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THE RELATIONSHIP BETWEEN COMPETITIVE STRATEGIES AND FIRM PERFORMANCE: A CASE OF MOBILE TELECOMMUNICATION COMPANIES IN KENYA

Arasa, Robert
Graduate Business School, Catholic University of Eastern Africa, Nairobi, Kenya
rarasa4@gmail.com

Gathinji, Loice
Strathmore University, Nairobi, Kenya

Abstract

The main aim of the study was to examine the relationship between competitive strategies and organizational performance among firms in the mobile telecommunications industry in Kenya. The study identified the competitive strategies adopted by firms in the industry in Kenya, assessed the different levels of implementation of competitive strategies within the firms and examined the relationship between these strategies and firm performance. This study employed a descriptive survey design and collected data from 63 respondents out of the sample size of 72 respondents selected purposively. The study revealed that competition is high in the industry and product differentiation and low cost leadership are the most commonly used strategies. Other strategies include strategic alliance strategies and specific market focus strategies. The study concludes that the strategies adopted improves the overall firm performance. The key performance indicators influenced by these strategies include sales and market share, customer retention, profitability and product innovation. The study recommends that to achieve a low-cost advantage, a firm must have a low-cost leadership strategy, low-cost manufacturing, and a workforce committed to the low-cost strategy. Also the study recommends that when using product differentiation strategy, a company should consistently focus its efforts on providing unique product or service to enhance customer loyalty.

Keywords: Competitive strategies, Performance, Firm, Telecommunications, Kenya

INTRODUCTION

Michael Porter describes competitive strategy as the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs. Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition. This involves identifying sources of competition in the ever changing environment then developing strategies that match organizational capabilities to the changes in the environment. Competitive strategy consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position (Thompson and Strickland, 2010). Porter (2000) outlined the three approaches to competitive strategy. These are; striving to be the overall low cost producer, that is, low cost leadership strategy, seeking to differentiate one's product offering from that of its rivals, that is, differentiation strategy and focus on a narrow portion of the market, that is, focus or niche strategy. Lester (2009) argued that competitive strategy enables a firm to define its business today and tomorrow, and determine the industries or markets to compete.

Background to the study

Telecommunications are one of the most important and most competitive industrial sectors of the future. The global Telecom Industry revenue is predicted to be in the order of US$1,300 billion by the year 2015. The era of industrialization and information age has made the telecommunication industry expand into diversified functions to support the growth of technological advancement for better services demanded by any nation (Sultana, Irum, Ahmed, & Mehmood, 2012). However, in this new millennium, this industry has to face with the increasing level of unpredictability of business environment and competitiveness of market due to the globalization of business, the shift from production to knowledge-based economy and the growth of information communications technology. Africa presents great opportunities in the telecom sector. The liberalization of the sector, the extension of services by multinational conglomerates and the active competition currently in place in the sector have all contributed to the telecom revolution. Many African governments have developed their telecommunication infrastructure by privatizing their former state-owned enterprises (Al-Debei, &Avison, 2011).

As a result, the telecom sector in the African has opened up new vistas of business opportunities. Africa has been the fastest-growing mobile market in the world during the past five years. There are now more than 82 million mobile users in Africa. Mobilephone use is growing faster in Africa than anywhere else. Only 6 per cent of African citizens owned a mobile phone in 2004. As prices drop (and low-cost phones made for the developing world come to market), there's a huge potential market available. In Asia, North America and Europe, conversely, mobile phone use approaches saturation, so any remaining growth will be far slower.

The Mobile telecommunication industry in Kenya has been very competitive. There was a growing price war between Safaricom and Airtel. Airtel intensified its marketing and introduced products to attract more customers. Safaricom replied by introducing new products and by cutting down further the prices of its products. More recently the price wars lead to the calling rates in Kenya being the lowest in Africa with the four companies fighting to retain and even attract more customers hence growing their market share.

The enactment of the Kenya Communications Act, 1998 led to the introduction of competition in the cellular mobile industry. Currently the Communication Authority of Kenya (CAK) has licensed four mobile operators namely Safaricom, Airtel, Econect Wireless (YU) and Telkom Kenya who have all rolled out their networks. The continued growth in the sector is a clear indication of the operators' increasing focus to offer competitive and innovative products and services to attract customers.

Statement of the Problem

The telecommunications industry in Kenya, as many other countries in the world (Daniel, 2007) has in the recent past been among the most competitive industry of the economy. Initially there were only two players but the entry of two other operators made the industry very competitive. Consequently, the growing competitive environment led to price wars which lead to the prices being the lowest in Africa (Rapoport, 2005). The firms employ various competitive strategies to survive in the industry. Whether these strategies facilitate them in achieving this and even making the firms more effective is an area that this paper explores.

Studies done on competitive strategies are noted to have given attention to contexts other than Kenya and in particular the mobile telecommunications business. For example, a study by Murage (2011) focused on the competitive strategies in the petroleum industry, a study by Gathoga (2001) focused on competitive strategies by commercial banks in Kenya and Karanja (2002) studied competitive strategies within the real estate firms in the perspective of Porter's generic model. This paper examines the relationship between competitive strategies and organizational performance among firms in the mobile telecommunications industry in Kenya. Specifically the study set out to; identify the competitive strategies adopted by firms in the mobile telecommunication industry in Kenya and thereafter examine the relationship between these strategies and firm performance in this industry.

LITERATURE REVIEW

Theoretical review

Michael Porter's generic strategies

Porter (2000) argued that superior performance can be achieved in a competitive industry through the pursuit of a generic strategy, which he defines as the development of an overall cost leadership, differentiation, or focus approach to industry competition. If a firm does not pursue one of these strategy types, it will be stuck-in-the-middle and will experience lower performance when compared to firms that pursue a generic strategy.Competitive strategy consists of all those moves and approaches that a firm has and is taking to attract buyers, withstand competitive pressure and improve its market position A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson and Strickland, 2010). Sustainable competitive advantage is born out of core competencies that yield long term benefit to the company. Sources of competitive advantage include high quality products, superior customer service and achieving lower costs than its rivals. To succeed in building a sustainable competitive advantage, a firm must try to provide what buyers will perceive as superior value. This entails either a good quality product at a low price or a better quality product that is worth paying more for (Porter, 2008).

Porter's cost leadership strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Hyatt, 2001). In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost manufacturing, and a workforce committed to the low-cost strategy (Malburg, 2000). The organization must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other organizations with a cost advantage (Malburg, 2000). For an effective cost leadership strategy, a firm must have a large market share (Hyatt, 2001). Lower costs and cost advantages result from process innovations, learning curve benefits, and economies of scale, product designs reducing manufacturing time and costs, and reengineering activities. Only one firm in an industry can be the cost leader and if this is the only difference between a firm and competitors, the best strategic choice is the low cost leadership role (Malburg, 2000). A firm could enjoy low cost leadership through access to raw materials or superior proprietary technology which helps to lower costs (Bauer and Colgan, 2001). Lower prices lead to higher demand and, therefore, to a larger market share (Helms et al., 2007). As a low cost leader, an organization can present barriers against new market entrants who would need large amounts of capital to enter the market (Hyatt, 2001). As a low cost leader, an organization can present barriers against new market entrants who would need large amounts of capital to enter the market.

The focus strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation. The premise is that the needs of the group can be better serviced by focusing entirely on it. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly. Because of their narrow market focus, firms pursuing a focus strategy have lower volumes and therefore less bargaining power with their suppliers (Stone, 1995). However, firms pursuing a differentiation-focused strategy may be able to pass higher costs on to customers since close substitute products do not exist.

Firms that succeed in a focus strategy are able to tailor a broad range of product development strengths to a relatively narrow market segment that they know very well. Some risks of focus strategies include imitation and changes in the target segments. Furthermore, it may be fairly easy for a broad-market cost leader to adapt its product in order to compete directly. Finally, other focusers may be able to carve out sub-segments that they can serve even better (Ghemawat, 2010).

In the focus strategy, a firm targets a specific segment of the market (Davidson, 2008). The firm can choose to focus on a select customer group, product range, geographical area, or service line (Hyatt, 2001). Focus also is based on adopting a narrow competitive scope within an industry. Focus aims at growing market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors. These niches arise from a number of factors including geography, buyer characteristics, and product specifications or requirements. Focus aims at growing market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors. A successful focus strategy (Porter, 2005) depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors. Market penetration or market development can be an important focus strategy. Midsize and large firms use focus-based strategies but only in conjunction with differentiation or cost leadership generic strategies. Focus strategies are most effective when consumers have distinct preferences and when the niche has not been pursued by rival firms.

When using differentiation strategy, a company focuses its efforts on providing a unique product or service (Bauer and Colgan, 2001). Since, the product or service is unique this strategy provides high customer loyalty (Hlavacka et al., 2001).Product differentiation fulfills a customer need and involves tailoring the product or service to the customer. This allows organizations to charge a premium price to capture market share. The differentiation strategy is effectively implemented when the business provides unique or superior value to the customer through product quality, features, or after-sale support. Firms following a differentiation strategy can charge a higher price for their products based on the product characteristics, the delivery system, the quality of service, or the distribution channels. The differentiation strategy appeals to a sophisticated or knowledgeable consumer interested in a unique or quality product and willing to pay a higher price. The key step in devising a differentiation strategy is to determine what makes a company different from a competitor's (Reilly, 2002). When using differentiation, firms must be prepared to add a premium to the cost (Hyatt, 2001). This is not to suggest costs and prices are not considered; only it is not the main focus. However, since customers perceive the product or service as unique, they are loyal to the company and willing to pay the higher price for its products (Hlavacka et al., 2001).

The value added by the uniqueness of the product may allow the firm to charge a premium price for it. Because of the product's unique attributes, if suppliers increase their prices the firm may be able to pass along the costs to its customers who cannot find substitute products easily(Johnson and Scholes, 2009). Firms that succeed in a differentiation strategy often have the following internal strengths: access to leading scientific research; highly skilled and creative product development team; strong sales team with the ability to successfully communicate the perceived strengths of the product; and corporate reputation for quality and innovation.

Strategic alliances

Strategic alliances are increasingly becoming popular day by day. To achieve competitive advantages firms combine their assets and capabilities in a cooperative policy that is termed as strategic alliance. Strategic alliance is considered as an essential source of resource-sharing, learning, and thereby competitive advantage in the competitive business world. Management of alliance and value creation to attain competitive advantage is very important in strategic alliance (Ireland, Hitt, & Vaidyanath, 2002). This involves firms exchanging and sharing of resources and capabilities to co-develop or distribute goods or services (Kale, Singh & Perlmutter, 2000).

The achievement of competitive advantages may not be possible by one firm itself because it does not possess required all resources and knowledge to be entrepreneurial and innovative in dynamic competitive markets. Inter - organizational relationships create the opportunity to share the resources and capabilities of firms while working with partners to develop additional resources and capabilities as the function for new competitive advantages (Kuratku, Ireland, & Hornsby, 2001).

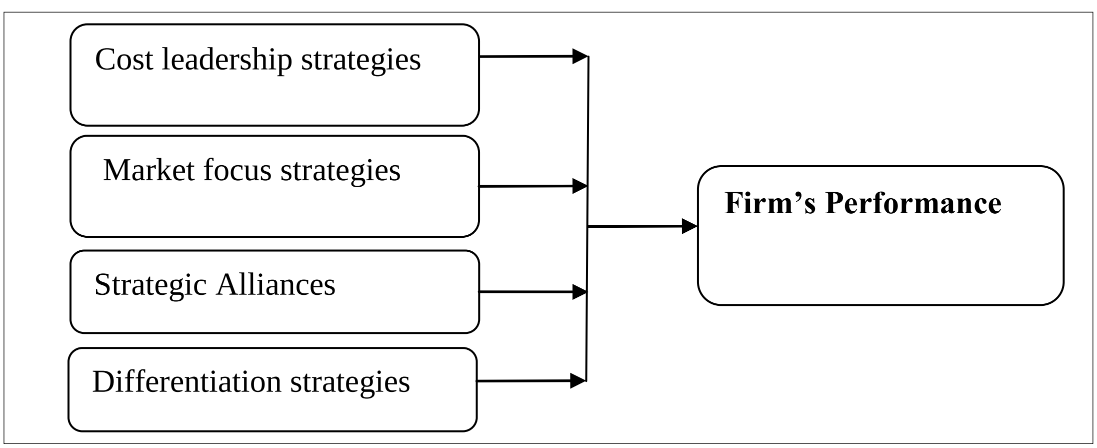
Relationship between Competitive Strategies and Firm Performance

Measurement of performance and productivity has garnered significant interest recently among both academics and practitioners. Much progress has been made on establishing performance management systems (PMSs) which include a portfolio of measures aimed to balance the more traditional, single focus view on profitability. The relationship between competitive strategy and an organization's economic performance is “a controversial, problematic and unresolved issue” (Pearce *et al.*, 2007). Competitive strategy has been associated with the field of strategic management from its earliest foundations. According to Porter (2000) strategists must assess the forces affecting competition in their industry and identify their company's strengths and weaknesses, then strategists can devise a plan of action that may include first, positioning the company so that its capabilities provide the best defense against the competitive force, influence the balance of the forces through strategic moves, thereby improving the company's position, and, anticipate shifts in the factors underlying the forces and responding to them, with the hope of exploiting change by choosing a strategy appropriate for the new competitive balance before opponents recognize it.

Conceptual framework

For this study the dependent variable is firm’s performance while the independent variables are as cost leadership strategies, market focus strategies, differentiation strategies and strategic alliances strategies. The conceptualized relationship between the variables of interest is shown through figure 1 below.

Figure 1: Conceptualized relationship between competitive strategies and firm performance



For purposes of this study the indicators of firm performance included sales, market share, customer complaints resolutions, profitability, number of new products developed, and operating expenses.

Empirical review

Various studies have been done on competitive strategies across various contexts and sectors. In Kenya, a study by Murage (2011) focused on the competitive strategies in the petroleum industry and found that service stations use differentiation as a method of obtaining competitive advantage over other service stations. Gathoga (2001) in his study, focused on competitive strategies by commercial banks in Kenya. The study revealed that banks in Kenya use various means in order to remain competitive, he also concluded that expansion into other areas by opening new branches has also, been used as a strategy. Karanja, (2002) did a survey of competitive strategies of real estate firms in the perspective of Porter's generic model. These studies reveal that firms in different industries adopt different competitive strategies which are unique in each context. No study has been done on competitive strategies adopted by firms in the mobile telecommunications industry in Kenya.

Owiye (1999) argued that competitive strategies will be vital to a firm while developing its fundamental approach to attaining competitive advantage (low price, differentiation, niche), the size or market position it plans to achieve, and its focus and method for growth. Day and Wensley (2008) focused on two categorical sources involved in creating a competitive strategy; superior skills and superior resources. Competitive strategies adopted by a firm should result in a competitive advantage. Porter (2000) argues that there are three generic competitive strategies which firms can employ. These are cost leadership, differentiation and focus. This generalization was applied in US firms and can be applied amongst mobile telecommunication companies in Kenya. Owiye (1999) however, argues that findings of studies carried out in one culture could not be assumed to apply to other cultures unless that was supported by research. The environment, that is, cultural context, in USA is very different from that of Kenya.

Evidence suggests that complementary business level strategic alliance, especially vertical ones, have the greatest probability of creating a sustainable competitive advantage. More and more companies are entering into alliances to gain competitive advantages (Gari, 1999). Strategic alliance designed to respond to competition and to reduce uncertainty can also create competitive advantages. Research on strategic alliance in the past few decades has suggested that strategic alliance can enhance competitiveness. Whatever forms joint venture, equity based or non-equity based, strategic alliance assist in ensuring the economic value addition, multidimensional inter-firm network, and inter-organizational coordination.

Studies concluded that there was no clear systematic relationship between competitive strategy and firm performance. Jonsson & Devonish (2009) recognized that firms that have properly planned and applied competitive strategies have a tendency to have higher performance than those that do not. Competitive strategies can lead to high organizational performance, customer satisfaction and increased competitiveness in the face of competitors.

RESEARCH METHODOLOGY

This study employed a descriptive survey design to examine the relationship between competitive strategies and organizational performance among firms in the mobile telecommunications industry in Kenya. Borg and Gall (1989) note that descriptive survey research is intended to produce statistical information about aspects of education that interest policy makers. The main focus of this study was quantitative. However, some qualitative approaches were used in order to gain a better understanding and possibly enable a better and more insightful interpretation of the results from the quantitative study.

According to the communications commission of Kenya (CCK) there are only four licensed mobile telecommunication providers in Kenya and this study focused on all the four firms.The unit of analysis was the firms in the telecommunication industry (Safaricom Ltd, Essar telecom Ltd, Airtel ltd and Orange Ltd) and the target respondents were the 354 staffs drawn from various departments since they directly deal with the day to day management of the companies and are the ones conversant with the effects competitive strategies on the performance of their respective firms.

A mix of stratified and purposive sampling techniques was employed. Stratified sampling was used so as to divide the population into departments within the organizations. Purposive sampling was used to come up with the appropriate sample for the research. Only three senior management members were taken from every department since the senior management team would have most accurate information with regard to the strategies being utilized by an organization. Secondary data was utilized in this study (especially on performance indicators) as extracted from annual reports for the last five years. The study used primary data which was gathered through a semi-structured questionnaire. The questionnaire had both open and closed ended questions. The questionnaire also utilized a Likert type scale. Data collected was analyzed using both descriptive and inferential statistics. The analysis was facilitated through the SPSS platform. The descriptive statistical tools helped in describing the data and determining the respondents' degree of agreement with the various statements under each objective. Correlation and regression analyses were employed to aid examining the relationships between the variables of interest.

FINDINGS AND DISCUSSION

Results of reliability tests

To establish reliability of data collection instrument, questionnaires were initially administered to seven respondents. Results indicated that Cronbach's Alpha coefficients on all the variables were greater than 0.7 hence an acceptable reliability of the instrument. This finding is shown in table 1 below.

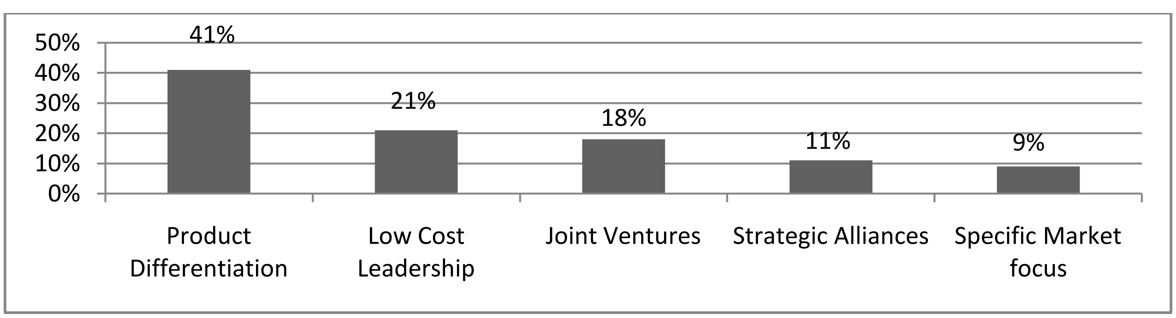
Table 1: Results of reliability tests

	Cronbach's Alpha	No of Items
To identify the competitive strategies adopted by firms in the mobile telecommunication industry in Kenya.	.7069	2
To assess the different levels of implementation of competitive strategies within the mobile telecommunication industry in Kenya.	.8390	9
To examine the relationship between competitive strategies and firm performance in the mobile telecommunication industry in Kenya.	.7110	4

Competitive strategies employed in the mobile telecommunications in Kenya

The study sought to establish the competitive strategies employed by the firms in Kenya's mobile telecommunication industry. Of those who responded, majority (41%) indicated that their firms employed product differentiation strategies, 21% indicated that their firms employed low cost leadership strategies, 18% indicated that their firms employed joint venture strategies, 11% indicated that their firms employed strategic alliance strategies and 9% indicated that their firms employed specific market focus strategies. Figure 2 below shows this finding.

Figure 2: Competitive Strategies Employed



Analysis results indicates that product differentiation is the most popular strategy used by firms in the mobile telecommunications industry, followed by cost leadership, strategic alliances and specific market focus respectively. These finding reveals that the companies in the telecommunications industry do not use one particular strategy; it is a mix of two or three strategies from the once involved in this study.

Competitive Strategies and Firm's Performance

The study sought to find the relationship between the competitive strategies employed and firm performance in the mobile telecommunications industry in Kenya. All the respondents indicated that the strategies adopted improve the overall organization performance. Further, inquiry was made to establish the extent to which these strategies influence firm performance. Using a likert type scale (where no extent, Low extent, moderate extent, high extent and great extent were represented by 1, 2, 3, 4 and 5 respectively), findings indicate that on overall the strategies employed influences sales and market share to a very great extent as shown by a mean of 4.2, customer retention to a great extent as shown by a mean of 4.1, profitability and product development/innovation to a great extent as shown by a mean of 4.0 and 3.9 respectively. These findings agree with early studies that competitive strategy enhanced performance (Herold, 1972). Jonsson & Devonish (2009) recognized that firms that have properly planned and applied competitive strategies have a tendency to have higher performance than those that do not. Competitive strategies can lead to high organizational performance, customer satisfaction and increased competitiveness in the face of competitors.

Correlation Results

Karl Pearson's coefficient of correlation (r) was used to aid establishing the correlation between the study variables of interest. The correlation analysis was conducted at 90 percent confidence interval. The correlation results indicates that Strategic alliance strategies is strongly and positively correlated to firm performance (with a correlation coefficient of 0.729), Cost leadership strategies is strongly and positively correlated to firm performance (with a coefficient of 0.812), there is a positive correlation between Market focus strategies and firm performance (with a coefficient of 0.622) andthere is a positive correlation between differentiation strategies and firm performance (with a correlation coefficient of 0.656). Cost leadership strategies has the highest correlation hence influences the firm performance to the greatest extent than the rest of the strategies.

The correlation analysis results imply that there is a strong and positive relationship between strategic alliance strategies, cost leadership strategies, differentiation strategies, and market focus strategies and firm performance. This indicates that strategic alliance strategies, cost leadership strategies, differentiation strategies, and market focus strategies are very critical in influencing the performance of firms in the telecommunication industry.

Table 2: Correlations analysis results

	Strategic alliance strategies	Cost leadership strategies	Market focus strategies	Differentiation strategies	Performance
Strategic alliance strategies	1				
Cost leadership strategies	.751	1			
Market focus strategies	.653	.543	1		
Differentiation strategies	.857	.741	.617	1	
Performance	.729	.812	.622	.656	1

Regression Analysis

The study sought to find out the effect of the specific competitive strategies on firm performance. The analysis results model shows a goodness of fit as indicated by the coefficient of determination r^2 with value of .605. This implies that independent variables cost leadership strategies; market focus strategies, differentiation strategies, strategic alliance strategies and corporate growth and development strategies explain 60.5% of the variations in firm's performance among firms in the telecommunication industry. 39.5% of variations are brought about by strategies not captured in the objectives.

Table 3: Regression model summary

R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics			
			F Change	df1	df2	Sig. F Change
.6053	.52	.65554	2.761	3	60	.022

A multiple regression analysis was conducted to determine how firm performance is affected by the four competitive. The regression equation ($Y = \beta 0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$) was: $Y = 1.458 + 0.181X_1 + 0.476X_2 + 0.073X_3 + 0.243X_4 + 0$

Where Y = Firm Performance, X1 = Cost leadership strategies; X_2 = Market focus strategies; X3 = Differentiation strategies and X_4 = Strategic alliance strategies

Table 4: Regression Coefficient of Determination of the effect of independent variables on the dependent variable

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.458	.560		2.584	. 001
Cost leadership strategies	.181	.054	.313	3.329	.002
Market focus strategies	.476	.126	.312	3.779	.000
Differentiation strategies	.273	.077	.052	3.544	.003
Strategic alliance strategies	.143	.047	.322	3.016	.004
Dependent Variable: Organizational Performance					

According to the regression equation established, taking all strategies (cost leadership strategies; market focus strategies, differentiation strategies, strategic alliance strategies and corporate growth and development strategies) constant at zero, the firm's performance as a result of these independent factors will be 1.458. Findings also show that taking all other independent variables at zero, a unit increase in cost leadership strategies will lead to a 0.181 increase in effect on firm's performance. A unit increase in market focus strategies will lead to a 0.476 increase in effect on firm's performance; a unit increase in differentiation strategies will lead to a 0.273 increase in effect on firm's performance, and lastly a unit increase in strategic alliance strategies will lead to a 0.143 increase in effect on firm's performance. Further, the regression analysis results show that the relationship between the four competitive strategies) and organizational performance at 95% confidence level is statistically significant with p values < 0.05. The most significant factor was market focus strategies with p value of 0.00. This implied that market focus strategies contribute more to the performance of the firms while strategic alliance contributes the least.

CONCLUSIONS AND RECOMMENDATIONS

Based on the state of competition in the telecommunication industry in Kenya, the study conclude that in the telecommunication industry competition is high and as a result driving companies in the industry to adopt competitive strategies. Based on the competitive strategies employed by the organizations in the telecommunication industry, the study concludes that product differentiation strategies and low cost leadership strategies are implemented to a very great extent. Other strategies include strategic alliance strategies and specific market focus strategies. Firms in the sector also employ low cost strategy that ensures charges and overheads are kept lower. Market focus strategies is employed and allow organizations to provide superior customer service, offer services not offered by competitors, introduce new services in the market, introduce new services in the market. The study concludes that organizations that employ differentiation strategies, conforms to specifications that greatly influence the reliable performance of the product, ensures quality systems from the coherence of process capabilities and lastly provide many unique and superior products to the market. The study concludes that organizations that employ strategic alliance collaborate with other institutions over key strategic decisions for performance outcomes and shares responsibilities with other institutions for performance outcomes. On overall strategies pursued by firms improve the overall organization performance of which indicators include sales and market share, customer retention, profitability and product development/innovation.

The study recommends that firms that chose to adopt cost leadership strategy should focus on gaining competitive advantage by having the lowest cost in the industry. In regard to this the firm sells its products either at average industry prices to earn a profit higher than that of rivals, or below the average industry prices to gain market share. The study also recommends that firms that choose to employ market focus strategies should concentrate on a narrow segment and within that segment attempt to achieve either a cost advantage or differentiation. A firm using a focus strategy often enjoys a high degree of customer loyalty, and this entrenched loyalty discourages other firms from competing directly. Firms that choose to employ strategic alliances strategies should consider collaborating with other institutions in other industries like banks, higher education institutes to enhance key strategic decisions, boost their productive capacities, lessen uncertainties in their internal structures and external environments, gain competitive advantages that enable them to increase profits, and access potential business opportunities that will permit them to command higher market values for their outputs. This study was confined within the mobile telecommunications business in Kenya. A similar but comparative study could be considered especially between Kenya and other African countries.

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