

## **Competitive Strategies and Performance of Mobile Service Providers in Nairobi, Kenya**

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### **ABSTRACT**

*The study sought to determine the effect of competitive strategies on performance of mobile service providers in Nairobi, Kenya. Specifically, the study sought to determine the effect of cost leadership, differentiation, and focus strategies on performance of mobile service providing companies and to determine the moderating effect of organization practices, policies and culture on the relationship between competitive strategies and performance of mobile service providers in Nairobi, Kenya. There has been concern on the performance of mobile service providers in Nairobi, Kenya due to widely varying performance of firms in the industry. Further, the impact that these strategies have on the performance of the organizations hasn't been well established by the available literature. Descriptive research design was used by the study. The population of the study was all the four-mobile service providing firms in Kenya as at December 2017. These firms include Safaricom, Bharti Airtel, Telkom Kenya and Finserve Africa Limited (Equitel). A sample size of 91 managers was studied which included managers in the marketing departments, human resource and finance. Primary data was collected from the respondents using structured questionnaire with both open and close-ended questions. The study used purely primary data that was collected through the questionnaires. Quantitative data was edited, and coded and analysis undertaken using the SPSS. Multiple linear regression analysis and correlation was used to determine the relationship between the study variables. Results of data analysis was presented in tables. The study found out there are three main competitive strategies that have been adopted by the mobile service providers, namely; Cost Leadership, Focus and Differentiation Strategies. The findings of the study were also that though the influence is minimal, the moderating variables such as organizational policies and cultures affect the effectiveness of the strategies. The study further found that, all the competitive strategies combined had a strong positive effect on the overall organization performance of the mobile service providers. In this regard, the study concludes that competitive strategies have the potential of improving how organizations not only compete but also perform. The study recommends that the management in these firms to closely evaluate these strategies to determine their effectiveness. Equally, the study recommends that before undertaking any competitive strategy, the organization should first have a clear understanding the need and motive towards adopting it.*

**Key Words:** *Competitive Strategies, Organization Performance, Mobile Service Providers in Kenya*

## 1. INTRODUCTION

Organizations operate in an open environment which constantly change with new entrants to the market, emerging consumer preferences and technological advances. In light of this, every firms ought to ensure that they are competitive in spite of the changing in the market environment. Johnson, Gerry, Scholes, Kevan and Whittington, Richard (2003) notes that for organization to remain competitive, businesses must come up of with strategies and methods in line with the competencies required by the changes in the market. Old competencies become invalid with changes in the internal and external environment. The environmental changes are inevitable and therefore organizations must adjust the way they conduct business or otherwise they would be irrelevant (Aittokallio, 2015). According to the annual survey conducted by Communication Authority Kenya, the mobile penetration in Kenya has increased drastically over the past decade reaching 37.8 million subscribers in 2016 (CA, 2016). This trend is expected to increase even more as witnessed by increase in the mobile service providers, thus intensifying the already pre-existing competition (Pearce and Robinson, 2011). Though Safaricom remains dominant in the industry having the highest net income of over 40 billion (Safaricom, 2016). This raises the concern onto whether these strategies play a role on how the companies performs and this study will aim at shedding more light into this.

This study was guided by Porter's (1985) generic strategies. The porter's generic strategies include; cost leadership, differentiation and focus. Cost leadership is adopted by an organization so to become the cost leader in its industry or industry segment. On the other hand, a firm applying differentiation strategy provides something unique that is valuable to buyers beyond simply offering a low (Thompson *et al*, 2007). Whereas firms adopting differentiation strategy promote unique attributes or perceptions of uniqueness and characteristics of a firm's product other than cost that provide value to customers. These strategies cover the essence of strategy which relates to choosing a unique and valuable position rooted in systems of activities that are much more difficult to match (Porter, 1985). The competitive strategies may thus be used by the mobile provider companies as a fundamental bases on which they might seek to achieve a lasting advantageous position by meeting the expectations of buyers, users or other stakeholders (Pearce and Robinson, 2002). This will enable them to not only improve the sales but also be dominant in the ever competitive market.

The mobile phone sector in Kenya has around 32.2 million subscriptions with an estimated 80.3% of penetration. The Kenyan mobile phone service provision sector is made of four companies: Safaricom, Bharti Airtel, Telkom Kenya and Finserve Africa Limited (Equitel). The market is dominated by Safaricom, which is the largest mobile service provider with a market share of 66.3% as at end of 2015, Airtel 19.1%, Orange 11.8% and Equitel 2.9% (CAK, 2015). Safaricom has been the most profitable company in East and Central Africa with annual turnover of \$ 1.6 Billion and after tax profit of \$ 319 Million in 2015 (Safaricom, 2015). This fact has made the Kenyan mobile service industry very attractive to local and international investors and hence the entry of Finserve in 2015. The other companies have also not been able to retain their customers and which has led them to record very high customer turnover rates (Ooko, Nzomoi, and Mumo, 2014). This culminated to one key player, Essar Telekom Kenya, to exit the Kenyan market in January 2015 (Aittokallio, 2015).

Mobile industry in Kenya provides potential for companies in the industry to achieve higher performance. The last quarter of 2015 recorded a mobile subscription of 37.8 million representing mobile penetration of 88.1%. Further, internet/data market maintained an upward trend with 21.6 million subscriptions representing a 74.2% penetration (CAK, 2015). Further, Ernest and Young (2015) projected that globally, the competition in this industry will continue to increase due to increased innovations and free products taking away part of mobile service

providers' revenues. The mobile service industry is very important to a county employing 6,147 people as at June 2015 (CAK, 2015) and hence the industry wellbeing is vital. To promote performance and ensure organization survival and success, organizations need to develop capability and capacity to manage threats and exploit emerging opportunities promptly. This requires formulation of strategies capable of enabling firms to maximize their value and distinguish them from their competitors.

## **2. STATEMENT OF THE PROBLEM**

There has been concerns on substantial difference in performance of mobile service providing firms in Kenya leading to the question whether this could be due to competitive strategies adopted by firms. Safaricom has been the most profitable company in East and Central Africa with annual turnover of \$ 1.6 Billion and after tax profit of \$ 319 Million in 2015 (Safaricom, 2015). Airtel and Orange have been struggling with dwindling performance and high customer turnover rate (Ooko, Nzomoi, and Mumo, 2014). The mobile services industry is characterized by constantly changing regulations and increased competition creating the need for firms to develop competitive strategies to ensure they survive. The increased competition has seen various mobile service providers such as Yu Kenya become insolvent, thus calling for an evaluation of the effectiveness of the strategies put in place (Van den Bosch and De Man, 2013). However, little is known on competitive strategies and performance of mobile service industry firms in spite of the importance of the industry to the economy where studies remain scanty. Essanya (2015) studied competitive strategies adopted by Nairobi Aviation College. Mutungi (2015) studies the competitive strategies that Adept systems had used to gain competitive advantage in Kenya. Further Wang and Shyu (2008) examined the link between competitive advantage, human resource management practices and organizational performance. They all established a significant positive relationship between competitive strategies and organization performance.

On the contrary, other studies conducted established minimal to no relationship at all between competitive strategies and organization performance. Wambua (2014) studied operations strategy and business performance in the mobile phone service providers in Kenya and established that the organization performance was determined greatly by the organization structure other than the strategies put in place. This concurs to the findings obtained by Chesinya (2010) who investigated the competitive strategies applied by flower firms in Nairobi. While Mutie (2014) in his study on the competitive strategies and performance of the large Kenyan media houses found out no significant relationship between the variables. This shows that though the sector has received considerable amount of interest, the studies done have concentrated largely on expounding the competitive strategies adopted by the firm without relating the competitive strategies to organization performance. Hence, this study sought to bridge this gap by finding out the relationship between competitive strategies and mobile service companies' performance in Kenya. The study answered the research question; what is the effect of competitive strategies on performance of mobile service providers in Nairobi, Kenya?

## **3. RESEARCH OBJECTIVE**

The general objective of the study was to determine the effect of competitive strategies on performance of mobile service providers in Nairobi, Kenya.

Specifically, the study sought to:

- i. To establish the effect of the cost leadership strategies on performance of mobile service providers in Nairobi, Kenya,

- ii. To examine the effect of differentiation strategies on performance of mobile service providers in Nairobi, Kenya,
- iii. To evaluate the effect of focus strategies on performance of mobile service providers in Nairobi, Kenya.
- iv. To determine the moderating effect of organization policies, practices and culture on the relationship between competitive strategies and performance of mobile service providers in Nairobi, Kenya.

#### **4. THEORETICAL REVIEW**

The study was guided by resource based theory, open system theory and Porter's generic strategies. Resource based theory argues that firms with more resources will have better strategies than those with less resources. The open system theory argues that firms operate in an open environment which is constantly changing.

##### **4.1 Resource Based Theory**

The theory was suggested and advanced by Wernerfelt (1984). The theory argues that major determinant of organization practices is resources. That is to mean that the difference between various strategies are implemented and adopted by organizations is resources. The theory tries to explain the difference in how firms are run and resources are deployed in implementation of the strategies (Igecha, 2014). The resources could be human resource skills, money, organization management and any other item of value to the firm that can be applied to bring about productivity. The theory holds that organizations resources and capabilities determine the long term strategies to be developed by the firm (Barney, 1991). The theory postulates that for firms to gain competitive advantage, the resources degree of sustainability and appropriateness must be enhanced (Barney and Clark, 2007). Therefore, resource based theory supports the argument that competitive advantage of any organization emanates from its ability to utilize the resources it has to generate value (Pearce and Robinson, 2011). These resources are generally group into three including human resource, organization resources and physical resources. Johnson *et al.*, (2005) notes that for resources to be adding value, they have to be rare, of value and hard to copy and which creates sustainable competitive advantage. In relation to the study, resource based view presents key insights on the competitive strategies that firms adopt. These strategies will mainly depend on the resources the firm have which will not be limited to financial resources but also includes non-financial resources. Hence theory's importance is that it explains how the available resources may be utilised maximally so as to gain competitive advantage in the mobile provider companies. They must ensure that they not only have required resources but also maintain uniqueness. These differences in resources to mobile service providing firms will be expected to affect the strategies adopted and hence performance.

##### **4.2 Open Systems Theory**

Open system theory is concerned with the total environment against which business operations. The theory explains the nature of the environment and the components of the same. According to the theory, firms operate as systems and an organization is a part of the system. The strategies adopted by the firm are dependent on the overall environment the firm operates. The environment could be social, political or economic all which influence the firm (Bausch, 2002). The system under which firm operates provides resources required by the firm to drive change and survive in the environment. Since firms operate in an open system, a change in a particular item causes change in other elements. Failure of the firm to position herself to the system limit its ability attract sufficient resources for survival (Wang, 2004). In this study, open systems theory is used to indicate that firms in mobile services industry do not operate in a vacuum but

and open environment which is constantly changing. The fact that the industry presents very high growth potential, firms like Safaricom have been making very high profits imply that more investors will be attracted to the industry. The industry is therefore faced by high potential for new entrants in the market which require firms to constantly change their strategies to remain competitive. The regulation in the industry is also changing requiring change in strategies adopted by the firms.

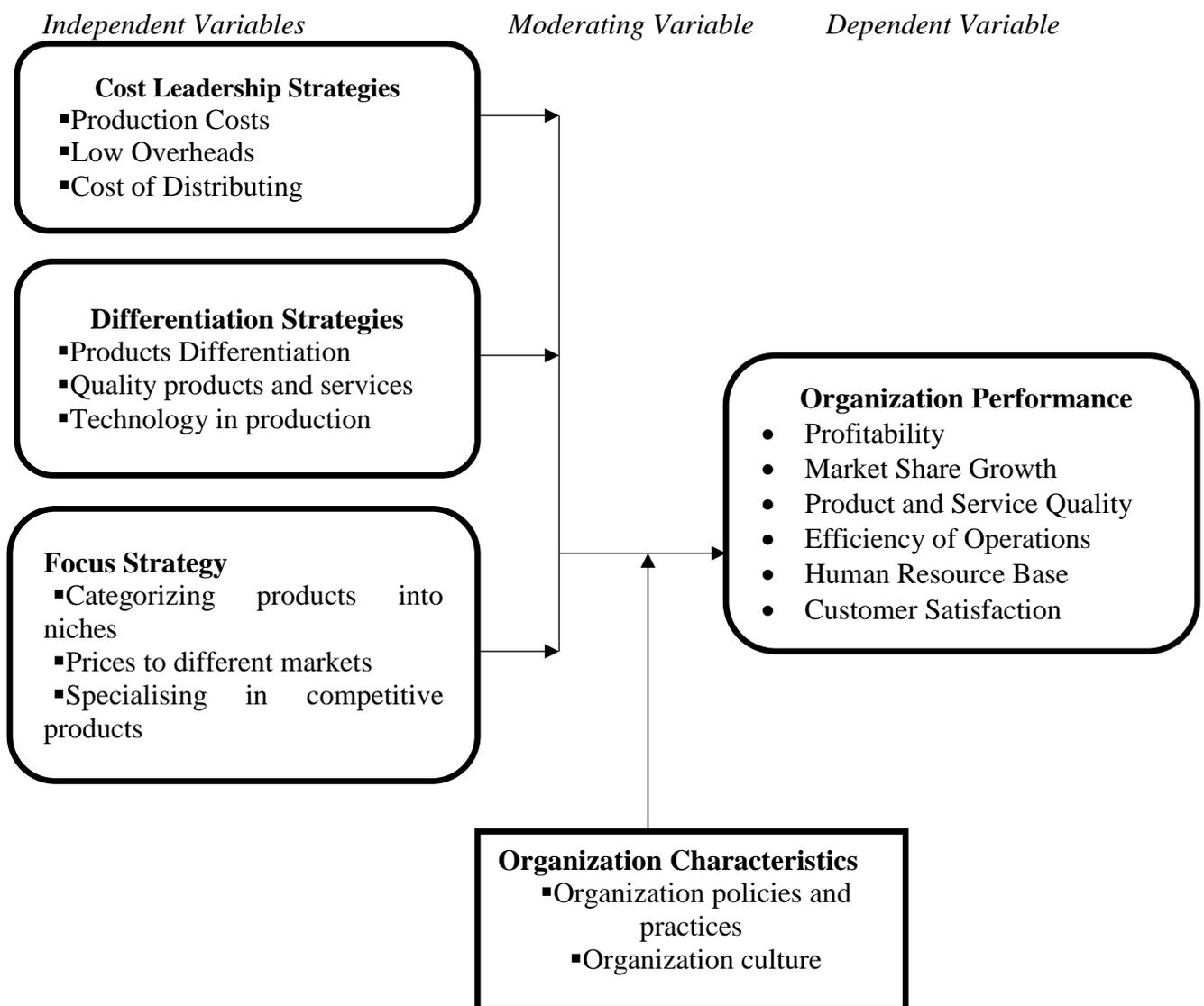
#### **4.3 Porter's Generic Competitive Strategies**

These strategies were proposed by Porter (1985) and explain the various sources of competitive advantage. According to the theory, firm may obtain competitive advantage from two sources: cost and differentiation. For firm to obtain competitive advantage, it ought to be a leader in cost minimization and product differentiation. These two important sources leads to three generic strategies which are the ones suggested by Porter (1985). These strategies are cost leadership, differentiation and focus. Cost leadership is about leading in cost savings in a certain industry. Reduction in cost may be due to adoption of modern technology, ease of access to raw materials, economies of scale, leadership among others. Differentiation is about being unique in dimensions that are value adding to the customers. The firm makes a choice and sells attributes perceived to be vital to the customers. Differentiation in an market is about being unique in a particular market and products which are perceived to be of high quality in that market segment. According to Porters theory, sustaining competitive advantage is all about being an above average performer in an industry. Focus strategy deals with having market niches and tailoring strategies in the market that meets the needs of the specific market. A firm adopting focus strategy will tailor the strategies and products to the need of that segment (Porter, 1985). Thus, according to Porter's theory, a firm that will achieve competitive advantage and achieve higher organization performance has to adopt specific strategies relating to a number of areas including the cost, differentiation and focus.

### **5. CONCEPTUAL FRAMEWORK**

The conceptual framework depicts the relationship between the independent variable (competitive strategies) and dependent variable (organization performance). The conceptual framework is presented in Figure 1.

The conceptual framework shows how the independent variable (organizational performance) is affected by the dependent variables (cost leadership strategy, differentiation strategy, and focus strategy). The competitive strategies put in place by the mobile companies if effectively implemented and managed will enable the firm gain competitive advantage against the rivals and thus improving the organization performance. The nature of the relationship that exists will be affected by organization policies and practices and organization culture.



*Figure 1: Conceptual Framework*

## 6. RESEARCH METHODOLOGY

This study used a descriptive design. The design enabled to achieve the study objectives by describing the phenomenon being studied, determine the population characteristics and discovery of relationships among different variables. This research design was the most appropriate as it aids in determination of the way things are as it helps in establishing the current status of the population under study while enabling close association between the variables. The study population was all the four mobile providing firms in Nairobi, Kenya as at 2017. This firms include Safaricom, Bharti Airtel, Telkom Kenya and Finserve Africa Limited (Equitel) (CAK, 2015). The target population of this study was the top management of the mobile service companies drawn from various departments. The four mobile service providing firms have a total of 278 managers based at the head office under various departments marketing managers, sales managers, regulatory/corporate affairs managers, human resource manager and finance managers. This population was chosen because they are the ones responsible for formulation and implementation of strategies in the firm and thus they are the most conversant with the study topic.

The target sample was 30% of the population chosen through stratified random sampling. Stratification was based on the departments which include marketing, regulatory, human

resource and finance and per mobile service provider. The stratified random sampling was chosen due to the sample not being homogeneous and thus ensured equal representation of all the respondents without biasness. The thirty percent (30%) of the population was used as recommended by Mugenda and Mugenda (2003) and Kothari (2004) that such a percent is adequate for a descriptive study which has a small population. The target sample was 83 managers. The study used primary data. Primary data was collected from the respondents using structured questionnaire with both open and close-ended questions. Structured questions were used since they enable gathering of detailed information and accurate information within short period of time (2014). Data was collected from the respondents who were managers conversant with the strategies adopted by the firm and organization performance. The research engaged two data collection assistants who were trained before commencement of data collection. The questionnaires were administered through drop and pick method, where the respondents were given one week to fill the questionnaires. Follow ups were made through phone calls and emails. The questionnaires were distributed to all the 4 mobile service providing firms. The data collected was cross sectional since it was collected at the specific time of the study. The data collection was conducted from the mobile service providers head office in Nairobi.

Pilot study was done to determine the feasibility of the study data collection instruments. A pilot study was done on 8 respondents (10% of respondents) from communications authority of Kenya. Communications authority of Kenya was chosen since they did not form part of the study and are conversant with the mobile service industry. The pilot study ensured that the data obtained was accurate, reliable and valid to measure the study variables. Pilot study also enabled gathering of crucial information which was used to amend the data collection instrument to better measure the variables of the study. Data collected through the questionnaires was scrutinized for completeness where incomplete questionnaires were not considered for analysis. Quantitative data was edited, and coded. Data was then extracted from the questionnaires and fed into Statistical Package for Social Sciences (SPSS). Data analysis was analyzed using both quantitative and qualitative analysis. Content analysis was used to tabulate and analyze qualitative data. Quantitative analysis was used to generate descriptive statistics such as frequencies, mean and standard deviation. Multiple linear regression analysis and correlation were used to analyze the relationship between the study variables. Inferential statistics was used to interpret the significance of the study findings. Analyzed data was presented inform of tables and figures.

## 7. DATA ANALYSIS RESULTS

Correlation analysis was used to find the relationship between two or more sets of variables. It also tells the direction as well as how much relationship exist between these variables. In this study the Pearson's coefficient of correlation was used, which is one of the most popular methods to measure the relationship between variables. Table 1 gives the relationship between different sets of variables that was obtained.

**Table 1: Correlation Analysis Matrix**

		Organization Performance	Cost Leadership Strategies	Differentiation Strategies	Focus Strategy
Cost Leadership Strategies	Pearson Correlation	.542**	1		
	Sig.	0.000			

		<b>Organization Performance</b>	<b>Cost Leadership Strategies</b>	<b>Differentiation Strategies</b>	<b>Focus Strategy</b>
Differentiation Strategies	Pearson Correlation	.400**	.415**	1	
	Sig.	0.001	0.000		
Focus Strategy	Pearson Correlation	.657**	.390**	.251*	1
	Sig.	0.000	0.001	0.038	
Moderating Variables	Pearson Correlation	.281*	.340**	.339**	0.215
	Sig.	0.019	0.004	0.004	0.076
	N	69	69	69	69

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

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

As shown by Table 1, Cost Leadership Strategies had a Pearson Coefficient of 0.542 and a p-value of 0.000, Differentiation Strategies had a Pearson Coefficient of 0.400 and a p-value of 0.001, Focus Strategy had a Pearson Coefficient of 0.657 and a p-value of 0.000 while the moderating variables had a Pearson Coefficient of 0.281 and a p-value of 0.0019. This means that all the variables had a positive effect on the performance of the mobile service providers. Hence an increase in the units of the variables will result in improved organizational performance. The effect was significant as all the p-values were less than 0.05. This means that they are able to predict the changes in the performance.

The study aimed to determine the relationship that exists between the competitive strategies adopted and the organizational performance of the mobile service providers. To achieve this, regression analysis was undertaken where the independent variables were; focus strategy, differentiation strategies, cost leadership strategies and the dependent variable was organizational performance. The regression model summary results obtained are shown by Table 2.

**Table 2: Regression Analysis Model Summary**

<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
.741a	0.549	0.528	0.4851

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

The coefficient of determination R square is 0.549 and R is 0.741. The coefficient of determination R square indicates that 54.9% of changes in the organisational performance are explained by the studied factors. This further implies that only 45.1% of the changes in the organizational performance are accounted by factors not included in the model. The study further conducted an Analysis of Variance to check on the significance of the Model. The findings were as shown in Table 3.

**Table 3: Regression Analysis Model ANOVA**

	<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	18.597	3	6.199	26.343	.000a
Residual	15.296	65	0.235		
Total	33.893	68			

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

b. Dependent Variable: Organization Performance

The ANOVA results indicate that the model  $F_{(3, 68)} = 26.343$ ,  $P < .001$  which shows that the significance of the model is 0.000 is than both 0.01 and 0.05. This thus shows that the model was highly significant in explaining influence of competitive strategies on performance of mobile service providers. Hence, implying a good fit for the model since it shows a significant influence of; Focus Strategy, Differentiation Strategies, Cost Leadership Strategies on performance. The model coefficients obtained by the study are shown in Table 4.

**Table 4: Regression Analysis Model Coefficients**

	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>	<b>t</b>	<b>Sig.</b>
(Constant)	1.136	0.309		3.681	0.000
Cost Leadership Strategies	0.201	0.07	0.278	2.869	0.006
Differentiation Strategies	0.203	0.075	0.158	2.711	0.012
Focus Strategy	0.451	0.08	0.51	5.598	0.000

a. Dependent Variable: Organization Performance

The results in Table 4 indicate that based on the model coefficients obtained, all the variables namely: Cost Leadership Strategies ( $\beta_1 = 0.201$ ,  $P = 0.006$ ), Differentiation Strategies ( $\beta_2 = 0.203$ ,  $P = 0.012$ ) and Focus Strategies ( $\beta_3 = 0.451$ ,  $P = 0.000$ ) have a positive and significant influence on the performance. The constant was also significant ( $\alpha = 1.136$ ,  $P = 0.000$ ). The predictive model thus adopted by the study is  $Y = \beta_0 + 0.201X_1 + 0.203X_2 + 0.451X_3 + \varepsilon$ , Where: Y= Organization performance,  $X_1$ = Cost Leadership Strategies,  $X_2$ =Differentiation Strategies and  $X_3$ =Focus.

The study aimed to determine the moderating effect brought about by organization policies, practices and culture on the organizational performance. To achieve this, the study conducted a multiple regression analysis. As shown by Table 5, when the moderating factors were introduced into the model, there were minimal variations in the relationship that exist. The competitive strategies explain 54.9% of the total variations in the performance ( $R^2 = 0.549$ ). When the moderating variables are introduced, the resultant  $R^2$  change in model remained the same and the value added was not significant ( $\Delta R^2 = 0.00$ ,  $P = 0.755$ ).

**Table 5: Moderated Regression Analysis Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error	R Square Change	F Change	Sig. F Change
1	.741a	0.549	0.528	0.4851	0.549	26.343	0.000
2	.741b	0.549	0.521	0.4885	0.001	0.098	0.755

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

b. Predictors: (Constant), Focus Strategy, Differentiation Strategies , Cost Leadership Strategies, Moderating Variables

The study further conducted an Analysis of Variance to check on the significance of the Model. The results obtained as shown by Table 5 show that model one,  $F_{(3, 68)} = 26.343$ ,  $P < .001$  is valid for further analysis. When the moderating variables were introduced, the new model two,  $F_{(4, 68)} = 19.508$ ,  $P < .001$  remained valid. This shows the moderating variables had minimal only minimal impact.

**Table 6: Moderated Regression Analysis Model ANOVA**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.597	3	6.199	26.343	.000a
	Residual	15.296	65	0.235		
	Total	33.893	68			
2	Regression	18.621	4	4.655	19.508	.000b
	Residual	15.272	64	0.239		
	Total	33.893	68			

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

b. Predictors: (Constant), Focus Strategy, Differentiation Strategies , Cost Leadership Strategies, Moderating Variables

c. Dependent Variable: Organization Performance

Based on the model coefficients obtained as shown by Table 6, it is established even after the introduction of the moderating variables, the competitive strategies still have a positive effect on the performance. However, only Cost Leadership Strategies ( $\beta_1 = 0.197$ ,  $P = 0.008$ ) and Focus Strategies ( $\beta_3 = 0.449$ ,  $P = 0.000$ ) are significantly and positively related to the organization performance. This implies that the moderating factors do not have any significant effect as a moderating effect on the performance.

**Table 7: Moderated Regression Analysis Model Coefficients**

Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.136	0.309		3.681	0.000
	Cost Leadership Strategies	0.201	0.070	0.278	2.869	0.006
	Differentiation Strategies	0.203	0.075	0.158	2.711	0.012
	Focus Strategy	0.451	0.080	0.510	5.598	0.000
2	(Constant)	1.120	0.315		3.557	0.001
	Cost Leadership Strategies	0.197	0.072	0.272	2.729	0.008

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<b>Model</b>	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>	<b>T</b>	<b>Sig.</b>
Differentiation Strategies	0.123	0.077	0.151	1.587	0.118
Focus Strategy	0.449	0.081	0.507	5.522	0.000
Moderating Variables	0.017	0.054	0.029	0.313	0.755

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a. *Dependent Variable: Organization Performance*

## 8. CONCLUSION

The study found out there are three main competitive strategies that have been adopted by the mobile service providers, namely; Cost Leadership, Focus and Differentiation Strategies. The study thus concludes to survive in the current dynamic market environment, it is essential to incorporate strategies in any organization. The study also found out that these strategies have a positive and significant effect on the organizational performance of firms. In this regard, the study concludes that competitive strategies have the potential of improving how organizations not only compete but also the performance. The findings of the study were also that though the influence is minimal, the moderating variables such as organizational policies and cultures affect how the effectiveness of the strategies. The study therefore concludes that conducive organization system and policies play a role in ensuring that the intended outcomes and benefits are attained. The study further found that, all the competitive strategies combined had a strong positive effect on the overall organization performance of the mobile service providers. Hence it is concluded that the current performance of these companies may be largely attributed to the competitive strategies employed. To improve the performance even further will require an evaluation and diversification of the competitive strategies.

## 9. RECOMMENDATION

Based on the study findings, the study makes several recommendations. To begin with, the three competitive strategies; Cost Leadership, Focus and Differentiation Strategies were found out to highly determine how the mobile service providers in Nairobi, Kenya perform. The study recommends that the management in these firms to closely evaluate these strategies so as to determine their effectiveness. This will also enable the identification of any shortcomings related to the strategies or any potential strengths that may be exploited. The study also found out that most of the competitive strategies had only be adopted to a moderate extent. To boost and increase the utilization of the strategies, the study recommends that the management to highly priorities strategies formulation in their organizations plan. They should also ensure adequate resource allocation to facilitate the strategy implementation process. Additionally, close evaluation and monitoring should be undertaken on the strategies to assure outmost effectiveness. Equally, the study recommends that before undertaking any competitive strategy, the organization should first have a clear understanding the need and motive towards adopting it. This will ensure that the strategies adopted are not only effectively implemented but also benefit the organization significantly. Due to the market becoming dynamic implementation of the appropriate strategies will ensure that organization remains profitable.

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