

**PORTER'S GENERIC COMPETITIVE STRATEGIES, ALLIANCE
PARTNERSHIPS AND PERFORMANCE OF MOBILE TELEPHONE
NETWORK SERVICE PROVIDERS IN KENYA**

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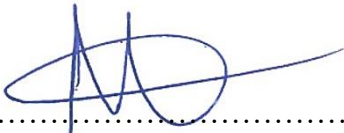
**A THESIS SUBMITTED TO THE SCHOOL OF BUSINESS, ECONOMICS,
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DECLARATION

Declaration by candidate:

This research thesis is my original work and has not been presented for a degree in any other University or any other award.


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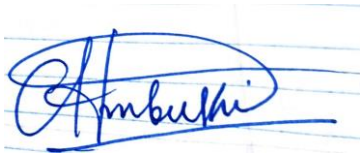
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DEDICATION

It is my delight to dedicate this academic work to the Most High God, for granting me sufficient grace to pursue this epic task. I also thank my mother Benendetta Musyoka, my latefather Bernard Musyoka, my brothers and sisters, nephews and nieces. Also, my special dedication goes to my spiritual mentors, and colleagues who came in at the time of need to suggest valuable information which was a strong educational push especially during these challenging moments of my study.

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DEFINITION OF TERMS

Firm Performance it is the capability of maintaining efficiency and effectiveness in operations, generation of profits and upholding positive changes of growth of the firm which is evident by the level at which the firm attains its objectives and outcome (Wijethilake, Munir & Appuhami, 2018).

Focus Strategy it is an approach of marketing the product to a particular niche by specifically devising approaches of understanding the intrinsic unique characteristics of a particular consumer(s) of the firm's product so as to know how to fully meet such demand more satisfactorily than the competitors in the market (Niyarta, 2019).

Cost Leadership Strategy it is a cost minimization strategic course of action adopted by the firm through utilization of high-tech methodology to ensure the product reaches the market at the lowest price as compared to the price of other suppliers (Barney, 20017).

Differentiation Strategy it is an approach of marketing a product whereby the firm concentrate in modifying a product to reaching a niche by making the product give full satisfaction of the needs of the consumer as a way of outperforming the competitors in the market (Jobber, 2004).

Alliance partnership it is a joint venture where two or more firms without losing identity work together to add synergy through increased impact of the standalone marketing strategy of each firm so as to have a competitive advantage over the competitor(s) in the market (Drucker, 2016).

Mobile Telephone Network Service Providers are registered mobile network service provider firms which provide mobile phone services backed by a network such as internet which enables the end users to utilize the services, they offer using a unique personal identity number (CA, 2020).

ABBREVIATIONS AND ACRONYMS

| | |
|----------|-------------------------------------|
| ADSL | Asymmetric Digital Subscriber Line |
| ARPU | Average Revenue Per User |
| ATM | Automatic Teller Machine |
| BSNL | Bharat Sanchar Nigam Limited |
| BLUE | Best Linear Unbiased Estimates |
| CSE | Cairo Securities Exchange |
| CA | Communication Authority of Kenya |
| CBA | Commercial Bank of Africa |
| CCK | Communication Commission of Kenya |
| CEO | Chief Executive Officer |
| EJV | Equity Joint Ventures |
| EU | European Union Countries |
| FCT | Federal Capital Territory |
| FTTH | Fibre to the Home |
| GDP | Gross Domestic Product |
| GSM | General Service Mobile |
| IBM | International Business Machine |
| ID | Identity Number |
| KCB | Kenya Commercial Bank |
| KES | Kenya Shillings |
| KNBS | Kenya National Bureau of Statistics |
| KPLC | Kenya Power and Lighting Company |
| KQ | Kenya Airways |
| MBV | Market-Based View |
| MNCS | Multi National Company |
| M-Pesa | Mobile Money (Pesa) |
| M-Shwari | Mobile Shwari |
| MVAS | Mobile Value-Added Services |
| NFV | Network Functions Virtualization |

| | |
|-----------|---|
| OLS | Ordinary Least Squares |
| OTT | Over-The-Top |
| PHEV | Plug-in Hybrid Electric Vehicles |
| PLC | Public Limited Company |
| RBV | Resource-Based View |
| ROA | Return on Assets |
| SDN | Software Defined Networking |
| SMEs | Small & Medium Enterprises |
| SMS | Short Message Services |
| SPSS | Statistical Package for the Social Sciences |
| STC | Saudi Telecom Company |
| TCE | Transaction Cost Economics theory |
| TCO | Total Cost of Operations |
| TKL | Telecom Kenya Limited |
| UK | United Kingdom |
| UNID O | United Nations Industrial Development Organization |
| VIF | Variance Inflation Factor |

ABSTRACT

Past studies on the relationship between Porter's generic strategies and firm performance in the presence of alliance partnerships continue being an unresolved predicament with most studies resulting to diverse outcome. The main objective of this study was to investigate the influence of Porter's generic competitive strategies and alliance partnerships on performance of mobile telephone network service providers in Kenya. The specific objectives were; to examine the influence of focus strategy on performance of mobile telephone network service providers in Kenya, to explore the influence of cost leadership strategy on performance of mobile telephone network service providers in Kenya, to investigate the influence of differentiation strategy on performance of mobile telephone network service providers in Kenya, to investigate the moderating effect of alliance partnerships on the relationship between Porter's competitive strategies and performance of mobile telephone network service providers in Kenya and to establish the joint effect of Porter's competitive strategies and alliance partnerships on performance of mobile telephone network service providers in Kenya. The study was underpinned by transaction cost theory, Resource-Based View (RBV) theory, syncretic paradigm theory and shareholder value maximization theory. The study pursued a positivism research philosophy and descriptive research design methodology. The target population was all the 66 registered mobile telephone network service providers in Kenya. Primary data was gathered through use of structured questionnaires. Descriptive statistics, correlation and regression modeling was used to aid in data analysis. Descriptive analysis portrayed that the 61 mobile telephone network service providers in Kenya pursued the three Porter's competitive strategies as follows; 23% (14) of those firms adopted focus strategy, 18% (11) on cost leadership strategy and 39.3% (24) adopted the differentiation strategy. Another 8.2% (5) pursued either two of the three strategies and another 9.8% (6) opted for the three strategies. It was only 1.6% (1) of the 61 which did not adopt any of the Porters' strategies in their operations. On the other hand, inferential statistics revealed that focus strategy had significant influence on firm performance with $\beta=82.3\%$ ($P=.000$); cost leadership strategy had significant straight influence on firm performance with $\beta=76.9\%$ ($P=.000$). Differentiation strategy had statistically significant influence on firm performance with $\beta=83.2\%$ ($P=.000$). Alliance Partnerships in overall portrayed statistically significant moderating effect on the relationship between Porter's generic competitive strategies and firm performance with all F statistics being significant with $p=.000$ in the three tests undertaken. The joint influence of Porter's generic competitive strategies, Alliance Partnerships on firm performance was statistically significant with $F=20.822$ ($p<.05$). In conclusion, alliance partnership was a conditional factor as far as the relationship between Porter's strategies and firm performance is concerned. The study suggests that organizations should look into the depth in which individual components of Porters' competitive strategies impact on performance other than concentrating the on the composite dynamics and then go on to consider the most favorable strategies which optimize their business sustainability level so as to have competitive edge in the market. Again, it is important for firms to consider alliance partnerships as a conditional factor rather than a pure predictor of firm performance.

CHAPTER ONE

INTRODUCTION

1.1 Study Background

Increased competition, disruptions and dynamics in business environment continue to exert pressure on firms to pursue effective strategies to gain sustainable competitive advantage (Abdirizak, 2019; Wheelen, Hunger, Hoffman & Bamford, 2018).

Although heightened competition cut across all sectors, the present-day mobile telephone network industry stands out as one of the few sectors categorized as most turbulent globally (Asena, 2019). For instance, Standard and Poor's market intelligence (2020) strategy and annual commoditization tracker analysis of the result for telecommunications providers worldwide points at the global shrinking Average Revenue Per User (ARPU), nose-diving profitability, sky-rocketing liability and dwindling cash flow, Kenya Mobile Subscriptions and Penetration uprising trends and Kenya mobile telephone operator declining market share.

The aforementioned low performance trends witnessed by telecommunications providers is majorly attributed to hyper-competition (Imam, 2019) which is occasioned by fast disruptive, fast changing, short life cycle technologies and products (Ayaga & Nnabuko, 2019) as well as increasing and changing customer needs and tastes (HoRy, 2018). Still, inability to manufacture and control all requisite resources, forces them depend on these companies (Rahul, 2020). Further, some firms are stuck

to beaten-path competitive strategies (Yu, Xu & Dong, 2019) while others fail embracing any competitive strategy (Kuratko, & Hoskinson, 2018).

Empirical evidence demonstrates how companies leverage Porter's competitive strategies (Islami, Mustafa and Latkovikj, 2020); product differentiation strategies (Kiarie, 2020); strategic alliances (Akewushola, Tijani and Adelekan, 2018 and Harrigan, 2015); pricing strategies (Kireru, Ombui and Omwenga, 2016), cost reductions (Afande, 2015); innovation (Odhiambo, 2015), promotion (Chronicle, 2015); intense supervision of front line personnel (Kotler, 2017); developing brand or company name identification (Kotler, 2018); positioning (Ole Kulet, Wanyoike and Koima, 2019); social responsibility initiatives (Mwancha and Ouma, 2017); technological advancement (Coccia, 2017); or (and) brand returns (Caxton, 2015) among others to maintain market share.

In conceptualizing the linkage between competitive advantage and firm performance, theories such as the Market-Based View (MBV), the Resource-Based View (RBV), Porter's generic competitive advantage theory have played a major role of portraying the link between strategic moves and performance of firms across the globe. Furthermore, generic strategy typology theories such as the economic transaction theory, cost economics theory, relational view of strategy, knowledge-based view, the capability-based view, and transient advantage have been widely adopted in analogous empirical investigations (Helfat & Peteraf, 2003). However, the current study is underpinned by Transaction Cost Economics theory (TCE), Resource-Based

View(RBV) syncretic paradigm theory and shareholder value maximization theory for through them organizations and markets have progressed toward becoming frameworks which compose and fit business dealings.

The concept of strategy borrowed from the military and adapted for use in business is a term that comes from the Greek term “strategia”, which means "generalship (Van-Den, 2017). In the military, strategy often refers to maneuvering troops into position before the enemy is actually engaged (Leiblein et al., 2018). In this sense, strategy is the deployment of troops. Once the enemy has been engaged, attention shifts to tactics. Here, the employment of troops is central.

Largely, top management of an organization is basically concerned with the selection of a course of action from among different alternatives to meet the organizational objectives (Guillermo, Rodrigo, Miguel, Jorge, Manuel and Sebastian, 2020). Strategy is divided into corporate strategy and business strategy (Kevser, Guillermo, Miguel, Manuel, Sebastian, Rodrigo & Jorge, 2020). The former emphasizes on “where to compete”, on acquisitions, on new ventures and so on while the business strategy pays attention to building competitive advantages over its competitors in the specific industry within which it operates, this is also termed as competitive strategies.

In business, as in the military, strategy bridges the gap between policy and tactics. Together, strategy and tactics bridge the gap between ends and the means (Leiblein et al., 2018). According to Xiuyu, (2017), strategy is observed as a long-term plan delineating goals and objectives. Strategy can also be a typical, advantageous and

invulnerable placement in a highly competitive sector or a company's long period consistent actions trend (Durand, Grant & Tammy, 2017). A successful strategy should include four stages. The first stage is the clear and long-term goals; the second is the deep and full understanding of industrial surroundings; the third is a precise and objective estimation of internal resources and capabilities; and the final stage is about how to realize the objective using effective means (Xiuyu, 2017).

Most often, strategists devote a general programme of action and an implied deployment of emphasis and resources to attain comprehensive competitive advantage objectives (Herden, 2020). Strategy helps the organization to meet its uncertain market situations with due diligence. Without an appropriate strategy which has been effectively implemented, the future is always dark and hence, more are the chances of business failure.

From some notions of strategies that have been put forward, it appears that each opinion gives a different emphasis in formulating the understanding of business strategies to provide a broad understanding as a whole (Rotich & Anyango, 2018). Based on the diversity of opinions and adapted to the characteristics of the telecommunication delivery industry in Kenya, the business strategy in this study is conceptualized as a strategy formulated by business units in creating competitive advantage to produce superior performance to win competition within the mobile telecommunication industry. The antecedent of competitive strategy is to enable an organization acquire competitive advantage via a unique style of competing in the

market.

Competitive advantage is indispensable for an organization not only to compete favorably in the market but also to ensure that an organization achieves sustainable competitive advantage. Competitive advantage of an organization can be achieved if it is able to recognize its position in the market and therefore, identify challengers, followers and market leaders. Some of the strategic moves include Porter's generic competitive strategies, namely; cost leadership, differentiation strategy and focus strategy which according to Porter (1985) enable the firms to remain competitive in the market through increased performance through market share.

1.1.1 Firm Performance

There is no universally accepted way of defining the term firm performance and therefore diverse authors in strategic management use multidimensional approaches to measure it. This is because performance entails various activities that have been put in place to establish the goals and aspirations of the entire organization and monitoring the progress that is being made towards achieving the targets that were set initially (Wijethilake, Munir and Appuhami, 2018). In strategic management, performance is in two perspectives, objective and subjective.

From an objective perspective, Ayub, Kwendo and Liyayi (2019) defined firm performance as a subset of the organizational effectiveness. In their view, the narrowest conception of firm performance centers on the use of outcome-based

financial indicators assumed to reflect the meeting of the economic goals of the firm. Typical of this approach the commonly used indicators are such as sales growth, profitability ratios (for example, return on investment, return on sale, and return on equity) and earnings per share.

A broader conceptualization of firm performance also include emphasis on indicators of operational performance (Chepng`etich & Kimencu, 2018). Such indicator includes measuressuch as market share position, new product introduction, product quality, marketing effectiveness, and value-addition. In this current study, the focus will be on customer and employee satisfaction, sales volume, social performance and branch network expansion.

1.1.2 Porter's Generic Competitive Strategies

A competitive strategy is a long-term plan that assists a business gain a competitive advantage over its opponents which in turn enables a firm to position itself by leveraging its strengths. Porter (1985) in his model argued that a firm's strength ultimately falls into one of two headings; cost advantage and differentiation. By applying these strengths in either broad or narrow scope, three generic strategies arise as the consequences of this strategic move: Cost leadership, differentiation, and focus.

These strategies apply at the business unit level. They are known as generic strategies because they do not originate from the firm or industry. Porter's framework proposes

that firms that pursue any of these competitive strategies would develop a competitive advantage that would enable them to outperform competitors in that industry. However, a company seeking competitive advantage must choose the type and the scope within which it will attain it (Niyarta, 2019).

Cost leadership is reducing the economic costs (such as production, distribution and marketing costs) below that of its competitors (Barney, 20017). A firm following a cost leadership strategy offers products or services with acceptable quality and features to a broad set of customers at a low price. Thus, the firm is able to gain more profit margins or can offer a competitive price to attract more customers for high sales (Jobber, 20014).

In order to adopt cost leadership strategy without forgoing profit, a firm should have the internal strengths such as differential access to factors of production, technological software advantage independent of scale (Barney, 2007), sustained access to less costly capital, products designed for efficient manufacturing, efficient distribution channels. To be successful, cost leadership strategy requires a considerable market share advantage or preferential access to raw materials, components, labor, or some other important input. Without one or more of these advantages, competitors can easily mimic the strategies.

Successful implementation also benefits the firm through approaches such as; process-engineering skills, products designed for ease of manufacture. Sustained

access to inexpensive capital, close supervision of labour, tight cost control, incentives based on quantitative targets which always ensure that the costs are kept at the minimum possible level (Ritika, 2013). This strategy cuts down costs all through the value chain (Islami, Mustafa & Latkovikj, 2020). Typically, such items have limited standard features with the goal of increasing competitiveness in this manner hence increasing the market share (Talay & Townsend, 2015).

Differentiation strategy is where by a business intended to increase the perceived value of its products/services compared to its competitor's products/services and create a customer preference for the firm's products/services or make it appear distinct. This kind of strategic move may assume the form of product differentiation, which involves marketing process that show cases of product differences on its products to make them more attractive by contrasting their unique qualities with those of other competing products and as a result create a competitive advantage for the seller.

As a result of this action, customers view these products as unique or superior. Another way of creating differentiation is through physical differentiation. This is a differentiation strategy which covers location, space, design and display/layout and stores atmosphere. Also, differentiation strategy may go the way of service differentiation which involves after sales services, retailer own brands, service quality, incentive programs and operating hours. Differentiation strategy is used for a firm to be unique in its market, and aims at obtaining a price premium by its

differentiation, which is not easily copied by its rivals (Porter, 1985; Jobber, 2004).

This strategy is often associated with a premium price, and higher than average cost for the industry as the extra value to customers often raises costs (Jobber, 2004). If a firm has the following internal strengths, namely; corporate reputation for quality and innovation, excellent customer service and management skills, and efficient dealer network and other unique dimensions it will be more appropriate to adopt this strategy,

On the other hand, focus strategy is one of Porter's archetypical three strategies namely cost leadership, differentiation and focus where by the three are pegged on competitive advantage general principle. This strategy of focusing on result so as to deliver superior value to customers end up earning an above-average return for the company and its stakeholders. Focus strategy revolves around the idea of serving a particular customer group better than anyone else.

Focus strategy is essentially a choice of narrow scope due to economies of scale idea in which the benefits of assets and other resources and capabilities created and applied in highly specific fashion creates differentiation and/or cost advantages for specific customer groups only hence classified into cost focus strategy and differentiation focus strategy. It is quite different from the others for it rests on the choice of a narrow competitive scope within an industry (Porter, 1985).

A firm seeking cost advantage with one or a small number of target market segments uses focus strategy. Differentiation focus strategy is used to seek differentiation advantage with one or a small number of target market segments (Jobber, 2004). Focus strategies have distinct attributes and particular characteristics. They require specific skills and face an array of risks and threats. Focus strategies are, however, durable and this is evidenced by the proliferation of successful firms, albeit risky, small businesses. Focus is related closely to ideas of market segmentation and the served market (Grant, 2011).

Therefore, focus strategy targets certain fragments of the market by specializing in a certain consumer group, geographic market or product segment with preferred taste aiming at a certain reasonable and affordable price hence the scope of the business is smaller (Saif, 2015, Littlechild, 2018, Ferguson & Brohaugh, 2018& Akintokunbo, 2018). Outstandingly, focus empowers firms to maximize its distinctive unique capabilities to increase its market in stiff competition (Kuratko, Hornsby & Hayton, 2015).

However, firms tend to choose a strategy that suits them best such as being a product leader in the market or having cost or niche leadership (Baroto, Madi & Abdullah, 2017). For instance, Safaricom Kenya is a leader in mobile money transfer (Mpesa) and internet provision (Kipyegon, Obura & Oginda, 2018). Through cost strategy, Airtel offers lowest calling rates and differentiation for customer care, distribution system and branding (Tharamba, 2018). Likewise, Telekom uses cost leadership for

foundation showing tight control of expense and overheads, improving effectiveness in activities, cost decrease on information, limiting costs identified with work, utilization of data frameworks and bringing down distribution costs (Njeri, 2017).

The engaged differentiated technique by Telecom Kenya Ltd is accomplished for the most part by offering differentiated items which dependent on their mobile telephone cash stage while best cost supplier system has been accomplished by offering somewhat differentiated items at a cost superior to rivals explicitly in versatile information (CA, 2019). It is in this way it is presumed that telecommunication firms in Kenya seek after focus, cost tactic or strategy and differentiation methodologies.

A competitive advantage is a situation where the action of an organization cannot be copied by any pathway or because the cost is too high to imitate, implying a company gets a competitive edge (Kodama, 2018). The competitive advantage also refers to a scenario where firms provide products or services in certain ways for customers in order to generate favorable position and higher value compared to its competitors.

The competitive advantages can also be viewed as taking the lead in some respects; the pathway can be the improvement on product quality, lowering the prices, increasing the product differences and production flexibility (Imam, 2020). Zhao and Wang (2016) classify competitive advantage into software and hardware perspectives. The hardware means improving quality and lowering prices. In terms of software, competitive advantages can be high quality, excellent services,

transformation with know-how and financing (Gambardella & Panico, 2017). Furthermore, it is essential to get the first-mover advantages in the international business marketing strategy. Lieberman, Lee and Folta (2017) opine that while price is the decisive factor in developing countries, in other developed markets, it does not achieve dominance.

Competitive advantage is obtained when an organization develops or acquires a set of attributes or capabilities that allow it to outperform its competitors (Mutinda & Mwasiaji, 2018). These attributes or capabilities, which create and enhance competitive advantage, are echoed in the competitive culture of organizations (Grigoriou & Rothaermel, 2017). These advantageous behaviors comprise of price reductions, sales motivations, publicity through advertisements and promotions, product enhancements and innovation, capacity building and distributional channels of distribution as well as market expansion (Möller, 2015).

Likewise, capabilities create advantage through behavior such as the recurrence where by a firm issues license, which in turn affects successive technological innovations and the prioritization degree to popularize newly created products and technological advancements through commercialization (Kyengo, Ombui & Iravo, 2016). Competitive advantage dictates that businesses should pursue strategies that create high-quality goods and services to sell at high prices in the market. According to Mugo (2020), firm competitive advantage is influenced by both internal factors and external factors. Internal factors include financial ability, human resources,

research collaborations, product differentiation and cost.

On the other hand, external factors that influence firm competitive advantage include political, economic, social, technical and culture factors (Mara & Luigi, 2017). Other external factors that influence competitive advantage are quality and quantity of natural resources, country's currency strength, country's infrastructure, research and development, workforce characteristics, entrepreneurship and government involvement (Möller, 2015).

Competitive advantage, which is well understood in the context of Porter's (1985) theory of competitive advantage, is based on a fundamental assumption that adequate market opportunities are available to companies that are engaging themselves to leverage competitive advantage of others to the degree that they can optimize their own potential (Mara & Luigi, 2017). Similarly, it assumes that resources such as market opportunities will move to where they find their best competitive strategy opportunities. This allows a company to achieve superior margins compared to its competitors and generates value for the company and its shareholders (Lorenzo et al., 2018). Porter (1980) identified two basic forms of competitive advantage namely cost advantage and differentiation advantage.

A cost advantage is a case where by a firm can produce a particular product or service at a lower cost than its competitor (Onyango, 2017). Companies with this advantage produce goods or services of high quality and returns. They also access low-cost raw

materials, efficient processes and technologies, low distribution and sales costs and efficiently managed operations (Dengov, Tulyakova, Gregova& Sviridov, 2020).

Differentiation advantage occurs when a firm is able to obtain from its differentiation a price premium in the market that exceeds the cost of providing the differentiation (Oteki et al., 2015). Successful differentiation creates a competitive advantage for a company. This leads to increased brand loyalty, implying more sales and allows the company to sell its products at a higher price, if it chooses to do so (Kiprotich, 2018). Porter (1980) explains that competitive advantage exists when the firm is able to deliver the same returns as competitors but at a lower cost (cost advantage) or deliver returns that exceed those of competitors (differentiation advantage).

1.1.3 Alliance Partnerships

Apart from Porter's generic competitive strategies, alliance partnerships have a remarkable contribution towards the sustainability of a firm against stiff competition in the market. Strategic alliance are partnerships of two or more corporations or business units that work together to achieve strategically significant objectives that are mutually beneficial to the parties (Drucker, 2016). Alliance partnerships is a voluntary agreement among enterprises that include exchange of products and development of technologies or services (Gulati, 1998). Besides the motives of strategic alliance, there are also possibilities related to better and faster access to technologies, ability to establish new markets, reduction of financial and political risk and added value.

From the firm's perspective, Zaman (2016) identified alliance partnerships as ones characterized by high returns stimulated by demand. Examples of such alliances include cross-selling, advertising, and promotion. Such alliances can give manufacturers entry into new geographical markets or customer segments, thereby increasing product demand. On the other hand, Zhang, Jiang, Shabbir, and Du (2015) define alliance partnerships as lateral relationships among firms intended to build user or consumer awareness.

An important characteristic of the consumer perspective is that the motivation to form these alliances often arises out of demand side considerations such as favorable consumer preferences for the products that come out of these alliances, in contrast to partner-side factors such as mutual liking among alliance partners or cost minimization (Severi & Ling, 2016). Ingredient branding, dual branding, and sharing of distribution channels are examples of such alliance partnerships. Alliance products span such diverse industries as technology (Compaq computers with Intel microprocessors), food products (Diet Coke with NutraSweet), and financial services (Shell Chase Bank MasterCard).

Vonortas and Zirulia (2015) describe alliance partnership as an agreed understanding among different firms working together with shared objective of pooling assets and activity harmonization. Those collaborations are seen as contemporary wonders despite the fact that they have existing links among organizations as a production component since the inception of the phenomenon of firms. However, the success of

an alliance in relation to performance is predicated based on the type of the alliance (Kazi, 2016).

As indicated by Bagnoli and Giachetti(2015), inter-firm collaborations vary in terms of nature and mandate of operation. For example, a few inter-firm coalitions were put together not with respect to size albeit sometimes, others were drawn to each other on account of sharing size aspect (Tarus, 2017). Fundamentally, coalition arrangement is predicated based on necessities, capabilities, and motives or drives (tenacities) decided. More so, design, characteristics and focus area of inter-firm coalition, affects the creation, maintainability, usefulness, and subsequent success of partnerships (Zhao & Wang, 2016).

Further, alliances can be classified as diagonal alliances, vertical alliances, joint ventures, equity alliances, horizontal alliances, and franchises (Madhok, Keyhani and Bossink, 2015). A diagonal alliance is described as a partnership of two companies in different industries. Vertical alliance is an inter-firm collaboration comprising two parties from alternate levels of value chain with a fundamental goal of internal augmentation by subcontracting ensuing value chain operations.

On the other hand, horizontal alliances comprise two firms from similar value chain category largely to cut down costs (Madhok et al., 2015). A joint venture is an agreement by two or more companies who decide to form a new company or two or more parties to form a new single entity/company to undertake a certain

project/venture (Xu, Jiang, Shibin & Wang, 2020). Equity alliances are formed when one company acquires equity stake of another company and vice versa and these shareholdings make the company stakeholders and shareholders of each other (Mamédio, Rocha, Szczepanik & Kato, 2019).

Franchising is where one firm gives another firm (i.e., a franchisee) the right to use a brand-name and corporate concept which in return has to pay a fixed amount of money but the franchiser keeps the control over pricing, marketing and corporate decisions in general (Kim, 2015). Licensing is when company pays for the right to use another company's technology or production processes. It is vital to note that not all alliances attain their objectives because the type of an alliance, determines its performance (Weber, 2018).

Use of alliances partnerships has precipitated enduring industry changes, the disruptive impacts of which have been exacerbated by the technological changes that they facilitated. As alliance partnerships have become more prevalent, managers have learned to take their transformative powers for granted; they now treat alliance partnerships as yet another trait characterizing competitive behaviors with which they must cope in order for their firms to survive and thrive.

1.1.4 Mobile Telephone Network Service Providers in Kenya

Mobile telephone network service providers in Kenya are the registered mobile network service provider firms. They provide mobile phone affiliated services backed

by a network such as internet which enables the end users to utilize the services. These firms use a unique ID number. In Kenya there are sixty-six (66) such providers which are classified in to three tiers according to Communications Authority of Kenya (CA, 2020), namely; tier one, tier two and tier three.

There exist a Porter's strategies, alliance partnership and performance contextual gap as per past literature review. For decades, inclusive of the study period 2016 to 2020, the mobile telephone network service providers in Kenya have experienced competitive industry rivalry (Dobbs, 2014). As a result, those firms have adopted Michael Porter's fifth force to safeguard their performance from the competition which was dominated by price discounting, introduction of new products, service improvements and advertising campaigns (Chesula, and Kiriinya, 2018).

Mobile Average Revenue Per User (ARPU) has increased by 40% in the last 6 years, Fixed broadband lines and voice (over broadband) lines are growing, but market is still in its growth state (Ste phane Piot, 2018). Comparative marketing strategies have also been employed to enhance competitive rivalry (Maina, 2016). For example, innovative products and services like M-pesa have been utilized in enhancing market competitiveness (Mohamed & Atheru, 2017). Also, all the firms in the industry are engaging in corporate social responsibility as a way of enhancing good image either as a proactive or reactive strategy (Ezenwa, 2016).

Further, these firms engaged themselves in to alliance partnerships which cut

across many players in the market with positive performance outcome. For example, Wananchi Group, in collaboration with Google and wireless data service management company Atilo Networks, launched Wazi Wi-Fi, Kenya. This collaboration has fostered business opportunities to those players(Atilo Networks AB, 2018).

1.2 Statement of the Problem

Mobile telephone network industry in Kenya which is made up of 66 firm as per (CA, 2020) has significantly added to the development of the country's economy with a contribution of 0.76% to the GDP, revenue of KES 173.6 billion in the year 2015 resulting to a 6.9 percent expansion (Economic Survey, 2015). The sector has emerged to be the main source of government revenue particularly through duty remittance (KNBS, 2019). Undoubtedly, the mobile subsector keeps on expanding, currently boasting of over 59 million subscribers (CA, 2020) in Kenya. Nevertheless, the sector has also faced both performance fluctuations and stiff competition challenges within and without over the years even with continuous alliance partnership formations with other strategic organizations.

The mobile telephone network market had over the years oscillating trend as evident in some of the key players in this industry such as Safaricom whose market share sunk to 63.7 percent from 64% in 2018, Telkom's 6.3% from 8.8% and Equitel's 2.8 from 4.3% of the portion of the overall industry as at September 2018 (CA, 2018). Notably, it is only Airtel that did not experience market share shrinkage for it gained

from 22.3% in 2018 to 27.2% in 2020.

Contrary to comparison of 2017, performance transfer of cash increased in 2018 where people utilizing the mobile banking totaled to 22.8 million and 1.6 million for Safaricom and Airtel respectively in 2017 (CA, 2018). Further, the same mixed fortune was displayed in profitability where Safaricom recorded Kshs. 48.4 billion improved returns while Airtel posted a deficiency of 5.95 billion in the year 2017(CA, 2018).

In 2016, Safaricom's profit dropped from 31.2% in 2013 to 18% in 2016, Airtel's profit equally dropped from Ksh15.28 billion in 2015 to Ksh 8.18 billion in 2016. Essar (YU) dropped from 159.38% in 2014 to 25.87% in 2016, Telekom dropped from 42.57% to 10.4% as Sema and Finserve Africa (Finserve Africa (Equitel) among others, posted mixed outcomes. In terms of market share, Safaricom dropped from 76% from first quarter of 2017 to 71% by end of 2017. Airtel Kenya Ltd share dropped from 17% in 2012 to 15% at end of 2017. For instance, net returns for Sema Mobile dropped from € 7,254 to € 7,038 between 2019 and 2020 (Sema Mobile Final Report 2020).

Past studies (Kiarie, 2020; Gatobu & Maende, 2019; Abdirizak, 2019; Asena, 2019; Tharamba, 2018; Milao, 2018; Chepng'etich & Kimencu, 2018; Mbesa & Kihara, 2017; Onchwari, 2017; Kyengo, Ombui & Iravo; 2016; Lillestol, Timothy & Goodman, 2015; Jiang, Bao, Xie & Gao, 2016) on the link amongst the Porter's

generic competitive strategies, Alliance Partnerships and firm performance portrayed dissimilar findings.

In Bandung City, Indonesia, the study of Suparman (2016) implementation of market segmentation strategy influenced customer satisfaction in statistically significant manner. In Malaysia, the study of Nadia, et al. (2018) revealed that subjective norm, personal moral norm, perceived behavioral control, and attitude ominously shows an indirect effect to customer level of satisfaction. Also in Japan, the study of Nakano and Kondo (2018) established that segmentation of customers using that mobile and social media are important elements to increase sales in physical stores multiple channels and media in modern retail environments. Study by Kalam (2020) in UK revealed that the introduction of 5G network helps in luring the customers across the globe to Vodafone. Along with this, mergers and acquisitions; strategic alliances and partnerships are also aid towards expanding the scope and arena of the supply chain network.

In African region, several studies were undertaken which include and not limited to; that of Bishaw (2020) in Ethiopia where it was established that the frequency of their service usage, in the case of this study, the number of times they connect to mobile data service, shows most of them have 47 5.4 segment identification for marketing an interest to freely enjoy the returns of mobile data had their economic problems do not hold them back. A Nigeria based study by Akintokunbo (2018) showed that market focus competitive strategy significantly influences organizational

profitability, market share and firm efficiency of telecommunication companies in Port Harcourt.

In Kenya, Hendra and Budi (2017) conducted a study to determine the effect of brand image, price and awareness toward brand loyalty through customer satisfaction. It was established that the study used multiple linear regression analysis and the research findings indicated that brand image and brand awareness significantly affect brand loyalty, while price does not have a significant effect on brand loyalty. Further, brand image significantly effects customer satisfaction. Shitseswa, Kwendo and Chiseno (2019) investigated the effect of Porter's competitive strategies on the performance of mobile phone service providers. It was evident that a strong positive significant relationship between focus competitive strategy and performance exists.

Therefore, a focus on the magnitude of Porter's competitive strategies, alliance partnerships and firm performance in the context of mobile telephone network service providers in Kenya is a timely and rewarding intervention. This study intended to address the in-depth cause-effect perspective between the three Porters' Generic strategies and firm performance using more appropriate sub-variables. The study also aimed at addressing conceptual gaps that arose from the past studies for there was controversial research findings even when there existed similar studies. The current study further intended to assess whether there was a moderating effect of partnership alliances on the relationship between Porter's competitive strategies and firm performance in the context of mobile telephone network service providers in Kenya.

1.3 Research Objectives

This study was engraved on both general and specific objectives

1.3.1 The General Objective

The general objective of this study was to examine the relationship between Porter's generic competitive strategies, alliance partnerships and performance of mobile telephone network service providers in Kenya.

1.3.2 Specific Objectives

The study was guided by the following specific objectives

- i) To examine the influence of focus strategy on performance of mobile telephone network service providers in Kenya.
- ii) To explore the influence of cost leadership strategy on performance of mobile telephone network service providers in Kenya.
- iii) To investigate the influence of differentiation strategy on performance of mobile telephone network service providers in Kenya.
- iv) To investigate the moderating effect of alliance partnerships on the relationship in between Porter's competitive strategies and performance of mobile telephone network service providers Kenya.
- v) To establish the joint effect of Porter's generic competitive strategies and alliance partnerships on performance of mobile telephone network service providers in Kenya.

1.4 Research Hypotheses

The study was guided by the following null hypotheses

H₀₁: There is no significant influence of focus strategy on performance of mobile telephone network service providers in Kenya.

H₀₂: There is no significant influence of cost leadership strategy on performance of the mobile telephone network service providers in Kenya.

H₀₃: There is no significant influence of differentiation strategy on performance of mobile telephone network service providers in Kenya.

H₀₄: Alliance partnerships has no significant moderating influence on the relationship between Porter's generic competitive strategies and performance of the mobile telephone network service providers in Kenya.

H₀₅: There is no significant joint effect of Porter's generic competitive strategies and alliance partnerships on performance of mobile telephone network service providers in Kenya is not significant.

1.5 Significance of the Study

The research outcome benefits many stakeholders across the board. The management of mobile telephone network service providers in the telecommunication industry would acquire a deeper understanding on how the relationship between Porter's competitive strategies and firm performance of mobile telephone network service providers is moderated by alliance partnerships especially when the specific components are incorporated in decision-making. This further will enhance decision making towards achieving the set goals by those firms.

The government, especially the Competition Authority of Kenya agency management will reap manifold benefits such as gaining a theoretical insight on individual impact the Porter's generic competitive strategies have on firms in the market to tailor make policies that foster fair competition amongst the players in the telecommunication industry in Kenya.

To the academicians, the study provides an in-depth acquaintance on the correlational linkage between or amongst the study variables and the underpinning theories thereof, the outcome would add to the existing body of knowledge by elevating present literature. Also, this study would assess the judiciousness of transaction cost theory, resource-based view (RBV) theory, syncretic paradigm theory and shareholder value maximization theory in determining firm performance especially when the market players in the telecommunication industry incorporate alliance partnerships.

1.6 Scope of the Study

The study considered threefold perspective areas of scope that it concentrated on. First, it utilized the three main Porter's strategy variables, namely; focus strategy, cost leadership strategy and differentiation strategy. The fourth and fifth variables were alliance partnerships and firm performance, which were the moderating and dependent variables in that order.

This study, incorporated contextual perspective of the 66 mobile telephone network service providers in Kenya, which operate under the telecommunication industry,

which is also under the surveillance of Communication Authority formally known as Communication Commission of Kenya (CCK). Further, time scope was also incorporated in this study where by the relationship between Porter's competitive strategies, alliance partnerships and firm performance of mobile telephone network service providers in Kenya for a period of five years from 2016 to 2020.

1.7 Assumptions

It was assumed by the researcher that since the 66 mobile telephone network service providers in Kenya are few, the total number would not be sampled for the numbers are manageable. In addition, it was also assumed that all mobile telephone network service provider firm's performance in Kenya is influenced by Porter's competitive strategies and alliance partnerships. Thus, the 66 mobile telephone network service providers in Kenya represented a true and fair picture of all the mobile telephone network service providers in the world.

The study assumed that the respondents would provide reliable and valid data that would be useful in drawing valid conclusions and making practical recommendations. Further, it was assumed that respondents would co-operate with the researcher and research assistants in responding to questions. The study also assumed that the concerned organizations would facilitate provision of the requisite data and that the senior officials from mobile telephone network service providers in Kenya chosen would be willing to provide factual information.

1.8 Organization of the Study

This thesis is composed of five chapters. Each chapter entails diverse research components which are in accord to ensure full communication to the audience on the subject of the study, the methodology used, the findings, conclusions and further areas of study.

Chapter one captures the introduction where by in this section, the background of the study is captured to lay a theoretical foundation of the study on the linkage amongst alliance partnerships, Porter's generic strategies and firm performance of Mobile Telephone Network Service Providers in Kenya. Then, statement of the problem, general and specific objectives of the study, research hypotheses which emanates from the specific objectives of the current study, significance of the study, scope of the study from the three viewpoints, namely; conceptual, contextual and timeframe and the assumptions of the study thereof.

Chapter two highlights the key theories which underpin the current study. that is the Transaction Cost theory, Resource-Based Theory (RBV), the Syncretic paradigm, shareholders value maximization, empirical literature review utilized to pinpoint the knowledge gaps, summary of literature and research gap which are of conceptual, contextual and methodological nature, operationalization of the study variables and the conceptual framework.

Chapter three, comprises study philosophy used in the study which is generally used to guide the researcher on how to gather information for data collection purposes and research design thereof. Research design is the road map on how the actual activities of the research were undertaken successfully. Target population, data collection instrument used collection procedures, pilot test used and test on validity and reliability test, then data analysis guide summarized in to empirical model.

Chapter four focus on research findings and discussion of the findings. This entails the introduction part of the chapter which mainly entails all aspects of data analysis results, then questionnaire response rate, descriptive analysis, trend analysis, diagnostic test and correlation analysis then test of the hypotheses so as to prove or disapprove the stated hypotheses.

Chapter five summarizes the main findings of the study, offers conclusion, contribution of the study to theory, policy and practice. Then recommendations thereof, limitations of the study and suggests areas for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section covers the theoretical and empirical reviews; conceptual framework and summary of literature and research gaps identified. It involved reviewing of past studies in this field. This is in accordance with giving the study problem under investigation a theoretical point of view and conceptualization that helped in shaping the thesis.

2.2 Theoretical Review

To explain the influence of Porter's generic competitive strategies, moderating effect of alliance partnerships on firm performance, this study used four theories, namely; transaction cost, Resource-Based View (RBV), syncretic paradigm and shareholder value maximization.

2.2.1 Transaction Cost Theory

Fundamentally, transaction cost theory, often sometimes referred to as Transaction Cost Economics (TCE) theory, has established itself at the center of organizational economics as a dominant lens to view organizational boundary decisions (Ketokivi and Mahoney, 2016). This theory has its inception in Coase (1937) and later it was significantly developed by Williamson's (1979).

Contrary to the neoclassical theory of the firm as a production function with zero transaction cost, TCE considers the firm as a governance structure with positive transaction cost (Williamson, 1998). This theory suggests that the actual nature of transactions with respect to the goods transferred and environments in which they are performed is determined by costs. Parties involved in transactions develop agreements that are materialized into contracts. According to this theory, some form of governance mechanism is necessary for agreements in order to be able to stave potential risk derived from opportunistic behavior.

Based on three 'behavioral' assumptions (perceived opportunism controllability, bounded rationality, and risk neutrality) and three transaction characteristics (asset specificity, uncertainty, and transaction frequency), TCE advocates that organizations choose governance structures (such as alliance partnerships) that minimize transaction costs (Williamson, 1998). TCE has a broad scope that is applicable to any issue that arises as or can be formulated as a contracting problem (Peng, 2021). Thus, TCE has wielded its influence far beyond the pales of economics into strategic management and business research in general and in particular in international business (Williamson 1979). Basically, the theory gives method of reasoning for a partnership's presence, development and re-appropriating of specific capacities (Williamson, 1981).

Williamson (1988) opines that organizations endeavor to eliminate costs by swapping assets with different organizations just as red tape costs. To this theory, organizations and markets have progressed toward becoming frameworks which compose and fit

business dealings. Williamson (1981) adds that more costs come to fruition from sharing of resources affected by changing economic situations, corruption, dangers, obliged prudence just as key firm resources. Thus, inter organizational trading costs consequently soar, inferring it is canny to abstain from re-appropriating by restricting to inner exchanges if an organization understands the market.

This theory is significant to the current study since it underpins the conceptual idea of moderating effect of alliance partnerships on the relationship between Porter's generic strategies and firm performance. In this case, you realize that the theory alerts managers to contrast in-house transaction costs with outdoor costs before choosing to execute inside or without. Pisano (2015) declares that costs are decreased at the time the kind of governance is equivalent to its transaction dynamics. Intelligently, this theory sees partnerships or network alliances as the middle of component that associates the market and partnership's pecking request henceforth the most extreme fitting framework to regulate dealings between market place and an organization.

Therefore, collaborations (alliances) empower organizations diminish operational costs especially production costs particularly when alliance partners seek after comparative objectives (Cuypers, Hennart, Silverman & Ertug, 2021). Nevertheless, a few members of a partnership may aim at taking advantage of the alliance which is the reason why this theory prescribes joint venture or equity model which eliminates such dangers as it is focused on value sharing. Further, this theory perceives threat of shrewd propensities as most noteworthy coalitions' obstacle (Gatobu &

Maende,2019) hence well fitting in this study whose moderating variable is alliance partnerships.

Transaction Cost Theory (TCT) was critiqued by Htay and Salman, (2013) who established that this theory, just like the other corporate governance theories such as political theory and Resource Dependency Theory is not in tandem with some social lifestyles such as religious norms such as Shari'ah. The Transaction Cost theory has breached Islamic finance and regulators need to revisit the policies which were established using this theory.

2.2.2 Resource Based View Theory

The first proponent of this theory was Penrose (1959) and later refined by Barney (1991) who associated inter-firm collaborations to performance. Resource-Based Theory (RBV) holds that assets or resources can be strategically key if they are scant, dear and non-duplicable. The theory emphasizes that business operations could post sterling performance when individual employees exhibit insights, experiences, abilities and gifts which are intangible assets. Further, a business can post superior performance when physical assets such as machines, gadgets and apparatuses are described by their specialized qualities and effectiveness.

The RBV theory in a nutshell emphasizes that if a firm owns resources with the four mainstream characteristics, namely; valuable, rare, difficult to imitate, and non-substitutable then such a firm can survive any competition in the market and make

remarkable profit margins amongst its peers in the market (Barney, 1991). The theory advocate for a firm owning strategic resources and not just the normal resources that any firm can acquire but those which are (strategic resource) as opined by (Rahul, 2020 and Mamédio, Rocha, Szczepanik and Kato, 2019). The theory refers such resources as strategic resources unlike the normal ones which have no impact.

According to RBV theory, it is difficult for a competing firm to imitate resources of another organization through replicating for they are protected by various legal rights such as trademarks, patents, and copyrights, which ensures they are difficult for the competitors to imitate. For non-substitutable resources, the theory is of the view that competitors cannot find alternative ways to gain the benefits that a resource provides.

Further, comparing tangible and intangible assets, the RBV theory advocate that the resources that are difficult to see, touch, or quantify, such as the knowledge and skills of employees, a firm's reputation, and a firm's culture are more of strategic resource as compared to the physical assets. Hence, intangible resources are more likely to meet the criteria for strategic resources and CEOs of firms who wish to achieve long-term competitive advantages should therefore place a premium on trying to nurture and develop their firms' intangible resources (Barney, 1991). Also, according to the RBV theory, firms with dynamic capability, that is the unique ability to improve, update, or create new capabilities, especially in reaction to changes in its environment are competitive in the market arena.

Said differently, a firm that enjoys a dynamic capability is skilled as it continually adjusts its array of capabilities to keep pace with changes in its environment. The RBV theory is applicable for the current study for it underpins the concept of mobile telephone firms in the industry adopting competitive strategies such as the commonly known Porter's generic competitive strategies or alliance partnerships to excel in the telecommunication industry. The theory portrays that for a firm to make competitive sense, it has to go a notch higher to own requisite assets to execute their systems and content adequately. In short, the RBV theory underpins the Porter's strategies to firm performance relationship for each individual firms in Kenya endeavors to acquire unique assets, whether tangible or intangible ones which are unique in catapulting that firm to a higher rank above its competitors so that they can continue outperforming.

Although activities that are aligned to a company's objectives contribute a component that is part of what is required in allocating a firm's resources into plausible setting, Resource Based Theory (RBT) is not applicable in small firms. According to Picincu (2020), any firm regardless of its size relies on internal resources to function properly and achieve its goals of gaining a competitive edge. These may include financial resources, physical resources, human capital and more. For established companies, they typically have a defined resource management process, which helps them allocate resources efficiently. However, for small businesses, they do not have the same financial and physical resources as a large organization.

2.2.3 The Syncretic Paradigm Theory

The syncretic paradigm theory pinpoints the returns offered by both competition and collaboration. It also points out the risk that managers who focus on competition might tend to ignore the returns that were offered by collaboration (Arndt& Pierce, 2018).

The syncretic paradigm is a middle ground between the competitive and the cooperative paradigms. The competitive paradigm holds that firms attained competitive advantage in two key ways, either through achieving some advantageous position in the industry such as cost leadership, differentiation or focus, or through developing and using internal core competencies to develop superior products and services (Galvin et al, 2020).The cooperative paradigm, on the other hand, holds that firms existed in networks characterized by interdependent relationships motivated by a desire to gain collaborative advantages through strategic collaboration (Andrevski, et al., 2016). Therefore, the syncretic paradigm is a hybrid paradigm that highlights the returns of both approaches, by advocating firms to deploy their core competencies to maximize value for both themselves and their competitors. This approach was applicable in the global airline industry.

The syncretic paradigm theory underpins this study owing to the fact that in reality, firms always seek innovative ways of operating in their capacity as independent legal entities. Additionally, those firms engaged in alliance partnerships strategy seek to optimize their profitability through maintaining and growing their individual market

share. This implies that this is a replica of the relationship amongst the three study variables, namely; Porter's strategies, alliance partnerships and firm performance. Therefore, the theory supports the joint linkage of the three variables as per the fifth specific objective of the current study.

Firm performance was a consequence of both competitive and collaborative behavior. However, this theory is constrained by limited human relations to rational tenets, for example, transparency which cannot fit in certain conditions as argued from patterns of syncretism taken to show that the paradigm is "a real object and not the epiphenomenal product of various rules" (Williams 1994).

2.2.4 Shareholder Value Maximization Theory

As a tool for explaining firm performance, this study utilized the shareholder maximization theory. Lazonick and O'Sullivan (2010) observe that maximizing shareholder value entailed maximizing the stock market valuation of the firm's shares. The principle behind shareholder value maximization or value-based management stated that managers should first and foremost consider the interest of shareholders in any business decisions. In the context of a horizontal alliance, it implies that businesses that dilute shareholder value should be avoided. This may cause firms to split their profits amongst the combined shareholders.

Shareholder value is normally broken into components, also known as value drivers (Freeman, 1984). These include revenue, operating margin, cash tax rate, incremental

capital expenditure, investment in working capital, cost of capital and competitive advantage. In essence maximizing shareholder value will be a function of how well management optimizes on each of these variables to ensure an optimal overall performance. Shareholder value theory also recognizes the need to minimize information asymmetries between the principal (shareholders) and the agent (management) in order to curb opportunistic behavior on the part of management that may result in losses to the shareholders (Sayers, 2011).

The theory underpins this study since alliances are assumed to be formed with the aim of improving a firm's performance compared to periods where the firm was not engaged in any alliance (Išoraite, 2018). The alliances should not be seen to work towards dilution of ownership but towards improving the firm performance of each participating firm. This is the position taken by the aforementioned alliances for the collaboration amongst firms is not meant for any transfer of ordinary shares but maybe exchange of skills and expertism amongst firm players. So, you see ultimately, any horizontal alliance strategy should be beneficial to the shareholder and should add value to the firm's shares. The shareholder value maximization theory will provide a framework for contextualizing the returns of a horizontal alliance strategy, and assessing whether the alliance satisfies the intended returns of maximizing value for that firm.

The shareholder value maximization theory aptly captures this concern through observation that managers were motivated to maximize value for shareholders and

avoid any alliance that may dilute the market value of the firm's stocks (Uddin & Akhter, 2011). Therefore, an alliance only gains prominence where the firm's management sees opportunities for growth. But does not in any way substitute the firm's strategy at the point of inception.

Although the proponents of shareholder value maximization theory (Friedman, 1970) were for such an opinion that there is one and only one social responsibility of business to use its resources and engage in activities designed to increase its profits Magill, Quinzii, and Rochet (2013) argued that everyone knows that corporations are not just cash machines for their shareholders, but that they also provide goods and services for their consumers, as well as jobs and incomes for their employees. So, contrariwise, proponents of the stakeholder view of corporations assert that managers should pay attention not only to the profits of the shareholders but also to the welfare of their employees and consumers.

2.3 Empirical Literature Review

This sub-session focuses on the empirically proven information to establish the extent to which the conditional variable moderates the relationship between the independent variables and the dependent variable which is firm performance in this case. Empirical review was conducted to identify the extent to which various past studies on Porter's generic competitive strategies (Differentiation strategy, focus competitive strategy and cost leadership strategy) and firm performance among different sectors have been conducted.

2.3.1. Focus Strategy and Firm Performance

Porter's generic focus competitive strategy continues to attract unending debate on its efficacy in value addition to firm competitiveness especially in volatile environment (Ghezzi, Cortimiglia & Frank, 2015). Relevance of this competitive strategy is the place where the market portion is known and yield to fulfill the market is promptly accessible. Focus strategy centers on selected specialty and efforts so as to serve satisfactorily (Tianyuan, 2018).

Equally, the competitive mechanism can be instrumental when utilized to target segmenting cost saving advantage. Imam (2019) states that a business has increased competitive chances of restricted focus than its opposition which targets all consumer segments. As indicated by Munyambabazi (2018), this technique awards organizations a fight out based on economy of scale, specialization, and sped up feedback in contrast to peers bent on bigger exchanges with massive assorted clientele.

Suparman (2016) study sought to establish the effect of market segmentation strategy and positioning on customer and its impact on customer satisfaction on Sudanese restaurants in Bandung City, Indonesia. The results showed that; 1) The implementation of market segmentation strategy affect the positioning; 2) The implementation of the strategy of market segmentation and positioning affect the value of customers; 3) The implementation of the strategy of market segmentation, positioning and customer value significantly affected customer satisfaction.

Therefore, as per Suparman (2016), it showed that the price and returns are still relevant in determining the value of the customer. Market segmentation and positioning have an impact on customer value. It also shows that the aspect of the price, product, location as well as the promotion has not predictors for positioning. Thus, the level of satisfaction achieved becomes unpredictability a matter of the relationship between market segmentation, positioning and customer value.

Nadia, Shahrina, Hadi, and Naseebullah (2018) study sought to determine what makes consumers sign up to Plug-in Hybrid Electric Vehicles (PHEVs) as well as predict Malaysian consumer behavior in utilization of PHEVs. To achieve this, a sample of 403 respondents from Malaysia forecasted the customer's intention to adopt PHEVs by using the extended theory of planned behavior. The empirical outcome using the partial least square investigation exposed that all four constructs, subjective norm, personal moral norm, perceived behavioral control, and attitude ominously shows an indirect effect.

The study predetermined all the four major constructs by their respective environmental concern. Whereas, hyperbolic discounting moderated the relationship between intention and utilization. The fostering result verifies that the relevance of the extended theory of planned behavior had a good explanatory power in the line of predicting the Malaysian consumers' intention to adopt PHEVs.

Hendra and Budi (2017) conducted a study to determine the effect of brand image, price and awareness towards brand loyalty through customer satisfaction. The criteria of the respondents used was consumers who have used Samsung smartphones at least twice. The study used multiple linear regression analysis. Research findings indicated that brand image and brand awareness significantly affect brand loyalty, while price does not have a significant effect on brand loyalty. Further, brand image significantly affects customer satisfaction. The study also found that customer satisfaction mediates between brand image and brand loyalty relationship.

Lunn and Lyons (2015) investigated how consumer and service characteristics relate to switching intentions, using a sample of fixed-line broadband, mobile telephony and landline telephony customers from a 2015 survey conducted by ComReg, Ireland's National Regulatory Authority. The findings revealed that long-standing subscribers who have never switched are exceptionally resistant to switching. Bill shock is strongly associated with intention to switch, especially among those more inclined to switch. A similar effect rises for expected gains, especially gains over 20%. This implies that willingness to switch was not simply a characteristic of certain social groups, but was more complex and context dependent.

Danish et al. (2015) study analyzed different factors which affect customer retention, such as satisfaction, trust, corporate image, commitment level, loyalty and switching behavior of customers. The results showed that through trust; satisfaction and loyalty customer retention was increased. Customers repurchase intentions are increased

when they were satisfied with company products and services and are getting emotional and functional returns.

Nakano and Kondo (2018) established that segmentation of customers using that mobile and social media are important elements to increase sales in physical stores multiple channels and media in modern retail environments in Japan. It segments customers by using Latent-Class Cluster Analysis, which focuses on the purchase channels of bricks-and-mortar and online stores, media touch points of PC, mobile, and social media and demographic characteristics.

Bishaw (2020) examined market segmentation of mobile internet customers using clustering algorithms in reference to Ethiopia. Cluster analysis is one of the techniques used to identify homogenous groups of customers from a heterogeneous group based on the customers' service usage records. Clustering algorithms aim to find natural groupings of subscribers and are widely applied for customer profiling and market segmentation. By looking at silhouette score, cluster size distributions and final results of clustering algorithms, the differences obtained from the clusters were evaluated and compared. Discounted offers and short-term data packages were suggested to the Low User groups only because customers in these groups are sensitive to prices.

The frequency of their service usage, in the case of this study, the number of times they connect to mobile data service, shows most of them have 47 5.4 segment

identification for marketing an interest to freely enjoy the returns of mobile data had their economic problems do not hold them back. Short term data packages are also to the better of the two lowest groups from all the seven segments distinguished. Students and lower income customers can be addressed with this market approach if proper demographic information was not at stake in Ethiopia telecom. Likewise, it is possible to discuss the marketing suggestions given for customers in the higher value stages.

Shitseswa, Kwendo and Chiseno (2019) investigated the effect of Porter's competitive strategies on the performance of mobile phone service providers in Kenya. Descriptive statistics revealed that focus competitive strategy in the telecommunication sector gave firms competitive advantage in Kenya. There was a strong positive significant relationship between focus competitive strategy and performance. This implied that focus competitive strategy was a significant predictor of mobile phone service providers' performance in Kenya. Therefore, an increase in focus competitive strategy such as specific market segment, product differentiation, competitive price and innovation would enable the firms to gain competitive advantage which would result to increase in efficiency, customer relationship and customer satisfaction thus superior performance.

Kalam (2020) carried out a study on market segmentation, targeting and positioning strategy adaptation for the global business of Vodafone Telecommunication Company. The findings of the study show that product development strategies

especially market segmentation, targeting and positioning, help Vodafone mobile network provider of UK, the second biggest network provider in the world in penetrating into the foreign markets. For instance, the introduction of 5G network helped in luring the customers across the globe to Vodafone. Along with this, mergers and acquisitions; strategic alliances and partnerships are also an assistance towards expanding the scope and arena of the supply chain network.

Segmenting the targeted people below the income group is helpful in terms of influencing the purchasing intentions, decisions and power of the customers. Excellent speed of the internet and high accessibility issues reflected improvements in the customer relationship management at Vodafone. Also, the mobile company has no additional costs on the roaming facilities for it is an agent in terms of expanding its customer base. This improvement has enabled the Vodafone, UK to encounter an increasing sales revenue of 1 billion pound every year (International Telecommunication Collaboration, 2019).

Akintokunbo (2018) investigated market focus competitive strategy and organizational performance of telecommunication companies in the context of Port Harcourt, Nigeria. This study demonstrates that market focus competitive strategy significantly influences organizational profitability, market share and firm efficiency of telecommunication companies in Port Harcourt. Based on this, it can be concluded that firms that choose to employ market focus strategies and concentrate on a narrow segment and within that segment attempt to achieve either a cost advantage or

differentiation, secure competitive advantage and improved performance.

Abhishek (2017) conducted a study on market segmentation of Samsung Electronics Ltd. with special references to mobile phones. The researcher was mainly focusing on the needs and affordability for the Samsung phones amongst middle-class group in the society. Its focus was on the middle-class section of the society, which have given them a stronger footing in the Indian market, which is also a reason for its high sales. According to the researcher after seeing, the result it was founded that Samsung is highly focused on the middle section of the society and the consumer itself want the mobile phones should be at cheaper rates which suits their pocket.

In this study the researcher collected the data from the students and the research is based on the opinion of the students. It was established that the consumers desire to obtain the best quality within an affordable range for their usage. Thus, the research proves that Samsung phones have a wide range as well as they serve all the section of the market equally. Samsung is the most preferred brand among the middle-class section of the society. They have already a grip upon the lower section of the society.

Tianyuan (2018) carried out a study on the telecom customer segmentation and precise package design by using data mining. The study combined data mining technology with the rich data resources of the telecom industry and the latest marketing theories, not only effectively helping subdivide the firms customer market, but also supporting telecommunications companies in developing more accurate and

efficient marketing strategies. In addition, data analysis method such as factor analysis, regression and discriminant analysis are used to analyze the demographic, business, SMS messages and expense characteristics of telecom customers, providing a new vision and reference for the telecom industry to achieve accurate packaging design.

Based on the above research results, a discriminant model for the loss of telecom customers is constructed, which will help telecommunications companies to obtain a control method for telecom customer management risk. At last, data mining technology is used to optimize the combination design of telecommunication services. It was established that out that telecom customer segmentation and precise package design by using data mining the right customer segmentation can effectively reduce costs while gaining a stronger, more profitable market penetration. Enterprises focus on investing limited resources into customers who have value and contribution to the company. Choosing and determining those customers that the company should retain is very important for effective customer retention and enhancing corporate profitability.

Therefore, telecom companies can effectively predict the loss of customers, and then avoid customer loss by taking measures such as reducing monthly fixed fees or increasing the number of SMS messages in the customer package. Combining data mining technology with the rich data resources of the telecom industry can effectively segment firms customers and help those companies develop more accurate, efficient

and effective marketing strategies.

Ogunayo (2018) further carried out a study on the relationship between market focus strategy and organizational performance of telecommunication companies in Port Harcourt. The study used a cross sectional design involving management staff of 4 telecommunication companies in Port Harcourt. The population was 134 and a sample size of 100 was obtained through the Taro Yamane formula for sample size determination with the simple random technique used. After data cleaning, only data of 93 respondents were finally used for data analysis. The internal reliability of the instrument was ascertained through the Cronbach Alpha coefficient with all the items scoring above .70 bench mark set by Nunnally (1978).

Descriptive statistics and Spearman's rank correlation were used for data analysis and hypothesis testing. Empirical results confirm that there is a very positive significant relationship between market focus strategy and organizational performance in telecommunication companies in Port Harcourt. The aforementioned study arrived at similar observations to that of Tianyuan (2018) which were expressed in this section that a firm is able to serve its narrow strategic target more effectively or efficiently than competitors who are competing more broadly. As a result, the firm achieves either differentiation strategy by meeting the needs of the particular target market or lower costs in serving this market or even both.

2.3.2 Cost Leadership Strategy and Firm Performance

In this study review, other studies focusing on the link between cost leadership strategy and performance was undertaken. For instance, the study of Ndundi (2019) examining the effect of Porter's generic strategies (low-cost, differentiation, and focus) on firm performance in the context of Nepalese retail banks which is a more competitive service industry.

The aforementioned study of Ndundi (2019) applied casual comparative research design and data was collected through administering questionnaire survey from 75 senior bank managers of 18 Nepalese commercial banks who being engaged in strategic affairs. The econometric model was constructed to measure the expected effect of the strategies on firm performance. The descriptive analysis, Pearson's correlation analysis, and multivariate regression analysis were conducted.

The empirical results of correlation analysis and multiple regression analysis produced consistent results indicating positive association between generic strategies and firm performance. The empirical results from regression analysis declared higher positive and significant impact of low-cost on firm performance. Similarly, positive effect of differentiation strategy and focus strategy on firm performance was reported. The findings suggested that pursuing low-cost strategy provides more financial returns with comparison to differentiation and focus strategies. Porter's generic competitive strategy influence sustainability of financial performance. For the findings showed that those enterprises adopting higher selling, general and

administrative expenses in association with higher gross profit margin pursued differentiation strategy.

On the contrary, higher investment on property, plant and equipment along with their existing value indicates that firms are following cost leadership strategy. Both strategies of cost leadership and differentiation have played positive significant role to increase sustainability of financial performance of Nepalese enterprises. It was established that cost leadership strategy is better than differentiation in increasing performance of Nepalese enterprises.

A study was conducted by Onuoha and Olori (2017) on “Business strategies and sustainable competitive advantage of banks in Port Harcourt” to ascertain the relationship and possible effect of dimensions such as product differentiation, cost leadership and focus/niche strategy on measures such as brand reputation and customer loyalty. The study used the cross-sectional overview, while simple random technique was utilized. Data was collected through the use of questionnaire and analysis was done using Spearman Rank Correlation order via Statistical Package for Social Sciences (SPSS) version 21.

It was revealed that a significant relationship exists between both variables (business strategies and sustainable competitive advantage). Based on the findings the study recommends that organizations should take into cognizance the cost of production and should produce their products at the lowest cost possible, without compromising

quality desired by their consumers. In addition, organizations should engage in high technological changes and improvement so as to gain a competitive advantage and remain competitive over others.

Another study was carried out by Olamitunji (2015) on the relationship between competitive strategies and performance of GSM network operators in Nigeria. The findings of the study indicate that there is positive statistically significant relationship between the combination of competitive strategies variables and the performance of the GSM network operators in Nigeria. Based on these findings, the study recommended that, managers of the four sampled GSM firms should move more towards specialization and the servicing of niche markets, rather than depend only on cost- leadership strategy.

In a study conducted by Olanipekun, Abioro, Akanni, Arulogun and Rabi (2015) on the “Impact of strategic management on competitive advantage and organizational performance evidence from Nigerian Bottling Company” The study examined the impact of strategic management on competitive advantage and organization performance in Nigerian bottling company using the resource based view theory as its theoretical basis.

The findings show that the utilization and implementation of strategic management practices like product differentiation makes the organization to not only be proactive to changes but also initiated positive changes that consequently leads to competitive

advantage and sustainable performance. It was recommended that organization should continuously maintain, sustain and improve strategic management practices since it is an indispensable tool for business performance.

Ayaga and Nnabuko (2019) carried out another study to investigate on the influence of competitive strategies and customer satisfaction in the telecommunications industry in Nigeria. The overall objective of the study was to ascertain the effect of competitive strategies on customer satisfaction in the mobile phone sector in Nigeria. The population of the study consists of all GSM firms and their customers in Nigeria. However, the target population was 1,727,866 GSM customers in the FCT. A sample size of 400 GSM customers was determined using Taro Yamane's formula.

Regression and Pearson correlation (r) was used to test the hypotheses facilitated by the Statistical Package for the Social Sciences (SPSS) software in the aforementioned study. Findings reveal a significant positive relationship between competitive strategies and customer satisfaction. Based on these findings, the researchers recommended that GSM service providers should make efforts at crafting competitive strategies that are customer friendly to avail the desired satisfaction. Islami, Mustafa and Topuzovska Latkovikj (2020), investigated on the significance of using Porter's generic strategies in firms that operate in competitive environments. The aim was to indicate the effects of Porter's generic strategies (low-cost strategy, differentiation strategy, and focus strategy) on firm performance. The questionnaires for the study were prepared and responses were obtained. After data analysis,

econometric model was constructed to measure these relationships.

The t test, Pearson's correlation analysis, and multivariate regression analysis were used to provide testing of hypotheses. Econometric results suggest that pursuing differentiation strategy provides higher firm performance compared to two other Porter's generic strategies (low-cost strategy or focus strategy) that have a positive impact as well.

Chesire and Kombo (2015) studied the relationship between Porter's generic competitive strategies and performance of value-added services by mobile phone operators in Kenya. The overall objective of the study was to determine the effect of competitive strategies on the performance of Mobile Value-Added Services (MVAS). The study pointed out that as a result of the stiff competition amongst the telecommunication firms in the Kenyan market, the firms have utilized various strategies in the provision of mobile value-added services to remain competitive.

The study found out that there is a significant relationship between cost leadership, differentiation and focus affects performance of the MVAS services. To excel in low-cost leadership, these companies maximized on economies of scale, implemented cost-cutting technologies and applied cost leadership by enhancing a tight control of overheads.

Chumba, Chepkilot and Tanui (2019) sought to examine the role of competitive strategies on the firm performance of Telkom Kenya. In particular, the study examined the influence of differentiation strategy and cost strategy on firm performance of Telkom in Nakuru. The results of this study indicate that a positive statistical significance relationship existed between differentiation and firm performance. In respect to the influence of the cost strategy on the firm performance, the results indicated that there was a positive and statistically significant relationship between cost strategy and firm performance.

Afande (2015) examined competitive strategies and firm performance in the mobile telecommunication service industry using a case of Safaricom Kenya Limited. The findings show that the strategies utilized by Safaricom Kenya Limited included vigorous pursuit of cost reductions; providing outstanding customer service; improving operational efficiency; controlling quality of products/services; intense supervision of frontline personnel; developing brand or company name identification; targeting a specific market niche or segment; and providing specialty products/services. This study was a case of one organization yet the current study is a cross-sectional study cutting across several players in this industry.

Abdirizak (2019) sought to examine the effects of generic strategies on competitive advantage in telecommunication industry using Safaricom Limited as a case study. The study concludes that cost management practices in the company's operations to produce a product that caters for a low-end market is essential for the company's

market share as well as its competitive advantage. Equally, innovation and the use of advanced technology plays a great role in producing a low-cost effective goods and services that accurately meets the needs of the target market.

The aforementioned study of Abdirizak (2019) concludes that the differentiation strategy enhances quality management practices in the organization which is critical for consumers. This study concludes that differentiation strategy is essential for product positioning in the marketplace. The study concludes that differentiation strategy enhances innovation in the firm as it ensures that employees focus on developing products that are different from competition.

From the study of Abdirizak (2019) the findings thereof shows that there exists a statistically significant relationship between focus competitive strategy and competitive advantage. Therefore, this study concludes that, focus competitive strategy is essential in creating specialization in the company with an attempt of addressing specific needs in the market. The study also concludes that focus competitive strategy enhances the company's market share due to the ultimate focus on a certain niche market as opposed to being in various market segments.

Gould and Desjardins (2015) challenged Porter's strategic options framework (1998) as being relevant to the industrial age but not fully reflecting the changes brought about by the post- industrial era. They demonstrated this by using the example of the telecommunication industry. Old infrastructure was used for completely new tasks

and market offering (originally voice transmission, now data transmission). Another example is the consumer electronics industry. Originally, consumer electronics products were capable of performing one function (e.g. radio). However, as technologies developed in the digital era, many products and functions converged in one product – the mobile telephone is a symbol of this development.

Today mobile telephones or smartphones such as iPhones integrate many different services from various providers – voice and SMS communication and data transmission from telecommunication services, music, books and movies from Apple and countless other services from third party applications. But this development means a significant increase in the complexity of the offers provided by the firm market from the point of view of customers.

The complexity is related first to the number of services potentially provided and second to the necessary training or knowledge required to understand such services. The complexity is also multiplied by various combinations and price options for each service (Gould & Desjardins, 2015). Thus, Gould and Desjardins (2015) proposed a new axis in Porter's original differentiating framework (1998). This new axis describes a complexity related advantage and establishes differentiation "based on enhanced customer service" (Gould & Desjardins, 2015).

The complexity and related customer service definitely provide an opportunity for strategizing managers in the telecommunication industry. Thus, Gould and Desjardin

(2015) opened up a new dimension and space in Porter's (1988) positioning-based approach allowing telecommunication companies to choose a strategic position not yet occupied by competitors. Gould and Desjardin (2015) categorically warned against fighting complexity with greater complexity in "complexity wars" particularly regarding bundling of services (Gould & Desjardins, 2015) and they rather recommended a move to a strategy based on simplicity.

The key message of Gould and Desjardin (2015) lies indisputably in the identification of the important strategic element of complexity and related customer service. It adds another dimension to Porter's strategic option space. It is derived from a strong argument based on the concentration of services and products from various providers within a mobile phone as a consequence and a new phenomenon of the latest technological development. The great importance of strategy in telecommunication lies also in the observation of the changing role of telecommunication infrastructure – from voice to data.

A similarly important identified fact is the changing role of the mobile handset from a singlepurpose device (communication) to a platform for various services creating both opportunities and threats for telecommunication operators. The question is whether complexity is a new dimension in Porter's (1990) strategic space or whether it is only another element of differentiation in the broader sense. Gould and Desjardins conceptualization could be called into question. On the other hand, there cannot be any doubt that the topic is material and complements the picture of strategic

choices described by (Porter, 1990).

Firms utilizing cost leadership aim at becoming the low-priced cost leaders in the industry since low-cost situation allows an entity a guard from competition (Chumba, Chepkilot & Tanui, 2019). Low-cost operators look for ways to revamp efficiency and to manage overheads throughout the entity's supply chain. Accomplishment of the service providers is affected by the management and employee's behavior towards cost savings.

A study by Mwaniki (2018), concluded that in order to deal with competition, entities should ensure maintenance of quality services, maintain reasonable tariffs, hire qualified staff in firms and ensure that they use the latest technology, change with consumer needs, train staff regularly for them to fulfill clients' needs on time. Mobile firms need to adopt master plans to cope with differences in the territory. The firm's flexibility to external demand depends to a great extent to the strategies utilized 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.

DeToni, Milan, Saciloto and Larentis (2017) examined pricing strategies and levels and their impact on corporate profitability in Northeast of Rio Grande do Sul State, Brazil. Specifically, it focused on pricing strategies and cost-based pricing strategies

with price levels (high and low) and performance with respect to profitability. The results indicate that the profitability of the surveyed companies is positively affected by value-based pricing strategy and high price levels while it is negatively affected by low price levels. Such findings indicate that pricing policies influence the profitability of organizations and therefore, a more strategic look at the pricing process may constitute one aspect that cannot be overlooked by manager.

Victor, Thoppan, Fekete-Farkas and Grabara (2019) examined various traits exhibited by online consumers in a dynamic pricing environment and figure out the reasons for the display of strategic purchase behaviour by the consumers in response to the dynamic pricing strategy adopted by the sellers. The aforementioned study was conducted among the Polish millennials as Poland has the median online market size and growth rate among the Central and Eastern European countries. A PLS based structural equation modelling used in the study which reveals that many factors including fair price perception of consumers, social influence, pricing strategy awareness and shopping experience influence the motivations for consumers to display a strategic purchase.

The pricing strategies in the era of digitalization and the perceived shift in consumer behavior of youth in Poland. The findings reveal that dynamic pricing strategy utilized by the sellers influenced high and repeat purchases as exhibited by online consumers among the Polish millennials as Poland. A PLS based structural equation modelling used in the study revealed that many factors including fair price perception of

consumers, social influence, awareness about the pricing strategy and shopping experience influence the motivations for consumers to display a strategic purchase behavior.

Ma, Wang and Szmedra (2019) in their study on sustainable competitive position of mobile communication companies established that a company's access to sustainability of a competitive position mainly depended on the low-cost advantage formed via economies of scale. Therefore, the improvement of competitiveness and perfect corporate governance are the basic guarantees for sustainable development of enterprises. It was established that, in order to achieve the sustainability of a competitive position in the industry, enterprises must improve their management level (marketing characteristics of management and low-cost advantage), have the ability to adjust and break through the governance system in a timely manner (rigid characteristics of governance), and gain the ability to create value for customers in the long run (enhancement of public cognition and public image, and customer loyalty).

Dengov et al., (2020) aimed at analyzing the influence of crisis on the price strategies of the providers, as well as the forecasting of the changes of prices for their services. As the main hypothesis, this work presents the assumption that during the recession the price of the mobile services in the different regions of Russia will grow. The study utilized regression models for the dependence of the average price of the mobile providers' services in a particular region from the selected factors. In this work, we

selected the following types of the multiple regression equation as the modeling functions: linear, power-law, exponential. Adding the time factor (t) is the key element of the forecasting.

The analysis of the acquired forecasting results generally proved our hypothesis about the growth of the average prices for the mobile communications services, expected in 2018 in the majority of regions. The analysis itself, the programs created for its implementation, as well as the results obtained, can, in our opinion, be considered as some contribution to the development of the theory of price competition in oligopolistic markets. The mobile services' markets in many EU countries have a similar structure, and, with this in mind, the results of forecasting price dynamics obtained from Russian experience may be of interest to scholars dealing with similar problems in their respective countries, including the possibility of conducting comparative studies.

Khizindar, Al-Azzam and Khanfar (2015) evaluate the effect of the variables; namely, price, service quality, brand image and trends on customer loyalty of service providers of mobile phones in Saudi Arabia. A questionnaire was developed and distributed to a convenient sample throughout the major cities of Saudi Arabia. A total of 775 were returned representing a response rate of 89.6%. The study showed that the most of respondents had prescribed to more than one service provider at the same time. Additionally, it was revealed that all the variables tested; price, service quality, brand image and trends, had a direct effect on customer loyalty.

The findings of Khizindar, Al-Azzam and Khanfar (2015) study above revealed that firms which had competitive advantage hence able to maintain customerbase and attract new consumers, had embraced cost leadership strategies. Further, it was established that price, service quality, brand image and trends, had a direct effect on customerloyalty of service provider. The study also found out that, if the customer considers the mobileservice as high quality, they are more likely to stay with their existing service providers and suppliers and to recommend them to others. As well, findings show that customers can keep their mobile phone and easily switch their service provider with a minimum charge.

Hersh and Abusaleem (2016) in their research paper on Blue Ocean Strategy in Saudi Arabia Telecommunication Companies and its impact on the competitive advantage studied the application of Blue Ocean Strategy at Saudi Telecom companies, its role in achieving a competitive advantage, and the extent of utilization of this strategy by the Saudi telecommunications companies. Blue ocean strategy represents a modern marketing thought which conveys the organization from traditional competition to compete in the region which has been dominated by this organization without conflicts.

Niyarta (2019) established that the right pricing strategy plays the key role in retaining customers and new ones with time and also leads to gain customer loyalty for offering good services at good prices at Bharti Airtel ltd. more than Vodafone, Bharat Sanchar Nigam Limited (BSNL) and Reliance Jio Infocomm Ltd in India.

Additionally, it came out from the study that Airtel has been doing the best in terms of designing aggressive marketing strategies. The analysis shows that overall best combination of services is offered by Bharti Airtel in comparison to its competitors.

Further, the study established that Reliance Jio with solely 4G technology at free of cost strategy stirred the market and began the price war in offering cheapest telecom services. Prices came down so low that subscribers were actually paying for data only and getting free voice and SMS services. Thus, it can be concluded that 4G network brought down the prices at lowest point and encouraged more and more subscribers to use free of cost telecom services.

Oloko, Anene, Kiara, Kathambi, Mutulu (2015) highlighted that no channel is irrelevant when it comes to customer and market. They discussed marketing strategies of Safaricom Ltd. which gave a notable growth in market share and profit in Kenya and East African region. They studied strategies ranging from product creation, price, brand alliance to auditory marketing, content localization and content and structure. Their study deduced that Safaricom uses different methods to promote its services and products to its customers. To enhance a company's performance, capturing new markets and retaining existing one marketing plays a crucial role.

Gjoni (2018) gave research attention to the pricing strategies of operators in the mobile phone market in Albania between 2016-2017. Even though rates are very similar between companies and the absolute value or cost per person, there is a

perceived change in customer evaluation. The study sought to find out if there were changes and how big these changes were. It can be concluded that in some constituent elements of the price, there are statistically significant differences among mobile operators. Companies that have a lower price model, witnessed more competitive advantage.

Otiende (2018) established that Safaricom uses psychological pricing in its products and this has positively influenced most of the company's product performance in the market. Concerning consumer behavior influence on pricing strategies, the study established that Safaricom brings on board consumers concerning in the pricing process always boosts levels of consumer loyalty. Also, the study established that more price promotions, as a strategy of retaining old and attracting new users was key to maintain competitive edge. Further, the study concluded that brand was a strong aspect when it comes to pricing, that the consumer was willing to pay a high price as long as he experiences pride and positive feelings to the brand.

However, Hollensen (2015) opines that competition-based pricing strategies are very dangerous because the company does not effectively have clear cost or profit information from its competitor who, in some instances, may be working with very low margins. In some situations, the competitor developed a more efficient production process, thus the costs would not be equivalent, even because of the scale gains (Malhotra, 2015). Therefore, by following pricing strategy, the firm is at risk of operating with minimal margins or even having negative profits.

Pricing reduction strategies based on competition, in which companies may seek to increase the volume of sales, can also encourage the competitors to lower their prices while contributing to a predatory competition and a price war, resulting in reduced profit margins and smaller companies' profitability (Dengov, et al, 2020). Besides, in highly competitive markets, the price information from competitors becomes obsolete very quickly (Dorgham, Saleh & Atiya, 2015). In this case, it is necessary to manage the capacity that competitors have to react to the pricing strategy defined by the company, while noting that in competitive markets this can increase the risk of starting a price war and decreasing profit margins (Dhundi, 2018).

2.3.3 Differentiation Strategy and Firm Performance

Largely, the aim of differentiation strategy is to furnish variation of results, utilities and attributes to customers where rivals have not reached. The enterprise returns with ability to supply a distinctive outcome or utility that none of the rivals is able to give (Tkaczynski, 2017). 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 (Kalam, 2020).

This strategy 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).

Namvar, Ghazanfari and Naderpour (2017) observed that differentiation strategy involves the use of distinctive amenities by an entity that 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 firm's 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.

Orji, Andah, Chima and Abba (2017) had the objective of assessing the impact of new products development on the profitability of Nigerian deposit money banks. The findings of the study revealed that there is a relationship between new product development and profitability in Nigerian deposit money banks, and poor knowledge of the returns derived from new product innovation is responsible for low rate of profit maximization in banks. Also, it was established that new products innovation and developments come as a result of bank's marketing research efforts. The study recommends however that banks should intensify their research efforts to provide

timely information on product development and monitor the degree of customer's satisfaction through market situation analysis.

Tharamba (2018) inspected the impact of strategic positioning on the firm performance in the mobile telecommunication firms in Kenya with explicit reference to Safaricom Limited. The study established that marketing, research and development, resource availability and multiple products had a positive influence on the organizational performance in the mobile telephone network industry in Kenya. The thesis found that increased competition is making firms differentiate their products and services to boost sales performance.

The study by Atikiya et al. (2015) was also closely related to that of Tharamba (2018) aforementioned for it revealed that offering of broad products, building strong brand reputation within the industry and introduction of innovative products impacted well on manufacturing firm's performance. The researcher recommends that firms adopting differentiation strategy also need to further look deeper into how to make uniqueness less costly in order to make sectoral differentiation a significant practice.

The study by Atikiya et al. was fundamentally based on cost leadership, focus strategies and differentiation strategy. The author used differentiation strategy as a variable and did not differentiate between product and service differentiation strategy and conclusion was made based on product differentiation.

Ntsandeni (2018) examined innovation-based competitive differentiation amongst South African fiber to the home (FTTH) operators and established that there is limited innovation-based competitive differentiation in the FTTH market. Instead, price-based differentiation is evident in the market. The results show that the dominant pricing strategy is price reduction in order to drive sales and this model is not sustainable. The evidence indicates that some of the service providers are driving the price down in order to attract customers with the plan to sell or consolidate at a later stage. The pricing is not coherent across different networks meaning it is location dependent and, in some instances, it does not generate any margin for the Internet providers.

Mayaka (2018) sought to give more insight on the effect of competitive strategies on the customer retention at Airtel Kenya. The study found that the four variables differentiated Airtel Kenya from its peers in customer retention. The study concluded that brand visibility, service quality, were a major determinant of customer retention. Based on the finding the study recommend that managers and various stakeholder should emphasize on the enhancing brand visibility and service quality in their organizations as this would create a good reputation of the firm hence customer retention.

Kanyuga (2019) observed that product development enhanced Safaricom Company's entry into the market and acquire a significant share of the market boosting its customer base and consequently bringing about their improved profitability

and competitiveness. Also, it was established that cost management influences the performance of Safaricom Company. It can be concluded that, enterprises transfer the original products into the ones with distinct quality and characteristics through prices, quality, and performance or provide better products based on brand-new knowledge to satisfy or create the demands for different levels and consumers so as to enhance the operating performance. It can also be concluded based on the findings from the reviewed literature that, the inability of companies being actively involved in marketing research hampers their new product innovation and development efforts.

Kireru, Ombui, Omwenga and Kenyatta (2016) investigated the link between product differentiation strategy and competitive advantage using a case study of Equity Bank Limited. Regression analysis was used in the study which revealed that there was significant influence of product differentiation in achieving competitive advantage in commercial banks. From the findings, there has been a product process differentiation in the bank where observable characteristics of a product or service that are relevant to customers' preferences and choice processes are met. These include size, shape, color, weight, design, material, and technology. The study concluded that financial institutions adopt product differentiation strategies to deliver best deposits pack at the best prices to the customers.

Njeri (2017) assessed the effects of innovation strategy on firm performance in telecommunications industry in reference to Safaricom Kenya Limited. The aim of the study was to investigate the relationships between innovation and

organizational performance in the mobile telephone network industry in Kenya. The study findings revealed that, there was a positive and significant correlation between product innovation strategy and performance. Multiple regression analysis confirmed that, an increase in product innovation led to significant increase in performance. The study indicated that, product innovation relates positively to the growth and increase in revenues.

It was concluded from the results that, among the innovation strategies included in the study, product innovation strategy had the most influence on performance of Safaricom(K) Limited. The study recommended that Safaricom (K) Limited should consistently analyze and measure their services operations in an effort to enhance operations efficiency. This can be achieved by keeping up with best practices in the global telecommunication sector and integrating these processes in their operations to maintain their competitive advantage.

Kurniaty, Lewangka, Sumardi and Jusni (2015) did an analysis of competitive advantage through private high education service quality and differentiation among private colleges in Makassar. The study's findings provide results that significant differentiation effected on competitive advantage private high education in Makassar. These results provide evidence that the private high school that has a differentiation in terms of content, context and infrastructure, had a direct impact positively and significantly to the competitive advantages of a private high education in Makassar. These results indicate that the quality and differentiation factors capable of affecting

the competitive advantages of private colleges in Makassar.

Janjira and Thawesaengskulthai (2016) established that the influence of product differentiation strategy in four largest conglomerates in Thailand, found out that managing innovation is a key priority of an organization's performance and that organizations need to be differentiated by developing customer-centric solutions based on deep engagement with customers, management of innovation ideas, measurement of organizational competencies, differences and the ability to change organizational priorities to focus on the customer. The study was in agreement with Mukerjee (2016) which factored that drivers of competitive advantage include macro environment trends, core competencies, resource deployment, strategic renewal and capabilities, customer centricity, value chain decision and enforcement, learning culture and innovation among others.

Ntsandeni (2018) examined the strategy of innovation-based differentiation in FTTH provider in South African perspective. The research findings indicate that the fiber-to-the-home market is a highly competitive environment with network providers and service providers offering various products and services to customers which meet customer needs. However, there are challenges with innovation based competitive differentiation since, currently, competition is primarily based on the price of the broadband product. As a result, prices have been plummeting, leading to some service providers operating and selling their FTTH products with no margins.

Adebayo, Bananda and Eluka (2018) did a study on how product differentiation affects the competitive advantage of telecom firms in Nigeria in the context of four GSM telecommunication firms in South west of Nigeria. The study specifically evaluated the effect of distinctive product-quality on the market share of telecommunication firms in Nigeria and as well determines the effect of service differentiation on the Nigeria's telecommunication firms' overall corporate image. Evidence from the findings demonstrate that differentiation is a viable strategy for earning above average returns in a specific business because the resulting brand loyalty lowers customers' sensitivity to price.

Additionally, the findings revealed that distinctive product-quality impacted positively on the market share of telecommunication firms in Nigeria service differentiation positively affected on the Nigeria's telecommunication firms' overall corporate image. Further, the research does suggest that this strategy is more likely to generate higher profits than is a low-cost strategy because differentiation creates a better entry barrier. Hersh and Abusaleem (2016) did a study aiming at shedding light on the application of Blue Ocean Strategy at Saudi Telecom companies. The general objective was to assess the role of role it plays in achieving a competitive advantage, and the extent of adoption of this strategy by the Saudi telecommunications companies, which represent the study community and the dimensions of this strategy, as well as determine the relationship and influence between (this strategy with its principles and dimensions) and (the competitive advantage with its indicators), through survey a sample of workers in these companies.

It was revealed that application of the principles of blue ocean strategy contributed significantly to the achievement of competitive advantage to the company over its competitors in the market. It was further found that there was a strong positive relationship between the competitive advantage variable and every principle of blue ocean strategy principles, and the most powerful relationship came to (Reconstruct market boundaries, Reach beyond existing demand) principles. On the other hand, the least came to the principle of (Build execution into strategy).

Lyons and Coyne (2017) were in agreement with this study that differentiated competitive advantage can be achieved through price reduction and/or innovation of products quality and prices are the key components to improve the standard of the network competitiveness and social acceptance. There is a need for government involvement to make broadband available where commercial offering is missing through means of subsidies (Lyons & Coyne, 2017).

Frias and Pérez Martínez (2016) observed that facilities-based competition is used by mobile network operators to deploy fixed networks to remain competitive on the telecommunication market in Spain. It was found out that different models for competition within the telecommunications industry, including facilities-based competition, which applies, when the organization provide services to the market using its own network infrastructure, are pursued. In this instance, operators build, uses and manages their own networks.

Goffin and Mitchell (2017) on their study on influence of differentiation strategy through innovation among mobile telephone providers in South Africa, established that organizations can differentiate through the different dimensions of innovation which include product, process, service, business process and business model, as well as on the novelty of innovation i.e. incremental, breakthrough and radical innovation.

The study further documents that innovation is driven by advancements in technology, changing customer needs, evolving business or market environments and strategic intent (Goffin & Mitchell, 2017) driver for innovation is changes in consumer characteristics and requirements. The study emphasized that organizations need to update existing products and services in line with changing customer needs. The respondents stated that customers are attracted to the high speed of FTTH due to their demanding applications. The findings that have been confirmed by the respondents suggest that technological advancement of FTTH, in terms of higher speed and better connectivity in comparison to ADSL, has driven the demand for FTTH in South Africa.

According to Rahman, Taghizadeh, Ramayah and Ahmad (2015) it was opined that service innovation drives performance in the telecommunication industry, as seen in developing countries such as Malaysia and Bangladesh. Rahman et al. (2015) argue that innovation management practices are unique per country due to the various resources that are being used in each economy. Evidence has been seen in

organizational culture stimulating the innovation process and cross functional organization in the Malaysian telecommunication industry.

Rahman et al. (2015) argues that the level of competition within the telecommunication industry is higher in comparison to other industries; since competition informed pricing plays a vital role, firms need to take into account the highly competitive environment as part of the innovation process. González-Cruz, Roig-Tierno and Botella-Carrubí (2018) (1991) argue that innovation applied at an organization level can lead to competitive advantage and enhancement of performance, effectiveness and productivity, while those firms that focus on innovation to develop new products and services produce positive outcomes for the organization.

Hajar, Ibrahim, Darun and Al-Sharafi (2020) carried out a study on product differentiation through value innovation activities in the context of the Malaysian market wireless telecommunications service sector. The study established that value addition to product through innovation, created a favorable attitude toward a specific service provider, which leads to a repurchase likelihood of additional services from the same provider. Customer satisfaction, effective response or feeling of customer's post-purchase to the overall product, customer satisfaction elevates a firm's performance in both ways. Hajar, et al (2020) observed that while it does heighten customer loyalty, increase customer volume, improve advertising effectiveness, and enhance firm's reputation, it impedes customer churn, decreases customers' price

sensitivity, and reduces operating cost, failed marketing cost, and customer attaining cost.

Kukhareenko and Borovskii (2017) observed that innovation produces a positive customer experience via creating uniqueness and differentiation over competitors, which, as a result, increases customer share and satisfies their needs. In addition, customer loyalty (brand loyalty) is an important, intangible and valuable resource for sustainable competitive advantage and superior performance. This is in agreement with Hajar, Ibrahim and Darun's (2019) finding that retaining current customers through the promotion of customer loyalty is critical for telecom firms in such a highly competitive environment, especially with the very low swapping cost.

This finding is also consistent with Kostić, Stojanović and Radukić (2016) in their study on measuring the level of competition on the Serbian mobile telecommunications market that solid customer loyalty positively influences the company's economic returns; where increased loyalty of current customers implies more customers will re-buy (be retained) in future, and thus provide a steadier stream of future cash flow.

Daudi (2015) carried out a study to determine the indicators or factors of market segmentation and consumer behavior that contribute to the shaping of marketing strategies of Tanzanian telecommunication sector (Vodacom, Airtel, Tigo, TtcAndZantel). The results of this research were used as basis for the target marketing.

The findings revealed the possibility of explaining customers' buying behavior through the market segments, attitudes towards telecom companies and towards the services provided by these companies. The results also emphasized that the four clusters of consumer groups differ from one another in regards to psychological characteristics proxied by fewer users, light users, medium users and heavy users.

Ongache (2015) identified the competitive strategies utilized by Airtel Kenya Limited to tackle competition, and the challenges experienced in applying the strategies. The study found that the business environment within which the mobile telephony sector operates has been very volatile. Ongache (2015) concluded that mobile industry's rapid growth could be because of the affordability of mobile phones, lower interconnectivity charges, the infrastructural improvements by operators, the presence of multiple players in the industry, and a stable regulatory environment, among other things. The competitive advantage that Airtel Kenya has gained was that their customers identified with the differentiated attributes, compared to the competitors, such as the data services that enable recognition of other caller's locations.

Njoroge (2015) study established the competitive strategies that Telkom Kenya (Orange) was adopting to gain competitive advantage so to increase its profits in the long run. From the findings, Njoroge (2015) established that the competitive strategies adopted by Telkom Kenya (Orange) are; cost Leadership, best cost provider and focused differentiated strategy. Cost leadership strategy has been achieved by

leveraging on existing infrastructure, infrastructure sharing, tight control of cost and overheads, improving efficiency in operations, reduction of input costs, tight control of labor costs, use of information systems and lowering distribution costs. From the literature review there was limited studies on the influence of pricing strategies on consumer purchase decision particularly focusing on Safaricom PLC.

Ole Kulet, Wanyoike and Koima (2019) investigated the effects of best product strategic positioning on organizational performance in telecommunication industry, in Kenya and established that best product strategic positioning influenced organizational performance. The study established that with a proper product positioning strategy the mobile telephone network industry in Kenya is likely to record enhanced organizational performances. Finally, the study concluded that a change in the government regulations has a positive and very significant effect on the performance of the telecommunication companies in Kenya.

This shows that with appropriate government regulations, best product, total customer solution and system lock-in strategic positions will enhance organizational performance of telecommunication industry. From the discussion above, differentiation strategy was credited to emphasis on product differentiation, by having tweaked products compared with competitors, consistent advancement of new products, innovative products, faster and quicker presentation of new products, faster reaction to competitor's product advancement overwhelming dependence on innovative work of trustworthy products available in an offer to make an incentive

to the customers. Focusing on employees for the most part without explicitly concentrating on where competition emanates can't guarantee reliable results.

In conclusion, organizations following across transaction cost literature, partnership development has regularly been investigated in blend with the decision of model governance (Kazi, 2016). Nonetheless, it appears to be imperative to recognize between organizational governance instruments and the governance structure these establishments use. Organizational structure would for example involve joint endeavors, diagonal, vertical or horizontal among others. Conversely, governance instruments incorporate value framework, chain of importance, or social control.

There exist no coordinated and direct communication between the two (Gatobu & Maende, 2019). Frequently organizations depend on a few governance instruments. In exchange cost financial matters, partnerships are regularly considered as middle point or transition types of governance that join components of business sectors and chains of importance.

The essential contention of exchange cost financial matters is that organizations go into partnerships to streamline on the blend of creation and exchange cost (Yu, Xu & Dong, 2019). Mathuki, Ogutu, Ndemo and Pokhariyal (2019) call attention to that mix inside a firm are associated with acquisition diseconomies. Then again, the utilization of market may be restricted because of possible advantage if resources are relationship explicit and a serious level of vulnerability exists. Akewushola, Tijani

and Adelekan (2018) contend that organizations in predictable weak positions, like belonging to exceptionally cutthroat business sectors, following an inventive system, or being looked to developing stage markets, will in general frame partnerships at higher rates than those which are not.

This is likely because of the way such circumstantial extra assets which could include specialized skill, money, and authenticity, would give a business an upper hand competitively. Furthermore, the studies uncover that some firms, which keep up just couple of collaborations, possess just couple of assets. This is either because of an absence of interest in the development of partnerships, or a decreased engaging quality to likely associates (Wadhvani & Kasnale, 2020). This prompts the supposition that gain admittance to new resources, a firm should have equally had resources.

In any case, Akewushola, Tijani and Adelekan (2018) additionally recommend that partnership arrangement is not just a consequence of judicious analytics. Social angles like abilities, status, and past connections of the top-supervisory crew likewise assume an imperative part. Consequently, companies with huge top management teams, which are capable and very much associated, will in general shape partnerships at higher rates. Transaction expenses allude to costs that emerge when firms interface with different businesses.

Masoud, Buzovich, Vladimirova (2020) subsumes under this term costs, which brings about the idea of setting up agreements, arranging its terms and implementing rights, assurance of ideal interests to limit reliance on partner firms, and settling connections. Gatobu & Maende (2019) propose that worldwide strategic collaborations consist of avenue through which huge companies exercise incremental authority over more modest organizations and over their peers. As such, market control is taken over by such organizational collaborations.

Sharing of risks is a typical justification for undertaking any collaborative agreeable plan. In a scenario of a new market that opens its gates for business, or a certain market experience increased presence of vulnerability, volatility and shakiness, the philosophy to share risks turns out to be critically significant. Increased competition characterizing any business environment, creates a hard experience for any company venturing in another market for the first time or introducing a fresh (new) merchandise. As such, venturing into an essential partnership is one approach to diminish or control such business dangers (risks) (Klus, Lohwasser, Holotiuk & Moormann, 2019).

Such collaborations aimed at lessening risks have been in existence the same period capitalism has been in existence. For instance, the English East India Company utilized collaboration in the seventeenth century in financing dangerous journeys. In the twentieth century, companies on missions to discover oil regularly collaborated to address risk. Unfortunately, some companies, in attempts to deal with the day-to-

day entrepreneurial risk they encounter, end up entering into poorly strategic collaborations that are out rightly unsafe. As a result, many joint endeavors and different collaborations wind-up in bitterly contested separation or disillusionment.

As it were, partnership systems empower organizations in offering some form of assurance or insurance against entrepreneurial risk through partnerships. When in doubt, partnerships empower organizations gradually, commit themselves through incremental deposits to an unfurling collaborative arrangement which is a valuable asset in the event unexpected vulnerabilities emerge as hindrance to agreed clear collaborative strategy. Also, such gradually deposited commitments engaged with partnerships give organizations with assets in investing into more than one such plan. To that end, risks are spread as well as diversified across collaborative partnerships (Wanjiru, 2016).

Undeniably, the phenomenon of managing risk is a common denominator to all organizations and so are alliance partnerships grappling with their version of business risks. As such, alliance partnerships can oversee and mitigate risk through viable strategies such as overseeing risks emanating from partnerships notoriety (company image) and relationships, risks concerning partnership appraisal and lawful concerns as well as risks resulting from safeguarding intellectual property (Akpotu & Jasmine, 2016). Other, addressing contravening partnership agreements, eliminating or terminating trigger issues. Further alliance partnership risks concerning whether to re-structure or terminating partnerships, the best approach in determining the right

time and strategy to leave a collaboration with insignificant risks.

Other than assisting companies confront business risks, partnerships are equally viable in dealing with the business risks associated with firms carrying out operations on the international platform. Hence, other than playing the role of drivers of business expansion and growth, partnerships additionally offer exit mechanisms from risks.

In particular, collaborations have the potential of generally mitigating vulnerable business environment (Ejekwu, Zeb-Obipi & Uhuru, 2020), offer platform to share expenses resulting from investments prone to risk (Harrigan, 2015), and empower organizations to restore their competitive advantage in their industry (Umar, 2020). Likewise, Onje and Oloko (2016) asserted that organizations look for collaborations at times the markets are experiencing reduced growth as well as hitting saturation.

A few scholars contend that, in numerous cases, firms go into collaborations to gain new abilities or innovations from the partner members (Aggarwal, 2020). Notwithstanding, the inspiration in numerous partnerships may be uneven in the sense that some partner members engage in partnerships with the objective of staying away from venturing in investments while some attempt to acquire new abilities. Resource-based thinking gives attention to the fact that acquiring additional resources assets and capacities experiences time pressure diseconomies (Hsu, Wen-Yi, 2020). This implies that a firm can just pack the ideal opportunity for fostering an asset or innovation to the detriment of lopsidedly increased expense.

Collaborations may empower firms to keep away from a portion of these expenses. The essence of collaborations can be seen from the viewpoint of strategy detailing, permitting firms to stay aware of the speed of new turn of events especially in cut-throat competitive environment with the target of making an incentive for the firm (Özbağ& Arslan, 2020). The shortage of assets just as the need to assemble qualities to support value forces companies to utilize collaborations as a strategic technique to acquire an upper hand in the competitive market. Eminently, forming collaboration with rivalries, distributors, suppliers and clients, and companies from other ventures or sectors, are usually utilized as instrumental mechanisms in creating additional value (Mamédio, et al. 2019).

Kulecho (2018) contends that partnerships are created in light of the fact that they may help transfer hidden (tacit) knowledge that usually lacks effective transfer among competing organizations which are not in the same partnership arrangement. Sharing or moving implied information (knowledge) may be simpler in partnerships that cultivate deeper interacting and coordinated effort. The setting for such exchange of information is frequently required for effective information sharing. Accordingly, collaborations may empower such setting of knowledge transfer in a better way as compared to market exchanges.

The rationale for the motivation for learning associated with partnerships has as of late got expanded attention and importance. In certain businesses, the assembling of technological assets that were initially isolated has offered companies increased

chances to access technological advancements in areas they have feeble abilities in the field (Yu, Xu & Dong, 2019). Therefore, business organizations that depend intensely on essential collaborations ought to prioritize enhanced fresh training through mentorship especially targeting the management staff as well as their partner entities.

Such human resource development through rotational mentorship across alliance partnership empowers alliance learning, yet in addition it guarantees consistency of alliance partnership practices and processes utilized to be of the required standards. As a compelling learning component, mentorship permits work force to give direction to partnership colleagues who may be limited competitively. Additionally, rotational programs of managers with wide rich work experience across various collaboration groups or bunches inside the organization takes into consideration alliance partnership knowledge sharing.

Yacob, Sucherly, Sari and Mulyana (2016) presented an argument of the fact that motivation for alliance partnership or network formation is predicated through resolution of accessing software resources they lack but not tangible resources. Precisely, they opine that knowledgesharing or transfer is crucial in keeping pace with the ever-run-away advancing technology. Due to the fact that aptitude (competences) essentially the one based on both within and without, partner members of an alliance are usually perceived as an intellectual store from which knowledge is derived.

The advantage with building partnerships as an avenue of accessing external resources especially know-how not only improve organization learning, but also makes partnership products and services a near impossibility in imitating by companies that do not belong to the inter-organization alliances.

In agreement with the argument of the need for companies to consistently innovate their products and services to sustain competitive advantage in volatile industries such as companies characterized with top-technology is evident in the study of Muteshi and Awino (2018). They posit that the capacity to keep pace with fast-advancing technology relies upon a company's ability to absorb and take advantage of knowledge of all kinds. Muteshi and Awino (2018) developed this line of thought further by opining that partnerships pursuit is a viable mechanism in accomplishing this target. Ouedraogo (2016) gives a comparative proposal by contending that due to unavoidable vulnerability business environment for every enterprise, joint endeavors ought to be utilized as stages for likely future turn of events such as risk.

Alliance partners can vary depending on firm's motivation for forming inter-firm alliance (Koch & Windsperger, 2017; Alles & Yazdanifard, 2017). If the alliance motivation is to reduce costs and increase efficiency, firms will choose alliance partners based on TCE perspective. If the motivation behind the alliance is to complement capabilities or affect the inflow of outside technologies for new product development, firms will likely choose alliance partners based on the RBV perspective.

From these arguments, technological alliance motivation based on TCE and RBV perspectives will impact on the selection of technological partner. These are generally accepted by most researchers and used as key measures for selection of alliance partners (Satta, Parolla & Penco, 2015). TCE suggests if asset specificity, uncertainty and risk of opportunism are high, firms need to select strong control mechanisms such as Equity Joint Ventures (EJVs) (Karaszewski, 2020; Matata, 2015).

According to meta-analysis of Umar (2020), asset specificity and uncertainty are found to be the most influential factors in TCE. Asset specificity is physical or intangible assets that are tied to specific transactions and cannot be moved for other purposes without loss of asset value (Zhao & Wang, 2016). If assets are specifically tied to certain transactions, such assets are difficult to move and heavily dependent on transacting parties. Thus, it is cost effective and safer to integrate such transactions which indicate EJVs as alliance governance structure is suggested. Uncertainty arises from external environments such as market and technology changes, partner's opportunistic behaviors. In the presence of high uncertainty, EJVs are preferred as alliance governance mode to share risks.

Hwan (2016) asserts that the characteristics of resources decide a preferable alliance governance structure. They suggested four types of alliance governance structures depending on the combination of resources of focal and partner firm, i.e., unilateral contract-based alliances, bilateral contract-based alliances, minority equity alliances and EJVs. Based on their propositions, EJVs are preferred if firms intend to

capture valuable resources of partners. Hsu, Wen-Yi (2020) also stressed if partners are combining intangible resources, they prefer EJVs and if combining resource, they prefer contract-based alliances (i.e. Non-EJVs). So, it is expected that strong control mechanisms such as EJVs are preferred when combining valuable resources between alliance participants to safeguard leakage of valuable and legally unprotected resources.

Gatobu and Maende (2019) studied the impact of alliance motivation incorporating TCE perspective in the context of telecommunication industry with reference to Safaricom Plc. They showed that technological motivation affected technological alliance performance of TCE. Particularly, 'asset specificity', 'uncertainty' and 'technological characteristics' showed strong positive impact on the technological alliance performance. Motivation is inherent in the nature of human characteristics. Strongly motivated person will put best efforts to carry out the tasks.

Thus, employees who are strongly motivated, they are more likely to perform tasks set out in the technological alliance successfully and the performance of the alliance is likely to be high. Further, Madhok, Keyhani and Bossink (2015) posited that firms need to carefully design and manage each stage of inter-firm alliances in order to increase rate of alliance success. Depending on the characteristics of alliance partners, the choice of alliance governance structure can vary.

A few researchers have stressed that the success of strategic alliance depends on the selection of appropriate alliance partners (Mamédio, Rocha, Szczepanik & Kato, 2019; Yam & Cliff Chan, 2015; Martinez, Zouaghi & Garcia, 2017; Asgari, Singh & Mitchell, 2017). Furthermore, Ho and Wang (2015) showed the alliance governance structure aligned with TCE perspective generated 138% higher alliance performance than the misaligned one, demonstrating the alliance governance structure may have impact on the alliance performance.

Despite all these arguments, which highlight the advantages of enhancing a firm's skill set, capabilities and expertise via alliances, Muange and Maru (2015) point towards some limitations. For him it is crucial that organizational learning is constraint by managers' ability to understand the consequences of newly acquired knowledge. That means that the focal firm needs to be able to exploit knowledge in a way that it leads to an improved strategy and operations (Mathuki, et al. 2019). Consequently, in order to make alliances successful, the engaging firms need to be able to acquire and transform knowledge.

2.3.4 Porter's Generic Competitive Strategies, Alliance Partnerships and Firm Performance

This section provides literature on the joint effect of Porter's generic competitive strategies and alliance partnerships on firm performance. Salavou (2017) argues that companies which capture the reality of hybrid strategies as the most attractive choices in modern day cut-throat competition, always get an upper hand on the market share.

This article intensifies the need for a theoretical framework embracing the full variety of competitive strategies, namely, single-emphasis, mixed-emphasis, no-distinctive-emphasis and stuck-in-the-middle.

Nonetheless, due to globalization, the complex nature of the market place, changing and increasing customer demands, rapid technological changes and hyper-competition, hybrid strategies should receive particular attention. The study emphasizes that the era in which combining competitive strategies was synonymous with stuck-in-the-middle alternatives has been left behind, and the era in which hybrid strategies should be embraced, has already begun.

Xiuyu (2017) did a study on marketing strategies of Chinese mobile phone MNCS in European market in the context of Huawei. The study established that the integration of innovative strategies and pricing strategies of Huawei as the competitive strategies enhanced the competitive advantages and performance of Huawei in Europe. Further, it was found that Huawei's competitive strategies are phased with the early-stage utilization of incremental innovation strategy and innovation integration method were utilized to improve non-core parts, and low-price complemented technology disadvantages. In the middle stage, internal innovation and open innovation are utilized. In the final stage, the technology of core components and non-core parts are improved by modular innovation and incremental innovation to lay the foundation for improving premium step by step.

Qian and Wang (2017) carried out a study to establish the extent to which alliances contributed to new market entry. To achieve this objective, the study used exploration instrument of overview-based site, five (5) alliance partner firm's managers from Denmark affiliated to the joint venture and those not using joint venture strategy were interrogated. The study revealed that organizations engaged with joint ventures had higher and quicker entry into new markets than the organizations who never utilized this kind of alliance.

The research findings portrayed that firms with joint venture provided quicker and more entry probabilities into new market segments. Undoubtedly, the discoveries delineate a solid relationship between organizations dynamic in alliance partnerships and new market segment entry achievement. Moreover, the study outcome demonstrates legitimate earlier development of alliance partnerships, hearty relations, certainty and security, influence firm performance fundamentally. Clearly, these discoveries may come up short on some unwavering quality due to the populace of higher sample size.

Sklavounos, Rotsios and Hajidimitriou (2015) sought to establish the influence of maximization of alliances as a means to enter into an external market segment in New Zealand. Both structured and open-ended questionnaires were run on six (6) business development managers of six (6) five-star hotels to gather essential information. The study outcome shows that huge establishments with numerous monetary portfolios are concurred with cordial entry terms into a foreign market. Nevertheless, qualitative

methodology is not appropriate in this study as it cannot adequately measure performance that can best be measured by means of quantitative approaches.

Hirai, Watanabe and Inuzuka (2015) approached departmental heads from eight (8) logistics firms in Pretoria, South Africa using qualitative method and processing the data with content analysis methodology, the outcome depicted that firms can minimize or fully eliminated new market uncertainties through alliances. In addition, the study concluded on the fact that the more noteworthy the deviations in the new market segments for an alliance is, the more prominent the potential for profiting by organizations.

The research findings further demonstrate that conspiracies or alliances prompts market segment penetration and increment in product lines especially for multinationals looking to venture into business sectors that are foreign. Madhok, Keyhani and Bossink (2015) likewise upheld this finding when they affirmed that firms normally join alliances to significantly improve their standpoint and status, also draws in coordinated collaborators, and also pull in forthcoming investors and get government endorsement. However, qualitative strategy isn't suitable in this study as it cannot successfully measure performance that can best be resolved through quantitative methods.

Varma, Awasthy, Narain and Nayyar (2015) carried out a quantitative study with five (5)-point Likert scale on the influence of alliance partnerships size and firm

performance on departmental heads in two (2) MNL located in Japan. They established that economies become more globalized, information based, information creation and adapting, gradually becoming suitable to go into new market segments. Factor analysis approach was used to analyze the parameters.

Firm performance was operationalized using ROA, operating cash flow, customer fulfillment level, extension of market share and nature of products. The study utilized a Likertsize of five (5) points to decide impact of the above factors on organization performance, members were required to rate every one of the factors in connection to performance. The discoveries set up a solid connection between size of alliance network and hierarchical productivity. Contrariwise, in a case of small population size it undermines the study unwavering quality as it probably won't be a representation of alliances since organizations with excess alliance formations can give better outcome of alliance partnership effect. Nevertheless, on the qualitative data, Coccia, (2017) established contrary outcomes that alliance partnerships do not give an organization a competitive advantage to enter into another market segment.

Manchanda, Grant and Adithya Pattabhiramaiah (2014) carried out a study in Indonesia among 10 startup SME firms. Primary data was collected using a questionnaire with a sample size of 67 managers. The study explored the effect of partnership alliances on entry into new market segments. Market segment entry was gauged using the aspect of expanded circulation channels, provider connections,

bypassing passage boundaries and fulfilling market inclinations. The study used regression analysis model to analyze the data. The study findings portrayed that a significant and direct association existed between the aspect of entering in to new market segments and partnership alliances.

In a similar manner, the current study is in tandem with the views of on Varma, Awasthy, Narain and Nayyar (2015) who suggested that partnerships or network alliances give a firm competitive advantage in entering to new market segments. Nevertheless, the short-lived span the study covered for the sampled start-ups organizations was short to decide their prosperity success into new market segments.

Further, in the study of Kumar, Ram, Rishika, Ramkumar and Kannan (2016) simple random sampling technique was utilized to select 100 managers of ten (10) seed firm experts in Chile to establish the impact of specialized (creative) and business capital on entry into new market segments. Utilizing five (5)-Likert scale questionnaire on one hundred (100) managers, collected data was descriptively analyzed. Principal firms were appealingly well- considered to enter another market particularly whenever there was high inventive indent of and steady business capital. The study recommended firms to utilize alliances in order to enter new market segments.

Though, the findings of this study are contrary to research findings of a study by Mazer and Rowan (2016) who found that firms with inferior expertise are considered to have challenges when entering into new markets. Hirai, Watanabe and Inuzuka

(2015), in a study on the connection between entry into new market segments and partnership alliances, administered a seven (7) point - Likert scale questionnaire on purposely sampled 20 CEOs of 20 organizations listed on the Cairo Securities Exchange (CSE). The research findings verified that organizations enter foreign market segments when they have an alliance network.

But for a case of Kohler, Mantrala, Sonke and Kanuri (2017) who carried out a qualitative study through telephone interview on two (2) investment managers on the nation's securities exchange, it was established that joint ventures among firms in Nepal and Brazil experienced interferences in entering foreign market segments. The study flops in its exploration system as data collection method was not sufficient to yield explicit required information through telephone interview. Humphreys and Jen-Hui Wan, (2017) inspected the empirical evidence between tapping outerresources and organizations performance among Jordanian assembling firms. The study, gathered primary data using a questionnaire from advertising managers, business advancement supervisors and strategic managers. Factor analysis was utilized to analyze the data.

The performance of the firms was gauged using Return on Equity (ROE), sales, market share and quality of product as well as capital, which were all purposely sampled utilizing a five-point Likert scale whereby the respondents were requested to show the impact of each in connection to performance. The findings depicted that there was a significant linkage between taking advantage of alliance network

resources and firm performance. Indeed, the resource-based approach that drives firms into collusion than other conditionality's is an old practice. Further, the survey established that organizations out-shrewd their competitors by utilizing their current interior resources to support competitive advantage.

In conclusion, the study of Humphreys and Jen-Hui Wan, (2017) opined that organizations can possibly make the most of the accessible chances in the event that they have satisfactory resources. Similarly, the study focused on populace that is insignificant in connection to alliance partnerships; business advancement managers may give different views from marketing managers and strategic managers thus compromise findings of this study.

Ciobota and Velea (2015) investigated the effect of domain knowledge and firm performance in Tehran. Utilizing data extracted from annual statements of organizations quoted in Tehran Securities Exchange and applying Ordinary Least Squares (OLS) the relationship was estimated. The discoveries set up that insider information impacted organization performance particularly when measured by return on assets (ROA). This finding is affirmed by Bagnoli and Giachetti's (2015) study that uncovered companies with predominant broadening just as specialization recorded higher performance than those with lower features above.

Two researchers opine further that organizations which never shared significant

information fully experienced lower performance. It was likewise settled that depending on annual statements of organizations just gives data on performance however it does not provide information on alliance partnerships regarding knowledge space since it is never featured in the statements. However, Andersson and Klepper (2013) applying a semi-structure questionnaire on 10 advertising managers of ten 5-star hotels in Bolivia, regressed data and revealed that, in spite of the fact that alliance partnerships capacities allow sharing of resources, ideas and information, there was no level playing ground that was adequate.

Further it was contended that albeit expanded or intensified commitment by collaboration, individuals produce economies of scale advantage, it doesn't empower individual accomplices procure comparable returns. In any case, his discoveries agreed with that of Vonortas and Zirulia (2015) which states that expanded sharing of information diminishes chances of product not performing better that has antagonistic repercussions to organizational performance.

While investigating banks in Canada with the utilization of interview schedule on ten advertising managers from 10 banks and data analyzed using content analysis, Chang, Fernando and Tripathy, (2015) found that collusions or alliances improve the innovative expertise in product development more than individual organizations operating alone. The study additionally inferred that technical know-how depicts the degree of originality and competitiveness of the organization. The study suggested that firms ought to turn specialized ability crosswise over firm capability so that the

'implicit' alliance knowledge of these veterans is shared to decrease development costs and improvement time, improve efficiencies and create capacities.

This finding is in concurrence with perspectives on Linwei, Feifei, Yunlong and Nengqian (2017) that alliances return collaborations for compliance with formulated legislations. Looking into on private hospitals probably won't be sufficient enough since there is minimal new market seeking activities for entry among hospitals as it occurs in different divisions and consequently discoveries of this study won't be reliable.

Wanjiru (2016) sought the connection between network alliances and competitiveness using a case study of Safaricom limited. The study utilized descriptive design, 5-Likert point scale with closed ended questionnaire, with a sample size of 40 middle and upper-level manager staff. The research findings portrayed that Safaricom Ltd failed to achieve competitive positioning through the different important collusions or alliances because of poor processes and top management lack of commitment.

Despite the described irregularities and contradictories as far as findings by various researchers, this is ascribed to various strategies utilized in the study especially qualitative and quantitative small sample sizes, and administration of instruments being too formal. In spite of the irregularities and contradictories over, the study on this variable of new market entry explains why telecommunication firms in Kenya

fail because of inability to maximize external resources through alliance partnerships.

Vonortas and Zirulia (2015) in a quantitative study utilizing 5-Likert point scale closed ended questionnaire on procurement officers of 5 supply chain stores in Jakarta investigated the effect of outside resources and information on competitiveness of the organizations. Collected information was analyzed using regression analysis of the SPSS version 20. It was established that legitimate techniques and strategies investigated, translate, and make importance of newly gained information, empower firms augment resources properly.

However, the shortcomings of this study were that focusing on and testing procurement officers probably would not have been reasonable to give required marketing strategic information. For instance, over time, the inter-firm co-operation prompts the organizations to become less client oriented which prompts a circumstance whereby customers become dissatisfied with the degree of service given and will generally choose alternatives, a situation some alliance individuals need to maintain a strategic distance from. Focus group discussion as the main data collection instrument, may not have given factual data on performance.

Generally, the picture on the role of knowledge as a source of gaining competitive advantage, gives blended and conflicting results by the mixed techniques. Research is entangled by the variety of thoughts regarding what is viewed as a viable knowledge expansion and information abuse, therefore a similar information, while working for

the other, its disservices the other. Such inconsistencies should be considered for research that thinks about knowledge as a resource of competitive advantage.

Jin and Edmunds (2015), utilizing extracted secondary data on portfolio diversification in 5 commercial banks in India, revealed that banks increased profits through partnerships or portfolio with organization policy. Secondly, it was set up those banks which embraced investment picked up fundamentally when they collaborated with different banks. This was in accordance with the findings of Duran and Akci (2015) who advocated that cutting down costs or increasing effectiveness is only through alliance partnerships. They further contend that joint partnerships a times experience significant cost reductions when they actualize partnership agreements.

Also, recently established firms that forced collusions or alliances, never returned regarding improved performance since expected alliances deceptively undermined each other. In a similar vein, Sathana, Velnampy and Rajumesh (2018) recommended that new businesses or minor organizations generally get exploited by established alliance partnerships which undermine their performance in the long run. Equally is the case in their weakened negotiating capability.

However, this does not dismiss the whole study since majority of the findings are in tandem that alliance partnerships are instrumental in cutting down costs and thus telecommunication firms of Kenya continuous reversals are because of inability to

adopt formidable alliance partnerships. Similarly, these organizations should make deliberate choice to engage massively in alliance partnerships in order to reduce cost.

2.4 Summary of Literature and Research Gap

The concept of Porter's generic competitive strategies and firm performance has been interrogated by many scholars over the years with controversial outcome (Khizindar, Al- Azzam and Khanfar 2015; Hersh and Abusaleem, 2016 and Niyarta, 2019). Some studies considered the joint influence of the three components of Porter's generic strategies namely; focus strategy, cost leadership strategy and differentiation strategy on firm performance (Namvar, Ghazanfari and Naderpour, 2017; Orji, Andah, Chima and Abba, 2017 and Tharamba, 2018).

Others studies (Ghezzi, Cortimiglia & Frank, 2015; unyambabazi, 2018; Nadia, et al.2018 and Hendra and Budi, 2017) looked at each Porter's competitive component in isolation and how it influenced either financial performance, customer retention or even market share amongst many diverse dependent variables which were classified so by scholars. Studies pertaining the Porter's generic competitive strategies and the extent to which it linked with other thematic issues in the market was also contextually and methodologically diversified.

Therefore, several and diverse research gaps such as conceptual, contextual and methodological research openings were identified from the analysis of the subjects inspected in chapter two of this study. For instance, the conceptual gap in the current

study arose because past studies treated porter's generic strategies in dissimilar ways and even where the treatment was similar due to endeavors to achieve a common or similar objective by different researchers, the findings were controversial in many ways. For example, some studies used multiple regression to estimate the extent to which these porter's components estimated firm performance instead of first investigating the individual components for they are not the same.

This created a scholarly logical gap for practically firms in the market focus on either of the Porter's generic competitive strategy. Rarely will you find a firm picking two at a go for the RBV theory advocate otherwise. Further, past studies classified Alliance Partnerships as a pure predictor variable to estimate either customer retention or financial performance of firms. The idea of this variable having an inherent moderating effect on the relationship between the Porter's generic competitive strategies and firm performance was not given a scholarly priority. This represents even up to now, a conceptual and methodological knowledge gap.

The current study bridged the conceptual knowledge gap by focusing on both multivariate model in addition to bivariate one. Such that where past studies used bivariate model hence considering the Porters strategy individual elements, namely; focus strategy, cost leadership strategy and differentiation strategy as stand-alone predictors of firm performance, the current study incorporated multiple models where joint effect was applied. In this case, the three Porters elements were used jointly to predict firm performance. On the same breath, moderating viewpoint was also

assimilated in this study.

It was witnessed also in the literature review that studies focusing on Porter's generic strategies were cutting across firms in both developed and developing economies where by the same methodology was used to measure the study variables. This implies that the aspect of conceptual knowledge gap was not factored in which is an illogical approach for the way a variable is measured in one contextual location, is not similar in another place even in cases of different industries where these firms under investigation operate in.

From past literature review, ((Kiarie, 2020; Gatobu & Maende, 2019; Abdirizak, 2019; Asena, 2019; Tharamba, 2018;) conceptual knowledge gaps were witnessed. In most of the studies such as that of (Shitseswa, Kwendo and Chiseno, 2019; Kalam, 2020 and Akintokunbo, 2018) independent variables used varied although the main focus was estimating market share that a firm would acquire or retain by using marketing strategies.

The methodological gaps also equally existed for past studies measured the same variables differently. For instance, firm performance was measured in dissimilar ways such as market share, financial performance, overall firm performance and customer retention just to mention but a few. The studies of (Ndundi, 2019 and Onuoha and Olori (2017) measured market competitive strategy in dissimilar manner. Further, Ayaga and Nnabuko (2019) carried out another study to investigate on the

influence of competitive strategies and customer satisfaction while Islami, Mustafa and Topuzovska Latkovikj (2020), investigated on the significance of using Porter's generic strategies in firms that operate in competitive environments. All these conceptual approaches had diversity in methodology used to gauge the response variable.

The studies were also characterized by contextual gaps as far as firms and physical localities were concerned. For instance, the studies of (Chesire and Kombo, 2015; Chumba, Chepkilot & Tanui, 2019; DeToni, Milan, Saciloto and Larentis, 2017; Victor et. al. 2019 and Dengov et al., 2020) were all focusing on market competitive strategies and firm performance cutting across firms in the developed and emerging economies. In a nutshell, the current study justifies the need of carrying further interrogation to bridge the gaps identified thereof.

The methodological gaps arising such as that of measurement of Porters strategies and firm performance were addressed by the current study for focus strategy was measured using the composite score of narrow specific product market, limited services/product range, specific geographic market-Industry focused and customer focused. For cost leadership variable, it was gauged using the composite index of low price offers, low-cost distribution channels, sources of credit from cost lenders and provision of quality customer service. Lastly, for differentiation strategy, categorical gauge was used which was composed of individual aspects of alliance partnerships, namely; diagonal alliances and vertical alliances just to mention but a few,

The contextual gap identified in the past literature was dominated by past studies which focused on the relationship between Porter's generic strategies and financial performance for firms in both developed and developing economies. Mostly, the argument was bivariate. However, in the current study, the gap was bridged by focusing on the moderating effect of alliance partnership on the relationship between Porter's strategy and performance of performance of mobile telephone network service providers in Kenya. In this case, the methodology used to gauge alliance partnership was Diagonal alliances, vertical alliances, joint ventures, equity alliances, horizontal alliances and franchises.

2.5 Conceptual Framework of the Study

Basically, conceptual framework is an essential diagrammatic design comprising defined theoretical or hypothetical representation of constructs (variables) that can be observed, and elements of an interaction or situation being interrogated (Ravitch and Riggan, 2017). Their (variables) interaction leads to particular or normally predestined results. The model is primarily intended to foster cognizance, comprehension and conveyance of the phenomenon being examined. Further, this system is utilized to display potential blueprints or to introduce a favored way to deal with a concept or thought.

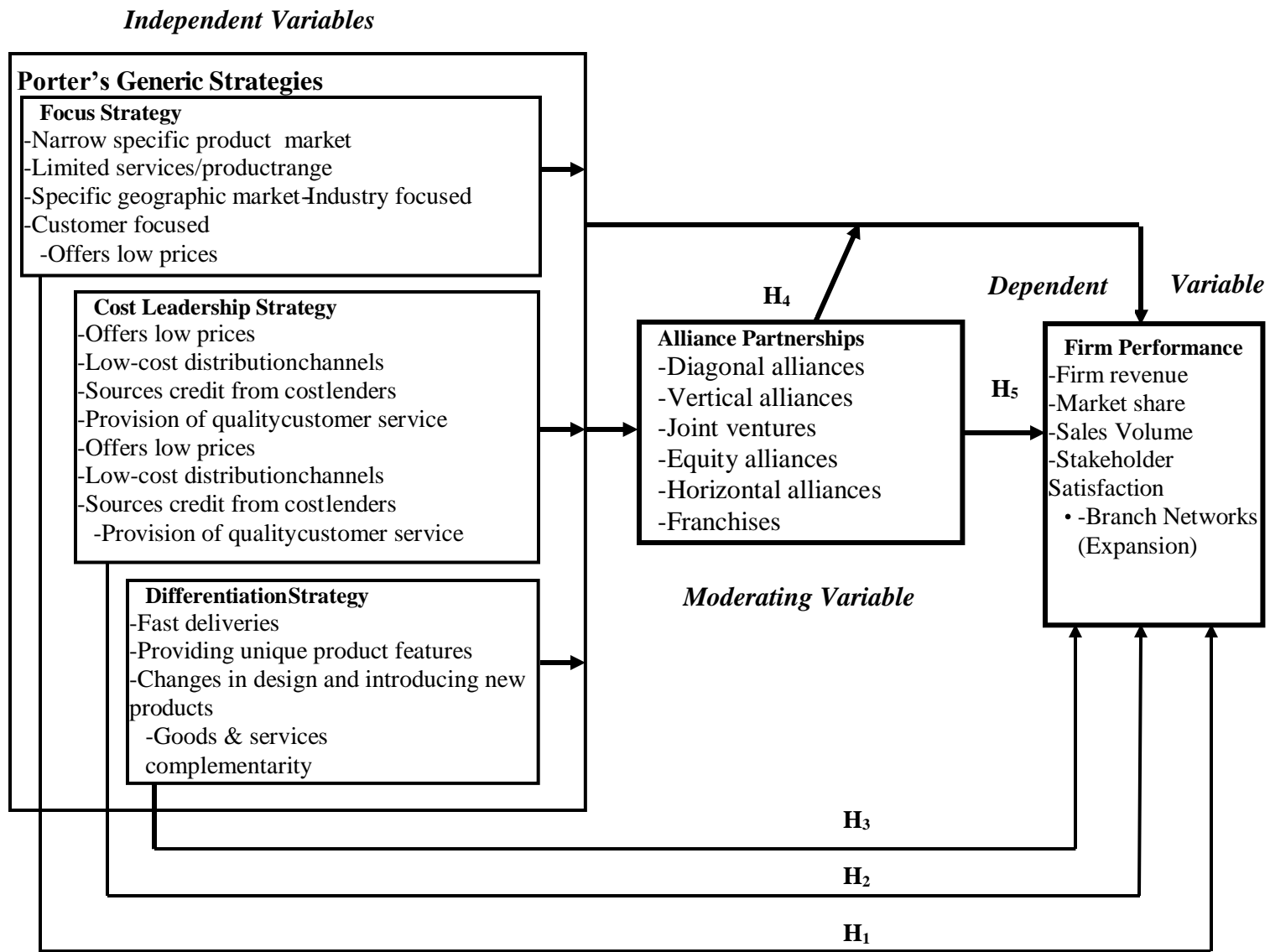


Figure 2. 1: Conceptual Framework

This interdependence concept of an alliance is named as hybrids. Hybrids with ‘pooled interdependence’ are those where the partners draw resources from a common pool, whereas ‘sequential interdependence’ means that one partner hands resources over to the other. Reciprocal interdependent’ hybrids, partners exchange outputs and learn from each other.

Figure 2.1 outlines an elaborate model delineating how study variables relate. From the reviewed works, it is conceptualized that the independent variable; Porter’s generic competitive strategies had three components in particular focus strategy, cost strategy and differentiation strategy. Focus competitive strategy was measured through narrowing to particular services/products, targeting a specific product in the market, specializing on a definite geographic market, specific industry and highest attention on the customer, and keep away competitors.

Cost leadership strategy was determined through proxies including offering low prices to customers, economies of scale, low-cost distribution channels, credit from low-cost lenders, outsourcing non-core functions, cost effective and innovative products, staff development to cut turnover and refining of existing products/services. Indicators of differentiation competitive strategy targeting the broad product/service range, technological leadership advantage, increased innovation and creativity, better promotion/advertising and firm image identification.

In the event that these alliances flourished, returns such as risk management, efficient market entries and competence building were experienced among firms as indicators. Additionally, competition shaping, risk reduction and risk diversification, access to new technology and acquiring means of distribution were witnessed. Further, goods and services complementarity as well as overcoming legal/regulatory barriers accrued to the partner organizations, firm performance which was the dependent variable.

The alliance partnerships which acted both as an independent and a moderating variable encompassed diagonal, joint ventures, equity alliances, horizontal alliances, vertical alliances, and franchises. Synergetic of Porter's generic competitive strategies and alliance partnerships was quantified through new products and finance access, shared costs and risk, resources access, rapid asset diffusion, specialization and rationalization, increased strategic flexibility, beating legal and political barriers, and surmounting competition.

Performance of mobile telephone network companies was determined through company revenue, market share, sales volume, stakeholder value and satisfaction, branch network and corporate social responsibility activities.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter discusses the research philosophy, research design used in this study, data collection instruments, their validity and reliability, and ethical implications. Further, it highlights the operationalization of the study variables and outlines the empirical statistical measurement models used in the study.

3.2 Research Philosophy

The philosophical viewpoint used in a study helps a researcher to appropriately develop knowledge in a certain field and assists in gathering evidence and answers to the research questions under investigation. Some of the philosophies are; positivism, interpretivism and realism (Johnson & Christensen, 2010).

The interpretive philosophy advocates that social aspects of management and business are complicated for one to develop theories and laws as it is in the case of natural science. The philosophy assumes that a simple truth may carry diverse meaning. Realism philosophy on the other hand focuses on human values and beliefs and depicts that such aspects determine how situations are interpreted and in addition, the philosophy argue that human beings are not the objects of the study.

Contrary to the two paradigms aforementioned, positivism philosophy is anchored on already prevailing theories and allows development of hypotheses which have

validity. This philosophy makes it possible to form categorical statements founded on objective evaluation and deductive reasoning pertaining to connectivity of two or more variables such as the case of influence of Porter's generic competitive strategies and alliance partnerships on performance of mobile telephone network service providers in Kenya.

Positivist research philosophy viewpoint is anchored on knowledge derived from 'positive' validation of visible experience instead of self-examination or discernment, (Cohen & Crabtree, 2006). Phenomenology methodology on the other hand, cross-examined human experiences through the descriptions provided by involved persons.

The current study assumed positivist philosophy point of view which is a kind of thinking that seeks to create facts based on objective indicators and methods through the use of statistical techniques. The positivist approaches are pegged on the profoundly investigative methods. The methodologies confirm the distance between the prejudiced opinions of the researcher and the objective reality of their study. This involves the generation of hypothesis and its testing (Cohen & Crabtree 2006). Positivist viewpoint takes us to a scientific, systematic method to research and as such lends itself to the application of quantitative methods (Mukherji & Albon, 2010). Adopting of this philosophical point of view facilitated use of statistical methods for the sake of data analysis.

3.3 Research Design

Research design is a descriptive plan or blueprint that provides a guideline on how to carry out the research. It demonstrates the investigation procedure of collecting, measuring and analyzing data collected (Kerlinger, 1986). It is a general guideline to assist the researcher in carrying out the whole process of investigating, formulating of hypotheses which have an end implication to data analysis. It is a road map that portrays both problem structuring and investigation plan which help in accessing empirical evidence on the relations to be inferred in the study (Kerlinger, 1986 & Kothari, 2009). The plan on how to carry out research is demonstrated in three aspects; exploratory, causal and descriptive approaches.

Exploratory design is based on question approach. In this case, the researcher focuses on why questions whereby an explanation is provided to the audience to justify an event occurring. Hence this design was not suitable for this study for it gives an explanation and ignores the cause-effect aspects. Descriptive research design, on the other hand focuses on what is going on. It entails a description of a subjects' behavior without alterations. This design acts as a pre-cursor for the researcher to identify the variables to test quantitatively. Causal research design determines the underlying cause of a particular behavior of a variable. It justifies the cause effect relationship between two variables.

This study is based on descriptive research design. Descriptive research design entails description of a scenario in an in-depth manner. The design requires the researcher to

use theoretical approach in collecting data, its analysis, preparation and presentation in a manner that it is understandable. With this design, when exploring one or more variables, a wide range of research approaches is employed. With this design, the researcher does not control or change any of the variables instead; he or she just observes and measures the variables as they naturally exist (Kothari, 2004, Mbuva, 2022). This justifies why this study adopted this approach for it helps the researcher to focus on describing the characteristics of the population or a scenario of concern which is being investigated.

3.4 Operationalization and Measurement of Variables

Operationalization of variables used in the study is the unequivocal designing of a construct in a manner that its estimation is made clearer (Sekaran, 1992). The definitional term used is on the basis of contextual environment in which the variable applies and it may not necessarily carry the dictionary meaning. The variables in this study, namely focus strategy, cost leadership strategy, differentiation strategy, alliance partnerships and firm performance were operationalized in accordance with previous studies. Table 3.1 summarizes the contextual definitions used in this study, the objectives anchoring the variables, indicators, measurement scale applicable and the methodologies of data analysis.

Table 3.1: Operationalization and Measurement of Variables

| Name of the Variable | Variable Category | Operational Definitions | Measurement Scale | Hypothesis |
|----------------------|--------------------|---|-------------------|------------|
| Firm Performance | Dependent variable | Composite score of; -Firm revenue -Market share -Sales Volume | Interval | |

| | | | | |
|--------------------------|----------------------|---|-------------|-------------|
| | | -Stakeholder Satisfaction -Branch Networks (Expansion) | | |
| Focus strategy | Independent Variable | Composite score of; -Narrow specific product market -Limited services/product range -Specific geographic market-Industry focused -Customer focused -Offers low prices | Interval | H01 |
| Cost Leadership Strategy | Independent Variable | Composite score of; -Offers low prices -Low-cost distribution channels -Sources credit from costlenders -Provision of quality customer service | Interval | H02 |
| Differentiation Strategy | Independent Variable | Composite score of; -Fast deliveries -Providing unique product features -Changes in design and introducing new products -Goods & services complementarity | Interval | H03 |
| Alliance Partnerships | Moderating Variable | -Diagonal alliances -Vertical alliances -Joint ventures -Equity alliances -Horizontal alliances -Franchises | Categorical | H04 and H05 |

3.5 Target Population

The population of this research study comprised of 66 firms as clustered in to three main tiers as shown in Table 3.2;

Table 3.2: Population of Mobile Telephone Network Service Providers in Kenya

| Category | Number |
|--|---------------|
| International Gateway Operators Tier 1 Firms | 12 |
| Network Facilities Providers Tier 2 Firms | 24 |
| Network Facilities Providers Tier 3 Firms | 30 |
| Total | 66 |

Source: Communications Authority of Kenya (2021)

3.6 Data Collection

Primary data was collected using structured questionnaires. That is, questionnaires were distributed to each of the 63 top officials of the respective mobile telephone network service providers in Kenya to collect information on indicators of focus strategy, cost leadership strategy, differentiation strategy, alliance partnerships and firm performance. The participants in this study were thoughtful of operational and performance facets of their organizations and the impact thereof (Galvan, 2015).

3.6.1 Data Collection Procedure

The researcher engaged research assistants to help in data collection. The assistants underwent training on how to collect data for a minimum of one day and a maximum of one week as supposedly. The researcher used drop and pick approach to have the questionnaire filled. It involved production of an introduction letter that was served to the respondent. In addition, permission from National Commission for Science, Technology and Innovation (NACOSTI) had been acquired to ensure adherence to ethical issues in research.

3.6.2 Pilot Testing of Instruments

The objective of pre-testing the data collection instrument was to evaluate particular facets of research to establish if the chosen procedural directives were functioning as planned. In particular, a pre-test was undertaken to get clarification as well as comprehend the set questions to assess whether the questions yielded as it was projected. Pilot test was also critical in testing the extent to which the instruments used were reliable and whether they had validity features (Orodho, 2009).

So, before embarking on the main survey, questionnaires were administered to 3 (5% of 66) respondents who were purposively selected from some firms which in accordance with Sakaran (2015) who argues that a sample between 1-10% is representative for a pilot study. The pilot study respondents did not take part in the main survey as recommended by (Rajiv, Chu & Jiang (2015).

The pilot study questionnaires were furnished to the respondents self-administering or research assistants where applicable and reliable. The data from the pilot study was analyzed and used to improve the questionnaire through a retest process to ensure internal consistency of the questionnaires was established. The following elements were considered in improving the questionnaire, comprehension, relevance, interpretability and usefulness in view of the study objectives. Finally, all the aspects of reliability were approved.

3.6.3 Validity and Reliability

Validity test mainly confirms whether the questionnaire measures the identified study variable correctly irrespective of who responds, when they responded, and to whom they responded or when self-administered (Noble & Smith, 2015). This study tested for both content and constructs validity (Mason and Bramble, 1989). Content validity test aims at assessing the accurateness of the instrument to ensure that the value it assigns to a variable it is estimating, is a true typical value of the complete content of the object being estimated whereas construct validity was used to test the clarity of the questions and instructions and determine the level of vagueness of such questions.

This study tested for both content and constructs validity (Mason and Bramble, 1989). Content validity test aims at assessing the accurateness of the instrument to ensure that the value it assigns to a variable it is estimating, is a true typical value of the complete content of the object being estimated whereas construct validity was used to test the clarity of the questions and instructions and determine the level of vagueness of such questions. The supervisors examined the conceptual framework and questionnaire contents guided by the specific objectives which was approved.

On the other hand, reliability which is correctness and relevance of the study tools where an instrument giving consistent results with repeated measurements of the same object. Cronbach's alpha was used to measure reliability of the data collection instrument. This tool helps in assessing the internal consistency of the variables. In

other words, reliability test aims at assessing the closeness of a group of objects. A reliability coefficient of 0.7 and above but not exceeding 1.00 of Cronbach alpha was accepted (Cronbach, 1951). The procedure followed to test for reliability level of the instrument was the split-half methodology.

The method was recommended by Drost (2012) who posited that a certain number of items are available for the split-half exercise by the researcher. In addition, for data collection instrument to be relied upon Orodho (2009) argues that the correlation coefficient value should not fall below 0.7. That is, range of 0.7 and 1.00 was termed appropriate to conclude that reliability prevailed. This was also proven after the test was carried out.

3.6.4 Administration of Instruments, Methods and Ethical Issues

The team administering research tools were thoroughly trained in order to avoid any mistakes in the process of data collection and to minimize biasness. Respondents identified gave consent at the inception of data collection. The questionnaires were administered by a trained research team through drop and pick method with respondents being given two days to respond and return the questionnaires to a designated place. This method was preferred because it minimized errors (Galvan, 2015).

Ethical implications were considered to safeguard participants' privacy among others Samuel (2015). Accordingly, the research sought authorization for this exercise from the concerned offices and consent was sought from the respondents by emphasizing

that the exercise was voluntary (Stienstra, 2015). Equally, electronic information was stored in a lock file safely for a minimum of 5 years to enhance participants' privacy. The instruments had an introductory part verifying study aim, and confidentiality guidelines on how to respond to the items.

3.7 Data Analysis and Presentation

Once data collection activity was over, the researcher edited and also tackled the issue of blank responses, coded, categorized and keyed in the data into SPSS program for actual analysis to be done. The researcher further performed descriptive analysis to measure central and dispersion tendencies of variables using mean, standard deviation, frequencies and percentages which portrayed the relationship that existed between/or amongst more study variables. Correlation analysis was also undertaken. Data analysis techniques, namely; multiple, hierarchical and stepwise regressions were applied which resulted to useful information.

Study variables were also tested through inferential analysis using simple, hierarchical and multiple regression models where applicable. F-test was carried out to assess the significance of the whole equation or to best of fit. R^2 which refers to coefficient of multiple determinations was also used to show how successful the best of fit was in explaining the variation of the data. In addition to the aforementioned R^2 test, the test of the slope using t statistic was performed to assess the significance level of the individual regression coefficient of each study variable.

3.8 Diagnostic Tests

The study variables were first subjected to diagnostic tests to confirm some conditions that have to be met for the sake of realizing reliable and valid research outcome. The tests were normality, multicollinearity, homoscedasticity and linearity tests.

3.8.1 Normality Test

Normality tests was carried out to determine whether the data collected for the study was normally distributed or not. For test of compliance to normal, linear and homogeneity by the data collected, histogram, normality and scatter plot of residuals which were standardized against predicted dependent values were used. Hence the Kolmogorov-Smirnov and Shapiro Wilk and linearity tests were utilized. The aim of such an action is to ensure that data collected obeys normalcy making it possible to analyze the data with no human biasness.

3.8.2 Homoscedasticity Test

Homoscedasticity is a case whereby there exists uniform variance between the error term and the relationship between criterion and predictor variables. Otherwise, heteroscedasticity prevails (Hair *et al.* 2006). The main aim of carrying such a test is that if the data is widely spread about (like to cone shape in the heteroscedastic image), regression cannot work well as supposedly. This study used Breusch-Pagan Heteroscedasticity Test.

When the aforementioned situation reflects otherwise, it is a case of heteroscedasticity, implying that the error term has assumed irregular values across all predictor variables. The extent to which this violation impacts on the relationship between the study variables was based on the magnitude of change. Such that the larger the change, heteroscedasticity increases. Homoscedasticity test determines the suitability of a regression model to correctly estimate the variations of the dependent variable. In the normal circumstances, the prediction should be consistent for all values assumed by the dependent variable.

3.8.3 Multicollinearity Test

Multicollinearity is a case where by predictor variables are highly correlating to each other. In cases where there exists multicollinearity problem, one of the independent variables is dropped. To test for multicollinearity, Variance Inflation Factor (VIF) was used. A value of VIF= 10 is assumed to be the critical value (Jingyu li, 2003).

3.8.4 Linearity Test

Linearity test was conducted to determine whether the relationship between the dependent and independent variables is linear. The purpose of using this test was to assess the possibility that the observed data fit to a straight line but it does not test whether or not a straight-line model is appropriate in the first place. Linearity was examined through use of scatter plots/diagrams.

To analyze the data, Pearson correlation coefficient and multiple linear regression

models were utilized. The study generated the relevant linear multiple regression models to estimate the dependent variable which was mobile telephone network service providers in Kenya. That is, the empirical models were used to portray the connection between the study variables which ranged from correlation test using Pearson correlation coefficient and regression models to test for degree of significance of the association.

3.9 Empirical Models

The regression models were as explained in sub section based on their corresponding hypotheses as follows;

H₀₁: There is no significant influence of Focus Strategy on firm performance of mobile telephone network providers in Kenya

This first hypothesis was tested using simple regression model. The corresponding empirical model was as follows;

$$PER = \beta_0 + \beta_1 FS + \epsilon \dots \dots \dots 3.1$$

Where;

PER is firm performance value which is a composite score

FS is Focus Strategy

β_0 is regression constant or the intercept on the y axis β_1 is the regression coefficients for Focus Strategy and

ϵ is the error term.

H₀₂: There is no significant influence of Cost Leadership Strategy on firm

performance of mobile telephone network providers in Kenya

This second hypothesis was tested using simple regression model. The corresponding empirical model was as follows;

$$PER = \beta_0 + \beta_1 CLS + \epsilon \dots \dots \dots 3.2$$

Where;

PER is firm performance value which is a composite score
CLS is Cost Leadership Strategy

β_0 is regression constant or the intercept on the y axis
 β_1 is the regression coefficients for cost leadership and ϵ is the error term.

H₀₃: There is no significant influence of Differentiation Strategy on firm performance of mobile telephone network providers in Kenya

This third hypothesis was tested using simple regression model. The corresponding empirical model was as follows;

$$PER = \beta_0 + \beta_1 DS + \epsilon \dots \dots \dots 3.3$$

Where;

PER is firm performance value which is a composite score
DS is Differentiation Strategy

β_0 is regression constant or the intercept on the y axis
 β_1 is the regression coefficients for differentiation strategy and
 ϵ is the error term.

To establish whether Alliance Partnerships had statistically significant effect on the relationship between the independent and dependent variables in this study, Baron and Kenny(1986) and Aiken and West (1991) model was utilized. The model entails first, establishing a regression model (model one) to assess the main effects of the predictor variable and the suggested moderator variable where by in this case it is partnership alliances. Then, in step two of Barron and Kenny (1986) methodology, involved adding of the interaction term in the previous model one (1) so as to generate a second model two (2). This procedure is done in a repetitive manner to get the final results so as to establish whether all components of AlliancePartnership moderated the relationship fully or partially.

In stage one (1), it entailed fitting an empirical model with the independent and the moderatorvariable to predict change in dependent variable (the firm performance-composite score). The main effects from respective variables as well as the model in general (adjusted R^2) should be significant. In the case of stage 2, it entailed the addition of the interaction term to the precedingmodel one and tested for a significant adjusted R^2 change as well as a significant influence by the new interaction term. In short if any of the following moderation conditions was grasped, then moderation happened. Then this would imply the following options;

If there occurs statistically significant change in adjusted R^2 and new interaction term, then it was concluded that moderation occurred.

If it happened that both the predictor and the moderator were statistically

insignificant, then it meant that full moderation occurred;

If the predictor and the moderator variables portrayed statistically significant change, then it implied that moderation occurred. However, the main effects were still significant. Hence a partial moderation.

Note that, to determine the interaction term a product of the predictor variable and the moderator variable was conducted. By multiplying those two study variables, multicollinearity effect is assumed to have occurred due to the closeness of those variables. Therefore, to eliminate such a restraint, both the predictor and the moderator variables were transformed into standardized (Z) scores respectively and then the product of the two study variables was established (interaction term effect). To achieve the aim of this study on moderation effect, the study utilized hierarchical regression process.

In order to test for moderation effect on the relationship, each Generic Porter's Strategy was considered in isolation and each component of Alliance Partnerships was decomposed into its components to test the moderation effect of each individual element. The Alliance Partnerships elements were, namely; Diagonal alliances, Joint Ventures, Equity Alliances, Horizontal Alliances, Vertical Alliances, and Franchises. were used.

H₀₄: There is no significant influence of Differentiation Strategy on firm performance of mobile telephone network providers in Kenya.

This fourth hypothesis was tested using Hierarchical multiple regression models.

The corresponding models for each case of the generic porter's components were as follows;

Perspective of Focus Strategy

Model one-independent variable and the moderators

$$PER = \beta_0 + \beta_1 FS + \beta_2 DA + \beta_3 JV + \beta_4 EA + \beta_5 HA + \beta_6 VA + \beta_7 FR + \epsilon \dots \dots \dots 3.4^a$$

Model two- independent variable, moderators and the interaction term

$$PER = \beta_0 + \beta_1 FS + \beta_2 DA + \beta_3 JV + \beta_4 EA + \beta_5 HA + \beta_6 VA + \beta_7 FR + \beta_8 DA * FS + \beta_9 JV * FS + \beta_{10} EA * FS + \beta_{11} HA * FS + \beta_{12} VA * FS + \beta_{13} FR * FS + \epsilon \dots \dots \dots 3.4^b$$

Where;

PER is firm performance value which is a composite score

FS is Focus Strategy

DA is Diagonal Alliances JV is Joint Venture

EA is Equity Alliance

HA is Horizontal Alliance

VA is Vertical Alliance FR is Franchise

β_0 is regression constant or the intercept on the y axis $\beta_1 - \beta_{13}$ is the regression coefficients

ϵ is random error term.

Perspective of Cost Leadership Strategy

Model one-independent variable and the moderators

$$PER = \beta_0 + \beta_1 CLS + \beta_2 DA + \beta_3 JV + \beta_4 EA + \beta_5 HA + \beta_6 VA + \beta_7 FR + \epsilon \dots \dots \dots 3.4^c$$

Model two- independent variable, moderators and the interaction term

$$PER = \beta_0 + \beta_1 CLS + \beta_2 DA + \beta_3 JV + \beta_4 EA + \beta_5 HA + \beta_6 VA + \beta_7 FR + \beta_8 DA * CLS + \beta_9 JV * CLS + \beta_{10} EA * CLS + \beta_{11} HA * CLS + \beta_{12} VA * CLS + \beta_{13} FR * CLS + \epsilon \dots 3.4^d$$

Where;

PER is firm performance value which is a composite score

CLS is Cost Leadership Strategy

DA, JV, EA, HA, VA & FR is as described in 3.4^b above β_0 is regression constant or the intercept on the y axis

$\beta_1 - \beta_{13}$ is the regression coefficients

ϵ is random error term.

Perspective of Differentiation Strategy

Model two- independent variable and the moderators

$$PER = \beta_0 + \beta_1 DS + \beta_2 DA + \beta_3 JV + \beta_4 EA + \beta_5 HA + \beta_6 VA + \beta_7 FR + \epsilon \dots \dots \dots 3.4^e$$

Model two- independent variable, moderators and the interaction term

$$PER = \beta_0 + \beta_1 DS + \beta_2 DA + \beta_3 JV + \beta_4 EA + \beta_5 HA + \beta_6 VA + \beta_7 FR + \beta_8 DA * DS + \beta_9 JV * DS + \beta_{10} EA * DS + \beta_{11} HA * DS + \beta_{12} VA * DS + \beta_{13} FR * DS + \epsilon \dots \dots \dots 3.4^f$$

Where;

PER is firm performance value which is a composite score

DS is Differentiation Strategy

DA, JV, EA, HA, VA & FR is as described in 3.4^b above β_0 is regression constant or the intercept on the y axis

$\beta_1 - \beta_{13}$ is the regression coefficients

ε is random error term.

To determine the joint effect of joint effect of Porter's generic competitive strategies and alliance partnerships on firm performance of mobile telephone network providers in Kenya. Multiple regression analysis was used.

H₀₅: There is no joint significant influence of Porter's generic competitive strategies and alliance partnerships on firm performance of mobile telephone network providers in Kenya.

This fifth hypothesis was tested using multiple regression model. The corresponding empirical model was as follows;

$$PER = \beta_0 + \beta_1 FS + \beta_2 CLS + \beta_3 DS + \beta_4 DA + \beta_5 JV + \beta_6 EA + \beta_7 HA + \beta_8 VA + \beta_9 FR + \varepsilon \dots \dots \dots 3.5$$

CHAPTER FOUR

RESEARCH FINDINGS

4.1 Introduction

Chapter four presents analysis and discussions of the thematic issues from the set objectives. The thematic areas include; the response rate, reliability test, validity test, demographic characteristics, correlation test, descriptive statistics and multiple regressions, performance of mobile telephone network service providers in Kenya, Porter's generic strategies and performance of Mobile telephone network service providers in Kenya, moderating effect of alliance partnerships on the relationship between Porter's strategies and performance of Mobile telephone network service providers in Kenya and the joint influence of Porter's strategies and alliance partnerships on performance of Mobile telephone network service providers in Kenya.

4.2 Response Rate

A total of 63 respondents were issued with questionnaires, from which 61 successfully filled and returned the questionnaires, making a response rate of 96.8 percent. On the other hand, 2 questionnaires were not returned representing a non-response rate of 3.2 %.

According to Rubin and Babbie (2016), return rates of 50% are acceptable for analysis, 60% good for analysis and over 70% are very good for analysis as well as publishing. Accordingly, the response rate achieved in this study was very good and

sufficed for the study to draw reasonable and viable conclusions. The high response rate could have been attributed to effective administration of the questionnaires particularly, a close follow up.

4.3 Demographic Characteristics of Mobile telephone network service providers in Kenya

To analyze the demographic characteristics of Mobile telephone network service providers in Kenya, various viewpoints were used which enabled the researcher to get guided in advance on the category of respondents to rely upon during data collection. These classifications were, namely; annual profits, market share and the issue of pursuance of diverse Porter's strategies to gain competitive advantage by those firms. Failure to meet the set thresholds resulted to disqualification. The demographic approach was key to the investigator for it introduced other aspects of the Mobile telephone network service providers in Kenya not captured in the main links between Porter's generic strategies and performance for all-inclusive inferences.

4.3.1 Annual (2020) Profit (in KES Billion) of the 61 mobile telephone network service providers in Kenya

One of the key determinants of company performance especially in the private sector is profitability although certain public enterprises maximize this indicator for the same purpose. Undeniably return on investment, asset, capital and or equity is the most crucial aspect in quantifying the desired outcome and the state of a firm as well

as the direction a company is headed in the immediate, medium and long-term. To that end, the current study set out to measure returns of input of processes such as Porters’ generic competitive strategies by establishing yearly profitability levels of the mobile telephone providers pursuing these competitive strategies as presented and summarized in Table 4:1.

Table 4.1: Annual (2020) Profit (In KES Billion) of the 61 Mobile Telephone Network Service Providers in Kenya

| Profit | Frequency | Percent |
|-----------------|------------------|----------------|
| Below 50 | 45 | 74 |
| Between 50-100 | 0 | 0 |
| Between 100-150 | 1 | 2 |
| Between 150-200 | 15 | 24 |
| Over 200 | 0 | 0 |
| Total | 61 | 100.0 |

Evidently, statistics paint a worrying trend of the mobile telephone network service provider’s profitability performance. Notably, majority of the firms post dismal profitability portfolio of 50 billion Kenya shillings. This implies that mobile telephone service providers are not doing well in terms of return on investment, which is an earlier cursor to ineffective systems and or processes such as the competitive strategies pursued in gaining an upper hand in the volatile industry market.

Imam (2019) equally used documentation to collect secondary data from various sources, such as financial statement data, regulations, company history, and so on to determine business strategies in a turbulent business environment in the Indonesian telecommunication industry. The study emphasizes the need for search for similar information through the internet, books, journals, research results and other

information deemed relevant to the research topics taken, including the results of internal company documentation such as the results of internal consultant research, company strategy, and seminar materials.

4.3.2 Market Share (Q4 2020) of the 61 mobile telephone network service providers in Kenya

Just like profitability, market share is a cursor to the state of performance of a firm. In fact, before profitability is determined, one of the initial pointers and determinants of the latter is the market share. Essentially, companies employ superior competitive strategies to gain competitive advantage ahead of peers in securing a large share of the pie on the market. Undeniably, mobile telephone network industry is labeled as one of the leading competitive industries due to fast changing customer needs, short-life span of products and services as well as fast evolving technologies (Asimakopoulos & Whalley, 2017).

This explains ever-changing market share of mobile telephone network providers. As such, firms work overdrive to develop new and effective competitive strategies if they have to remain afloat in the industry. This part presents the market share in the Q4 of 2020 as in Table 4.2

Table 4.2: Market Share (Q4 2020) of the 61 mobile telephone network service providers in Kenya

| Subscribers (Market Share) | Frequency | Percent |
|-----------------------------------|------------------|----------------|
| Below 1 | 7 | 11 |
| Between 1-20 | 1 | 2 |
| Between 20-40 | 40 | 65 |

| | | |
|---------------|-----------|--------------|
| Between 40-60 | 1 | 2 |
| Over 60 | 12 | 20 |
| Total | 61 | 100.0 |

Clearly, data in Table 4.2 point to varying trends in market share with most respondents represented by over 78% (i.e., 11%+2%+65%) indicating that most mobile telephone firms have less than 40% of the market share of the industry. Afande (2015) confirms the monopolistic situation witnessed in the industry with one operator taking over 60% of the total market pie in the industry in his study on Porter's competitive strategies and firm performance in the mobile telecommunication service industry in the context of Safaricom Public Limited Company.

4.3.3 Pursuance of diverse Porter's Strategies to gain Competitive Advantage by the 61 Mobile Telephone Network Service Providers in Kenya

The respondents representing the 61 firms were asked the extent to which their respective organizations adopted the Porter's strategies so as to take advantage of competitive edge. The response was portrayed in Table 4.3.

Table 4.3 Pursuance of diverse Porter's Strategies to gain Competitive Advantage by the 61 mobile telephone network service providers in Kenya

| | Freq | % | Valid (%) | Cumu. Percent |
|-------|---------------------------------|-----|-----------|---------------|
| NONE | 1 | 1.6 | 1.6 | 1.6 |
| Valid | Pursue Focus Strategy | 14 | 23.0 | 24.6 |
| | Pursue Cost Leadership Strategy | 11 | 18.0 | 42.6 |
| | Pursue Differentiation Strategy | 24 | 39.3 | 82.0 |
| | | | | |

| | | | |
|--------------------------------------|----|-------|-------|
| Pursue two Porter's Strategies | 5 | 8.2 | 90.2 |
| Pursue the three Porter's Strategies | 6 | 9.8 | 100.0 |
| Total | 61 | 100.0 | |

Table 4.3 portrays that majority (98.4%) of the mobile telephone network service providers in Kenya adopted the Porter's competitive strategy. Only 1.6% of all the firms failed to adopt either of the strategies. That is, 14 out of 61(23%) mobile telephone network service providers in Kenya concentrated on focus strategy so as to win a competitive edge in the market. Another 11 out of 61(18%) of mobile telephone network service providers in Kenya pursued cost leadership strategy to win the market.

While those firms which persuaded differentiation, strategy were represented by the highest percentage for they were 24 out of 61(39.3%) of the total firms. On the other hand, those firms which pursued either two or the three Porter's strategies were 5(8.2%) and 6 (9.8%) respectively. This was a low percentage as compared to those organizations which focused on a pure strategy without combining.

4.4 Validity Analysis

The study employed exploratory factor analysis to determine the construct validity of the questionnaire. It is always ideal to conduct a factor analysis on the scale data to see if the scale really is one-dimensional. In this case, the aim is to reduce the (large) number of variables to a smaller number of factors that capture most of the variance in the observed variables. If variables correlate too highly ($r > 0.8$ or $r < -.8$),

according to (Williams, et al. 2013). It becomes impossible to determine the unique contribution to a factor of the variables that are highly correlated.

If some variable correlates lowly with many other variables ($-0.3 < r < 0.3$), the variable probably does not measure the same underlying construct as the other variables. Both the highly and lowly correlating items should be eliminated. If a questionnaire is a construct valid, all items together represent the underlying construct well. Exploratory factor analysis detects the constructs that underlie a data-set based on the correlations between variables (in this case, questionnaire items) (Connelly, 2015). The factors that explain the highest proportion of variance, the variables share is expected to represent the underlying constructs. Table 4.4 shows the results on the validity analysis.

Table 4.4: Communalities of Variance in Each Variable

| | Initial | Extraction | Variable |
|--|---------|------------|--------------------------|
| This strategy focuses on narrow/limited services/products range | 1 | 0.6 | Focus strategy |
| Specific product market is targeted through this strategy | 1 | 0.726 | |
| Through this strategy, specific geographic market is targeted | 1 | 0.631 | |
| A key priority of this strategy is to keep away competitors | 1 | 0.774 | |
| A specific industry is targeted through this strategy | 1 | 0.678 | |
| In this strategy, the customer is given the highest attention | 1 | 0.749 | |
| The strategy offers low prices to customers | 1 | 0.779 | Cost leadership strategy |
| This strategy leads to maximization of economies of scale | 1 | 0.842 | |
| The strategy creates low-cost distribution channels | 1 | 0.696 | |
| This strategy allows a firm to get credit from low-cost Lenders | 1 | 0.684 | |
| Through this strategy, a firm can outsource non-core Functions | 1 | 0.802 | Differen tiatio |
| The strategy enables a firm to produce new cost effective, innovative products | 1 | 0.635 | |
| This strategy prioritizes staff development to cut turnover | 1 | 0.7 | |

| | | | |
|--|---|-------|-----------------------|
| The strategy emphasizes the refining of existing products/services | 1 | 0.572 | Alliance partnerships |
| Diagonal alliances | 1 | 0.693 | |
| Joint Ventures | 1 | 0.834 | |
| Equity alliances | 1 | 0.806 | |
| Horizontal alliances | 1 | 0.767 | |
| Vertical alliances | 1 | 0.621 | |
| Franchises | 1 | 0.668 | Firm performance |
| Increased revenue among individual organizations is enviable | 1 | 0.724 | |
| Increased market Share | 1 | 0.781 | |
| Improved product/service quality index | 1 | 0.636 | |
| Shareholder value is added | 1 | 0.759 | |
| There is improved company image/visibility | 1 | 0.741 | |
| Improved delivery times | 1 | 0.795 | |

Communalities indicate the amount of variance in each variable that is accounted for. Initial communalities are estimates of the variance in each variable accounted for by all components. For principal components extraction, this is always equal to 1.0 for correlation analyses. Extraction communalities are estimates of the variance in each variable accounted for by the components. The communalities in Table 4.4 are all high, which indicates that the extracted components represent the variables well. Table 4.5 illustrates an eigenvalue table divided into two sub-sections, that is, Initial Eigen Values and Extracted Sums of Squared Loadings. The initial Eigen values are the variances of the factors while the extraction sums of squared loadings correspond to the number of factors retained.

Table 4.5: Total Variance Explained

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|-----------|---------------------|-----------|--------|-------------------------------------|-----------|--------|
| | Total | % of Var. | Cum.% | Total | % of Var. | Cum% |
| 1 | 2.429 | 8.998 | 8.998 | 2.429 | 8.998 | 8.998 |
| 2 | 2.345 | 8.686 | 17.684 | 2.345 | 8.686 | 17.684 |
| 3 | 2.169 | 8.033 | 25.717 | 2.169 | 8.033 | 25.717 |
| 4 | 1.888 | 6.992 | 32.709 | 1.888 | 6.992 | 32.709 |
| 5 | 1.676 | 6.206 | 38.915 | 1.676 | 6.206 | 38.915 |
| 6 | 1.582 | 5.861 | 44.776 | 1.582 | 5.861 | 44.776 |
| 7 | 1.491 | 5.524 | 50.3 | 1.491 | 5.524 | 50.3 |
| 8 | 1.286 | 4.764 | 55.064 | 1.286 | 4.764 | 55.064 |
| 9 | 1.224 | 4.535 | 59.599 | 1.224 | 4.535 | 59.599 |
| 10 | 1.196 | 4.428 | 64.027 | 1.196 | 4.428 | 64.027 |
| 11 | 1.108 | 4.104 | 68.131 | 1.108 | 4.104 | 68.131 |
| 12 | 1.037 | 3.842 | 71.972 | 1.037 | 3.842 | 71.972 |
| 13 | 0.96 | 3.557 | 75.53 | | | |
| 14 | 0.844 | 3.126 | 78.656 | | | |
| 15 | 0.767 | 2.839 | 81.495 | | | |
| 16 | 0.719 | 2.665 | 84.159 | | | |
| 17 | 0.657 | 2.433 | 86.592 | | | |
| 18 | 0.604 | 2.236 | 88.828 | | | |
| 19 | 0.503 | 1.864 | 90.692 | | | |
| 20 | 0.439 | 1.625 | 92.317 | | | |
| 21 | 0.422 | 1.563 | 93.88 | | | |
| 22 | 0.394 | 1.459 | 95.339 | | | |
| 23 | 0.333 | 1.233 | 96.571 | | | |
| 24 | 0.301 | 1.116 | 97.688 | | | |
| 25 | 0.25 | 0.924 | 98.612 | | | |
| 26 | 0.227 | 0.839 | 99.452 | | | |
| 27 | 0.148 | 0.548 | 100 | | | |

The Kaiser Normalization Criterion is used in Table 4.5, which allows for the extraction of components that have an (Eigen value>1). The principal component analysis was used and 12 factors were extracted. As per Table 4.5, the 27 components explain 71.972% of the total variation. Table 4.6 shows the extracted values of each of the 27 parameters on the twelve components extracted depending on the (%) of

variability it explained the variabilities.

Table 4.6: Component Matrix

| | 1 | 2 | 3 | 4 | 5 |
|--|-------|-------|-------|-------|-------|
| This strategy focuses on narrow/limited services/products range | 0.468 | | | | |
| Specific product market is targeted through this strategy | 0.553 | | | | |
| Through this strategy, specific geographic market is targeted | 0.563 | | | | |
| A key priority of this strategy is to keep away competitors | 0.564 | | | | |
| A specific industry is targeted through this strategy | 0.434 | | | | |
| In this strategy, the customer is given the highest attention | 0.551 | | | | |
| The strategy offers low prices to customers | | 0.863 | | | |
| This strategy leads to maximization of economies of scale | | 0.718 | | | |
| The strategy creates low-cost distribution channels | | 0.711 | | | |
| This strategy allows a firm to get credit from low-cost lenders | | 0.703 | | | |
| Through this strategy, a firm can outsource non-core functions | | 0.677 | | | |
| The strategy enables a firm to produce new cost effective, innovative products | | | 0.615 | | |
| This strategy prioritizes staff development to cut turnover | | | 0.402 | | |
| The strategy emphasizes the refining of existing products/services | | | 0.464 | | |
| Diagonal alliances | | | | 0.815 | |
| Joint Ventures | | | | 0.751 | |
| Equity alliances | | | | 0.689 | |
| Horizontal alliances | | | | 0.462 | |
| Vertical alliances | | | | | 0.417 |
| Franchises | | | | | 0.669 |

| | |
|--|-------|
| Increased revenue among individual organizations is enviable | 0.819 |
| Increased market Share | 0.652 |
| Improved product/service quality index | 0.525 |
| Shareholder value is added | 0.506 |
| There is improved company image/visibility | 0.480 |
| Improved delivery times | 0.435 |

From the factor analysis, extracted factors were grouped into five groups. All of the parameters indicated a high construct validity since all variables exceeded the prescribed threshold of 0.40 by Schindler (2010) and therefore all the variables are significant.

4.5 Reliability Results

Cronbach's Alpha was established for every variable which formed a scale. Cronbach's Alpha measures the internal consistency by establishing if certain items within a scale measure the same construct. The reliability results are shown in Table 4.7

Table 4.7: Reliability Analysis

| Variables | Cronbach's Alpha | No. of Items |
|----------------------------|------------------|--------------|
| Focus strategy | 0.822 | 6 |
| Cost Leadership strategy | 0.802 | 8 |
| Differentiation strategies | 0.751 | 5 |
| Partnership Alliances | 0.926 | 7 |

The results illustrate that all the four scales were reliable. This was further shown by their number of items that they had constituted as their reliability values exceeded the

0.7 threshold prescribed by Stage and Manning (2015). Focus competitive strategy had 0.822, cost leadership strategy had 0.802, differentiation strategy had 0.751 and Partnership Alliances had 0.926. This therefore depicts that the research instrument was reliable and therefore required no amendments.

4.6 Diagnostic Tests

The study conducted normality test, multicollinearity test, heteroscedasticity test, linearity test, chi square test and sampling adequacy test. The diagnostic tests confirmed the need to use parametric statistics for data analysis as the data collected was discrete and continuous.

4.6.1 Normality Test

Normality test was conducted to determine if the data set was well-modelled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed. Normality is one of three assumptions for multivariate analysis. Regression assumes normality between the variables under analysis (Winter, 2017). The null and the alternative hypothesis are stated below. H₀: The data is normally distributed. H₁: The data is not normally distributed. The thumb rule is that if the p-value is greater than 0.05, H₀ is accepted and H₁ is rejected, if the p-value is less than 0.05, H₀ is rejected and H₁ is accepted. Table 4.8 shows the results on the test of normality.

Table 4.8: Tests of Normality of the study variables

| | Kolmogorov-Smirnova | | | Shapiro-Wilk | | |
|--------------------------|---------------------|----|-------|--------------|----|-------|
| | Statistic | Df | Sig. | Statistic | Df | Sig. |
| Firm Performance | 0.102 | 61 | 0.185 | 0.975 | 61 | 0.154 |
| Focus Strategy | 0.07 | 61 | .200* | 0.971 | 61 | 0.152 |
| Cost Leadership Strategy | 0.086 | 61 | .200* | 0.985 | 61 | 0.157 |
| Differentiation Strategy | 0.107 | 61 | 0.081 | 0.995 | 61 | 0.167 |

Table 4.8 shows that there was no enough evidence to warrant rejection of the null hypothesis since p values were greater than 0.05 for firm performance, focus strategy, cost leadership strategy and differentiation strategy. From the findings it can be deduced that classical regression model can be fitted in absence of any data transformation. Alliance partnerships were excluded in normality test since it was a categorical variable. Also, according to (Daniels and Lisa, 2018), normally distributed error terms are sometimes considered an “optional” assumption for OLS regression. This is because normality is not necessary for OLS, but it is convenient.

It is not necessary in that, even without normally distributed errors, OLS will still generate the Best Linear Unbiased Estimates (BLUE) of the coefficients. In addition, it is evidence that when the number of observations per variable is greater than 10, violations of the normality assumption often do not noticeably affect results (Schmidt, and Finan, 2018).

4.6.2 Homoscedasticity Test

Homoscedasticity was tested by use of Breusch-Pagan, Dennis Cook and Sanford Weisberg. To achieve this objective, the researcher using the SPSS computer

program fitted the regression model, then calculated the squared residuals of the model. Further, the researcher fitted a new regression model, using the squared residuals as the response values. With this tool, calculation of the Chi-Square test statistic was performed.

The decision criteria used is the two hypotheses, namely; null and alternative hypotheses which states that;

H₀: Homoscedasticity is present (the residuals are distributed with equal variance)

H_A: Heteroscedasticity is present (the residuals are not distributed with equal variance)

The rule is that, if the p-value that corresponds to this Chi-Square test statistic with p (the number of predictors) degrees of freedom is less than some significance level (i.e. $\alpha = .05$) then reject the null hypothesis and conclude that heteroscedasticity is present.

The results were as indicated in Table 4.9

Table 4.9: Breusch-Pagan Heteroscedasticity Test

| Null Hypothesis | Variables | Chi Square | Sig. |
|-------------------|-------------------------------------|------------|-------|
| Constant variance | FS, CS, DS, DA, JV, EA, HA, VA & FR | 316.01 | 0.805 |

Table 4.9 shows that there was no enough evidence to warrant rejection of the null hypothesis since chi square of 316.01 and a p value of 0.805, which was greater than 0.05. Hence, it was concluded that homoscedasticity was present.

4.6.3 Multicollinearity Test

Regression modelling assumes that there is no collinearity between independent variables. This was tested through use of Variance Inflation Factor (VIFs) and tolerance limits. The rule of thumb was that there is no multicollinearity if none of VIFs is greater than 10. Study findings are shown in Table 4.10

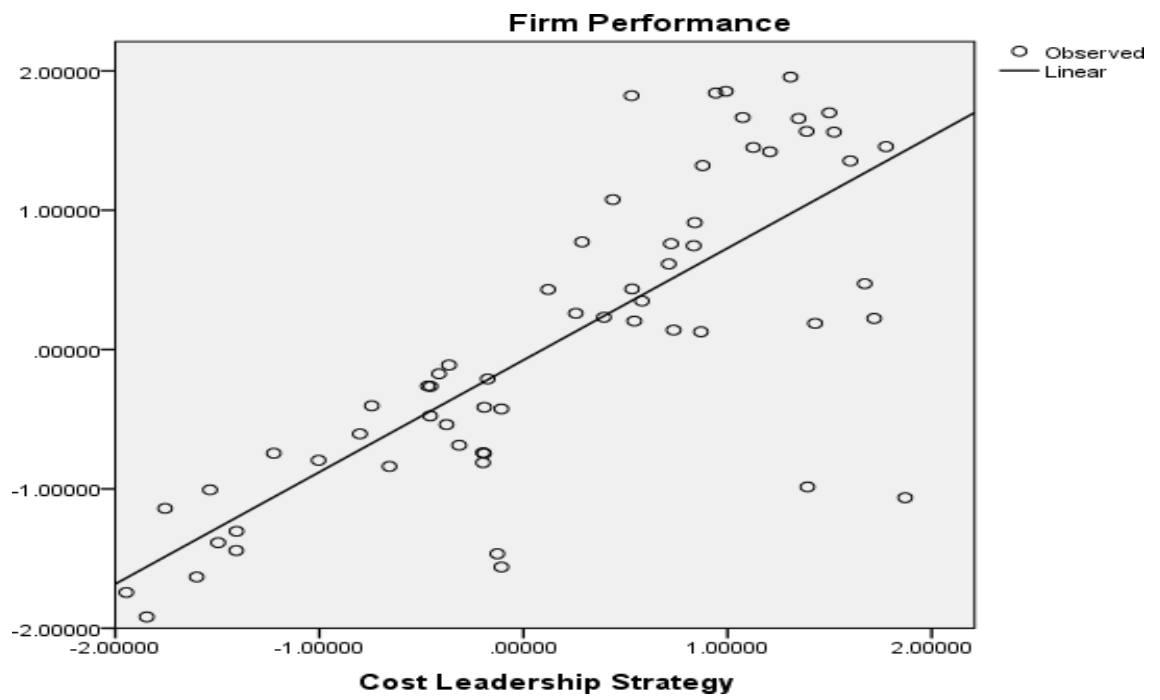
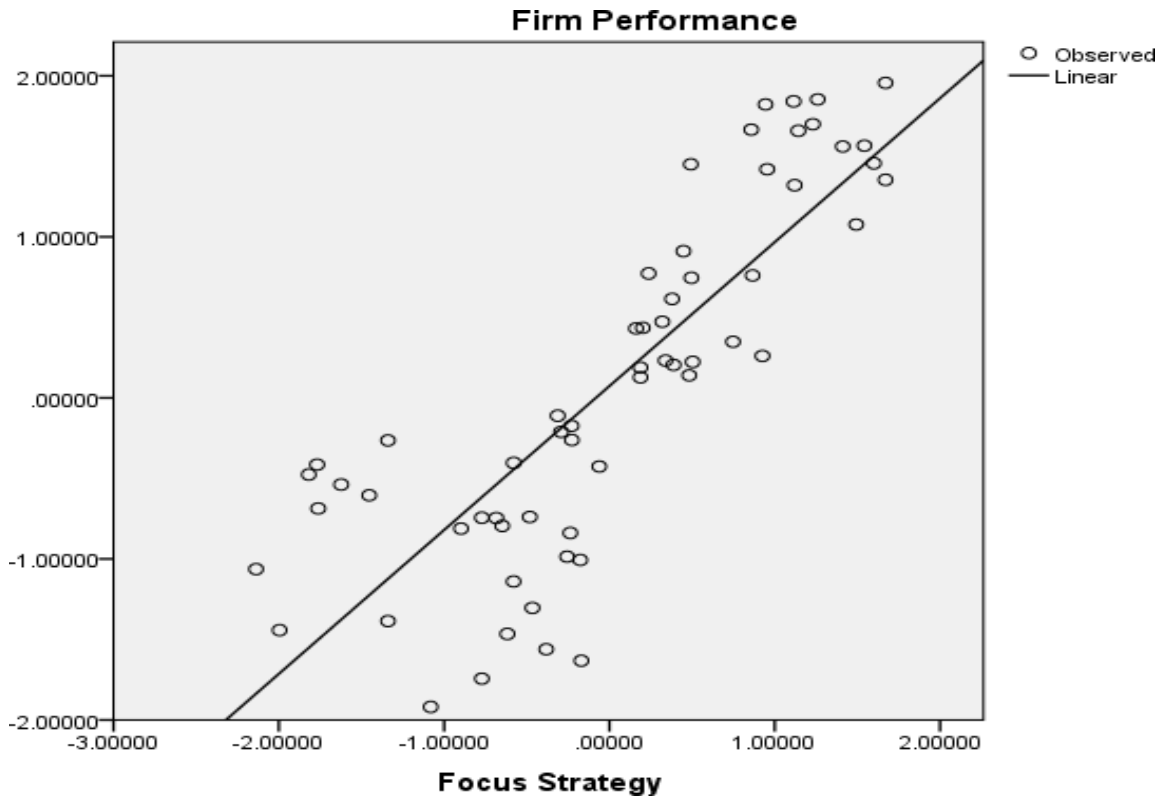
Table 4.10: Multicollinearity Test

| Collinearity Statistics | Tolerance | VIF |
|--------------------------------|------------------|------------|
| Focus Strategy | 0.38 | 2.629 |
| Cost Leadership Strategy | 0.388 | 2.575 |
| Differentiation Strategy | 0.256 | 3.912 |

Results shown in Table 4.10 revealed that there was no multicollinearity since none of the independent variable had VIF greater than 10, hence Porter's competitive strategies influence on firm performance in mobile telephone network industry in Kenya can be evaluated through use of multiple regression analysis.

4.6.4 Linearity Test

Linearity test was conducted to determine whether the relationship between the dependent and independent variables is linear. Linearity was examined through use of scatter plots/diagrams. From pictorial presentation in Figure 4.1, there was positive correlation since the data points make a straight trend line going from the origin out to high x-and y-values. This implies that focus strategy, cost leadership strategy and differentiation strategy have a positive linear relationship on firm performance in telecommunication firms in Kenya.



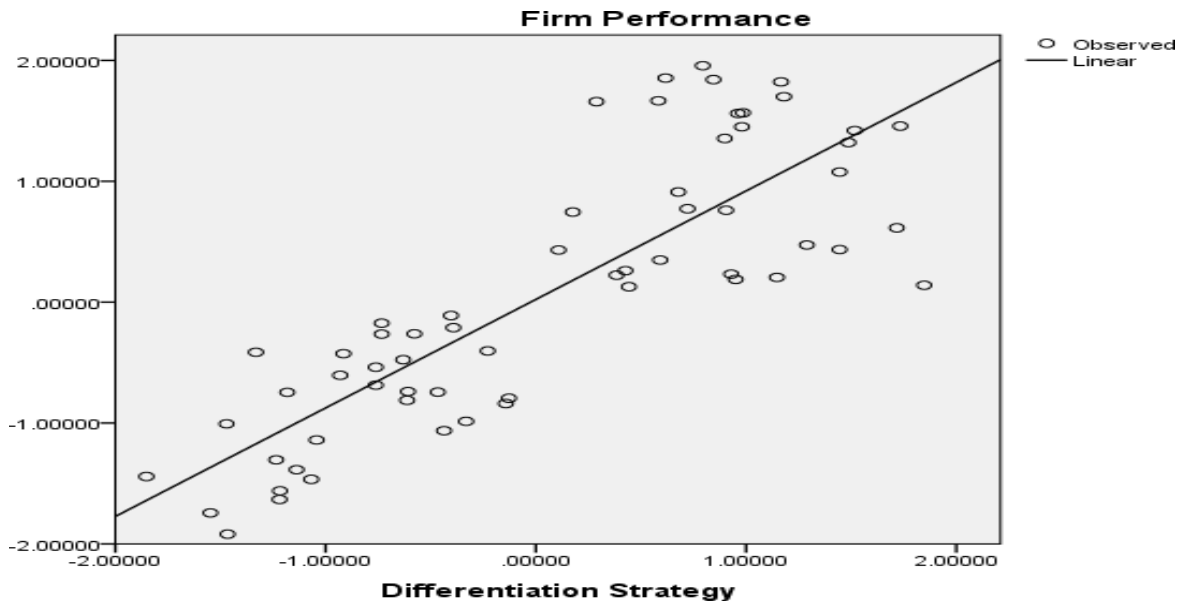


Figure 4.1: Linearity Test

4.7 Descriptive Analysis Results

This section entails the descriptive analysis results and discussions for each study variables. In the current study, all the questions required the respondents to indicate their level of agreement on different indicators of the specific objectives. Presentation of findings was executed in the form of tables and figures and expressed in numerical processes such as mean, standard deviation, frequencies, percentages and coefficients.

The main variables analyzed included Porter's three generic competitive strategies, alliance partnerships and synergetic of Porter's generic competitive strategies and alliance partnerships. Porter's generic competitive strategies consisted of focus strategy, cost leadership strategy and differentiation strategy Focus competitive strategy was measured through narrowing to particular services/products, targeting a

specific product in the market, specializing on a definite geographic market, specific industry and highest attention on the customer, and keep away competitors.

Cost leadership strategy was determined through proxies including offering low prices to customers, maximization of economies of scale, low-cost distribution channels, credit from low-cost lenders, outsourcing non-core functions, cost effective and innovative products, staff development to cut turnover and refining of existing products/services. Indicators of differentiation competitive strategy targeting the broad product/service range, technological leadership advantage, increased innovation and creativity, better promotion/advertising and firm image identification.

The alliance partnerships which acted both as an independent and a moderating variable encompassed diagonal, joint ventures, equity alliances, horizontal alliances, vertical alliances, and franchises. Synergetic of Porter's generic competitive strategies and alliance partnerships was quantified through new products and finance access, shared costs and risk, resources access, rapid asset diffusion, specialization and rationalization, increased strategic flexibility, beating legal and political barriers, and surmounting competition. Performance of mobile telephone network companies was determined through company revenue, market share, sales volume, stakeholder value and satisfaction, branch network and corporate social responsibility activities.

4.7.1 Porter's Focus Competitive Strategy

The first objective sought to determine the influence of focus competitive strategy on

firm performance in the mobile telephone network industry in Kenya. To achieve this, the researcher endeavored at obtaining twin information; the motivations companies pursued focus competitive strategy to gain competitive advantage and its effect on their performance.

4.7.2 Competitive Advantages of Focus Competitive Strategy

It was anticipated that subjects would engender highly competitive returns value from the utilization of focus competitive strategy among mobile telephone network organizations in Kenya. Subjects rated their perceptions towards the accrued competitive value generated by the focus competitive strategy in pursuit of competitiveness in the scenarios using the Likert scale of 1-5 (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), kindly indicate the extent to which your firm has utilized focus strategy by using 1, 2, 3, 4, 5 scale as presented in Table 4.11

Table 4.11: Competitive Advantages of Focus Competitive Strategy Utilization

| Competitive Advantage | Mean | Std. Dev. | Sig. |
|---|-------------|------------------|-------------|
| This strategy focuses on narrow/limited services/products range | 4.07 | 0.78 | 0.00 |
| Specific product market is targeted through this Strategy | 4.13 | 0.84 | 0.00 |
| Through this strategy, specific geographic market is Targeted | 4.20 | 0.76 | 0.00 |
| A key priority of this strategy is to keep away Competitors | 4.28 | 0.74 | 0.00 |
| A specific industry is targeted through this strategy | 3.04 | 1.37 | 0.00 |
| In this strategy, the customer is given the highest attention | 2.99 | 1.34 | 0.00 |
| Composite mean | 3.79 | | |

Generally, Table 4.11 on responses of analyzed data, demonstrates that focus competitive strategy adds value to competitiveness of mobile telephone companies in Kenya. Results reveal focus competitive strategy adds more value to a firm's competitiveness in four aspects which included keeping away competitors (mean=4.28, SD=0.74), targeting specific geographic market (mean=4.20, SD=0.76), product market (mean=4.13, SD=0.84), and narrow/limited services/products range (mean=4.07, SD=0.78). In comparison, analyzed data divulges that focus competitive strategy specializing in a specific industry (mean=3.04, SD=1.37) as well as according customers the highest attention (mean=2.99, SD=1.34) add less value to the companies' competitive superiority. Overall, the composite mean computed (3.79) demonstrates focus competitive strategy as effective in enhancing competitive advantage of mobile telephone network companies in Kenya.

In support of this finding is the study by Chepng'etich and Kimencu (2018) on competitive strategies and performance of mobile service providers in Nairobi, which established that market and product segmentation as well as narrow product and services range, increased market share of an organization. This finding is in consonance with Njoroge's (2015) study on competitive strategies utilized by the telecommunication mobile service providers in Kenya that focus strategy has proved instrumental in enhancing the competitive advantage of an organization through market and product segmentation as well as product development.

Mayaka (2018) equally shares the sentiments of the current study on the influence of Porter's focus generic competitive strategy on the competitiveness of organizations. He observed that focus competitive strategy is instrumental in improving quality of products and services which offers a stepping stone towards upper hand in securing an increased market slice in the most volatile telecommunication sector. These findings are in line with the study by Akintokunbo (2018) who established that Porter's focus generic competitive strategy enhances firm competitiveness among telecommunication companies. Also, the study found out that firms which opt to utilize focus designed approaches by concentrating on a thin slice or section, attain either a cost-effective lead. Further, Akintokunbo (2018) found out that Porter's focus generic competitive strategy positively influences performance of telecommunication companies.

Mwaniki (2018) also concluded that focus approach aid in development of many products for a narrow market known to them. He further states that among the known risks that firms implementing focus strategies should consider consist of duplication as well as earmarked segment fluctuations. This premise fits well with the study of Namusonge, Mukulu and Mokaya (2017) which established that strategic product development practices had a significant financial performance of telecommunication firms. Besides, the study avows that effective focus approach enhances a firm's competitiveness when it develops unique products in tandem with a taste of particular market. Nevertheless, they caution over-reliance on such market segment due to risks such as duplication as well as segment fluctuations.

4.7.3 Focus Competitive Strategy and Firm Performance

After determination of the level of the accrued competitive advantages of utilization of the focus competitive strategy to the mobile telephone network companies, it was important to get to the crust of the first research construct the current study sought to establish. As such, the second part of the section strove to quantify the effect of the accrued competitive advantages as a result of implementation of focus strategy to the selected mobile telephone network companies in Kenya.

To achieve this, respondents were requested to indicate the level of performance resulting from the accrued competitive advantages of utilization of the focus competitive strategy to the mobile telephone network companies. Using the Likert scale of 1-5 (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), respondents rated the influence of Porter’s focus competitive strategy on performance of mobile telephone network companies as summarized and presented in Table 4.12

Table 4.12: Focus Competitive Strategy Influence on Firm Performance

| Returns | Mean | Std. Dev. | Sign. |
|--|-------------|------------------|--------------|
| Increased organization revenue | 3.52 | 1.058 | 0.027 |
| Increased market Share | 3.23 | 0.990 | 0.015 |
| Rising sales volume | 3.43 | 0.846 | 0.004 |
| High shareholder value and satisfaction | 3.49 | 1.074 | 0.045 |
| Branch network expansion | 3.28 | 1.035 | 0.003 |
| Increased corporate social responsibility activities | 2.90 | 1.313 | 0.027 |
| Composite Mean | 3.30 | | |

Principally, the aim of the first objective of the current study was to quantify the net effect of focus competitive strategy on the competitive advantage of mobile telephone network providers in Kenya. To that end, the tabulated information above (Table 4.12) demonstrates positive impact that the focus competitive strategy enhances performance among the mobile telephone network companies in Kenya. Results show continuous implementation of the focus competitive strategies leads to better performance.

Results indicate focus competitive strategy most effective impact on performance was increased organization revenue (mean=3.52,SD=1.058) followed by shareholder value and satisfaction (mean=3.49, SD=1.074) then rising sales volume (mean=3.43, SD=.846). The influence of the focus strategy slightly reduced on branch network expansion (mean=3.28, SD=1.035 and market share (mean=3.23, SD=.990). Findings demonstrate focus strategy had least effect on corporate social responsibility activities (mean=2.90, SD=1.313). A computed composite mean of 3.30 points to positive impact of the focus competitive strategy to organizational performance among the Kenya mobile telephonenetwork providers.

To solidify the finding above, Shitseswa, Kwendo and Chiseno (2019) observed that effective implementation of Porter's focus competitive strategy, significantly enhances organization performance. The study found out that mobile phone service providers in Kenya which had superior competitive advantage, maximized the utilization of focus competitive strategy. Mudogo (2019) noted significant effect of

unique product features and firm performance among telecommunication firms in Kenya the same way Obinna (2018) observed that telecommunication firms implementing market segmentation approach of the Porter's focus competitive strategy, witnessed improved organization performance. In the same vein, Lista (2017) discovered that focus competitive strategy has a significant positive bearing on better organizational performance of telecommunications in Kenya.

Ayaga and Nnabuko (2019) established that focus strategy had a significantly great impact on the performance of mobile phone service providers. Likewise, Bishaw (2020) found out that market segmentation of mobile internet customers competitive strategies contributed positively on customer satisfaction in the mobile phone sector with net effect being enhanced organization performance. Likewise, Humphreys, Ashlee, and Rebecca Jen-Hui Wang (2017) ~~noted~~ that focus competitive strategy significantly influenced organizational performance. Too, in agreement were Tharamba (2018) who examined the effect of strategic positioning on the firm performance in the telecommunications firms in Kenya with reference to Safaricom Limited.

The study found out that firms focus their products and services in order maximize sales performance. Further agreement on the positive and significant influence of focus strategy on firm performance was from Mohammed, Chung and Woo's (2020) on customer switching behavior analysis in the telecommunication industry via push-pull-mooring framework.

However, Omamo, Rodriguez, and Wafula (2018) had contrary opinion that focus competitive strategy does not necessarily contribute to superior competitiveness of mobile telephone companies. Their study on the systems dynamics model for mobile industry governance in the context of the Kenyan vision 2030, they appreciate that market segmentation is one of the most basic arms of business strategy.

The study appreciated that many firms today bundle customers to understand their preferences, manage relationships with them, improve product and service offerings, and assess risk. Despite such massive investment by many industries today in static segmentation, Omamo, Rodriguez, and Wafula (2018) argue that numerous key complications and challenges are evident among most segmentation approaches.

For instance, Omamo, Rodriguez, and Wafula (2018) observed that classic statistical analysis requires months of work, resulting in discrete customer groups that are too outdated to match the dynamic body of people they are supposed to represent. Furthermore, the segments often fail in granularity, leading to market portions that closely resemble each other. This lack of precision means that firms are unable to tailor messaging that is relevant and compelling enough to specific groups of customers; the bottom line is that the true customer context of why someone is compelled to respond or purchase is often left wholly out of the picture. They conclude that without rich granularity, precision, context, and dynamism digital age, firms are not able to meet their customers' changing needs hence lose out on competitiveness despite embracing focus competitive structure.

Notable however, the net value effect of focus competitive strategy added on firm performance in Table 4:16 has lower value (3.30) than the same strategy's net value (3.78) accrued on the firm's competitive returns shown in Table 4:15 (3.78) shown in Table 4:15. This implies that competitive advantages of focus competitive strategy does not automatically translate into commensurate organizational performance. This justifies the present study's disposition that utilization of a single competitive strategy such as Porter's generic competitive strategies is not effectively sufficient in giving a firm superior competitive advantage. As such, there is need to incorporate better complimentary strategies such as this study's suggestion of embracing alliance partnerships for superior competitive advantage in the volatile mobile telephone network industries.

4.7.4 Cost Leadership Strategy and Firm Performance

The second objective of the study sought to assess the influence of cost leadership strategy on firm performance in the mobile telephone network industry in Kenya. With resources taking dwindling all over the world, organizations are increasingly taking keen interest on costs- cutting and wastage in all operations. Fittingly, organizations with stringent cost-saving mechanisms, undoubtedly, become competitive through offering reasonable pricing. To this end, respondents were required to specify if their companies used cost leadership strategy to gain competitive advantage. The findings revealed that 100% of the telecommunication firms utilized cost leadership strategy therefore enhancing the firms' performance.

4.7.5 Competitive Advantages from the Pursuit of Cost Leadership Strategy

In reference to a Likert scale of 1-5, (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), this part sought to establish from respondents the accrued competitive advantages of utilization of the cost leadership strategy in pursuit of competitiveness. To that end, respondents were asked to rate the extent to which competitive advantages accruing from utilization of cost leadership strategy were evident in their organization and the responses are as presented in Table 4.13

Table 4.13: Competitive Advantages from the Pursuit of Cost Leadership Strategy

| Competitive advantage | Mean | SD. | Sig. |
|--|-------------|------------|-------------|
| The strategy offers low prices to customers | 3.75 | 1.15 | 0.004 |
| This strategy is based on the economies of scale | 3.79 | 1.15 | 0.035 |
| The strategy creates low-cost distribution channels | 4.03 | 1.07 | 0.025 |
| This strategy allows a firm to get credit from low-cost lenders | 3.74 | 1.15 | 0.003 |
| Through this strategy, a firm can outsource non-core functions | 3.78 | 1.20 | 0.005 |
| The strategy enables a firm to produce new cost effective, innovative products | 3.66 | 0.83 | 0.000 |
| This strategy prioritizes staff development to reduce turnover | 3.13 | 0.65 | 0.001 |
| The strategy emphasizes the refining of existing products/services | 3.91 | 1.15 | 0.043 |
| Composite Score | 3.72 | | |

Table 4.13 displaying the analysis for Porter's cost leadership competitive strategy, indicate that utilization and implementation of cost leadership competitive strategy add value to a firm's competitiveness by resulting in low-cost distribution channels (mean=4.03, SD=1.07) as compared to the refining of existing products/services (mean=3.91, SD=1.15), maximization of economies of scale (mean=3.79, SD=1.15) and outsourcing non-core functions (mean=3.78,SD=1.20).

Other returns of Porter's cost leadership competitive strategy include getting credit from low-cost lenders (mean=3.74, SD=1.15), and having the ability to produce new cost effective, innovative products as (mean=3.66, SD=0.83). However, in comparison, Porter's cost leadership competitive strategy pursuance generates least competitive advantage in prioritizing staff development to cut turnover (mean=3.13, SD=0.65). The overall net value added expressed as composite score (3.72) lends support that cost leadership competitive advantage enhances the competitiveness of an organization.

Further, competitive advantage value added by Porter's cost leadership competitive strategy is significant since the variables had p = values of less than 0.05 (low prices=.004, economies of scale=.035, low-cost distribution channels =.025, low-cost lenders =.025, non-core functions outsourcing =.003, cost effective innovative products =.005, staff development =.000, and of existing products refinery =.001). As such, it can be concluded that cost leadership strategy has a significant influence on the competitiveness of firms in the mobile telephone network.

Supporting this finding, Kyengo, Ombui and Bravo (2016) in their study on the influence of competitive strategies on the performance of telecommunication companies in Kenya recognized that the aim of cost leadership approaches ensures timely, excellent processing of the demanded products and services. Also consistent with the finding of this study is the study by Rotich and Anyango (2018) which established that telecommunication firms pursuing cost leadership strategy enjoyed

competitive advantage returns such as meeting timelines, affordability, availability as well as competent processing of the demanded products and services.

Likewise, Chumba, Chepkilot and Tanui (2019) shared finding of the current study in their study on the influence of competitive strategies on firm performance in the telecommunication industry in Kenya. They observed that firms which adopt Porter's cost leadership strategy reaped enhanced competitive value in terms of cost and risk reduction, economies of scale, outsourcing non-core functions, getting credit from low-cost lenders, and having the ability to produce new cost effective as well as innovative products.

In agreement to this finding too were Victor, Thoppan, Fekete-Farkas and Grabara (2019) who noted that firms which embrace cost leadership pricing strategies reap enhanced competitive portfolio such as reduced expenses, improved distribution, elasticity as well as product superiority. The study also reported that cost leadership strategy is evident by provision of quality customer service and operational efficiency. Dengov, et al (2020) finding is reflected in this result that price strategies of cost leadership competitive strategy propel sustainable competitive advantage of mobile operators in Russia in the conditions of the global economic decline. In addition, the study established that cost leadership strategy also aids in forecasting demand, timetabling and well-organized storeroom supervision, which are also in line with minimizing the process of production costs.

However, Dorgham, Saleh and Atiya (2015) disagree with this finding that pricing strategy (cost leadership strategy) is sufficiently effective as main competitive edge to gain market share as pricing calls too cheaply can cause losing higher revenue from price-insensitive users, i.e. lost opportunity, while setting too high of a price could noticeably reduce demand. They argue that relying on reducing minute rate in order to acquire more subscribers, often without regard to using scientific approaches for optimizing prices. They recommend for the application of a revenue management approach, for optimally determining this tradeoff pricing.

4.7.6 The influence of Cost Leadership Competitive Strategy on firm

Performance

After determination of the level of the accrued competitive advantages of utilization of the costleadership strategy to the mobile telephone network companies, it was important to get to the crust of the first research construct this study sought to establish. As such, the second part of the section strove to quantify the effect of the accrued competitive advantages emanating from the implementation of cost leadership strategy to the 61 mobile telephone network companies.

To achieve this, respondents were requested to indicate the level of performance resulting from the accrued competitive advantages of utilization of the cost leadership strategy to the mobiletelephone network service providers. Using a Likert scale of 1, 2, 3, 4 or 5, (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)) the respondents rated performance level of

mobile telephone network companies as summarized and presented in Table 4.14

Table 4.14: Cost Leadership Competitive Strategy influence on firm Performance

| Returns | Mean | Std. Dev. |
|--|------|-----------|
| Increased organization revenue | 3.25 | 1.178 |
| Increased market Share | 3.23 | 1.283 |
| Rising sales volume | 3.56 | 1.118 |
| High shareholder value and satisfaction | 3.70 | 1.229 |
| Branch network expansion | 3.64 | 1.081 |
| Increased corporate social responsibility activities | 2.98 | 1.297 |
| Composite Mean | 3.39 | |

Evidently, results in Table 4.14, report mobile telephone network service organizations pursuing cost leadership competitive strategy recorded higher stakeholder value and satisfaction (mean=3.70, SD=1.229) than branch network expansion (mean=3.64, SD=1.081) and increased sales volume (mean=3.56, SD=1.118). Also, improved performance attributed to cost leadership competitive strategy, is increased organization revenue (mean=3.25, SD=1.178) and market share (mean=3.23, SD=1.283). Nevertheless, statistics in the table above reveal corporate social responsibility activities posted for lowest improvement (mean=2.98, SD=1.297) accruing from cost leadership competitive strategy.

Lending credence to this finding is Otiende (2018) who established that pricing strategies of the cost leadership competitive strategy that are effectively implemented afford increased market share and rising sales volume among firms in the telecommunication sector. Otiende added that classification of telecommunication sector as one of the most volatile especially incut throat competition has compelled

frequent innovation of better competitive strategies such pricing. He continues to argue that cost effective frameworks are most effective among the conventional competitive approaches utilized in the telecommunication industry.

Asena (2019) also shared this view by finding out that cost leadership strategies had significant bearing on the profitability, expansion, sales margins and enhance market share of mobile telecommunication companies in Kenya. In the same vein, Lyons and Coyne (2017) identified that the factor that mostly influences an organization's performance is related to the achievement of their objectives by the development of new products. In other words, businesses that achieved their sales, market participation and profit margins objectives exhibited a better organizational performance. Therefore, it is identified that the success of many organizations is linked to the cost leadership strategy. Also consistent with this finding is the study by Njeri (2017) who established that cost leadership competitive strategy enhanced product innovation, which propels firm performance in the telecommunications industry in Kenya.

4.7.7 Differentiation Strategy and Firm performance

The third objective sought to establish the influence of differentiation strategy on firm performance in the mobile telephone network industry in Kenya. As per the results, 100% of the respondents indicated that their institutions pursued differentiation strategies to achieve competitive advantage over other firms. In essence, the contact point between a business firm and customers is products and

services. Fittingly, a company aspiring to stand out of the rest must prioritize innovative product development, product design and unique product features.

4.7.8 Competitive Advantages from Pursuit of Differentiation Strategy

In reference to a Likert scale of 1-5, (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)). This part sought to establish from respondents the accrued competitive advantages of utilization of the differentiation strategy in pursuit of competitiveness. To that end, respondents were asked to rate the extent to which competitive advantages accruing from utilization of differentiation strategy were evident in their organization and the responses are as presented in Table 4.15

Table 4.15: Competitive Advantages of Differentiation Strategy

| Competitive advantages | Mean | Std. Dev. | Sig. |
|---|-------------|------------------|-------------|
| This strategy targets the broad product/service range | 3.69 | 1.15 | 0.027 |
| The strategy gives a firm a technological leadership advantage | 3.77 | 1.17 | 0.015 |
| With this strategy, there is increased innovation and creativity | 4.27 | 0.74 | 0.004 |
| This strategy gives room for better promotion/advertising | 3.76 | 1.16 | 0.045 |
| Using this strategy, there is a strong brand image Identification | 3.70 | 1.22 | 0.003 |
| Composite Score | 3.84 | | |

Results in Table 4.15 show that increased innovation and creativity has the highest value (mean=4.27, SD=0.74) added to the competitive advantage of a firm utilizing Porter’s differentiation competitive strategy. As well, the second highest value addition (mean=3.77, SD=1.17) by differentiation competitive strategy gives a firm

a technological leadership advantage followed by the strategy's competitiveness added value (mean=3.76, SD=1.16) that gives room for better promotion/advertising.

Other differentiation competitive strategy high value additions to a firm's competitiveness include a strong brand image identification (mean=3.70, SD=1.22) and targets the broad product/service range (mean=3.69, SD=1.15). It can be noted further the competitive value additions by differentiation competitive strategy are significantly high as all the variables had values less than 0.05 leading to a conclusion that differentiation strategy influences firm performance in the mobile telephone network industry in Kenya significantly.

This research result is aligned with various findings which established that the firms pursuing differentiation strategy increase their competitive advantage by offering customized products (Kugun, Wanyonyi & Sangoro, 2016); continuously develop new and innovative products (Adebayo, Bananda & Eluka, 2018). Also, through this strategy, studies reveal that product differentiation enhances a firm's competitive advantage through have abilities to speedily respond to competitor's product innovation and high productivity growth (Pehrsson, 2016); innovative product development, product design, and unique product features (Greenstein & Mazzeo, 2016).

The regression results reiterate that value addition was an organization's definitive mission to their customer in terms of product superiority ratio to expenses. In

agreement also were Kipyegon, Obura and Oginda (2018) established that organizations seeking competitive advantage after differentiation approach displayed inclinations quest for superior product strength, special product design as well as innovative product remodeling. In support of this finding was Kiarie (2020) who observed that successful differentiation approach develops numerous products for a narrow market in order to gain superior competitive advantage.

4.7.9 The Influence of Differentiation Competitive Strategy on Firm

Performance

The bottom line of competitive advantages accruing from the utilization of any competitive strategy such as differentiation competitive strategy in this case, is to leverage performance of a firm. As such, the second part of the section strove to quantify the effect of the accrued competitive advantages emanating from the implementation of differentiation competitive strategy to the selected mobile telephone network companies in Kenya.

To achieve this, respondents were requested to indicate the level of performance resulting from the accrued competitive advantages of utilization of the differentiation strategy to the mobile telephone network companies. Using a Likert scale of 1, 2, 3, 4 or 5, (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), the respondents rated performance level of mobile telephone network companies as summarized and presented in Table 4.16.

Table 4.16: The Influence of Differentiation Competitive Strategy on Firm Performance

| Returns | Mean | Std. Dev. |
|--|-------------|------------------|
| Increased organization revenue | 3.74 | 1.223 |
| Increased market Share | 3.52 | 1.286 |
| Rising sales volume | 3.72 | 1.142 |
| High shareholder value and satisfaction | 3.57 | 1.271 |
| Branch network expansion | 3.69 | 1.205 |
| Increased corporate social responsibility activities | 3.64 | 1.017 |
| Composite Mean | 3.65 | |

Table 4.16 display evidence that organizations pursuing Porter’s generic differentiation competitive strategy posted first and second higher value additions to performance in increased organization revenue (mean=3.74, SD=1.223) and rising sales volume (mean=3.72,SD=1.142).

The third high value added by Porter’s generic differentiation competitive strategy to performance is branch network expansion (mean=3.69, SD=1.205) followed closely by that of corporate social responsibility activities (mean=3.64, SD=1.017). At the tail end of differentiation competitive strategy value additions to performance were high shareholder value and satisfaction (mean=3.57, SD=1.271) and market share (mean=3.52, SD=1.286).

This finding is reflected in the work of Ole Kulet, Wanyoike and Koima (2019) on the effects of best product strategic positioning on organizational performance in telecommunication industry, in Kenya. The study established that best product strategic positioning through differentiation tactics such product design, development

and innovation, significantly influenced organizational performance. Fittingly, the research work of Musyoka, Arasa and Ombuki (2019) on the influence of differentiation strategy on firm performance in the telecommunication industry in Kenya, corroborates the finding of the current study. Findings of the study showed that firms practicing differentiation competitive strategy, reap performance returns such as increased revenue, company expansion and growth of market share.

Essentially, it is appreciated the findings discussed in this section solidify empirical evidence that differentiation competitive strategy adds substantial value to the competitiveness of a firm which culminates in enhance performance. However, the net value (3.83) the strategy adds to a firm's competitive advantage, this competitive advantage fails to translate into commensurate performance value addition (3.4). Implicitly, a single competitive approach's competitive advantage lacks efficacy of trickle-down effect. This justifies, this core argument of adopting multiple strategies to offer synergetic influence for superior competitiveness.

4.7.10 Alliance Partnerships and Firm Performance

Admittedly, discussion of the findings in the previous section demonstrates the irony of supposedly highly competitive advantage added value by Porter's competitive strategies failing to translate into commensurate trickle-down effect on performance. This implies strategies do not add adequate competitive value for competitiveness. This is partly attributed to advancement in technology and globalization, information flow of any effectiveness of competitive strategies such Porter's strategies are readily

available and applied by almost all firms. As such, all firms improve competitively due to utilization of same strategies. The net effect is stiffer competition than before so as to survive, firms must adopt new strategies.

It is this dynamic view that motivated this study to argue that alliance partnerships have the moderating effect of complementing Porter's competitive strategies to produce synergetic value addition for superior competitiveness that trickles down to enhanced firm performance. Undeniably, alliance partnerships have emerged as a key secondary or complementary competitive strategy among most competitive companies. Alliance partnerships, as game changers on the corporate platform, when combined with competitive strategies, morphs into a superior synthesis force in the market place. From the findings, 100% of the firms had entered into some form of alliance with other companies.

4.7.11 Current Alliance partnerships among Mobile Telephone Network service providers

It was necessary to determine existing categories of alliance partnerships among the mobile telephone network service providers before attempting to establish the competitive value these partnerships add to a firm's competitive advantage in enhancing performance. This was attributed to the fact that the type of partnership has bearings on the level of the value additions to competitive advantage the trickle-effect to performance of organizations. As such subjects' responses are as summarized in Table 4.17

Table 4.17: Existing Alliance Partnerships among Mobile Telephone Network Firms

| Partnership Type | F | % |
|-------------------------|----------|----------|
| Diagonal alliances | 61 | 100 |
| Vertical alliances | 61 | 100 |
| Joint ventures | 61 | 100 |
| Equity alliances | 61 | 100 |
| Horizontal alliances | 61 | 100 |
| Franchises | 61 | 100 |

Conspicuously, statistics in the immediate above table demonstrates mobile telephone network providers collaborate with all the indicated alliance partnerships. This was expected since pursuance of the six alliance partnerships was a requisite of participation in the current study. Undeniably, each of the alliance partnerships has its unique advantages that can be instrumental in enhancing the competitive advantage of a firm. Implicitly, embracing multiple partnership could result into more and significant impact on the organizational competitive portfolio.

Evidently, the preceding findings and discussion demonstrate that Porter's generic competitiveness strategies are not very effective in enhancing heightened performance among mobile network service companies in Kenya. This validates the need for incorporation of alliance partnerships to complement Porter's competitive strategies to offer superior competitive advantage to firms. Before determining this moderating role, it was imperative to assess any other motives for the formation of alliance partnerships. To that end, respondents were asked to rate using a Likert scale of 1-5 (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), the rationale and the responses are as summarized and presented in Table 4.18

Table 4.18: Motivation for Alliance partnerships

| Returns | | |
|---|------|-------|
| To reduce costs through sharing of business activities and risk. | 3.66 | 1.263 |
| To gain entry into new market | 3.61 | 1.394 |
| To access resources from other companies for the mobile firm systems components and modules | 2.79 | 1.427 |
| Composite Mean | 3.35 | |

Results in the Table 4.18 above indicate that the top most motivation and rationale for alliancepartnerships is to reduce costs through sharing of business activities and risk (mean=3.66, SD=1.263). The second top priority reason for alliance partnerships is to gain entry into new market (mean=3.61, SD=1.394). The third priority for alliance cooperation is that the mobile firms’ systems’ components and modules being produced by other companies, companies have no option but partner to access the outside resources (mean=2.79, SD=1.427).

Complementing this finding was an empirical study carried out by Gatobu and Maende (2019)who report that firms involved in partnerships have faster and easier chances of entry into new markets than those who never. Compatibly also is Gönüland Arslan (2020) who argues that alliances are formed because they might help transfer of tacit knowledge that is not easily transferred in arms-length relationships.

Likewise, Linwei, Feifei, Yunlong and Nengqian (2017) argue that transferring tacit knowledge might be easier in alliances that foster intense interaction and collaboration. The transfer of knowledge context is often needed for successful

knowledge transfer. Further, they (Linwei et al 2017) opine those alliances might enable this context transfer better than market transactions.

Moh (2019) contends that partnerships are framed in light of the fact that they may help move of information that isn't effortlessly moved in a safe distance connection. Moving information may be simpler in collaborations that encourage extraordinary communication and coordinated effort. The exchange of information is good for effective information move. Collusions may empower this setting move better compared to showcase exchanges (Moh, 2019).

In support of this study was a survey by whose results show that firms can reduce new market uncertainties through strategic alliances. Maijanen (2020) also supported this finding when they assert that companies join partnerships majorly to enhance company outlook and status, to attract collaboration partners, have soundness, attract prospective investors and get government endorsement. They recommend strategic alliances as an effective way to achieve this objective. Ouedraogo (2016) provides a similar recommendation.

On the side of this examination was a review by whose outcomes show that organizations can decrease new market vulnerabilities through essential partnerships. Doz (2017) additionally upheld this discovering when they attest that organizations join organizations significantly to upgrade organization standpoint and status, to draw in coordinated effort accomplices, have sufficiency, draw in imminent financial

backers and get government support. They suggest key coalitions as a viable method to accomplish this goal. Ouedraogo (2016) gives a comparative suggestion.

These finding confirms the results of the study carried out by Onchwari (2017). who examined the role of strategic alliances in competitive advantage and organizational performance in the telecommunication industry in Kenya. The study found out that alliance partnerships give a firm competitive advantage in accessing new markets thus making the economy global. The study also notes that companies gain knowledge new, turn into knowledge creation and learning.

4.7.12 The Influence of Alliance partnerships Strategy on Firm Performance

After determination of the level of the accrued competitive advantages of utilization of the alliance partnerships strategy to the mobile telephone network companies, it was important to get to the crust of the fourth objective this study sought to establish. As such, the second part of the section strove to quantify the effect of the accrued competitive advantages emanating from the implementation of alliance partnerships competitive strategy to the selected mobile telephone network companies in Kenya.

To achieve this, respondents were requested to indicate the level of performance resulting from the accrued competitive advantages of utilization of the alliance partnerships strategy to the mobile telephone network companies. Using a Likert scale of 1-5 where: (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), the respondents rated performance of

mobile telephone network companies as summarized and presented in Table 4.19

Table 4.19: The Influence of Alliance Partnerships Strategy on Firm Performance

| Returns | Mean | Std. Dev. |
|--|-------------|------------------|
| Increased organization revenue | 3.06 | 1.038 |
| Increased market Share | 3.23 | 0.902 |
| Rising sales volume | 3.43 | 0.826 |
| High shareholder value and satisfaction | 3.10 | 0.907 |
| Branch network expansion | 3.07 | 0.854 |
| Increased corporate social responsibility activities | 3.15 | 0.679 |
| Composite Mean | 3.17 | |

Clearly, the utilization of alliance partnerships strategy resulted into more increased rising sales volume (mean=3.43, SD=.826) than market share (mean=3.23, SD=.902), corporate social responsibility activities (mean=3.15, SD=.679) and high shareholder value and satisfaction (mean=3.10, SD=.907). At the bottom of alliances strategy influence on performance were branch network expansion (mean=3.07, SD=.854) and firm revenue (mean=3.06, SD=1.038). Overall, alliance partnerships strategy influence on performance is positive and strong.

In agreement is the study by Umar (2020) which revealed that there is a strong association between tapping into alliance network resources and organizational performance. Besides, basing on resource view, the study implied that gained competitiveness to the ability to access certain resources particularly tacit based knowledge. As such, it established that insider knowledge has a direct influence on organization performance especially when measured by return on assets (ROA). It was also revealed that companies with superior diversification as well as specialization recorded higher outcomes than those with lower features above

between taking advantage of inter-firm collaboration assets and hierarchical performance.

Equally, basing on asset see, the examination inferred that acquired intensity to the capacity to get to specific assets especially unsaid based information. Accordingly, it set up that insider information affects association performance particularly when estimated by return on resources (ROA). It was likewise uncovered that companied with unrivaled enhancement justas specialization recorded higher results than those with lower includes above.

However, Galvin (2020) was in disagreement with the finding of this study that only big companies with massive investment portfolio are accorded friendly foreign into a country. The study further acknowledged that principal companies were attractively well-thought-out to enter a new market especially if had high innovative notch of and stable business capital.

4.7.13 Porter's Competitive Strategies and Alliance partnerships Synergy on

Firm Performance

The researcher strongly asserts that the combination of Porter's competitive strategies and alliance network has the potential to provide superior competitive advantage with the net trickle-down effect on firm performance of mobile telephone network organizations in Kenya. The study revealed that 100% of the organizations utilized a combination of Porter's competitive strategies and alliance partnerships, which in

turn enhances performance.

This conforms with Bird et al. (2018) who noted that a combination of superior competitive strategies and alliances make firms enter new markets, develop new products faster, and meet the growing market demands they would otherwise be unable to do so individually. Conventionally, synergy has been proven to be superior to individual effort and accomplishes more effectively and efficiently. Ever increasing stiff competition on the market place has necessitated maximization of economies of scale.

4.7.14 Porter's Competitive Strategies and Alliance partnerships Synergetic

Competitive Advantages

In reference to a Likert scale of 1-5 (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), this part sought to establish from respondents the accrued competitive advantages of utilization of the cost leadership strategy in pursuit of competitiveness. To that end, respondents were asked to rate the extent to which competitive advantages accruing from utilization of cost leadership strategy was evident in their organization and the responses. The respondents were also asked to indicate existence and utilized of the synergy of Porter's competitive strategies and alliance partnerships. The respondents result on the level of agreement on the returns of a combination of alliances and competitive strategies are shown in Table 4.20

Table 4.20: Returns of a Combination of Alliances Partnerships and Porter's Competitive Strategies on Firm Performance

| | Mean | SD | Cov. | Sig. |
|---|-------------|-----------|-------------|-------------|
| A combination of alliances and Porter's competitive strategies enable individual firms to access product and financial markets | 4.04 | 1.07 | 0.26 | 0.002 |
| A synthesis of alliances and Porter's competitive strategies enable s firms share costs and risk on investments | 4.12 | 1.13 | 0.27 | 0.046 |
| Through this synthesis, companies gain accessto complementary resources and skills of partners, such as finance, technologies, and research synergies | 3.69 | 1.33 | 0.36 | 0.005 |
| The synthesis accelerates return on investments through more rapid diffusion of assets | 3.54 | 1.34 | 0.37 | 0.041 |
| Deploy resources efficiently to create economies of scale, specialization and/or rationalization | 3.73 | 1.30 | 0.34 | 0.026 |
| There is the increase in strategic flexibility through the creation and optimal exploitation of new investment options | 3.66 | 1.33 | 0.36 | 0.002 |
| Overcoming legal barriers, attain legal political advantages in new markets | 3.78 | 1.23 | 0.32 | 0.000 |
| Co-opt competition, pre-emptying of competitors and gain market power | 4.05 | 1.11 | 0.27 | 0.002 |
| Composite mean score | 3.83 | | | |

The findings in Table 4.20 shows that the respondents strongly agreed that a synthesis of alliances and competitive strategies enables firms to share costs and risk on investments as shown by a mean of (mean=4.12, SD=1.13), co-opt competition, pre-emptying of competitors and gain market power as shown by a mean of (mean=4.05, SD=1.11) and enable individual firms to access product and financial markets as shown by a mean of (mean=4.04, SD=1.07). This is in conformity with Andrevski et al. (2016) who argue that the dexterity to blend competitive strategies with inter-firm alliances; stand out as game changers in out-staging competitors on the global corporate platform.

The respondents further agreed that employing a combination of alliances and competitive strategies; overcomes legal barriers and attain legal political advantages in new markets as shown by a mean of (mean=3.78, SD=1.28), deploys resources efficiently to create economies of scale, specialization and/or rationalization as shown by a mean of (mean=3.73, SD=1.30), companies gain access to complementary resources and skills of partners, such as finance, technologies, and research synergies as shown by a mean of (mean=3.69, SD=1.33), leads to increase in strategic flexibility through the creation and optimal exploitation of new investment options as shown by a mean of 3.66 and accelerates return on investments through more rapid diffusion of assets as shown by a mean of (mean=3.66, SD=1.33). From the findings, all the variables were found to be significant since their chi values were less than 0.05 hence the conclusion that differentiation strategy influences performance in the mobile telephone network industry in Kenya significantly.

This is in line with Kyengo (2016) who states that pursuing suitable marketing strategies and adopting alliance network enables a company access combination of added or newly-fangled resources. Complementing this finding was an empirical study carried out by Qian and Wang,(2017) to establish role of the combination of alliances partnerships on new market entry. The findings of the study revealed that firms involved in the combination of alliances partnerships had higher and quick chances of entry into new markets than those who never practiced this type of alliance. The study also established that firms with joint ventures provide faster and more entry chances into new markets.

Similarly, Sklavounos, Rotsios and Hajidimitriou (2015) did a study on maximization of the combination of alliances partnerships as a means to entry into an external market into New Zealand. The research findings indicate that only big companies using the combination of alliances partnerships with massive investment portfolio are accorded friendly entry terms into a foreign country. In support of this study was a survey by Hirai, Watanabe and Inuzuka (2015) who engaged departmental heads from 8 logistics companies in Pretoria, South Africa. The results showed that firms can reduce new market uncertainties through the combination of alliances partnerships. Madhok, Keyhani and Bossink, (2015) also supported this finding when they assert that companies join partnerships majorly to enhance company outlook and status, to attract collaboration partners, have soundness, attract prospective investors and get government endorsement.

Reflecting this finding was a study by Varma, Awasthy, Narain and Nayyar, (2015) which found out that economy become more globalized, knowledge-based, knowledge creation and learning when they utilized the combination of alliances partnerships, increasingly becoming more suitable to enter into new markets. Likewise, this study is in tandem with view of Varma, et al., who suggested that the combination of alliances partnerships give a firm competitive advantage in accessing new markets. However, the short period the sampled start-ups had been in operation is short to determine their success entry into new markets.

Further, study by Humphreys and Jen-Hui Wan (2017) on utilizing the combination of alliances partnerships and firm performance among Jordanian manufacturing firms confirms this. The findings revealed that there was a strong link between tapping into the combination of alliances partnerships resources and firm performance. Besides this, the study implied that gained competitiveness to the ability to access certain resources particularly tacit based knowledge.

Also, in agreement to this finding was a study by Ciobota and Velea (2015) which surveyed the impact of domain knowledge through the combination of alliances partnerships and firm performance in Tehran and established that insider knowledge through the utilization of the combination of alliances partnerships had a direct influence on organization performance especially when measured by return on assets (ROA). This finding is also confirmed by Bagnoli and Giachetti's (2015) study that revealed companies with superior diversification as well as specialization through the combination of alliances partnerships recorded higher outcomes than those with lower features above.

4.7.15 Trends of Performance Attributes from Combination of Alliance partnerships and Porter's Competitive Strategies

Performance is the most important single determinant of every input or investment made. To determine or measure the effectiveness of competitive strategies, alliance partnerships and the combination of Porter's competitive strategies and alliance network, performance was determined. On a Likert scale of 1-5, (where: 5= Strongly

Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)) respondents were asked to indicate their level of agreement with the trends from combination of alliances and Porter’s competitive strategies in their organization over the past-specified years.

After determination of the level of the accrued competitive advantages of utilization of the focus competitive strategy to the mobile telephone network companies, it was important to get to the crust of the first research construct the current study sought to establish. As such, the second part of the section strove to quantify the effect of the accrued competitive advantages emanating from the implementation of focus competitive strategy to the selected mobile telephone network companies in Kenya. To achieve this, respondents were requested to indicate the level of performance resulting from the accrued competitive advantages of utilization of the focus competitive strategy to the mobile telephone network companies. Using a Likert scale of 1-5 (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), the respondents rated performance level of mobile telephone network firms as summarized and presented in Table 4.21

Table 4.21: Trends of Performance Attributes from Combination of Alliance Partnerships and Porter’s Competitive Strategies in Mobile Telephone Network Service Providers in Kenya

| Returns | Mean | Std. Dev. |
|---|-------------|------------------|
| Increased organization revenue | 3.75 | 1.28 |
| Increased market Share | 3.76 | 1.28 |
| Rising sales volume | 3.60 | 1.38 |
| High shareholder value and satisfaction | 3.63 | 1.37 |
| Branch network expansion | 4.18 | 1.08 |

| | | |
|--|-------------|------|
| Increased corporate social responsibility activities | 4.12 | 1.14 |
| Composite Mean | 3.84 | |

In Table 4.21, respondents demonstrate accrued returns of the combination of Porter's competitive strategies and alliance network such as branch network expansion (mean=4.18, SD=1.08), increased corporate social responsibility activities (mean=4.12, SD=1.14) and increased market share (mean=3.76, SD=1.28). Other returns as rated by respondent include increased revenue among individual organizations (mean=3.75, SD=1.28), added shareholder value, (mean=3.63, SD=1.37), and increased sales volume (mean=3.60, SD=1.38). This is consistent with Henri, Boiral and Roy (2016) who posit that performance entails an economy that utilizes less to ensure cost effectiveness which is quantified by the obtained outcome.

4.8 Correlation Analysis Results

Correlation was measured using correlation coefficient which ranged from +1 to -1. Correlation coefficient of +1 indicates perfect influence of respective competitive strategy and firm performance. While -1, indicated inverse relationship between independent and dependent variable. There is no correlation if correlation coefficient is zero. Correlation coefficient ranging between, 0.01 to 0.5, indicate weak positive and from 0.6 to 0.9, there is positive influence of independent variables on dependent as indicated in Table 4.22.

Table 4.22: Correlation Analysis on Porter’s Competitive Strategies and Firm Performance

| | | Firm Performance | Focus Strategy | Cost L/Strategy | Di/ Strategy |
|------------------|---------------------|------------------|----------------|-----------------|--------------|
| Firm Performance | Pearson Correlation | 1.000 | | | |
| Focus Strategy | Pearson Correlation | 0.823** | 1.000 | | |
| | Sig. (2-tailed) | 0.000 | | | |
| Cost L/Strategy | Pearson Correlation | 0.769** | 0.046** | 1.000 | |
| | Sig. (2-tailed) | 0.000 | 0.000 | | |
| Di/Strategy | Pearson Correlation | 0.832** | 0.185** | 0.480** | 1.000 |
| | Sig. (2-tailed) | 0.000 | 0.000 | 0.000 | |

As shown in Table 4.22, focus competitive strategy had a strong positive and significant influence on firm performance in telecommunication industries in Kenya (rho = 0.823, p value <0.05). Cost leadership strategy had a strong positive and significant influence on firm performance in telecommunication industries in Kenya (rho = 0.769, p value < 0.05). Differentiation strategy had a strong positive and significant influence on firm performance in telecommunication industries in Kenya (rho = 0.832, p value < 0.05). There was no multicollinearity among the independent variables since none of them had correlation coefficient greater than 0.7.

This is as evidenced by (rho = 0.046, p value <0.05) between cost leadership strategy and focus strategy, (rho = 0.185, p value <0.05) between differentiation strategy and focus competitive strategy and (rho = 0.480, p value <0.05) between differentiation strategy and cost leadership strategy. The results indicate that differentiation strategy had the highest influence on firm performance in the mobile telephone network

industry in Kenya as evidenced by ($\rho = 0.832$, $p \text{ value} < 0.05$). This implies that differentiation strategy is paramount in determining the performance of the firms.

4.9 Regression Analysis Results

Regression analysis was utilized to test the hypothesis of the study as follows.

4.9.1 Focus Strategy and firm performance of mobile telephone network providers in Kenya

The first null hypothesis used to test the relationship between focus strategy and performance was as stated below

H₀₁: *“There is no significant influence of Focus Strategy on firm performance of mobile telephone network providers in Kenya”*

The first objective of the study was to examine the influence of focus strategy on firm performance of mobile telephone network service providers in Kenya. From this objective the null hypothesis H₀₁ was formulated.

The prediction equation as shown in chapter three was;

$$PER = \beta_0 + \beta_1 FS + \epsilon$$

Note: The variables are as defined in model.....(3.1)

To determine whether focus strategy significantly predicted performance of mobile telephonenetwork service providers in Kenya simple regression analysis was used and the results are shown in Table 4.23

Table 4.23: Regression Results for Focus Strategy and Performance of Mobile Telephone Network Service Providers in Kenya

| Model Summary | | | | | | |
|---|-------------------|-----------------------------|-------------------|----------------------------|---------|-------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .823 ^a | .678 | .672 | .6256 2075 | | |
| a. Predictors: (Constant), Focus Strategy | | | | | | |
| ANOVA ^a | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| | Regression | 48.585 | 1 | 48.585 | 124.130 | .000 ^b |
| 1 | Residual | 23.093 | 59 | .391 | | |
| | Total | 71.677 | 60 | | | |
| a. Dependent Variable: Firm Performance | | | | | | |
| b. Predictors: (Constant), Focus Strategy | | | | | | |
| Coefficients ^a | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficient | T | Sig. |
| | | B | Std. Error | Beta | | |
| | (Constant) | .074 | .080 | | .919 | .362 |
| 1 | Focus Strategy | .894 | .080 | .823 | 11.141 | .000 |
| a. Dependent Variable: Firm Performance | | | | | | |

Table 4.23 shows that the F statistic of model 1 on the extent to which focus strategy influence performance of mobile telephone network service providers in Kenya was 124,130 ($p=.000$). This portrayed that the influence of focus strategy on performance of mobile telephone network service providers in Kenya, was statistically significant at 95% confidence level for the ($p<.05$). Hence, this model was appropriate to estimate performance of mobile telephone network service providers in Kenya. Also, the model was subjected to other goodness of best fit tests of coefficient of determination and test of the slope (β). The two tests were explained as follows;

Coefficient of determination for model 1 from Table 4.23 was (Adj. $R^2=0.672$.), which showed that focus strategy explained 67.2% of variations of performance of mobile telephone network service providers in Kenya. This implies that 32.8% of performance variations of mobile telephone network service providers in Kenya was explained by other factors that were not incorporated in this model. Similarly, focus strategy portrayed statistically significant influence on the performance of mobile telephone network service providers in Kenya. Such that with one-unit change in focusing strategy resources, it results to positive 0.823($p=0.000$) unit change in performance positive .153($p=.010$) change in performance. Therefore, the association between the two variables is direct.

The model developed from this analysis was presented as follows;

$$PER = 0.074 + 0.823FS$$

Where;

PER is firm performance value which is a composite score

FS is Focus Strategy

β_0 is regression constant or the intercept on the y axis

β_1 is the regression coefficients for Focus Strategy.

The research findings as portrayed by the F and Adjusted R^2 that focus strategy influence firm performance in a significant way is in tandem with another study by Lagrosen (2016) whose study in North Korea revealed that company productivity

was influenced by the focus competitive strategy utilized.

Further, the relationship between focus strategy indicators and firm performance tested show that all the variables were significant since their p values were less than 0.05. Hence, there was enough evidence to warrant rejection of the null hypothesis which stated that “There is no significant influence of focus strategy on performance of mobile telephone network service providers in Kenya.” and conclusion that focus strategy had positive significant influence on firm performance of mobile telephone network service providers in Kenya.

4.9.2 Cost leadership strategy on performance of the mobile telephone network service providers in Kenya

The second null hypothesis used to test the relationship between focus strategy and performance was as stated below;

HO₂: *“There is no significant influence of cost leadership strategy on performance of the mobile telephone network service providers in Kenya.”*

The second objective was to explore the influence of cost leadership strategy on performance of mobile telephone network service providers in Kenya. From this objective the null hypothesis **HO₂** was formulated.

The prediction equation as shown in chapter three was;

$$PER = \beta_0 + \beta_1 CLS + \epsilon$$

Note: The variables are as defined in model.....(3.2)

To determine whether cost leadership strategy significantly predicted performance of mobile telephone network service providers in Kenya simple regression analysis was used and the results are depicted in Table 4.24

Table 4.24: Regression Results of Cost Leadership Strategy and Performance of Mobile Telephone Network Service Providers in Kenya

| Model Summary | | | | | | |
|---|--------------------------|-----------------------------|-------------------|----------------------------|--------|-------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .769 ^a | .591 | .584 | .70454201 | | |
| a. Predictors: (Constant), Cost Leadership Strategy | | | | | | |
| ANOVA ^a | | | | | | |
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 42.391 | 1 | 42.391 | 85.400 | .000 ^b |
| | Residual | 29.286 | 59 | .496 | | |
| | Total | 71.677 | 60 | | | |
| a. Dependent Variable: Firm Performance | | | | | | |
| b. Predictors: (Constant), Cost Leadership Strategy | | | | | | |
| Coefficients ^a | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.076 | .092 | | -.825 | .413 |
| | Cost Leadership Strategy | .804 | .087 | .769 | 9.241 | .000 |
| a. Dependent Variable: Firm Performance | | | | | | |

From Table 4.24 it portrays that the F statistic of model 1 on the extent to which cost leadership strategy influence performance of mobile telephone network service providers in Kenya was 85.400 (p=.000). This reveals that the influence of cost leadership strategy on performance of mobile telephone network service providers in Kenya, was statistically significant at 95% confidence level for the (p=0.000).

Hence, this model was a suitable to in estimating variations of firm performance value of mobile telephone network service providers in Kenya. In addition, the model was subjected to other goodness of best fit tests of coefficient of determination and test of the slope (β).

The two test perspectives were explained as follows;

Coefficient of determination for model 1 from Table 4.24 was (Adj. $R^2=0.584$.), which showed that cost leadership strategy explained 58.2% of variations of performance of mobile telephone network service providers in Kenya. This implies that 41.8% of performance disparities of mobile telephone network service providers in Kenya was explained by other factors that were not captured in this model.

Similarly, cost leadership strategy depicted statistically significant influence on the performance of mobile telephone network service providers in Kenya for one-unit change in cost leadership strategy resources, translated to positive 0.769 ($p=0.000$) unit change in firm performance.

The model developed from this analysis was presented as follows;

$$PER = -0.076 + 0.769CLS$$

Where;

PER is firm performance value which is a composite score

CLS is Cost Leadership Strategy

β_0 is regression constant or the intercept on the y axis β_1 is the regression coefficients for cost leadership strategy.

From the empirical model, it is evident that cost leadership strategy significantly influenced performance of mobile telephone network service providers in Kenya. Similar output was also established by Moh (2019) who observed that stock brokers need to practice cost leadership strategies. Accordingly, Kuratko and Hoskinson (2018) had also shown cost leadership strategy as one of the most significant apparatuses with an influence in the prices of products and services which eventually yield good earnings to the company in practice.

Also, in consistent with the finding of the current study were Dengov et al (2020) who studied the impact of Porter's generic competitive strategies namely cost leadership and differentiation on the performance of telecommunication based in Tehran, Iran. Study outcomes linked positive influence of cost leadership on performance determined by the return on asset (ROA). The finding is in concurrence with perspectives on DeToni, Milan, Saciloto and Larentis (2017) who hypothesizes that the point of cost reduction driven approach is to guarantee convenient, skilled preparing of the required consumer items and services.

Also, in tandem with this finding was a study by Victor, Thoppan, Fekete-Farkas and Grabara(2019) who observed that companies have discovered that pursuing certain competitive approaches particularly cost leadership, longer enjoy competitive advantage. Based on Dengov et al. (2020) cost leadership attributes which include achievement of lower operational cost, improving product/service efficiency, improving services coordination costs, improved use of available resources and

equipment, significantly determines firm productivity. Regression analysis showed a strong association amongst cost leadership, innovation as well as firm performance.

Likewise, pair with the research outcome underscored is Ma, Wang and Szmedra (2019) whose study has it that organizations have found that seeking after longer lasting upper hand competitiveness, embraced Porter's cost reduction generic initiative. In light of Dengov et al. (2020) cost administration ascribes which incorporate accomplishment of lower operational expense, improving item/administration proficiency, improving administrations coordination costs, improved utilization of accessible assets and gear, essentially decides firm efficiency. Relapse examination showed a solid relationship among cost administration, development just as firm performance.

4.9.3 Differentiation strategy and performance of the mobile telephone

network service providers in Kenya

The third null hypothesis used to test the relationship between focus strategy and performance was as stated below;

HO3: "There is no significant influence of differentiation strategy on performance of the mobiletelephone network service providers in Kenya".

The third objective of the study was to investigate the influence of differentiation strategy on performance of mobile telephone network service providers in Kenya.

From this objective the null hypothesis Ho3 was formulated.

The prediction equation as shown in chapter three was;

$$PER = \beta_0 + \beta_1 DS + \epsilon$$

Note: The variables are as defined in model.....(3.3)

To determine whether differentiation strategy significantly predicted firm performance of mobile telephone network service providers in Kenya simple regression analysis was used and the results are portrayed in Table 4.25.

Table 4.25: Regression Results of Differentiation Strategy and Performance of Mobile Telephone Network Service Providers in Kenya

| Model Summary | | | | | | |
|---|--------------------------|-----------------------------|-------------------|----------------------------|---------|-------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .832 ^a | .692 | .686 | .61204388 | | |
| a. Predictors: (Constant), Differentiation Strategy | | | | | | |
| ANOVA ^a | | | | | | |
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| Regression | | 49.576 | 1 | 49.576 | 132.345 | .000 ^b |
| 1 Residual | | 22.101 | 59 | .375 | | |
| Total | | 71.677 | 60 | | | |
| a. Dependent Variable: Firm Performance | | | | | | |
| b. Predictors: (Constant), Differentiation Strategy | | | | | | |
| Coefficients ^a | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
| | | B | Std. Error | Beta | t | |
| | (Constant) | .023 | .079 | | .288 | |
| 1 | Differentiation Strategy | .898 | .078 | .832 | 11.504 | |
| a. Dependent Variable: Firm Performance | | | | | | |

From Table 4.25 it portrays that the F statistic of model 1 on the extent to which differentiation strategy influence performance of mobile telephone network service providers in Kenya was 132.345 ($p=0.000$). This shows that the influence of differentiation strategy on performance of mobile telephone network service providers in Kenya, was statistically significant at 95% confidence level for the ($p=0.000$). Hence, this model was suitable estimator of the variations of performance value of mobile telephone network service providers in Kenya. In addition, the model was subjected to other goodness of best fit tests of coefficient of determination and test of the slope (β).

The two test perspectives were explained as follows;

Coefficient of determination for model 1 from Table 4.25 was ($\text{Adj. } R^2 = 0.686$), which showed that differentiation strategy explained 68.6% of variations of performance of mobile telephone network service providers in Kenya. This shows that 31.4% of performance variations of mobile telephone network service providers in Kenya. was explained by other factors that were not part of this model.

Further, differentiating strategy depicted statistically significant influence on the performance of mobile telephone network service providers in Kenya for one-unit change in differentiation strategy resources, translated to positive 0.832($p=0.000$) unit change in performance.

The model developed from this analysis was presented as follows;

$$\text{PER} = .023 + 0.832\text{DS}$$

The whole study model portrays that differentiation strategy positively and significantly influence performance of mobile telephone network service providers in Kenya. Similar studies were also established. For instance, the study by Tharamba (2018) who argued that one tool for beating competition in the recent time is to be strategically positioned, and that differentiation strategy as used by Safaricom Limited has enabled the company to maximize their sales and hence improved revenue generations. Similar findings were from a study by Wheelen, Hunger, Hoffman and Bamford (2018) and was advanced by Lagrosen (2016). The findings revealed that differentiation strategy was of importance in the departments such as marketing, procurement, marketing, research, and development to enhance firm performance.

In agreement also were Bett, Obura and Oginda (2018) who investigated a connection between Porter's competitive strategies and firm productivity in the mobile telephone network industry in Kenya. Both correlation and regression analysis of collected data revealed a strong as well as substantial association between the differentiation strategy and performance of a company. Again, conformity with this finding were Witjara, Herwany and Santos, (2019) in India, which established that firms pursuing differentiation approach exhibited tendencies of improved performance. In support of this finding also were Mahdi et al. (2015) who investigated the association between differentiation strategy and product development. The study revealed that successful differentiation approach develops many products for a thin market known to them.

Furthermore, service Ozdemir & Mecikoglu (2016) solidified this finding by establishing that more firms employing other approaches such as differentiation map out sub-segments in order to give superior performance. Hence, there was enough evidence to warrant rejection of the null hypothesis which stated that “There is no significant influence of differentiation strategy on firm performance of mobile telephone network service providers in Kenya” and conclusion that differentiation strategy had positive significant influence on firm performance of mobile telephone network service providers in Kenya.

4.9.4 Differentiation strategy, Alliance Partnerships and performance of the mobile telephone network service providers in Kenya

The fourth null hypothesis used to test the relationship between focus strategy and performance was as stated below;

H₀₄: *“Alliance partnerships has no significant moderating influence on the relationship between Porter’s generic competitive strategies and performance of the mobile telephone network service providers in Kenya.”.*

The corresponding specific objective was, to investigate the moderating effect of alliance partnerships on Porter’s generic competitive strategies on performance of the mobile telephone network service providers in Kenya. To test the fourth hypothesis (H₀) a two-step hierarchical multiple regression process was performed as guided in chapter three

NB: The study tested the moderating effect of each alliance partnerships item on the relationship between Porter’s strategies individual elements, namely; focus strategy, cost leadership strategy and differentiation strategy and firm performance of mobile telephone network service providers in Kenya. The regression results were as portrayed in Table 4.26^a to Table 4.26^c

Aspect of Focus Strategy

Moderating effect of Alliance Partnership components on the relationship between focus strategy and performance of mobile telephone network service providers in Kenya.

The empirical model to guide the test is indicated below; Model one-independent variable and the moderators

$$PER = \beta_0 + \beta_1FS + \beta_2DA + \beta_3JV + \beta_4EA + \beta_5HA + \beta_6VA + \beta_7FR + \epsilon \dots \dots \dots 3.4^a$$

Model two- independent variable, moderators and the interaction term

$$PER = \beta_0 + \beta_1FS + \beta_2DA + \beta_3JV + \beta_4EA + \beta_5HA + \beta_6VA + \beta_7FR + \beta_8DA*FS + \beta_9JV*FS + \beta_{10}EA*FS + \beta_{11}HA*FS + \beta_{12}VA*FS + \beta_{13}FR*FS + \epsilon \dots \dots \dots 3.4^b$$

Where;

PER is firm performance value which is a composite score

FS is Focus Strategy

DA is Diagonal Alliances JV is Joint Venture

EA is Equity Alliance

HA is Horizontal Alliance

VA is Vertical Alliance

FR is Franchise

β_0 is regression constant or the intercept on the y axis $\beta_1 - \beta_{13}$ is the regression coefficients

ε is random error term.

The results are portrayed in Table 4.26^a

Table 4.26^a: Regression Results of Alliance Partnerships, Focus Strategy and Performance of Mobile Telephone Network Service Providers in Kenya

| Model Summary | | | | | | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|-----------------|----------|----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df | df2 | Sig. F Change |
| 1 | .836 ^a | .699 | .659 | .63810409 | .699 | 17.57 | 7 | 53 | .000 |
| 2 | .843 ^b | .710 | .630 | .66452760 | .012 | .311 | 6 | 47 | .928 |

a. Predictors: (Constant), Franchises, Diagonal alliances, Focus Strategy, Vertical alliances, JointVentures, Equity alliances, Horizontal alliances

b. Predictors: (Constant), Franchises, Diagonal alliances, Focus Strategy, Vertical alliances, JointVentures, Equity alliances, Horizontal alliances, JV_FS, DA_FS, FR_FS, HA_FS, FA_FS, EA_FS

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 50.097 | 7 | 7.157 | 17.576 | .000 ^b |
| | Residual | 21.580 | 53 | .407 | | |
| | Total | 71.677 | 60 | | | |
| 2 | Regression | 50.922 | 13 | 3.917 | 8.870 | .000 ^c |
| | Residual | 20.755 | 47 | .442 | | |
| | Total | 71.677 | 60 | | | |

a. Dependent Variable: Firm Performance

b. Predictors: (Constant), Franchises, Diagonal alliances, Focus Strategy, Vertical alliances, JointVentures, Equity alliances, Horizontal alliances

c. Predictors: (Constant), Franchises, Diagonal alliances, Focus Strategy, Vertical alliances, JointVentures, Equity alliances, Horizontal alliances, JV_FS, DA_FS, FR_FS, HA_FS, FA_FS, EA_FS

Coefficients^a

| | Model | Unstandardized Coefficients | | Standardized Coefficients | | T | Sig. |
|---|----------------------|-----------------------------|------|---------------------------|--------|------|------|
| | | B | | Beta | Error | | |
| | (Constant) | .154 | .470 | | .327 | .745 | |
| | Focus Strategy | .901 | .084 | .830 | 10.753 | .954 | .000 |
| | Diagonal alliances | -.217 | .173 | -.100 | -1.254 | .215 | .900 |
| | Joint Ventures | -.050 | .191 | -.023 | -.264 | .793 | .765 |
| 1 | Equity alliances | .140 | .187 | .064 | .749 | .457 | .776 |
| | Horizontal Alliances | -.119 | .190 | -.054 | -.628 | .533 | .762 |
| | Vertical alliances | .060 | .175 | .028 | .346 | .731 | .878 |
| | Franchises | .125 | .183 | .057 | .682 | .498 | .801 |
| | (Constant) | .134 | .511 | | .263 | .794 | |
| | Focus Strategy | 1.229 | .557 | 1.132 | 2.207 | .032 | .023 |
| | Diagonal alliances | -.179 | .189 | -.082 | -.945 | .349 | .819 |
| | Joint Ventures | -.068 | .204 | -.031 | -.332 | .742 | .728 |
| | Equity alliances | .098 | .207 | .045 | .476 | .637 | .688 |
| | Horizontal Alliances | -.156 | .211 | -.071 | .742 | .462 | .673 |
| 2 | Vertical alliances | .060 | .193 | .028 | .312 | .756 | .779 |
| | Franchises | .191 | .204 | .088 | .935 | .354 | .699 |
| | DA_FS | .021 | .199 | .027 | .104 | .917 | .089 |
| | JV_FS | -.094 | .233 | -.126 | -.404 | .688 | .063 |
| | EA_FS | -.187 | .280 | -.263 | -.667 | .508 | .040 |
| | HA_FS | .041 | .231 | .055 | .179 | .859 | .064 |
| | VA_FS | -.135 | .229 | -.200 | -.590 | .558 | .054 |
| | FR_FS | .129 | .230 | .186 | .563 | .576 | .056 |

a. Dependent Variable: Firm Performance

In model two, from Table 4.26^a focusing strategy (ie predictor) and Equity Alliance partnership(the interaction term) were statistically significant.

This implies that one of the Baron and

Kenny (1986) and Aiken and West (1991) moderating condition was fulfilled. That is, for both the predictor and the moderator, ie (Equity Alliance) were statistically significant, therefore *partial moderation* took place. The rest of the proposed moderators affiliated to Alliance Partnership had no statistically significant

moderating effect.

The model developed from this analysis was presented as follows;

$$\begin{aligned}
\text{PER} = & 0.134 + 2.207\text{FS} - 0.945\text{DA} - \\
& 0.332\text{JV} + 0.476\text{EA} + 0.742\text{HA} + 0.312\text{VA} + 0.935\text{FR} + 0.104\text{DA} * \text{FS} - 0.404\text{JV} * \text{FS} - \\
& 0.667\text{EA} * \text{FS} + 0.179\text{HA} * \text{FS} - 0.590\text{VA} * \text{FS} + 0.563\text{FR} * \text{FS}
\end{aligned}$$

Where;

PER is firm performance value which is a composite score

Note: The variables are as defined in model.....3.4^b

β_0 is regression constant or the intercept on the y axis $\beta_1 - \beta_{13}$ is the regression coefficients

ε is random error term.

Aspect of Cost Leadership Strategy

The empirical model to guide the test is indicated below; Model one-independent variable and the moderators;

$$\text{PER} = \beta_0 + \beta_1\text{CLS} + \beta_2\text{DA} + \beta_3\text{JV} + \beta_4\text{EA} + \beta_5\text{HA} + \beta_6\text{VA} + \beta_7\text{FR} + \varepsilon \dots \dots \dots 3.4^c$$

Model two- independent variable, moderators and the interaction term

$$\begin{aligned}
\text{PER} = & \beta_0 + \beta_1\text{CLS} + \beta_2\text{DA} + \beta_3\text{JV} + \beta_4\text{EA} + \beta_5\text{HA} + \beta_6\text{VA} + \beta_7\text{FR} + \beta_8\text{DA} * \text{CLS} + \\
& \beta_9\text{JV} * \text{CLS} + \beta_{10}\text{EA} * \text{CLS} + \beta_{11}\text{HA} * \text{CLS} + \beta_{12}\text{VA} * \text{CLS} + \beta_{13}\text{FR} * \text{CLS} + \\
& \varepsilon \dots \dots \dots 3.4^d
\end{aligned}$$

Where;

CLS is the Cost Leadership Strategy

Note: The variables are as defined in model..... (3.4^b)

The results were as portrayed on Table 4.26^b

Table 4.26^b: Regression Results of Alliance Partnerships, Cost Leadership Strategy and Performance of Mobile Telephone Network Service Providers in Kenya

| Model Summary | | | | | | | | | |
|----------------------|-------------------|----------|-------------------|----------------------------|-----------------|----------|------|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df 1 | df2 | Sig. F Change |
| 1 | .773 ^a | .598 | .544 | .73772145 | .598 | 11.243 | 7 | 53 | .000 |
| 2 | .797 ^b | .636 | .535 | .74517750 | .038 | .824 | 6 | 47 | .557 |

| ANOVA^a | | | | | | |
|--------------------------|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 42.833 | 7 | 6.119 | 11.243 | .000 ^b |
| | Residual | 28.844 | 53 | .544 | | |
| | Total | 71.677 | 60 | | | |
| 2 | Regression | 45.579 | 13 | 3.506 | 6.314 | .000 ^c |
| | Residual | 26.099 | 47 | .555 | | |
| | Total | 71.677 | 60 | | | |

a. Dependent Variable: Firm Performance

b. Predictors: (Constant), Franchises, Cost Leadership Strategy, Diagonal alliances, Vertical alliances, Joint Ventures, Equity alliances, Horizontal alliances

c. Predictors: (Constant), Franchises, Cost Leadership Strategy, Diagonal alliances, Vertical alliances, Joint Ventures, Equity alliances, Horizontal alliances, JV_CLS, DA_CLS, HA_CLS, FR_CLS, EA_CLS, VA_CLS

Coefficients^a

| Model | Unstandardized Coefficients | | Std. Error | Standardized Coefficients | T | Sig. |
|-------|-----------------------------|-------|------------|---------------------------|-------|------|
| | B | | | | | |
| | (Constant) | .123 | .544 | .227 | .822 | |
| | Cost Leadership Strategy | .792 | .093 | .758 | 8.554 | .000 |
| | Diagonal alliances | -.033 | .199 | -.015 | -.168 | .868 |
| 1 | Joint Ventures | -.109 | .221 | -.049 | -.496 | .767 |
| | Equity alliances | .106 | .216 | .049 | .492 | .625 |
| | Horizontal alliances | -.090 | .221 | -.041 | -.408 | .685 |
| | Vertical alliances | -.032 | .201 | -.015 | -.161 | .885 |

| | | | | | | | |
|---|--------------------------|-------|------|-------|--------|------|------|
| | Franchises | .017 | .212 | .008 | .079 | .937 | .801 |
| | (Constant) | .079 | .655 | | .121 | .905 | |
| | Cost Leadership Strategy | 1.019 | .690 | .975 | 1.478 | .146 | .018 |
| | Diagonal alliances | -.054 | .213 | -.025 | -.254 | .801 | .812 |
| | Joint Ventures | -.181 | .241 | -.081 | -.750 | .457 | .659 |
| | Equity alliances | .150 | .241 | .069 | .621 | .537 | .634 |
| | Horizontal alliances | -.141 | .239 | -.064 | -.592 | .557 | .660 |
| 2 | Vertical alliances | -.055 | .237 | -.025 | -.233 | .817 | .654 |
| | Franchises | .145 | .238 | .067 | .611 | .544 | .647 |
| | DA_CLS | .074 | .219 | .105 | .339 | .736 | .080 |
| | JV_CLS | .274 | .263 | .375 | 1.042 | .303 | .060 |
| | EA_CLS | .066 | .261 | .087 | .253 | .801 | .066 |
| | HA_CLS | -.277 | .266 | -.394 | -1.040 | .304 | .054 |
| | VA_CLS | -.225 | .252 | -.341 | -.894 | .376 | .053 |
| | FR_CLS | -.044 | .218 | -.066 | -.203 | .840 | .072 |

a. Dependent Variable: Firm Performance

In model two, from Table 4.26^b cost leadership strategy (ie predictor) was statistically significant. While for all the interaction terms associated with Alliance Partnership were not statistically significance although from Table 4.29^b, Horizontal Alliance and Vertical Alliance had (ie HA; $p=0.054$ & VA; $p=0.053$) of them were nearing the critical value of $\alpha=0.05$. This proved that those interaction terms were statistically significant. Therefore, it implies that the Baron and Kenny (1986) and Aiken and West (1991) moderating condition that “If both the predictor and the moderator are significant, then it means moderation has occurred. Nevertheless, main effects are still significant (partial moderation). was fulfilled. The rest of the interaction terms portrayed no significance influence.

The model developed from this analysis was presented as follows;

$$\text{PER} = 0.079 + 1.478\text{CLS} - .254\text{DA} - .750\text{JV} + 0.621\text{EA} - .592\text{HA} - .233\text{VA} + .611\text{FR} + .339\text{DA} * \text{CLS} + 1.042\text{JV} * \text{CLS} + .253\text{EA} * \text{CLS} - 1.040\text{HA} * \text{CLS} - .894\text{VA} * \text{CLS} - .203\text{FR} * \text{CLS}$$

Where;

PER is firm performance value which is a composite score

Note: The variables are as defined in model.....(3.4^b)

β_0 is regression constant or the intercept on the y axis $\beta_1 - \beta_{13}$ is the regression coefficients

ϵ is random error term.

Aspect of Differentiation Strategy

The empirical model to guide the test is indicated below; Model two- independent variable and the moderators

$$\text{PER} = \beta_0 + \beta_1\text{DS} + \beta_2\text{DA} + \beta_3\text{JV} + \beta_4\text{EA} + \beta_5\text{HA} + \beta_6\text{VA} + \beta_7\text{FR} + \epsilon \dots \dots \dots 3.4^e$$

Model two- independent variable, moderators and the interaction term

$$\text{PER} = \beta_0 + \beta_1\text{DS} + \beta_2\text{DA} + \beta_3\text{JV} + \beta_4\text{EA} + \beta_5\text{HA} + \beta_6\text{VA} + \beta_7\text{FR} + \beta_8\text{DA} * \text{DS} + \beta_9\text{JV} * \text{DS} + \beta_{10}\text{EA} * \text{DS} + \beta_{11}\text{HA} * \text{DS} + \beta_{12}\text{VA} * \text{DS} + \beta_{13}\text{FR} * \text{DS} + \epsilon \dots \dots \dots 3.4^f$$

Note: The variables are as defined in model.....(3.4^b)

The results are portrayed in Table 4.26^c

Table 4.26^c: Regression Results of Alliance Partnerships, Differentiation Strategy and Performance of Mobile Telephone Network Service Providers in Kenya

| Model Summary | | | | | | | | | |
|---------------|-------------------|----------|-------------------|----------------------------|-----------------|----------|-----|-----|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .841 ^a | .707 | .669 | .62926510 | .707 | 18.288 | 7 | 53 | .000 |
| 2 | .855 ^b | .730 | .656 | .64143567 | .023 | .668 | 6 | 47 | .676 |

a. Predictors: (Constant), Differentiation Strategy, Diagonal alliances, Vertical alliances, Joint Ventures, Equity alliances, Horizontal alliances, Franchises

b. Predictors: (Constant), Differentiation Strategy, Diagonal alliances, Vertical alliances, Joint Ventures, Equity alliances, Horizontal alliances, Franchises JV_DS, VA_DS, DA_DS, EA_DS, HA_DS, FR_DS

| ANOVA ^a | | | | | | |
|--------------------|------------|----------------|----|-------------|--------|-------------------|
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 50.691 | 7 | 7.242 | 18.288 | .000 ^b |
| | Residual | 20.987 | 53 | .396 | | |
| | Total | 71.677 | 60 | | | |
| 2 | Regression | 52.340 | 13 | 4.026 | 9.785 | .000 ^c |
| | Residual | 19.338 | 47 | .411 | | |
| | Total | 71.677 | 60 | | | |

a. Dependent Variable: Firm Performance

b. Predictors: (Constant), Differentiation Strategy, Diagonal alliances, Vertical alliances, Joint Ventures, Equity alliances, Horizontal alliances, Franchises,

c. Predictors: (Constant), Differentiation Strategy, Diagonal alliances, Vertical alliances, Joint Ventures, Equity alliances, Horizontal alliances, Franchises, JV_DS, VA_DS, DA_DS, EA_DS, HA_DS, FR_DS

| Coefficients ^a | | | | | | |
|---------------------------|-----------------------------|------------|---------------------------|--------|------|------|
| Model | Unstandardized Coefficients | | Standardized Coefficients | | T | Sig. |
| | B | Std. Error | Beta | | | |
| (Constant) | .056 | .465 | .122 | | .904 | |
| Differentiation Strategy | .904 | .082 | .838 | 10.973 | .948 | .000 |
| Diagonal alliances | .029 | .170 | .013 | .168 | .867 | .911 |
| Joint Ventures | -.258 | .188 | -.116 | -1.371 | .176 | .766 |
| Equity alliances | .019 | .185 | .009 | .103 | .919 | .766 |
| Horizontal alliances | -.125 | .188 | -.057 | -.669 | .507 | .763 |
| Vertical alliances | .142 | .173 | .065 | .818 | .417 | .869 |
| Franchises | .156 | .181 | .072 | .861 | .393 | .800 |
| (Constant) | .056 | .515 | .108 | | .914 | |

| | | | | | | |
|--------------------------|-------|------|-------|--------|------|------|
| Differentiation Strategy | .922 | .557 | .854 | 1.655 | .105 | .022 |
| Diagonal alliances | -.015 | .187 | -.007 | -.079 | .938 | .778 |
| Joint Ventures | -.187 | .199 | -.084 | -.939 | .353 | .713 |
| Equity alliances | .026 | .204 | .012 | .128 | .899 | .657 |
| Horizontal alliances | -.061 | .198 | -.028 | -.309 | .759 | .712 |
| Vertical alliances | .104 | .188 | .048 | .550 | .585 | .765 |
| Franchises | .109 | .199 | .050 | .549 | .586 | .683 |
| DA_DS | -.105 | .189 | -.148 | -.557 | .580 | .082 |
| JV_DS | -.288 | .192 | -.411 | -1.496 | .141 | .076 |
| EA_DS | .031 | .209 | .041 | .147 | .884 | .075 |
| HA_DS | .001 | .219 | .001 | .004 | .996 | .072 |
| VA_DS | .187 | .184 | .260 | 1.017 | .314 | .088 |
| FR_DS | .168 | .204 | .239 | .821 | .416 | .068 |

a. Dependent Variable: Firm Performance

From Table 4.26^c model two portrays that differentiation strategy (i.e predictor) was statistically significant. While for all the interaction terms associated with Alliance Partnership was not statistically significance. This implies that Alliance Partnership variables did not moderate the relationship under investigation. The model developed from this analysis is as follows;

$$PER = .056 + 1.655DS - .079DA - .939JV + .128EA - .309HA + .550VA + .549FR - .557DA*DS - 1.496JV*DS + .147EA*DS + .004HA*DS + 1.017VA*DS + .821FR*DS$$

Where;

PER is firm performance value which is a composite score

Note: The variables are as defined in model (3.4^b)

β_0 is regression constant or the intercept on the y axis $\beta_1 - \beta_{13}$ is the regression coefficients

ϵ is random error term.

From the regression results from Table 4.25^a, 4.25^b and Table 4.25^c the interaction terms wereranked on the basis of their moderating effect on the three main predictor variables of Porter’s generic competition strategy, namely; Focus Strategy, Cost Leadership Strategy and Differentiation Strategy. The criteria used for ranking purposes was the absolute size of the corresponding coefficient of the interaction term. Although the level of significance of the interaction terms portrayed mixed outcome where by some had statistically significant resultswhile others did not, the study adopted the argument of James and Brett (1984) who posited that although both variables may have no statistical significance the interaction results can be used for statistical decision making. Table 4.27 summarizes the ranking.

Table 4.27: Ranking of Alliance Partnerships Specific Components for Firms with Different Porter’s Competitive Strategies

| Independent | Network Alliance | Interaction term coefficient size | Rank |
|------------------------|-------------------------|--|-------------|
| Focus Strategy | DA_FS | 0.104 | 6 |
| | JV_FS | -0.404 | 4 |
| | EA_FS | -0.667 | 1 |
| | HA_FS | 0.179 | 5 |
| | FA_FS | -0.590 | 2 |
| | FR_FS | 0.563 | 3 |
| Cost Leadership Strat. | DA_CLS | .339 | 4 |
| | JV-CLS | 1.042 | 1 |
| | JV_CLS | .253 | 5 |
| | EA_CLS | -1.040 | 2 |
| | HA_CLS | -.894 | 3 |
| | VA_CLS | -.203 | 6 |

| | | |
|--------------------------|-------|--------|
| Differentiation Strategy | DA_DS | -.557 |
| 4 | JV_DS | -1.496 |
| 1 | EA_DS | .147 |
| 5 | HA_DS | .004 |
| 6 | VA_DS | 1.017 |
| 2 | FR_DS | .841 |
| 3 | | |

From the three tests for moderation effect of Alliance Partnerships, based on each Porter’s generic competitive variable, only focus strategy and cost leadership strategy and firm performance relation where this effect was empirically evident. Whereas the relationship between differentiation strategy as a Porters’ competitive strategy and firm performance was not moderated by alliance partnerships. Therefore, in the overall, Alliance Partnerships had a moderating influence between porter generic competitive strategies and firm performance of mobile telephone network service providers in Kenya.

This research finding was also portrayed in other past studies. For instance, Sompong et al. (2014) who argues that appropriately formed and executed under favorable conditions, alliance partnerships will definitely bear fruits. Alliance partnerships metricized presence of complementary goods and services and competency building. It was confirmed that indeed alliance partnerships does a positive and significant impact as a moderator. Therefore, the hypothesis that Alliance partnerships has no

significant moderating influence on the relationship between Porter's generic competitive strategies and firm performance of mobile telephone network service providers in Kenya. was rejected and concluded that alliance partnerships have a moderating effect on that relationship.

4.9.5 Differentiation strategy and performance of the mobile telephone network service providers in Kenya

The fifth null hypothesis was used to test the joint effect of Porter's generic competitive strategies and alliance partnerships on performance of mobile telephone network service providers in Kenya which was as stated below;

H₀₅: *“There is no significant joint effect of Porter's generic competitive strategies and alliance partnerships on performance of mobile telephone network service providers in Kenya.”*

The fifth objective of the study was to establish the joint effect of Porter's generic competitive strategies and alliance partnerships on firm performance of mobile telephone network service providers in Kenya. From this objective the null hypothesis H₀₅ was formulated. To achieve objective five, firm performance was regressed against Porter's competitive strategies and alliance partnerships components, using multiple regression analysis model.

The prediction equation as shown in chapter three was;

$$PER = \beta_0 + \beta_1 FS + \beta_1 CLS + \beta_1 DS + \beta_2 DA + \beta_3 JV + \beta_4 EA + \beta_5 HA + \beta_6 VA + \beta_7 FR +$$

..... ε

Note: The variables are as defined in model.....(3.4^b)

The regression result is portrayed in Table 4.28

Table 4.28: Regression Results for the Joint Effect of Porter’s Competitive Strategies and Alliance Partnerships on Performance of Mobile Telephone Network Service Providers in Kenya

| Model Summary ^b | | | | | |
|----------------------------|-------------------|----------|-------------------|----------------------------|---------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | .898 ^a | .806 | .768 | .52685776 | 1 |

a. Predictors: (Constant), Licensing alliances, Cost Leadership Strategy, Joint Ventures, Equity alliances, Diagonal alliances, Vertical alliances, Horizontal alliances, Franchises, Focus Strategy,

Differentiation Strategy

b. Dependent Variable: Firm Performance

| ANOVA ^a | | | | | | |
|--------------------|----------------|--------|-------------|-------|--------|-------------------|
| Model | Sum of Squares | Df | Mean Square | F | Sig. | |
| 1 | Regression | 57.798 | 10 | 5.780 | 20.822 | .000 ^b |
| | Residual | 13.879 | 50 | .278 | | |
| | Total | 71.677 | 60 | | | |

a. Dependent Variable: Firm Performance

b. Predictors: (Constant), Cost Leadership Strategy, Joint Ventures, Equity alliances, Diagonal alliances, Vertical alliances, Horizontal alliances, Franchises, Focus Strategy, Differentiation Strategy

| Coefficients ^a | | | | | |
|---------------------------|-----------------------------|------------|---------------------------|-------|------|
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | B | Std. Error | Beta | | |
| | (Constant) | .016 | .401 | .039 | .969 |
| | Focus Strategy | .473 | .113 | .436 | .000 |
| | Cost Leadership Strategy | .265 | .105 | .254 | .015 |
| | Differentiation Strategy | .317 | .137 | .294 | .025 |
| 1 | Diagonal alliances | -.119 | .149 | -.054 | .429 |

| | | | | | |
|----------------------|--------|------|--------|-------|------|
| Joint Ventures | -0.117 | .161 | -0.053 | -.724 | .472 |
| Equity alliances | .053 | .156 | .024 | .339 | .736 |
| Horizontal alliances | -0.063 | .158 | -0.028 | -.397 | .693 |
| Vertical alliances | .097 | .147 | .045 | .660 | .513 |
| Franchises | .104 | .158 | .048 | .659 | .513 |

The model developed from this analysis was presented as follows;

$$PER = 0.016 + .436FS + .254CLS + .294DS - .054DA - .053JV + .024EA - .028HA + .045VA + .048FR$$

Note: The variables are as defined in model..... (3.4^b)

The joint relationship amongst Focus Strategy, Cost Leadership Strategy, Differentiation Strategy, Joint Ventures, Equity alliances, Diagonal alliances, Vertical alliances, Horizontal alliances, and Franchises on performance of mobile telephone network service providers in Kenya as per Table 4.28 resulted to F with a value of 20.822 (p=.000) which portrayed statistically significant results. Hence, the model was appropriate to estimate performance of mobile telephone network service providers in Kenya at 95% confidence level. Further best of fit test was undertaken pertaining R² and the slope (β).

In the case of Adj. R², it had a value of 0.768 which implies that all the predictor variables, namely; Focus Strategy, Cost Leadership Strategy, Differentiation Strategy, Diagonal alliances, Joint Ventures, Equity Alliances, Horizontal alliances, Vertical alliances, and Franchises, taken together explain the variance on performance of mobile telephone network service providers in Kenya. This implies that 76.8% of variations in firm performance was explained by all the aforementioned

variables. For the 23.2% variances on performance are explained by other factors which were not incorporated in this study.

Test of the slope (ie β) depicted that; a unit alteration in Focus Strategy resulted to .436-unit variation in the firm performance which was direct and had statistical significance with ($p=.000$). A further unit change in Cost Leadership Strategy, translated into a direct change of .254 of performance aspect of mobile telephone network service providers in Kenya which was statistically significant with a ($p=.015$). For Differentiation Strategy, a unit change resulted into .294-unit change in firm performance with $p=.025$ which implied that the relationship was statistically significant. For the proposed moderator variables, the slope results were as follows;

For Diagonal alliances, a unit alteration resulted to a negative change of .054 which was not statistically significant with ($p=.429$). Also, a unit change in Joint Ventures resulted to a negative .053-unit alteration of firm performance with ($p=.472$). which was not statistically significant. For the case of Equity Alliances, a unit conversion resulted to .024-unit modification firm performance which was positive and was lacking statistical significance with ($p=.736$).

Again, a unit change in Horizontal alliances resulted to .028-unit change in firm performance aspect of mobile telephone network service providers in Kenya. which was negative and not statistically significant with (p-value of .693). On the other hand, a unit variation in Vertical alliances resulted to .045-unit adjustment in firm

performance although it lacked statistical significance with ($p=.513$). Finally, a unit change in Franchises resulted in to .048 positive alteration of performance which was not statistically significant with ($p=0.513$).

Therefore, the findings clearly indicate that the joint effect of Porter's generic competitive strategies and alliance partnerships is statistically significant in influencing firm performance based on the whole model for F statistics was 20.822 ($p=.000$). This agrees with Qian and Wang (2017) study of Denmark companies and their desire to make new market entry where it was established that firms that had embrace alliances gain market entry faster. It true that engagement of alliance activities such those described here helped achieve great performance significantly.

Theories in the past too had postulated these findings. As derived under resource dependency theory of 1994 by Chi and transaction cost theory of 1937 by Coase, firms that operate strategically and practices alliance network often bear fruits in terms of performance under favorable conditions. In South Africa, logistics companies were also found to exhibit good performance and ease of market entry uncertainties given their strategic alliances partnerships (Hirai et al., 2015).

Alliance partnerships combined with Porter's competitive strategies can thus be said to be speed up market entry and increase product lines especially for multinationals seeking to expand into markets that are foreign. Madhok et al., (2015) to support the findings, by asserting that when companies join partnerships majorly to enhance

company outlook and status, to attract collaboration partners are in better way to have soundness, attract prospective investors and get government endorsement.

Therefore, the hypothesis that there is no significant joint effect of Porter's generic competitive strategies and alliance partnerships on performance of mobile telephone network service providers in Kenya is not significant was rejected and concluded that the joint effect of Porter's competitive strategies and alliance partnerships is significantly different from their individual effect on of mobile telephone network service providers in Kenya.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The outcome of testing the five null hypotheses in this study using regression models and their interpretation is presented in this section. The first null hypothesis was used to test the direct influence between focus strategy and firm performance. The second null hypothesis was used to test the direct influence between cost leadership strategy and firm performance.

The third null hypothesis was used to test the direct influence between differentiation strategy and firm performance. The fourth null hypothesis was used to test the moderating effect of alliance partnerships on the relationship between Porter's competitive strategies strategy and firm performance and the fifth null hypothesis was for testing the joint influence of focus strategy, cost leadership strategy, differentiation strategy, alliance partnerships on firm performance. Tests of goodness of fit including the adjusted coefficient of determination (R^2) were performed. The chapter is summarized with a discussion of findings on each of the hypothesis tested.

5.2 Summary of the Findings

This entails a recapitulate of the major findings of the study's key variables to address empirical, contextual and conceptual gaps identified. This study utilized descriptive research design and census approach of 66 mobile telephone network service providers in Kenya. Primary data was collected through issue of questionnaires to

the corresponding top officials of those firms and data was analyzed through descriptive and inferential statistics of the SPSS version 21. This recap is thematically discussed and presented in tandem with the specific research objectives.

5.2.1 Focus Strategy and Firm Performance

Fourteen (14) firms representing 23% of the 61 mobile telephone network service providers in Kenya concentrated on focus strategy so as to win a competitive edge in the market. The research findings show that focus strategy had a strong positive and significant influence on firm performance of mobile telephone network service providers in Kenya (Adj. $R^2 = 0.672$, p value < 0.05). As such, 67.2% of changes in performance among mobile telephone network service providers in Kenya can be accounted for by focus competitive strategy while the remaining percentage (32.8%) may be accounted for by other strategies excluded in the model.

Focus strategy portrayed statistically significant influence on the firm performance of mobile telephone network service providers in Kenya. Such that with one-unit change in focusing strategy resources, it results to positive 0.823 ($p=0.000$) unit change in firm performance. Therefore, the association between the two variables is direct.

5.2.2 Cost Leadership Strategy and Firm Performance

Eleven (11) out of the 61 mobile telephone network service providers in Kenya which is 18% of the firms pursued cost leadership strategy to win the market which. Cost

leadership strategy had a strong positive and significant influence on performance of mobile telephone network service providers in Kenya (Adj. $R^2 = 0.584$), p value < 0.05).

This strategy's influence on mobile telephone network service providers firm performance in Kenya is quantified at 58.4% while the remaining percentage (41.6%) may be accounted for by other strategies not examined in the present study. Further cost leadership strategy depicted significant influence on the performance of mobile telephone network service providers in Kenya for one-unit change in cost leadership strategy resources, translated to positive 0.769 ($p=0.000$) unit change in firm performance.

5.2.3 Differentiation Strategy and Firm Performance

Firms which pursued differentiation strategy were represented by the highest percentage for they were 24, a 39.3% proportion of the total firms. The research findings demonstrate that differentiation strategy had a strong positive and significant influence on performance of mobile telephone network service providers in Kenya (Adj. $R^2 = 0.686$, p value < 0.05).

The results show that differentiation strategy influences performance of mobile telephone network service providers in Kenya by 68.6% while the balance of 31.4%) may be accounted for by other strategies excluded in the model. Differentiating strategy depicted statistically significant influence on the firm performance of mobile

telephone network service providers in Kenya for one-unit change in differentiation strategy resources, translated to positive 0.832($p=0.000$) unit change in firm performance.

5.2.4 Porter's Generic Strategies, Alliance Partnerships and Firm Performance

All companies (100%) were in partnership with all the six categories of alliances namely horizontal, vertical, joint ventures, equity, franchises and diagonal alliances. Overall, the coefficient study outcomes summarized at F with $P<0.05$, for all the three levels of testing for moderation gave a picture of a positive and significant relationship between alliance partnerships and performance among of mobile telephone network service providers in Kenya. In quantifying the degree of influence, alliance partnerships entity accounted for statistically significant influence on performance of mobile telephone network service providers in Kenya.

More specifically, the three tests for moderation based on each Porter's generic competitive variable, it was established for focus strategy and cost leadership strategy experienced partial moderation effect except differentiation strategy. So briefly, Alliance Partnerships generally have a moderating influence between porter generic competitive strategies and performance of mobile telephone network service providers in Kenya.

Also, research findings revealed that companies which entered into alliance partnerships to reduce costs and risk, new market and access the outside resources.

The choice of alliance partnerships was not based on their suitability to Porter's competitive strategies. On its effect on performance, the utilization of alliance partnerships strategy resulted into more increased rising sales volume than market share, corporate social responsibility activities and shareholder value and satisfaction. At the bottom of alliance partnerships strategy influence on performance were branch network expansion and organization revenue.

5.2.5 Joint effect of Porter's competitive strategies and alliance partnerships on firm performance.

On incorporating Porter's generic competitive strategy variables with the moderating one, namely alliance partnerships to estimate performance of mobile telephone network service providers in Kenya, it was established that, the whole model was an appropriate estimator with $F=20.822$ and a $p=.000$.

Test of the slope (ie β) depicted that; a unit alteration in Focus Strategy resulted to .436-unit variation in the firm performance which was direct and had statistical significance with ($p=.000$). A further unit change in Cost Leadership Strategy, translated into a direct change of .254 of firm performance aspect of mobile telephone network service providers in Kenya which was statistically significant with a ($p=.015$). For Differentiation Strategy, a unit change resulted into .294-unit change in firm performance with $p=.025$ which implied that the relationship was statistically significant.

By and large, findings show that the joint effect of Porter's competitive strategies and alliances partnerships significantly influenced performance of mobile telephone network service providers in Kenya by 76.8% while the remaining percentage of 23.2% can be accounted for by other factors excluded in the model.

Further, 100% firms embraced a combination of alliances and Porter's competitive strategies achieved to access product, resources, financial markets, costs and risk reduction, returns, specialization and/or rationalization, new investment options, surmounting legal barriers, attain legal political advantages in new markets and neutralizing competition and gain market power. The synergy of Porter's competitive strategies and alliance network enhanced branch network expansion, corporate social responsibility, market share, firm revenue, shareholder value and sales volume far better. Likewise, focus competitive strategy flourished among horizontal alliances, followed by vertical alliances, joint ventures, equity alliances, franchises and diagonal alliances. Cost leadership strategy flourished best, followed by horizontal alliances, equity alliance, vertical alliance, franchises and diagonal alliances with the lowest contribution.

Differentiation strategy did best among vertical alliances, followed horizontal alliances, joint ventures, equity alliances, franchises and diagonal alliance. This value addition on competitiveness and performance was higher than that of individual Porter's strategies and alliance partnerships, confirming the significance of the moderating role of the latter.

5.3 Conclusions

The 61 mobile telephone network service providers in Kenya adopted the three Porter's competitive strategies at different levels. 23% of those firms adopted focus strategy, 18% pursued cost leadership strategy and the highest percentage of 39.3% adopted the differentiation strategy and the remaining proportion adopted more than one strategy. As a result, the overall performance was positive and significant.

On the first objective, which aimed at examining the influence of focus strategy on performance of mobile telephone network service providers in Kenya, it was concluded that at least 23% of mobile telephone network service providers in Kenya utilized focus competitive strategy which was the specific geographic market, product, and narrow/limited services/products range for competitiveness. Also, it was concluded that focus strategy had a positive and significant effect of on firm performance.

Likewise, in the case of the second objective which sought to explore the influence of cost leadership strategy on performance of mobile telephone network service providers in Kenya, it was revealed that cost leadership strategy is practiced by at least 18% of mobile telephone network service providers in Kenya which gives those firms competitive advantage through low-cost distribution channels, products/service development, economies of scale, non-core functions outsourcing, low-cost credit access and new cost effective and innovative products. The study found a strong, positive and significant effect of cost leadership strategy on firm performance.

As per the third specific objective which investigated on the influence of differentiation strategy on performance of mobile telephone network service providers in Kenya, at least 39.3% of those firms in Kenya pursued differentiation strategy which portrayed an increase in innovation and creativity, technological leadership, promotion/advertising, strong brand image and broad product/service range. This increase competitiveness hence offering a strong, positive and significant on firm performance.

Similarly, as per the fourth specific objective which investigated on the moderating effect of alliance partnerships on the relationship between Porter's competitive strategies and firm performance of mobile telephone network service providers in Kenya, it was portrayed that firms were in partnership with all the six categories of alliances namely horizontal, vertical, joint ventures, equity, franchises and diagonal alliances. This resulted into costs and risk reduction, new market and access the outside resources which positively on performance in terms of sales volume, market share, corporate social responsibility activities and shareholder satisfaction.

The fifth specific objective was on establishment of the joint effect of Porter's generic competitive strategies and alliance partnerships on performance of mobile telephone network service providers in Kenya. The study concluded that upon incorporation of alliance partnerships into Porter's generic competitive strategies, there was more notable or significant improvement in firm competitiveness with commensurate trickle-down effect on firm performance than that posted by Porter's generic

competitive strategies in isolation.

Equally, the study concluded that the utilization of a synergy of alliances and Porter's competitive strategies by the firms, posted highest competitiveness value addition through access product, resources, financial markets, costs and risk reduction, returns, specialization and/or rationalization, new investment options, surmounting legal barriers, attain legal political advantages in new markets and neutralizing competition and gain market power in comparison to the value added in their separate individual capacities.

Similarly, the synergy of Porter's competitive strategies and alliance network value addition to firm performance via branch network expansion, corporate social responsibility, market share, firm revenue, shareholder value and sales volume far better, was highest compared to the value added in their respective individual dimensions.

5.4 Contribution of the Study to the Existing Body of Knowledge

The empirical findings of the study had diverse contributions as discussed below;

5.4.1 Contribution to Theory and Knowledge

The instrumental research findings added new ideas to existing Strategic Management knowledge in five main ways. The study focused on the areas of focus strategy, cost leadership strategy, alliance partnerships and firm performance. where

by the contributions made were;

One, this study provided in depth correlational perspective between focus strategy proxied using sub-variables such as narrow/limited services/products range, specific product market, specific geographic market, keeping away competitors, specific industry is targets where by the customer is given the highest attention. These perspectives were missing in the past studies representing both conceptual and methodological gap.

One of the controversial debates was conceptual and methodological for the approach to measure focus strategy and firm performance was dominated by dissimilar indicators which lacked universality amongst scholars. For instance, in the study of Suparman (2016) he measured focus strategy using market segmentation strategy, positioning and customer value to evaluate their and its impact on customer satisfaction on Sudanese restaurants in Bandung City, Indonesia. Also, Hendra and Budi (2017) proxied focus strategy using brand image, price and awareness. Further, Danish et al. (2015) incorporated satisfaction, trust, corporate image, commitment level, loyalty and switching behavior of customers as indicators of focus strategy when analyzing customer retention. This was a methodological gap which the current study aimed at filling up.

The conceptual gaps that arose from the past studies were also addressed by the current study. Past studies portrayed controversial research findings even when there

existed similar studies. The study of Ndundi (2019) established that Porter's generic competitive strategy influences sustainability of financial performance of Nepalese Enterprises. The findings show that the enterprises adopting higher selling, general and administrative expenses in association with higher gross profit margin indicates that firms are pursuing differentiation strategy.

Onuoha and Olori (2017) on "Business strategies and sustainable competitive advantage of banks in Port Harcourt" to ascertain the relationship and possible effect of dimensions such as product differentiation, cost leadership and focus/niche strategy on measures such as brand reputation and customer loyalty.

Also, in another similar study of Islami, et al. (2020), investigated on the significance of using Porter's generic strategies in firms that operate in competitive environments. The aim was to indicate the effects of Porter's generic strategies (low-cost strategy, differentiation strategy, and focus strategy) on firm performance. All these studies had one objective of estimating the influence of cost leadership strategy of firm performance and customer sustainability which could lead to increased firm performance. However, the concepts differed in methodology and conceptual viewpoint.

The current study empirically provided evidence on the significance contribution of cost leadership sub-strategies which offers low prices to customers, maximize economies of scale, creates low-cost distribution channels, allows a firm to get

credit from low-cost lenders, outsource non-core functions, enables a firm to produce new cost effective, introduce innovative products, prioritizes staff development to cut turnover and emphasizes the refining of existing products/services. This is new knowledge to the academic domain.

Namvar, Ghazanfari and Naderpour (2017) observe that differentiation strategy involves the use of distinctive amenities by an entity that aims to make products or services of a company unique. They used diversified products, techniques, and innovativeness. While Atikiya et al. (2015) considered broad products, building strong brand reputation within the industry and introduction of innovative products impacted as a way of differentiation impacted well on manufacturing firm's performance. In another study of Ntsandeni (2018) incorporated, price- based differentiation to examine innovation-based competitive differentiation amongst South African fiber to the home (FTTH) operators.

In Kenya, Mayaka (2018) sought to give more insight on the effect of competitive strategies on the customer retention at Airtel Kenya. The study found that the four variables differentiated Airtel Kenya from its peers in customer retention. The study concluded that brand visibility, service quality, were a major determinant of customer retention. The current study portrayed how differentiation using differentiation strategies that gives a firm a technological leadership advantage, increases innovation and creativity, gives room for better promotion/advertising and ensures a strong brand image identification.

The current study also portrayed that there exists moderating effect on the relationship between Porter's competitive strategies and firm performance if some aspects like Diagonal alliances, Joint Ventures, Equity alliances, Horizontal alliances, Vertical alliances and Franchises are incorporated by the management. Similarly, the study provided a rigor proof of joint effect of the Porter's strategies, namely focus, cost control, differentiation and alliance partnerships on firm performance.

The key theories underpinning this study were transaction cost theory, resource-based view (RBV) theory, Syncretic Paradigm theory and Shareholder Value Maximization theory. The current study is possibly the first of its kind in making distinct involvement in Strategic Management knowledge frontiers. This was achieved through harmonizing and endorsing the hypotheses of the four theories that while focus strategy, cost leadership and differentiation strategies have a statistically significant direct link to firm performance, respective management still go ahead to hunt for alliance partnerships.

The justification of the above argument is that according to Transaction Cost Economics (TCE) theory, some form of governance mechanism is necessary for agreements in order to be able to stave potential risk off derived from opportunistic behavior. That is, the TCE theory of (Williamson, 1998) has received an empirical support through this study for the theory argues that the three 'behavioral' assumptions (perceived opportunism controllability, bounded rationality, and risk neutrality) and the three transaction characteristics (asset specificity, uncertainty, and

transaction frequency), and choice of governance structures (such as alliance partnerships) translate to minimization of transaction costs.

Also, the theory of Resource-based theory (RBV) first proposed by Penrose (1959) and later refined by Barney (1991) was empirically supported by this study research findings for the theory associated inter-firm collaborations to performance and further suggests that assets or resources can be strategically key if they are scant, dear and non-duplicable. Therefore, enabling firms to post sterling performance especially when individual employees exhibit insight, experience, abilities and gifts which are intangible assets. This was empirically evident by Mobile Telephone Network Service Providers in Kenya which adopted focus, cost leadership and differentiation strategies with outcome which was statistically significant.

The syncretic paradigm theory was also empirically reinforced. The research findings of the current study confirmed the suppositions of the theory that the returns offered by both competition and collaboration. The theory points out the risk that managers who focused on competition might tend to ignore the returns that were offered by collaboration (Arndt& Pierce,2018). So, the syncretic paradigm is a middle ground between the competitive paradigm and the cooperative paradigm. This justifies the reason why the firms need to incorporate the alliance partnership components such as Franchises, Diagonal alliances, Vertical alliances, Joint Ventures, Equity alliances, and Horizontal alliances even when there is no significant influence for their contribution towards the firm performance cannot be ignored.

5.4.2 Contribution to Policy and Practice Managerial Implications

Divers categories of stakeholders benefit from the research findings of this study. Those include investors, managers, regulators and the government. The causality relationship focus strategy, cost leadership and differentiation have on firm performance as documented in the current study aid management in laying down realistic Porter's competitive policies tailor made to suit the individual firm challenges as opposed to the current practice of aping what competitors do as advocate by Resource-Based Value theory (RBV).

This study guide policy makers of Mobile Telephone Network Service Providers in Kenya on the approach to adopt when searching for alliance partnerships. That is a balance or a trade-off between the benefits derived from collaboration and also from the competitive environment should be arrived at to make the decision making logical and appreciative to all the players in the market. According to syncretic paradigm, it is a middle ground between the competitive paradigm and the cooperative paradigm. The competitive paradigm held that firms attained competitive advantage in two key ways, either through achieving some advantageous position in the industry such as cost leadership differentiation or focus, or through developing and using internal core competencies to develop superior products and services (Galvin et al, 2020).

5.5 Recommendations

Top management of Mobile Telephone Network Service Providers in Kenya should adopt focus strategy and more specifically uphold specific geographic market, focus

on a strategy which will keep away competitors and also ensure that customers are given the highest attention for this is significant in firm performance. On the other hand, the firms should upgrade strategies which focus on specific product market and specific industry for they are not very significant as per the current study.

Although top management may adopt cost leadership strategy to maximize firm performance, this should be conducted with caution for the strategy may result to self-defeat results or paradox of thrift for strategies which offer low prices to customers, leads to maximization of economies of scale, creates low-cost distribution channels, those which allow a firm to get credit from low-cost lenders, allow a firm to outsource non-core functions, enables a firm to produce new cost effective, innovative products or prioritizes staff development to cut turnover may have insignificant influence on firm performance. But for strategies which emphasize on the refining of existing products/services may be advantageous hence need of beep up.

Alliance partnerships are a condition which can moderate the direction of the relationship between Porter's competitive strategies and firm performance and the top management of Mobile Telephone Network Service Providers in Kenya need to consider incorporating the aspects such as Equity Alliance partnership which portray significant especially if a firm is adopting focus strategy to promote firm performance.

5.6 Limitations

Notably, the current study is dependent upon a few limitation issues that elicit research direction. First, some proxies for determining performance of an organization utilized in this study are objective. Albeit the objective measurements of performance could diminish the eccentricity in information estimation and mirror the performance result all the more really, it may not quantify some certain performance results in different locales. Consequently, in future examination, intrigued scholars may attempt to carry out subjective estimation of firm performance utilizing more proxies to verify the conclusion of the model the study proposes.

Secondly, the current research classifies alliance partnerships from the traditionally archetypal classification perspective of alliances based on type such as diagonal, vertical and horizontal among others. Nevertheless, such alliance categorization on basis of type instead of characteristics, function and relevance perspectives, might not yield solid outcomes. It is key for subsequent studies to consider other conceivable perspectives of alliances that are more relevant such as technological alliance among others for more reliable mediational role on the relationship between Porter's generic strategies and performance of firms.

Finally, the results showed a limitation of only four mobile telephone network service providers as the empirical setting yet the mediating model involving alliance partnership was not included. This setting has several advantages, in terms of examining how competitive strategies reconfigurations affect firm performance, but

there is still need to test if the study findings hold in the contexts of partners.

5.7 Suggestions for Further Research

It is evident that there exists a causality relationship between Porter's generic strategies and firm performance, and alliance partnership moderates that relationship accordingly. However, there are a number of future research opportunities based on current findings.

Further studies on the relationship between Porter's generic strategies and non-financial is necessary with incorporation of intervening variables other than moderating one so as to establish whether other than Porter's strategies, there are underlying variables that explain the current relationship.

This study considered each predictor variable, namely; focus strategy, cost leadership strategy and differentiation strategy as a stand-alone independent variable when estimating firm performance. These three variables are said to be generic and it is necessary that the future researchers to consider the composite score aspect when predicting output so as to capture the synergetic aspect of the three. This could result to significant results.

Contextually, the concept of Porter's strategies and firm performance has been bridged successful in large organizations, namely; Mobile telephone network service providers in Kenya. However, further empirical test can be undertaken by considering other small and medium industries to establish whether alliance partnerships can be significant in improving performance.

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APPENDICES

Appendix i: Introduction Letter

MUSYOKA MARGARET NDUNGE,
MACHAKOS UNIVERSITY
P. O BOX 136
MACHAKOS

CELL NO: 0722769642

EMAIL: maggiemusyoka2014@gmail.com

Dear Respondent,

RE: RESEARCH PROPOSAL QUESTIONNAIRE

I am a PhD candidate at Machakos University and this questionnaire is intended to help the bona fide holder to collect information on the subject of nature of “Porter’s Generic Competitive Strategies, Alliance Partnerships and Performance of Mobile Telephone Network Service Providers in Kenya”

You are requested to answer the questions to the best of your knowledge. The entire information will be treated with confidentiality to the respondents and only used for academic purpose. Kindly provide accurate and honest information to the best of your knowledge.

Yours Faithfully,

MUSYOKA MARGARET NDUNGE

D86/7607/2016

Appendix ii: Questionnaire for the Top Management Officials of Mobile Telephone Network Service Providers in Kenya.

Section A: Introduction

Kindly fill this questionnaire as openly and honestly as possible. This research instrument is designed to solicit for empirical data from you on the topic **“competitive strategies, alliance partnerships and firm performance in the mobile telephony network service industry in Kenya,** towards the completion of an academic exercise (Thesis) as requirement for conferment of Doctorate degree in Business of Machakos University, Kenya. You are humbly requested not to mention your name or any information anywhere that might reveal your identity. In case you encounter any difficult in the course of filling in this questionnaire, do nothessitate to conduct the researcher on cell no +**254722769642** for clarification. Any information, opinion and views provided in this questionnaire will be treated with strict confidentiality and will be used for the sole purpose of this study.

Section B: Demographic and Background Data

This section seeks to collect demographic information on the mobile network service providers which have bearing on the main variable of the study.

Use 1, 2, 3, 4, 5 or (√) or (X) to mark the applicable spaces provided.

| | Firm Characteristics | Characteristic Details | Response |
|--|-------------------------------------|-------------------------|----------|
| | Years company has been in operation | 1. Between 5-10 | |
| | | 2. Between 10-15 | |
| | | 3. Between 15-20 | |
| | | 4. Over 20 | |

| | | | |
|--|---|--|--|
| | Company's annual (2020) turnover (in KES Billion) | 5. Below 50 | |
| | | 6. Between 50-100 | |
| | | 7. Between 100-150 | |
| | | 8. Between 150-200 | |
| | | 9. Over 200 | |
| | Market share Q ⁴ 2020(%) | 1. Below 1 | |
| | | 2. Between 1-20 | |
| | | 3. Between 20-40 | |
| | | 4. Between 40-60 | |
| | | 5. 60 & over | |
| | Does your firm have any competitive advantage | 1. Yes | |
| | | 2. No | |
| | | 1. None | |
| | | 2. Porter's focus competitive strategy | |
| | Competitive strategies the firm pursues | 3. Porter's cost leadership competitive strategy | |
| | | 4. Porter's differentiation competitive strategy | |
| | | 5. Almost two of the Strategies | |
| | | 6. All the three Strategies | |

Section C: Focus Competitive Strategy and Firm Performance

This section consists of part (i) which seeks to elicit data on the level of implementation of focus competitive strategy and part(ii) that attempts to collect data on the effect of focus strategy on performance among mobile network service providers in Kenya.

(i). Focus Competitive Strategy Utilization Level among Mobile Network Service Firms

If your answer was choice '1' in question item number '9', on a scale of 1-5, (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), kindly indicate the extent to which your firm has utilized focus

competitive strategy by using 1, 2, 3, 4, 5 or (√) or (X) to mark the applicable space provided.

| Variable/Strategy | 5(SA) | 4(A) | 3(N) | 2(D) | 1(SD) |
|---|-------|------|------|------|-------|
| The firm has narrowed to particular services/products | | | | | |
| The firm has focused on a specific product in the market | | | | | |
| The company focuses on a definite geographic market | | | | | |
| The company has succeeded in keeping away competitors | | | | | |
| A specific industry is targeted through this strategy | | | | | |
| In this strategy, the customer is given the highest attention | | | | | |

Kindly indicate if the firm exploits any the other Porter's strategies or alliance partnerships besides Porter's focus strategy

(ii) The Effect of Focus Competitive Strategy on Firm Performance

On a scale of 1, 2, 3, 4 or 5, (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), would you describe the effect of the utilization of Porter's focus strategy on your firm's performance in terms of the indicators listed below?

| Indicator/Measurement | 5(SA) | 4(A) | 3(N) | 2(D) | 1(SD) |
|--|-------|------|------|------|-------|
| Increased revenue | | | | | |
| Increased market Share | | | | | |
| Improved product/service quality index | | | | | |
| There is high stakeholder satisfaction | | | | | |
| Increased innovation | | | | | |
| Corporate social responsibility has been scaled up | | | | | |

Section D: Cost Leadership Strategy and Firm Performance

This section consists of part (i) which seeks to elicit data on the level of implementation of costleadership competitive strategy and part (ii) that attempts to collect data on the effect of cost leadership strategy on performance among mobile network service providers in Kenya.

If your preferred response was option ‘2’ in question item ‘9’, on a scale of 1-5 (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), kindly indicatethe extent to which your firm has utilized cost leadership competitive strategy by using 1, 2, 3,4, 5 or (√) or (X) to mark the applicable space provided.

| Variable | 5(SA) | 4(A) | 3(N) | 2(D) | 1(SD) |
|---|-------|------|------|------|-------|
| Prices of goods/services have been reduced | | | | | |
| The cost distribution channels have gone down | | | | | |
| The firm is able to get credit from low-cost lenders | | | | | |
| The firm can outsource non-core functions | | | | | |
| The strategy enables a firm to produce new cost effective,innovative products | | | | | |
| This strategy prioritizes staff development to cut turnover | | | | | |
| The strategy emphasizes the refining of existing products/services | | | | | |

(ii) The Effect of Cost Leadership Competitive Strategy on Firm Performance

On a scale of 1, 2, 3, 4 or 5, (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), would you describe the effect of the utilization of Porter’s cost leadership strategy on your firm’s performance in terms of the indicators listed in the table below?

| Indicator/Measurement | 5(SA) | 4(A) | 3(N) | 2(D) | 1(SD) |
|--|-------|------|------|------|-------|
| Increased revenue | | | | | |
| Increased market Share | | | | | |
| Improved product/service quality index | | | | | |
| There is high stakeholder satisfaction | | | | | |
| Increased innovation | | | | | |
| Corporate social responsibility has been scaled up | | | | | |

Section D: Differentiation Competitive Strategy and Firm Performance

This section consists of part (i) which seeks to elicit data on the level of implementation of differentiation competitive strategy and part (ii) that attempts to collect data on the effect of differentiation strategy on performance among mobile network service providers in Kenya.

If you opted for alternative ‘3’ in Question ‘9’, on a scale of 1-5, (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), kindly indicate the extent to which your firm has utilized differentiation competitive strategy by using 1, 2, 3, 4, 5 or (✓) or (X) to mark the applicable space provided.

| Variable | 5(SA) | 4(A) | 3(N) | 2(D) | 1(SD) |
|--|-------|------|------|------|-------|
| The firm has targeted the broad product/service range | | | | | |
| The strategy has given the firm a technological leadership advantage | | | | | |
| With this strategy, there is increased innovation and creativity | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| There has been better promotion/advertising | | | | | |
| A strong brand image identification of the firm has been realized | | | | | |

Kindly indicate if the firm exploits any the other Porter’s strategies or alliance partnerships besides Porter’s differentiation strategy.....

(ii) The Effect of Differentiation Competitive Strategy on Firm Performance

Using the Likert scale of 1-5 (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), would you describe the effect of the utilization of Porter’s differentiation strategy on your firm’s performance in terms of the indicators listed below?

| Indicator/Measurement | 5(SA) | 4(A) | 3(N) | 2(D) | 1(SD) |
|--|-------|------|------|------|-------|
| Increased revenue | | | | | |
| Increased market Share | | | | | |
| Improved product/service quality index | | | | | |
| There is high stakeholder satisfaction | | | | | |
| Increased innovation | | | | | |
| Corporate social responsibility has been scaled up | | | | | |

Section E: Alliance Partnerships Strategy and Firm Performance

This section consists of part (i) seeking to establish the type of alliance partnership embraced among firms while part(ii) which seeks to elicit data on the level of implementation of alliancepartnership strategy and part(iii) that attempts to collect data on the effect of alliance partnership strategy on performance among mobile network service providers in Kenya.

The Type of Alliance Partnership Embraced Among Firms

If you selected possibility '4', in question '9' above, kindly indicate, the type of partnership/alliance your organization belongs to from among the list in the table below.

| <i>Type</i> | <i>Response (use a tick (√) or (X))</i> |
|----------------------|---|
| Diagonal alliances | |
| Vertical alliances | |
| Joint ventures | |
| Equity alliances | |
| Horizontal alliances | |
| Franchises | |

Level of Implementation of Alliance Partnership

On a scale of 1-5 (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), kindly indicate the extent to which your firm has utilized alliance partnership strategy by using 1, 2, 3, 4, 5 or (√) or (X) to mark the applicable space provided.

| Variable | 5(SA) | 4(A) | 3(N) | 2(D) | 1(SD) |
|--|-------|------|------|------|-------|
| The company has captured valuable partner's resources; knowledge, finances, human resource, intellectual property & research | | | | | |
| It has reduced costs and increase efficiency | | | | | |
| The synergy has complemented capabilities | | | | | |
| The firm has been able to reduce uncertainty (share risks) | | | | | |
| The company has gained entry into new market | | | | | |

(ii) The Effect of Alliance Partnerships on Firm Performance

On a scale of 1-5 (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), would you describe the effect of the utilization of alliance partnership strategy on your firm’s performance in terms of the indicators listed below?

| Indicator/Measurement | 5(SA) | 4(A) | 3(N) | 2(D) | 1(SD) |
|--|-------|------|------|------|-------|
| Increased revenue | | | | | |
| Increased market Share | | | | | |
| Improved product/service quality index | | | | | |
| There is high stakeholder satisfaction | | | | | |
| Increased innovation | | | | | |
| Corporate social responsibility has been scaled up | | | | | |

Section F: Synthesis of Porter’s competitive strategies and Alliance Partnerships.

This section consists of part (i) which seeks to elicit data on the level of implementation of the synergy of alliances and Porter’s competitive strategies and part(ii) that attempts to collect data on the effect of the synergy of alliances and Porter’s competitive strategies on performance among mobile network service providers in Kenya.

If you picked on ‘5’, in question ‘9’, on a scale of 1-5, (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), kindly indicate the extent to which your firm has utilized the synergy of alliances and Porter’s competitive strategies by using 1, 2, 3,4, 5 or (√) or (X) to mark the applicable space provided.

| Indicator/Measurement | 5(SA) | 4(A) | 3(N) | 2(D) | 1(SD) |
|--|-------|------|------|------|-------|
| Individual firms accessed new products and financial markets | | | | | |
| The firm has shared costs and risk on investments with its alliancepartners | | | | | |
| The firm has gained access to complementary resources and skills ofpartners, such as finance, technologies, and research synergies | | | | | |
| Synergy has accelerated return on investments through more rapiddiffusion of assets | | | | | |
| Efficient deployment of resources has created economies of scale,specialization and/or rationalization | | | | | |
| There is increased strategic flexibility through the creation and optimal exploitation of new investment options | | | | | |
| There has been overcoming of legal barriers and attainment ofpolitical advantages in new markets | | | | | |
| There is o co-opting competition, pre-empting competitors andgaining of market power | | | | | |

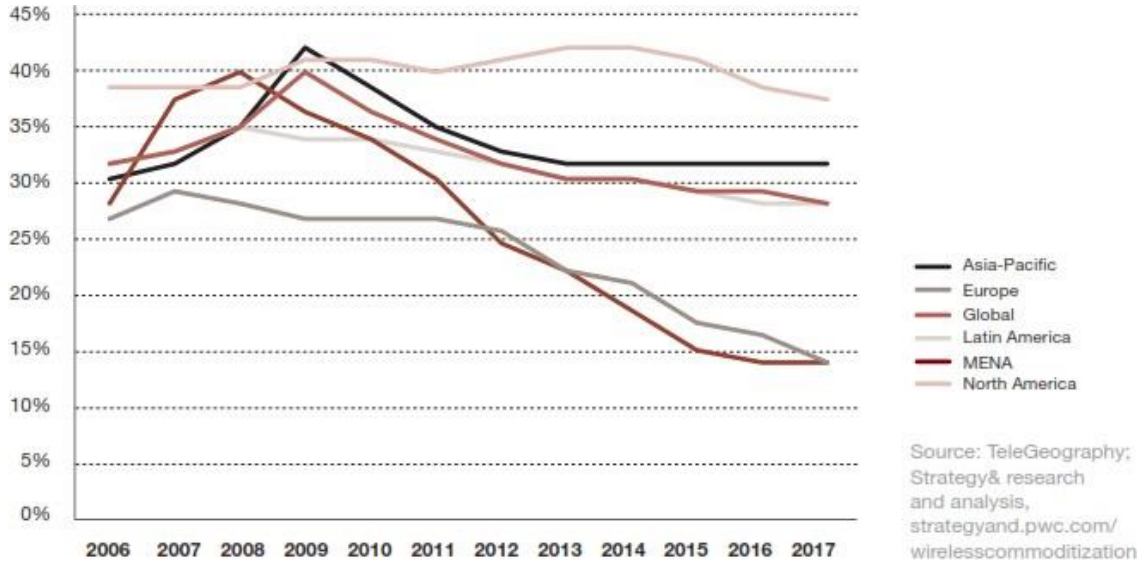
(ii) The Effect of Synergy of Alliances and Porter’s competitive strategies on Firm Performance

Using the Likert scale of 1-5 (where: 5= Strongly Agree (SA); 4= Agree (A); 3= Neutral (N); 2= Disagree (D); 1= Strongly Disagree (SD)), would you describe the effect of the utilization of Porter’ strategies, alliance partnershipand the synergies on your firm’s performance in terms of the indicators listed below?

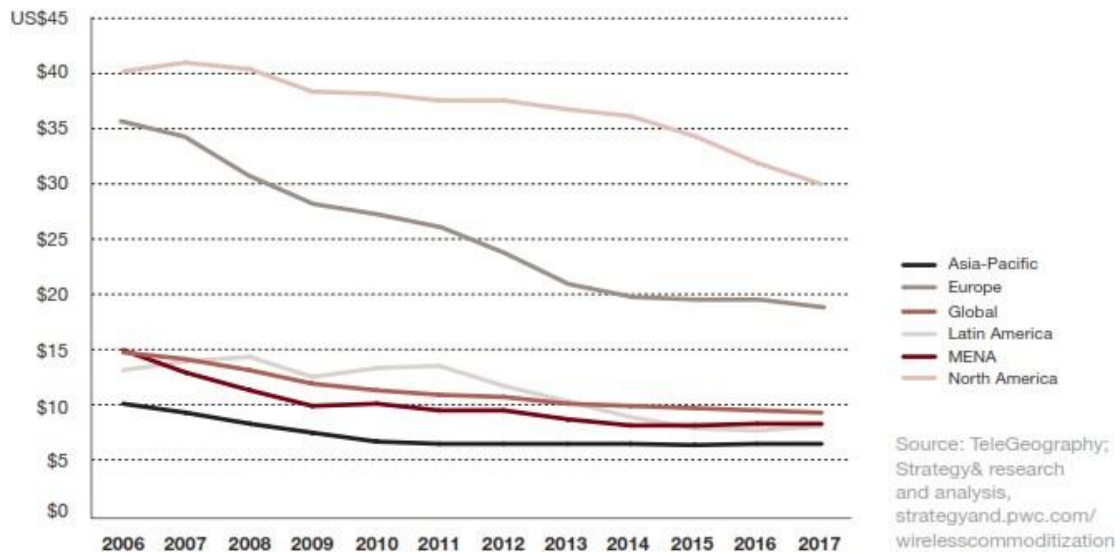
| Indicator/Measurement | 5(SA) | 4(A) | 3(N) | 2(D) | 1(SD) |
|--|-------|------|------|------|-------|
| Increased revenue | | | | | |
| Increased market Share | | | | | |
| Improved product/service quality index | | | | | |
| There is high stakeholder satisfaction | | | | | |
| Increased innovation | | | | | |
| Corporate social responsibility has been scaled up | | | | | |

Thank you for taking time to fill this questionnaire.

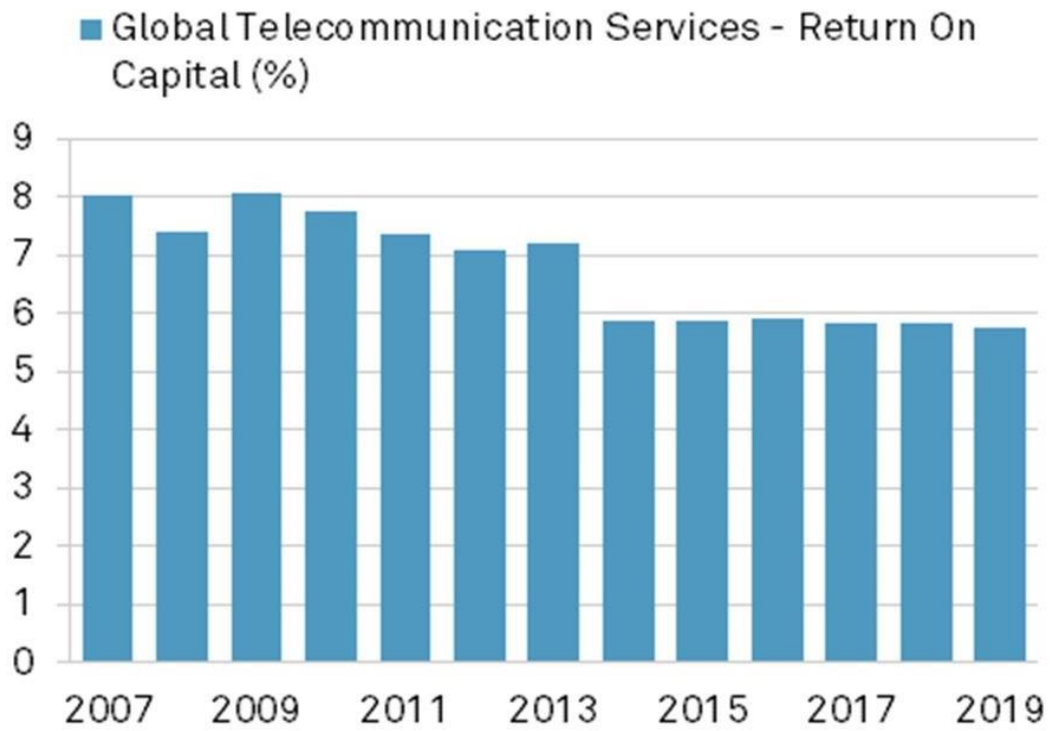
Appendix iii: Global Telecommunication Market Share per Region 2006-2017



Appendix iv: Regional Telecommunication Shrinking Average Revenue per User(ARPU)-2006-2017

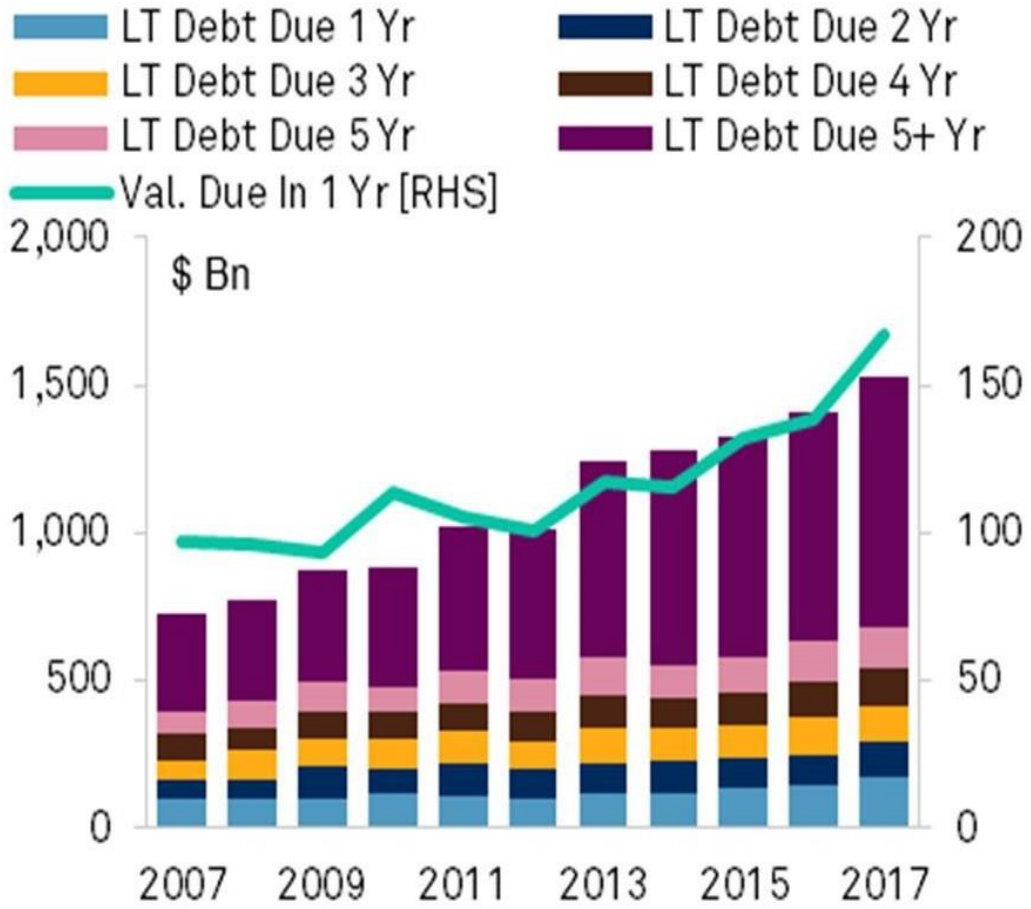


Appendix v: Global Wireless Telecommunications Profitability-2007-2019

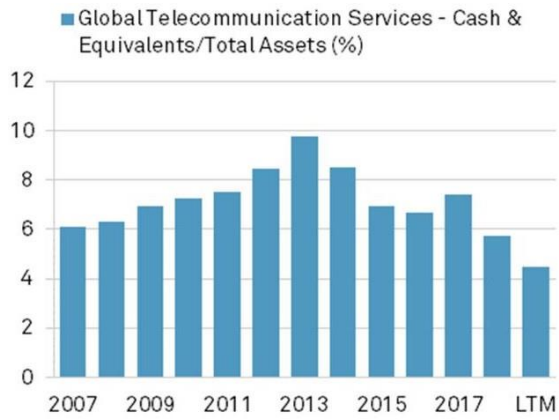


Source: S&P Global Market Intelligence, S&P Global Ratings Calculations 2020.

Appendix vi: Global Telecommunication Long-Term Debt

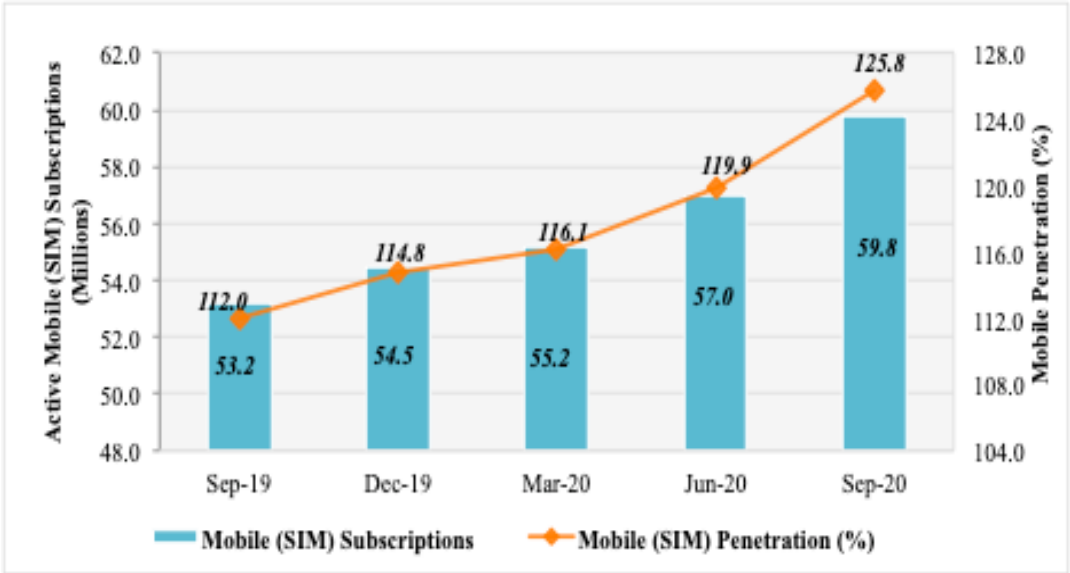


Appendix vii: Global Telecommunication Declining Cash flow 2007-2017

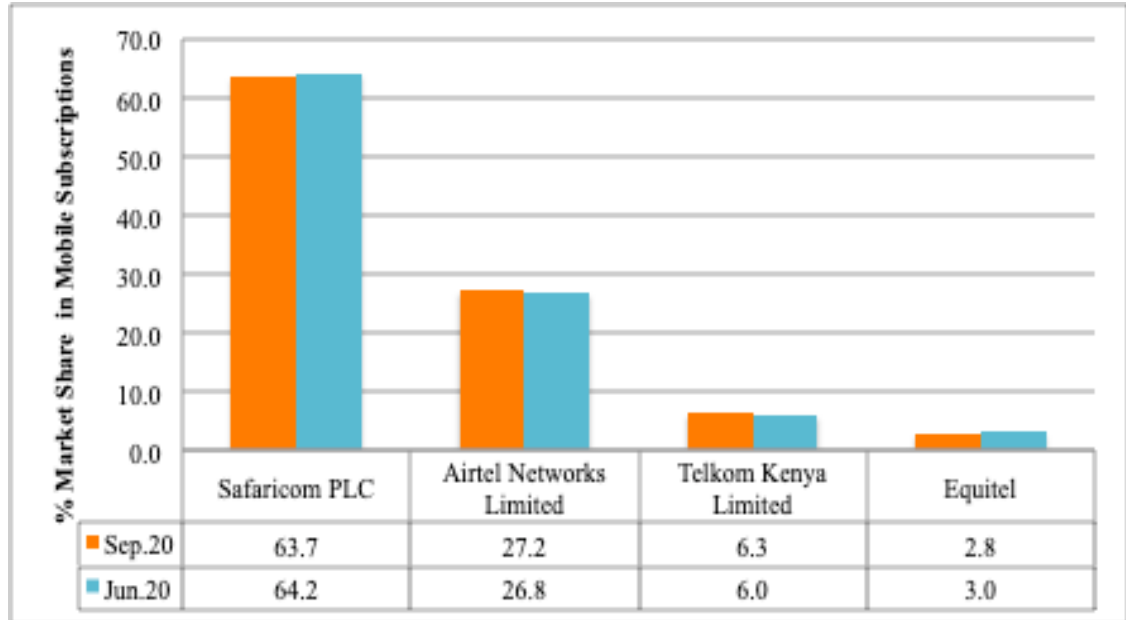


Source: S&P Global Market Intelligence, S&P Global Ratings calculations

Appendix viii: Kenya Mobile Subscriptions and Penetration Trends Sept. 2019-Sept. 2020.



Appendix ix: Kenya Mobile telephone operator Market Share June 2020-



December 2020

Source: Communication Commission of Kenya Reports, 2021

Appendix x: Target Population-66 Mobile Telephone Network Service Providers inKenya

| S/NO | NAME OF GROUP |
|-------------|--|
| | INTERNATIONAL GATEWAY OPERATORS |
| 1 | AIRTEL NETWORKS KENYA LIMITED |
| 2 | COMMCARRIER STAELITE SERVICES LIMITED |
| 3 | GEO NET COMMUNICATIONS LIMITED |
| 4 | INTERNET SOLUTIONS KENYA LIMITED |
| 5 | IWAY AFRICA KENYA LIMITED |
| 6 | JAMII TELECOMMUNICATIONS LIMITED |
| 7 | LIQUID TELECOMMUNICATIONS KENYA LIMITED |
| 8 | MOBILE TELEPHONE NETWORKS BUSINESS (K) LIMITED |
| 9 | SAFARICOM PLC |
| 10 | SEA SUBMARINE COMMUNICATIONS LIMITED |
| 11 | TELCOM KENYA LIMITED |
| 12 | WANANCHI TELECOM LIMITED |
| | NETWORK FACILITIES PROVIDERS TIER2 |
| 13 | ALAN DICK AND COMPANY (EST AFRICA) LIMITED |
| 14 | BANDWIDTH AND CLOUD SERVICES GROUP LIMITED |
| 15 | COMMCARRIER SATELITE SERVICES LIMITED |
| 16 | BELL WESTERN LIMITED |
| 17 | FOURTH GENERATION NETWORKS LIMITED |
| 18 | FRONTIER OPTICAL NETWORKS LIMITED |
| 19 | GEO NET COMMUNICATIONS LIMITED |
| 20 | HARUN INTERNATIONAL LIMITED |
| 21 | INTERNET SOLUTIONS KENYA LIMITED |
| 22 | WAY AFRICA KENYA LIMITED |

| | |
|----|--|
| 23 | JAMII TELECOMMUNICATIONS LIMITED |
| 24 | KENYA EDUCATION NETWORKS |
| 25 | KENYA ELECTRICITY TRANSMISSION COMPANY LIMITED |
| 26 | KENYA PIPELINE COMPANY LIMITED |
| 27 | KENYA TOWERS LIMITED |
| 28 | LIQUID TELECOMMUNICATIONS KENYA LIMITED |
| 29 | MOBILE TELEPHONE NETWORKS BUSINESS (K) LIMITED |
| 30 | SEA SUB MARINE COMMUNICATIONS LIMITED |
| 31 | SIMBANET COM. KENYA LIMITED |
| 32 | VODACOM BUSINESS (KENYA) LIMITED |
| 33 | THE KENYA POWER AND LIGHTING COMPANY |
| 34 | WANANCHI GROUP KENYA LIMITED |
| 35 | WANANCHI TELECOM LIMITED |
| 36 | WIAFRICA KENYA LIMITED |
| | NETWORK FACILITIES PROVIDERS TIER 3 |
| 37 | ABLE WIRELESS COMPANY LIMITED |
| 38 | AMAZI GROUOP LIMITED |
| 39 | AZANURU TECHNOLOGIES LIMITED |
| 40 | BALOZI DISTRIBUTED ANTENAE SYSTEM LIMITED |
| 41 | BLUE STREAK HORIZONS NET LIMITED |
| 42 | BOMA WIRELESS COMPANY LIMITED |
| 43 | BRAND TECHONOLOGIES |
| 44 | CABLE ONE LIMITED |

| | |
|----|---|
| 45 | CABLE TELEVISION NETWORK(MOMBASA) LIMITED |
| 46 | COOL LIGHT TECHNOLOGIES AFRICA LIMITED |
| 47 | DR WIRELESS LIMITED |
| 48 | EMBARO LIMITED |
| 49 | EMERGING MARKETS COMMUNICATIONS(K) LIMITED |
| 50 | EQUATOR DATA NET KENYA LIMITED |
| 51 | FIBRE LINK LIMITED |
| 52 | HIRANI TELECOMMUNICATIONS LIMITED |
| 53 | HORYAL SERVICE LIMITED |
| 54 | ICON WIRELESS LIMITED |
| 55 | INDUSTRIAL TECHNOLOGY TRADING COMPANY LIMITED |
| 56 | INTERLECT GROUP LIMITED |
| 57 | KLASS IMAGE LIMITED |
| 58 | MASABA SERVICES LIMITED |
| 59 | MAWINGU NETWORKS LIMITED |
| 60 | MY ISP LIMITED |
| 61 | NETWORK INFRASTRUCTURE KENYA LIMITED |
| 62 | NEXT THING NETWORKS LIMITED |
| 63 | POS INTERNET KENYA LIMITED |
| 64 | SKY BROADBAND KENYA LIMITED |
| 65 | SYOKINET SOLUTIONS LIMITED |
| 66 | VALLEY POINT TELECOMS LIMITED. |

Source: Communications Authority of Kenya, 2020

