situation allows an entity a guard from contention and rivals since lesser charges signify returns away from competition. Low cost operators look for ways to revamp efficiency and to manage overheads throughout the entity's supply chain. The cost leadership strategy influences the mobile phone firm's achievement. Accomplishment of the service providers is affected by the management and employees behavior towards cost savings.

According to a study by Kiprotich (2018) it is critical for a company to identify cost drivers and factors aiding performance so as to create a competitive advantage. Managers should anticipate challenges and have responses on hand, establish areas with limited performance and continuously monitor progress of competitive strategic plans.

A study by Mwaniki (2018), concluded that in order to deal with competition, entities should ensure they maintain quality services, maintain reasonable tariffs, hire qualified staff in companies and ensure that they use the most latest technology, change with consumer needs, train staff regularly for them to fulfill clients' needs on time. Mobile service providers need to adopt master plans to cope with differences in the territory. The firms flexibility to external demand depends to a great extend to the strategies adopted which enhance their capabilities.

According to Rukia (2016) having the lowest costs of operation positively influences output of manufacturing entities and as such manufacturing firms should adopt the strategy for sustainability in a competitive environment.

By spotting economic activity to delivery of supplies and services more inexpensively a cost leadership strategy comes in handy. Bearing out the cost leadership strategy successful according to Brooks, means designing, producing, and selling similar commodities more efficiently than rivals. Organizations contain their cost lower through contributions in economical-scale facilities, narrow expenditure and overhead control, and price reductions in such areas as service, selling and advertising (Porter, 1980). The market players do not engage in selling no-frills, standardized goods to the most typical clients in the business. The primary aim for an organization looking out for aggressive beneficial way by containing expenditure is to establish and uphold competence through all activities in order to effectively contain every cost and find new sources of potential cost containment (Davis, 2014).When economical cost is accomplished, the stand administers elevated surplus which can be put in power again in state of the art machinery and present day facilities in order to maintain the cost leadership (Porter, 1998). It guards the organization against strong buyouts who can drive costs down and also as opposed to authoritative providers by furnishing more resilience to endure with input costs multiplicity. In addition it establishes the entity in a suitable arrangement.

### 2.2.2 Focus Strategy on Performance

Focus is becoming more extensive in a trade portion. Applicability of this game plan is where the market segment is known and output to satisfy the market is readily available. The competitive strategy focus picks out a niche and strives to serve the niche maximum. Cost focus is used to target segment to maximize cost benefit. Wheelen (2013) states an entity can be in the service of limited strategic mark precisely than its competition. According to Gamble (2010), this strategy grants businesses a battle out on the basis of economy, differentiation, and accelerated feedback contrary to larger trades with massive backing**.**

Sellers classify niches by breaking down a section into sub sections. In focusing strategy the opener to prosperity is picking a market slot where consumers have extraordinary choices, appropriate concerns, or exclusive commitments and advancing a different capacity to deliver those demands**.** According to Kvint, (2013),Capacity of the section is massive to be beneficial, magnitude of the section is modest enough to be of insignificant concern to grand challengers, expansion ability limited exposure to alternatives and non-critical to prosperity of considerable rivals **.**Patrons in the division desire specially designed competence or personalized commodity**.**

Focus grants firms to battle on feedback across great entities with massive assets. Focus strategy allows a firm determines its purposeful clients' demands**,** personalized consideration they want to satisfy and ratify individual connection in procedures that transform the little firm or compose it more precious to the specific client**.** Economical values can be accelerated requirements in patrons actions that great competitors do not desire to mind or unable to perform cost effectively**.** With magnified understanding of its clients and complexity of their performance, the little, attentive establishment boosts up organizational comprehension regarding scheduled quick to respond methods to work with clients. This permits the entity to reply swiftly to clients necessities (Chesbrough, 2010)

Muiya (2017) researched effects of competitive activities on risk management entities. Her conclusion demonstrated insurance entities needed to focus on specific sectors in their specialization to minimize operational expenditure and enhance market dominance.

Mita (2017) in his research on output of metal works SME entities in Naivasha town observed that the approach had the topnotch association with achievement. Mita recommends suggests that focus should entail looking at the future needs using the available resources.

The approach whether attached in a economical base pursue the wants of a precise market portion (Pearce and Robinson, 2014) .An entity is competent to provide it's constrict strategic object further adequately or accurately than opponents. Kombo (2011) in a research on vehicle trade observed that organizations formed consequential modifications in their critical elements in order to endure in the aggressive surroundings. The entities popularized modern approaches in product development, made unique their outputs, subdivided and pointed clients more and improved consumer care. Organizations following this approach are willing to service segregated locations, fulfill client needs with special funding, supplies or payment problems or even to suit the products to moderately unique requirements of the pocket sized to average consumers. The strategy can also be used to select destinations that are least susceptible to representative commodities or where rivals are unsteady.

### 2.2.3 Differentiation Strategy on Performance

The aim of the game plan is furnishing variation of results, utilities and attributes to customers where rivals have not reached**.** The enterprise benefits with ability to supply a distinctive outcome or utility that none of the rivals is able to give (Kvint and Vladimir, 2013). The master plan is suitable where the main consumer portion is not price-sensitive, the market is fierce, clients have very particular wants which are probably under-privileged, entity has distinctive capabilities along with capacity which make appeal content the particular needs in techniques that are hard imitating (Amitand Zott 2001). This incorporates patents or other Intellectual Property (IP), special applied competence such as Apple's prototype prowess or original processes. Prosperous differentiation is flourished when an entity achieves a surcharge cost for the good or amenity, increased income per item, or the customers' allegiance. Contrast accelerates advantage at the same time additional cost concerning item surpasses extra expenditure towards the good. Differentiation is inadequate while its integrity is positively duplicated over rivals (Andersen, 2009).

Differentiation strategy involves the use of distinctive amenities by an entity. Differentiation strategy aims to make products or services of a company unique compared to those of the rivals. For firms looking forward to outdo rivals, this strategy is appropriate. The provision of diversified products, techniques, and innovativeness makes a firms products unique compared to rivals. Onyango (2017) in her study concluded that making a product or service different from others has an impact on output of BOC Kenya limited. The company pursued the strategy effectively. The strategy was harder to copy since products and services were different from the rivals.

Offering unique products or services is an aspect of differentiation strategy and is considered unique action (Porter, 1998). This is whereby an entity presents goods or services with exclusive appearances that purchaser's monetary worth. The price added by the rareness empowers the organization authorize a prime value. The key attributes of differentiation is perceived quality (whether real or not) which may be through superior product design, technology, customer service, dealer network or other dimensions. The merit of differentiation is that perceived quality and brand loyalty cushions the organization from intimidation from any of the forces that determine the state of rivalry in a trade.

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### *2.3 Conceptual Framework*

Inquiry in research is guided by understanding of the variables and how they connect with each other. This is a planned way of reasoning on a project and the reason it happens and how we perceive the happenings.

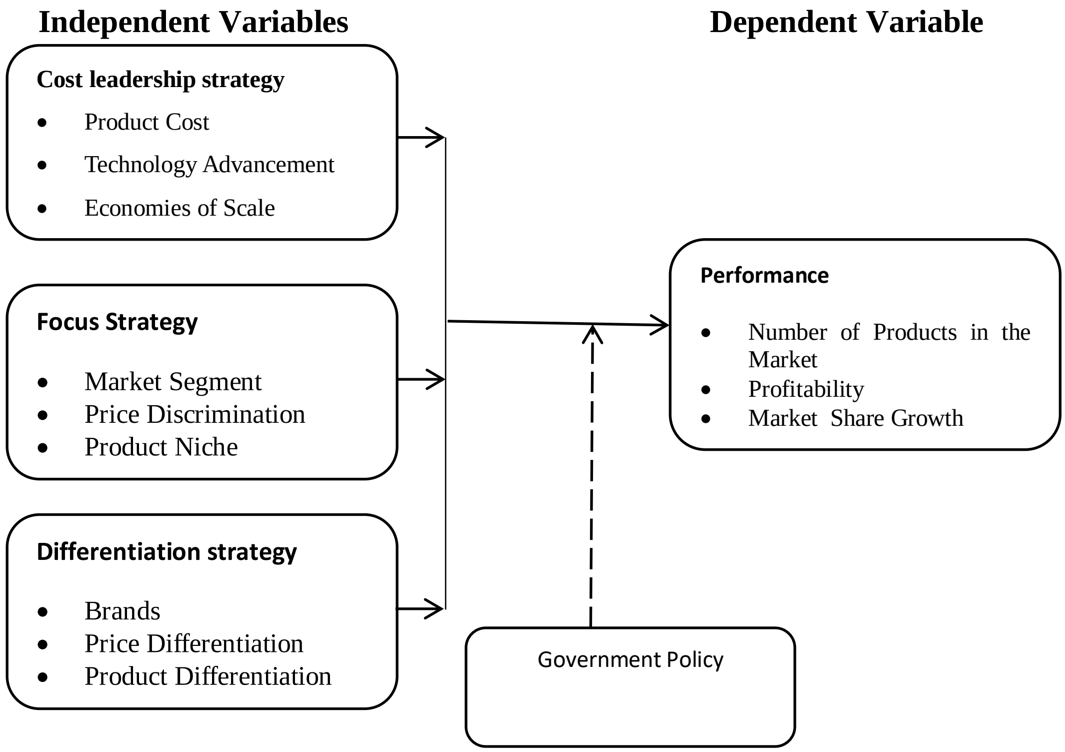


*Figure 1: Conceptual Framework*

**Source:** Researcher (2019)

## 3.0 RESEARCH METHODOLOGY

### *3.1 Research Design*

Descriptive research design was applied. This is an approach that is used to obtain feedback from the participants through questionnaire administration (Ng'ang'a, 2009). The design was applied to lead the researcher to develop a more focused study hence large amount of data for analysis, made it easier for the researcher in obtaining a cross-referencing data and some autonomous endorsement of information.

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### *3.2 Target Population*

In the study 260 respondents working in corporate management, marketing, Finance, research and innovation, and internal audit departments were targeted. The top management was selected becacuse they are the ones who formulate policies and regulations including innovation strategies while the departmental management are charged with the implementation of the strategies adopted by the organization and evaluating the progress and achievement and therefore they are believed to be more informed The target population is illustrated in table one.

*Table 1: Target Population*

| Category | Population | Percentage |
|---|---|---|
| Corporate Managers | 41 | 16% |
| Marketing Managers | 86 | 33% |
| Finance Managers | 50 | 19% |
| Research and Innovation | 53 | 20% |
| Internal Audit Managers | 30 | 12% |
| **Total** | **260** | **100** |

**Source:** Mobile telephone service providers in Kenya (2018)

### *3.3 Sample Size and Sampling Technique*

Stratified sampling technique was used. Ogbonna, (2014) states that this method is appropriate in a study that requires comparisons between various subgroups. The members of a stratum were more homogeneous or alike.

### *3.4 Sample Population*

A representative is picked from sampling population (Kothari, 2011).Representative proportion permits the researcher to build generalization about population. 30% of the respondents return a satisfactory sample as stated by Borg, (2003). Therefore, the sample will be 78 employees.

*Table 2: Respondents in Safaricom Airtel, Telkom and Equitel*

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| Category | Population | Percentage (%) | Sample Size |
|---|---|---|---|
| Corporate Managers | 41 | 30%*41 | 12 |
| Marketing Managers | 86 | 30%*86 | 26 |
| Finance Managers | 50 | 30%*50 | 15 |
| Research and innovation | 53 | 30%*53 | 16 |
| Internal audit managers | 30 | 30%*30 | 9 |
| **Total** | **260** | **30%*260** | **78** |

**Source:** Researcher (2019)

### *3.5 Data Collection Tools*

Main apparatus for collecting data was semi structured questionnaires. Various questions answered by respondents were rated.

### *3.6 Data Collection Procedures*

The research was conducted in Nairobi area being the headquarters of the companies. 78 self-administered questionnaires were dropped and picked later. The instruments were sent out to participants requesting them to respond to the questions and then questionnaires were collected back.

### *3.7 Pilot Test*

The research used 10% of the target population for pilot-testing as stated by Mugenda and Mugenda, (2008).Respondents in pilot-testing did not take part in final activity.

### *3.8. Reliability of Data Collection Instrument*

For research conclusions to be dependable legitimacy and authenticity of data collection instruments need to be double checked. Granton (2014), highlight that reliability is “concerned with the consistency of measures”, thus, the level of an instrument’s authenticity is dependent on

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its ability to give out the same score when applied time and again. For research tools to be dependable, Magenta (2009) states that they need to be reliable. Reliability alludes the estimate of level to which a research instrument produces harmonious outcome (Robach, 2013). Cronbach's alpha coefficient was used to determine how indicators correlated. The coefficient ranges from 0 to 1. After studies, Nunaly (2000) indicated 0.7 to be accepted range. Therefore in this study a reliability coefficient of at least 0.70 was accepted.

### *3.9 Validity of Research Instrument*

Orodho (2009) states credibility is obtained by administration of unbiased questionnaires and shows how correctly facts acquired in a study represent a given variable. The credibility of data collection is the level to which outcome acquired from the investigation of the statistics literally constitutes the occurrence under investigation (Brinkmann, S. 2014). The data collection instrument and the computation procedure was led by the research questions. Guidance and review of the questionnaire was done by the supervisor. The instrument was build up in a way relating to each question in ensuring that all research questions were taken up. In terms of using the information gathered through the questionnaire, it must be emphasized that no summative scores were used for interpretation purposes but rather the answers to individual items in the questionnaire.

### *3.10 Data Analysis*

Ogbonna, (2014), states this as putting data in categories, order and summary. The data is then described in meaningful terms. Statistical Package for Social Sciences version 26 was adapted in data scrutiny. Edition of the information gathered was done and represented in tables and figures. Descriptive statistics was used to determine the relationship between the dependent and independent variables. The research also employed the use of correlation and regression analysis to test the existing relationships between the study variables. Presentations of these findings were done by use of figures and tables.

The regression model is as follows

$Y= \alpha + \beta_1 x_1+\beta_2x_2+ \beta_3X_3+ \mathcal{E}$

Where

Y=Performance

$\alpha$ =Constant

$\beta_1$, $\beta_2$, $\beta_{3,}$ = Coefficients of determination of independent variables

$x_1$=Cost leadership strategy

$x_2$=Focus Strategy

$x_3$=Differentiation strategy

Ɛ =error term

### *3.11 Ethical Considerations*

Identities of participants were held confidential. Information collected was not altered and was only be used for this study. Authority from ethical review committee and the University was obtained after submission of the proposal for purposes research. Authority from NACOSTI was also obtained for purposes of data collection after submission of the proposal, postgraduate letter and ERC certificate upon payment of mandatory fee. No alteration was done on the data collected.

## 4.0 RESEARCH FINDINGS AND DISCUSSIONS

The current phase outlines the reaction of what has been anticipated by the preceding three chapters. Empirical evidence was sought based on purpose and clear cut purpose of the research using the technique specified in chapter three. The phase details general information about interviewed respondents' telephone firms and then the descriptive and inferential analysis of the statistics collected. Inferences established on the outcomes from investigation are concluded.

### *4.1 Response Rate*

An aggregate of 78 questionnaires were given out by the analyst and the subordinate researcher, a sum of 63 data collection instruments were answered and collected for investigation representing a response rate of 80.77%.Fincham (2008), states response rates approximating 60% are acceptable. The response rates are as detailed.

*Table 3: Response Rate*

| Details | Number of Questionnaires | Percentage (%) |
|---|---|---|
| Returned | 63 | 80.77 |
| Unreturned | 15 | 19.23 |
| Total | 78 | 100 |

### *4.2 Demographic Study Results*

#### 4.2.1 Gender of the Respondents

This desired to find out the gender of the participants. The acknowledgement are detailed here

*Table 4: Gender of the Respondents*

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| Gender | Number of respondents | Percentage (%) |
|---|---|---|
| Male | 39 | 61.90 |
| Female | 24 | 38.10 |
| Total | 63 | 100.00 |

**Source:** Field Data (2019)

The response showed that 39 respondents representing 61.9% of the respondents were male and 24 respondents representing 38.10% were female.

### 4.2.2 Employer

This part required the respondents to answer who is their employer. According to the responses they were employed by various mobile telephone service providers as per the below responses in table 5

*Table 5: Where do you work?*

| Company | Number of respondents | Percentage % |
|---|---|---|
| Safaricom Ltd | 23 | 36.51 |
| Airtel Kenya | 17 | 26.98 |
| Telkom Kenya | 13 | 20.64 |
| Finserve Africa | 10 | 15.87 |
| Total | 63 | 100.00 |

**Source:** Field Data (2019)

36.51% of the participants worked for Safaricom Ltd, 26.98% worked for Airtel Kenya. Employees of Telkom Kenya represented 20.64% while those who worked for Finserve Africa represented 15.87%.

### 4.2.3 Job Title

This question desired to find out the job title occupied by the participants. The response by corporate managers was 3.17%, 36.51 % represented marketing officers, Finance represented 23.81%, research and innovation represented 14.29% while internal auditors represented 22.22%. The responses are presented in Table 6 below

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*Table 6: what is your job title in the company?*

| Job Title | Number of respondents | Percentage % |
|---|---|---|
| Corporate Managers | 2 | 3.17 |
| Marketing officers | 23 | 36.51 |
| Finance officers | 15 | 23.81 |
| Research and innovation officers | 9 | 14.29 |
| Internal audit officers | 14 | 22.22 |
| Total | 63 | 100.00 |

**Source:** Field Data (2019)

### 4.2.4 Level of Education

This desired to know the respondents level of literacy .The findings obtained are shown in Table 7 below.

*Table 7: Level of Education*

| Education Level | Number of respondents | Percentage % |
|---|---|---|
| Master's Degree | 15 | 28.81 |
| University Degree | 32 | 50.79 |
| Diploma | 10 | 15.87 |
| Others | 6 | 9.53 |
| Total | 63 | 100.00 |

**Source:** Field Data (2019)

The level of education for master's degree holders was 23.81% and 50.79 % for University degree holders. Those with diploma level of education represented 15.87% and those who held other qualifications were 9.53%.

### 4.2.5 Work Experience

This question related to the work practice of the participants and is presented in table 8.

*Table 8: Work Experience*

| **Working experience** | **Number of respondents** | **Percentage %** |
|---|---|---|
| Less than 5 years | 16 | 25.40 |
| 6-10 Years | 28 | 44.44 |
| 11-15 years | 13 | 20.63 |
| 15 years and above | 6 | 9.52 |
| Total | 63 | 100.00 |

**Source:** Field Data (2019)

Work experience showed that 25.40% of participants had served their company for less than 5 years and 44.44% had 6-10 years of experience. Those who had 11-15 years of experience were 20.63% while those who had over 15 years of experience were 9.52%

**4.2.6 Area of Work**

This question related to the departments of work of the participants as conferred in table 9.

*Table 9: In Which department do you work?*

| **Department** | **Number of respondents** | **Percentage %** |
|---|---|---|
| Corporate Management | 02 | 3.17 |
| Marketing Department | 23 | 36.51 |
| Finance department | 15 | 23.81 |
| Research and innovation | 9 | 14.29 |
| Internal audit department | 14 | 22.22 |
| Total | 63 | 100.00 |

**Source:** Field Data (2019)

The response by corporate management was 3.17%, 36.51 % represented marketing department, Finance represented 23.81%, research and innovation represented 14.29% while internal audit department represented 22.22%.

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### *4.3 Descriptive Analysis*

### 4.3.1 Cost Leadership Strategy

The strategy was analyzed and whether customers bought more as a result of discounts and promotional prices, products with latest technology, application and ease of use of gadgets and whether mass production minimized production costs were the parameters used. The results for the variable were provided and tabulated here.

*Table 10: Cost Leadership Strategy*

| **Opinion variables** | **N** | **Mean** | **Standard deviation** |
|---|---|---|---|
| Company uses cost strategy to gain competitive advantage | 63 | 3.37 | 1.14 |
| Customers buy more as a result of discounts and promotional prices | 63 | 3.71 | 1.55 |
| Products with latest technology are bought faster once launched | 63 | 3.35 | 1.31 |
| Application and ease of use new gadgets is preferred by many clients | 63 | 3.34 | 1.14 |
| More products are sold through mass Sales promotion irrespective of clients | 63 | 3.19 | 1.20 |
| Mass production minimizes production costs | 63 | 3.73 | 1.02 |

**Source:** Field Data (2019)

In opinion variable one, researcher sought to establish whether achievement of phone service entities was influenced by cost leadership strategy. Results showed a midpoint of 3.37 and predictable error of 1.14. Mean of 3.37 implies that the participant's concurred with the statement and a probable error of 1.14 showed that respondents were of different opinions.

The second statement presented a midpoint of 3.71. This revealed that participants agreed that performance was influenced by cost leadership strategy its standard deviation being 1.55. Midpoint of 3.35 and predictable error of 1.31 were findings of third statement. This implies participants opined that cost leadership influences performance and that the respondents were of similar opinion.

In the fourth question, findings resulted 3.34 mean and 1.14 standard deviation. This implies that majority of the participants opined the statements but findings were spread out.

In the fifth question the midpoint of the findings was 3.19 with a predictable error of 1.2 meaning greater number of participants concurred with the explanation.

In the sixth presentation, the findings had a midpoint of 3.73 and a predictable error of 1.02. This implied that greater number of the participants concurred with the explanation and had similar opinion.

### 4.3.2 Focus Strategy

The aim of this section was to present influence of focus strategy on performance as presented below in table 11.

*Table 11: Focus Strategy*

| Opinion variables | N | Mean | Standard deviation |
|---|---|---|---|
| Products offered are not easily imitated | 63 | 3.48 | 0.96 |
| Clientele needs catered in marketing programs | 63 | 3.44 | 1.15 |
| Different prices are charged for the same products | 63 | 3.44 | 0.96 |
| Charges depends on consumer units | 63 | 3.92 | 0.81 |
| Products and service suited to all market niche | 63 | 3.38 | 0.91 |
| Strategies monopolize operations to drive value in product niche | 63 | 3.37 | 1.14 |

**Source:** Field Data (2019)

The cardinal statement sought to establish whether the company offers products to its customers that the rivals cannot easily imitate. The respondents replied to this question with a midpoint of 3.48 and probable error of 0.96. The midpoint of 3.48 revealed that participants concurred with the question while probable error of 0.96 affirmed that some respondents were of different opinion. The second statement was about mobile telephone companies involving clientele needs in different marketing programs.

From the results, companies involved clients in the various marketing programs as evidenced by the midpoint score 3.44 and a probable error of 1.15 which showed respondents were of different opinion. The third statement inquired about service providers charging customers different prices for the same product. participants opined that this was done with a response midpoint of 3.44. Responses with a probable error of 0.96 implied that some respondents thought otherwise about this statement and hence had different opinion on this statement. The respondents replied to the fourth statement about whether mobile telephone service provider’s charges are dependent on the various consumer units. The response showed a high positive response agreeing with this

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statement with a mean score of 3.92. Meaning larger part of participants concurred with this question while other respondents represented a different opinion on a standard deviation of 0.81.

In statement number five the statement sought to know whether products and services are suited to all market niches irrespective of location. The response was that larger part of the appellants was of this impression represented by a midpoint of 3.38 and a probable error of 0.91. This showed only few participants differed with this opinion.

The researcher lastly put the statement whether strategies monopolize operations to drive value in product niche. The response was a midpoint of 3.37 and a probable error of 1.14. This showed most of the respondents were of the opinion that strategies monopolized operations to drive value in product niche. However respondents with a standard deviation of 1.14 were of a different opinion hence thought otherwise on the statement.

### 4.3.3 Differentiation Strategy

The aim of this section was to present influence of differentiation strategy on performance.

*Table 12: Differentiation Strategy*

| Opinion variables | N | Mean | Standard deviation |
|---|---|---|---|
| Unique brands are readily available in the market to counter competition | 63 | 3.40 | 1.49 |
| Continuous improvement of products features and services is adopted | 63 | 3.12 | 1.26 |
| Capabilities of delivering quality product has been crucial for financial competitiveness in the industry | 63 | 3.92 | 1.28 |
| Products may be sold at different prices depending on new features | 63 | 3.73 | 1.02 |
| The company is constantly innovating products that create value to the customers | 63 | 3.92 | 0.81 |
| The company is able to focus on low end market without compromising quality | 63 | 3.35 | 1.31 |

**Source:** Field Data (2019)

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This section presented influence of differentiation game plan on achievement. In the first statement, the researcher sought from the respondents whether unique brands are readily available in the market to counter competition. The mean of 3.4 was a high agreement that unique brands are readily available in the market to counter competition.

The respondent whose opinion was otherwise was presented with a standard deviation of 1.49 meaning only a few respondents were of a different opinion.

The third statement sought to know whether capabilities of delivering quality product have been crucial for financial competitiveness in the industry. Feedback of a midpoint of 3.92 and predictable error of 1.28 were given. This indicated that participants admitted that capabilities of delivering quality products have been crucial for financial competitiveness in the industry while respondents with a standard deviation of 1.28 were of a different opinion. The researcher also put a statement on whether products were sold at different prices depending on new features. The response mean of 3.73 concurred with this opinion while responses with a standard deviation of 1.02 were of a different opinion to the statement.

The next statement sought to establish whether the companies were constantly innovating products that create value to the customers. The feedback midpoint of 3.92 and a predictable of 0.81 .Greater part of the participants opined that the companies innovated products. The sixth statement sought to find out whether companies were able to focus on low end market without compromising quality. There were responses on this statement. Majority of the respondents concurred (Mean of 3.35) while some respondents had a different opinion (probable error of 1.31).

### 4.3.4 Performance of Mobile Phone Service Providers

This question sought to determine number of products in the market, profitability and market share growth. These variables were the indicators of output of telephone operators. A five point sequence was used to interpret the results where 1 is strongly disagree, 2 is disagree, 3 is neutral, 4 is agree while 5 is strongly agree. The findings were presented in table 13 below.

*Table 13: Performance of Mobile Phone Service Providers*

| Opinion variables | N | Mean | Standard deviation |
|---|---|---|---|
| Performance depends on rivals in the industry | 63 | 4.32 | 0.93 |
| Our company has favorable financial performance compared to competitors | 63 | 3.69 | 1.48 |

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| | | | |
|---|---|---|---|
| Our company controls a bigger market share growth in the industry | 63 | 4.12 | 0.89 |

**Source:** Field Data (2019)

Outcomes on table 13 evidenced performances were dependent on number of rivals in the industry as presented with mean score of 4.32. Participants with a midpoint of 3.69 agreed companies had a favorable monetary performance compared to their competitors. To a large extend respondents were of the opinion that their company controlled a bigger market share in the industry (midpoint of 4.12 and probable error of 0.89).

### *4.4 Regression Analysis*

This is a group of analytical processes for reckoning the relationships among variables. Regression determines the level and the effect on which each autonomous variable of the investigation has on the subordinate variable. Measure of regression analysis produces three different interpretations which include model summary, ANOVA and coefficients.

### 4.4.1 Regression Results of Cost Leadership Strategy on Performance

The intention of the research was to analyze the influence of cost leadership strategy (product charge economies of scale and automation advancement) on performance. Indicators of cost leadership on performance mean scores were used.

*Table 14: Model Summary for Cost Leadership Strategy on Performance*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .940[a] | .883 | .881 | .33628 |

a. Predictors: (Constant), Cost Leadership strategy

**Source:** Field Data (2019)

Conclusion in table 14 shows model summary. In the model R shows regression between dependent variable and the combination of independent variables, R square represents proportion of variation in the dependent variable that is explained by the combined effects of the independent variables. Adjusted R square represents adjustment for the number of variables in the model and the sample size which measures the deviation of the variables. Model summary outcomes revealed that the strategy had absolute influence on achievement of mobile telephone service providers in Kenya (R= .940). Cost Leadership had descriptive power on achievement. The outcomes identified that the study produced coefficient of determination of 88.3% which implied that at any given time the variable combined has 88.3% effect on dependent variable (performance)

*Table 15: ANOVA Results*

| Model | | Sum of squares | df | mean square | F | Sig |
|---|---|---|---|---|---|---|
| 1 | Regression | 52.086 | 1 | 52.086 | 460.604 | .000[b] |
| | Residual | 6.898 | 61 | .113 | | |
| | Total | 58.984 | 62 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), Cost Leadership

**Source:** Field Data (2019)

ANOVA is a collection of statistical models and their associated estimation procedures used to analyze and determine difference and association of variables through consideration of significance level produced. In this study, results produced Sig P<0.05 which implied that the regression model was significant in predicting the relationship between performance and the predictor variable cost leadership.

*Table 16: Coefficients results for cost leadership*

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.152 | .197 | | -.772 | .443 |
| | Cost leadership strategy | 1.042 | .049 | .940 | 21.462 | .000 |

a. Dependent Variable: Performance

**Source:** Field Data (2019)

The study coefficients outcomes discovered a compelling and concrete consequence of cost the variable on achievement. ($\beta$=0.940, P-value= 0.000). Since p-value was < .05 (value= .000), the inquiry aftermath is clear the approach had effects on achievement. The mathematical equation based on the above table shown here as:

PR= -.152+1.042CL+Ɛ

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Where:

PR = Performance

-.152 = y-intercept

1.042= slope/gradient

CL= Cost leadership

### 4.4.2 Regression Results

The researcher appraised influence of focus approach on conduct of mobile telephone companies.

*Table 17: Design run-through for Focus Approach*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .939[a] | .882 | .881 | .33714 |

a. Predictors: (Constant), Focus strategy

**Source:** Field Data (2019)

Model summary outcomes confirmed that focus strategy had positive influence on performance (R= .939). This had explanatory power over performance because it accounts 88.2 percent of attainment of mobile telephone organizations in Kenya.

*Table 18: ANOVA Results for Focus Strategy*

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 52.051 | 1 | 52.051 | 457.938 | .000[b] |
| | Residual | 6.933 | 61 | .114 | | |
| | Total | 58.984 | 62 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), Focus strategy

**Source:** Field Data (2019)

At specific constant ANOVA outcomes presented that the persuasion of focus strategy on achievement of mobile telephone companies was compelling p-value= .000 which is less than required value <.05. Representation adapted can suggestively forecast the alteration in organization's performance of mobile telephone service providers.

*Table 19: Coefficients Results for Focus Strategy*

| **Model** | | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig.** |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.711 | .159 | | 4.476 | .000 |
| | Focus strategy | .856 | .040 | .939 | 21.399 | .000 |

a. Dependent Variable: Performance

**Source:** Field Data (2019)

The standardized beta coefficient .939 signifies that there is probable development in organization's performance of mobile telephone service providers for probable error development in focus strategy. Having other aspects uninterrupted, 1 probable error development in focus game plan would boost organization's performance of mobile telephone service providers by a feature of about .939 of standard deviation. From the outcomes in the above table the results of organization's strategy implementation of mobile telephone service providers for a one standard deviation upgrading in performance can be stated as:

PR= -.711+0.856FS+Ɛ

Where:

PR is Performance

0.711 is the constant

0.856= the gradient coefficient

FS= Focus strategy

Ɛ = the error term

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### 4.4.3 Regression Results

Participants were needed to show how differentiation strategy affected mobile telephone services. The results were tabulated here.

*Table 20: Model Summary for Differentiation Strategy on Performance*

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .946[a] | .895 | .894 | .31793 |

a. Predictors: (Constant), Differentiation

**Source:** Field Data (2019)

Model summary outcomes confirmed that this variable had absolute consequence on output (R=.946). Differentiation strategy had interpretive power over performance because it accounts 89.5 percent of achievement of mobile telephone service providers in Kenya (R square= .895). This illustrated that the input of the variable to performance was compelling.

*Table 21: ANOVA Results for Differentiation Strategy*

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 52.818 | 1 | 52.818 | 5.525 | .000[b] |
| | Residual | 6.166 | 61 | .101 | | |
| | Total | 58.984 | 62 | | | |

a. Dependent Variable: Performance

b. Predictors: (Constant), Differentiation Strategy

**Source:** Field Data (2019)

At individual level ANOVA, outcomes disclosed that the determination of differentiation strategy on achievement of mobile telephone companies was compelling p-value was less 0.05 .This model applicability can undoubtedly project achievement.

*Table 22: Coefficient Outcomes for Differentiation Strategy*

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| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.249 | .189 | | -1.315 | .193 |
| | Differentiation strategy | 1.034 | .045 | .946 | 22.859 | .000 |

a. Dependent Variable: Performance

**Source:** Field Data (2019)

From the outcomes in table the results single regression equation that can be used to foresee performance as follows

PF= -.249+1.034DS+ Ɛ

Where:

PF is Performance

-.249 is the constant

1.034= the slope coefficient

DS= Differentiation strategy

Ɛ = the error term

Beta coefficient 1.034 expresses development in organization's performance of mobile telephone service providers for a single development in differentiation strategy. This means 1 standard deviation advancement in differentiation approach commands rise level of organization's performance of mobile telephone service providers by a feature of 1.034 of standard deviation.

***4.5 Discussions of the Study Findings***

This part outlays the outcomes according to the study purposes. The study found out that most of the objectives had a favorable influence on achievement and was statistically significant.

**4.5.1 Cost Leadership Strategy**

Product cost, technology and economies of scale were the indicators used to assess cost leadership strategy. Performance was evaluated using profitability and market share growth.

Simple regression analysis was done on this variable against performance. The study outcomes resulted that the variable had comprehensive statistically symbolic had predominance on achievement. The research further shows that the correlation between cost leadership indicators and output was found to be generally strong and some have positive relationship. Questionnaires were used in this study as a research tool. Main statistics were performed that comprised correlation. The research indicated competitive strategies were statistically compelling achievement.

### 4.5.2 Focus Strategy on Performance

The indicators of focus strategy resulted to have a positive domination on performance. At general level, ANOVA outcomes disclosed that domination of this approach on achievement of mobile telephone service providers was statistically significant in that p-value was < the set value of .05. This study outcome does correspond with a study done by Kazmi (2008) who empirically examined why private sector organizations fail in executing of strategies in India. The research revealed that this strategy had compelling effect on outcome of the research was done in Asia.

The model summary outcomes also displayed that focus strategy had interpretive capability on achievement of telephone companies in that it accounted for its variability.

### 4.5.3 Differentiation Strategy on Performance

Brands, price differentiation and product differentiation indicators were used to assess differentiation strategy. Performance was evaluated using indicators namely; number of products in the market, profitability and market share growth. Simple regression analysis was done on differentiation and performance indicators. This study further shows that the correlation in this variable indicators and achievement was established to be generally positive relationship. The study is in agreement research carried out by Talley (2013) which observed that differentiation strategies influence organizations achievement. Questionnaires were used in this study as a research tool. The results indicated performance was influenced by differentiation strategy.

## 5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATION

### *5.1 Summary of Findings*

Outcomes of the investigation revealed that 39 respondents representing 61.9% of the respondents were male and 24 respondents representing 38.10% were female. 36.51% of the participants worked for Safaricom Ltd, 26.98% worked for Airtel Kenya. Employees of Telkom Kenya represented 20.64% while those who worked for Finserve Africa represented 15.87%. The study also enquired about the job title and response by corporate managers was 3.17%, 36.51 % represented marketing officers, finance represented 23.81%, research and innovation represented 14.29% while internal auditors represented 22.22%. On education, master’s degree holders represented 23.81% being the highest qualification of the participants in this study.50.79 % for university degree holders. Those with diploma level of education represented 15.87% and those who held other qualifications were 9.53%. Work experience showed that

25.40% of the respondents had less than 5 years of experience and 44.44% had 6-10 years of experience. Those who had 11-15 years of experience were 20.63% while those who had over 15 years of experience were 9.52%. The study found out that the strategies affecting performance were cost leadership, focus and differentiation strategy.

### 5.2 Cost Leadership Strategy

Results from this variable showed that cost leadership is affected by product cost, technology advancement, and economies of scale being the indicators. The indicators influenced achievement of mobile telephone service providers. The conclusion showing that the Sig. of the variable (0.000) was less than .005. Model summary outcomes revealed that the strategy had absolute influence on achievement (R= .940). Cost Leadership had descriptive power on achievement. The outcomes identified that the study produced coefficient of determination of 88.3% which implied that at any given time the independent variable cost leadership strategy combined has 88.3% effect on dependent variable (performance).The study resulted it's clear that the strategy had influence on outcomes of mobile telephone service providers.

### 5.3 Focus Strategy

Outcomes showed that participants agreed that focus strategy affected performance. The standardized beta coefficient .939 signifies a probable development in organization's performance of mobile telephone service providers for a unit probable error development in focus strategy. That implies holding other aspects constant, one probable error development in focus raised level of organization's performance of mobile telephone service providers by a feature of about .939 of standard deviation. This was also supported by midpoints of 3.48, 3.44, 3.92, 3.38, and 3.37in that order (table 10). This development signifies that focus strategy has control achievement on the achievement of an entity. This could also be connected to the fact that organizations covered in the study did maximize the variable in bettering firm's outcomes.

### 5.1.4 Differentiation Strategy

Achievement was found to be generally positive between the variable indicators in the relationship. Model summary outcomes confirmed that the strategy had positive influence achievement. (R=.946). Differentiation strategy had interpretive power over performance because it accounts 89.5 percent of performance (R square=.895). This revealed that input of the variable to performance was statistically compelling. This was also supported. The Anova analysis indicated that this strategy employed had a great achievement of organizations output. According to Yasai-Ardekani (2010) differentiation supports organizations ability to bring about an aggressive edge over their competitors, upsurge their returns, subdue blackmail and exploit fortunes.

### 5.1.5 Organizational Performance of Mobile Telephone Service Providers

The conclusion on table 12 revealed that performance was dependent on number of rivals in the industry as presented with mean score of 4.32. Participants with a mid-value of 3.69 agreed their company had a favorable economic performance compared to their competitors. To a large extend respondents were of the opinion that their company controlled a bigger market share in the industry.

### *5.2 Conclusions of the Study*

Institutional achievement is believed to be a major scrutiny in organizations. In this research, the experimenter investigated how competitive approaches influenced achievement of mobile phone companies in Kenya. The outcomes were carried out based on the conclusions of the research. The research focused on telecommunication industry where mobile telephone service providers were considered.

The conclusions in association to specific objectives, the study found out that aggressive approaches do influence the achievement of the organizations with majority participants demonstrating that they acknowledged and actively recognized that the stated competitive strategies influenced performance using the variables as reputation on quality of supplies. The research held market growth affected the market share of the organizations.

Cost Leadership, focus and differentiation approaches were established to have been adopted by the companies. This research concludes that survival in the current aggressive business surroundings, it is fundamental to integrate approaches in any system. The research also established out that these approaches have an affirmative and compelling outcome on firm's achievements. The study draw to close that aggressive approaches have the likelihood of developing how firms not only compete but also the achievement. Though government policy (moderating variable) had minimal influence, it can affect effectiveness of approaches used. The study further found that achievement of the mobile service providers were affected by all the competitive strategies combined.

It is summed that the current achievement of the organizations is mostly attributed to the competitive strategies adopted.

### *5.3 Recommendations of the Study*

The investigation proposition brought about positive suggestions. To start the three competitive strategies; cost leadership, focus and differentiation strategies were established out to strongly highly rule how the mobile telephone service providers in Kenya achieved. This research advocates that the administration in the companies to keenly appraise these game plans so as to pin down their capability. This will also enable the identification of any imperfections associated to the game plans or any probable stability that may be accomplished. To improve and develop the application of the strategies, this research endorses that the administration exceedingly prioritizes strategies groupings in their organizational policies. To facilitate the strategy implementation process adequate capability should be allocated and this task mainly lies with the management. To assure outmost effectiveness close monitoring and evaluation should be carried out on the strategies. Accurately, the research advocates that before carrying out aggressive approach, the entity shall have an inaugural clear perception of the commitment and rationale in the direction of embracing it. This will ensure that the approaches taken up are not only effectively carried out but also promote the management implication. To ensure organization remains profitable there is need for appropriate strategies to be implemented due to market dynamism.

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