INFLUENCE OF COMPETITIVE STRATEGIES ON THE PERFORMANCE OF TELECOMMUNICATION COMPANIES IN KENYA

Jackson Kyengo

Masters Student, Jomo Kenyatta University of Agriculture and Technology, Kenya

Dr. Kepha Ombui

Senior Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

Dr. Mike A. Iravo

Senior Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

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ABSTRACT

Telecommunication firms with strong financial background have long realized this key operational aspect and their strategy is to deploy various competitive strategies based on prevailing demands. The general objective of the study was to establish the influence of competitive strategies on the performance of telecommunication companies in Kenya. Specifically, the study sought to; determine the effect of cost leadership strategies on the performance of telecommunication companies in Kenya; to find out the extent that adoption of market focus strategies affect the performance of telecommunication companies in Kenya; to establish the effect of differentiation strategies on the performance of telecommunication companies in Kenya and ; to determine the effect of corporate growth strategies on the performance of telecommunication companies in Kenya. The study adopted descriptive research design. The target population of this study consisted of three telecommunication firms in Kenya which include; Safaricom Limited, Airtel, and Telkom Kenya Limited. The study had a sample size of 120 employees. The study adopted purposive procedure to select the study sample. The study was based on primary data which was collected using questionnaire. The reliability of the instrument was estimated using Cronbach's Alpha Coefficient from the pilot test data. the findings, the study concludes that telecommunication companies in Kenya had adopted competitive strategies which included; cost leadership strategies, market focus strategies, differentiation strategies and corporate growth strategies. The firm performance of the telecommunication companies in Kenya had significantly improved over the last five years. From the regression analysis, the most significant competitive strategy in performance of the telecommunication companies in Kenya is cost leadership strategies, followed by differentiation strategies, market focus strategies and corporate growth strategies respectively. The study recommends that the management of telecommunication companies in Kenya should continuously evaluate the implementation of cost leadership strategy. The management of telecommunication companies in Kenya should conduct a research on the market focus strategy to respond to the different market niches effectively.

Key Words: *competitive strategies, performance, telecommunication companies, Kenya*

INTRODUCTION

The demands and needs of the environment are constantly evolving and management is about adjusting the company according to the needs and demands of the environment. Increased competition threatens the attractiveness of an industry and reducing the profitability of the players. It exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the competitive environment (Rainbird, 2004). Firms therefore focus on gaining competitive advantage to enable them respond to, and compete effectively in the market. Thompson and Strickland (2002) argue that a company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces. Sustainable competitive advantage is born out of core competencies that yield long-term benefit to the company. To succeed in building a sustainable competitive advantage, a firm must try to provide what buyers will, perceive as superior value.

According to Porter (2003) competitive strategy is about being different. This means deliberately performing activities differently and in better ways than competitors. Porter (2003) outlined the three approaches to competitive strategy these being Striving to be the overall low cost producer, that is, low cost leadership strategy, secondly Seeking to differentiate one's product offering from that of its rivals, that is, differentiation strategy and lastly Focus on a narrow portion of the market, that is, focus or niche strategy. Owiye (2009) 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 (sales or profit margins, internally or by acquisition).

Organization performance is an indicator which measures how well an enterprise achieves their objectives (Venkatraman and Ramanujam, 2006). Organization performance can be assessed by an organization's efficiency and effectiveness of goal achievement (Robbins and Coulter, 2002). Hancott (2005) indicates that organizational performance, effectiveness and efficiency are synonyms which are interchangeable. In addition, a number of indicators have been adopted to measure organization performance since mid-1900, such as profit growth rate, net or total assets growth rate, return on sales, shareholder return, growth in market share, number of new products, return on net assets, etc.

Porter (2003) proposes a strategy that requires a firm to identify growth segments, work at achieving operational efficiency and continuously enhance the quality of its products and services. It is the continuous measurement of these performance indicators and their management that determines the long term direction of the firm and its survival. For the telecommunication industry in Kenya, not only is the continuous measurement of the key performance metrics important to achieve and maintain competitiveness, but also the strategy formulation and implementation process as well. Currently; the Kenyan telecommunication industry has three main players that include; Safaricom, Airtel, and Telkom Kenya (Orange). The main players are the Safaricom, Airtel, Telkom Kenya (Orange) with market share of 75%, 12% and 9% respectively. The sector has over 17 million active subscribers. The industry in Kenya is going through profound changes. In the past decade, technological advancement and regulatory restructuring have transformed the industry (CCK, 2014). To measure Performance, Weidinger and Platts (2012) explains that it involves a process of collecting, analyzing and/or reporting information regarding the performance of an individual, group, organization, system or component. Du Randt (2000) indicated that performance measurement should eventually lead to performance management, which is a tool of transforming ideas, vision and mission of senior managers into actions that can be planned for, measured, modified and corrected.

STATEMENT OF THE PROBLEM

Increased competition exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the environment (Malburg, 2000). According to the Government of Kenya economic survey (2000) implementation of structural adjustment programme and subsequent market liberalization opened the Kenyan telecommunication market, leaving businesses at the mercy of market forces. As a result, telecommunication firms face increased competition and declining profits and even losses. The communication firms in Kenya has deployed a number of competitive strategies overtime including; cost leadership, product differentiation, internalization, market focus strategies and corporate growth strategies. Various researchers (Wanjere, 2014, Kombo, 2007; Muturi, 2000; Thiga, 2000) have studied the effects of competitive strategies on organization performance. The studies by Tehrani (2003), Kaya (2004), Yamin and et al. (2009), Johnson (2002) and Ariyawardana (2003) reflect the situation in developed economies like US and Europe. These areas have a different economic reality from Kenya which is a developing economy and therefore the earlier study findings cannot be generalized to the Kenyan firms. The previous studies had conflicting outcomes and were over five years old and therefore a more current study would be necessary to reflect the current situation and confirm the nature of relationship between competitive strategies and the performance of telecommunication companies in Kenya. This study sought to establish the influence of competitive strategies on the performance of telecommunication companies in Kenya.

GENERAL OBJECTIVE

The general objective of the study was to establish the influence of competitive strategies on the performance of telecommunication companies in Kenya.

SPECIFIC OBJECTIVES

1. To determine the effect of cost leadership strategies on the performance of telecommunication companies in Kenya
2. To assess the extent to which adoption of market focus strategies affect the performance of telecommunication companies in Kenya.
3. To establish the effect of differentiation strategies on the performance of telecommunication companies in Kenya
4. To determine the effect of corporate growth strategies on the performance of telecommunication companies in Kenya.

LITERATURE REVIEW

This study was based on the Porter's five competitive forces model, the resource-based theory and contingency theory. According to Porter (2003), a firm develops its business strategies in order to obtain competitive advantage (i.e., increase profits) over its competitors. It does this by responding to five primary forces: (1) the threat of new entrants, (2) rivalry among existing firms within an industry, (3) the threat of substitute products/services, (4) the bargaining power of suppliers, and (5) the bargaining power of buyers.

Porter (2003) reemphasized the importance of analyzing the five competitive forces in developing strategies for competitive advantage: "Although some have argued that today's rapid pace of technological change makes industry analysis less valuable, the opposite is true. Analyzing the forces illuminates an industry's fundamental attractiveness, exposes the underlying drivers of average industry profitability, and provides insight into how profitability will evolve in the future. The five competitive forces by Porter's Five Competitive Forces Model clearly shows how a firm by adopting certain competitive strategy (cost leadership, market focus, differentiation strategies and corporate growth strategies) determine its profitability.

The resource-based theory (RBT) stems from the principle that the source of firms' competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. The theory asserts that it is advantageous for a firm to pursue a strategy that is not currently being implemented by any other competing firm. Such resources must be either rare or hard to imitate or not easily substitutable. The competitive strategies provide the firm's ability to recognize and utilize various resources that to increase firm performance, hence the resource based theory is highly relevant to the study. The contingency theory draws on the idea that there is no one or single best way or approach to manage organizations. Organizations should then develop managerial strategy based on the situation and condition they are experiencing.

Cost Leadership Strategy

This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Cross, 2009). 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). Lower costs and cost advantages result from process innovations, learning curve benefits, and economics of scale, product designs reducing manufacturing time and costs, and reengineering activities. Cost leadership strategy seeks to achieve above-average returns over competitors through low prices by driving all components of activities towards reducing costs.

Corporate Growth Strategies

Ansoff (2012) presented a matrix that focused on the firm's present and potential products and markets (customers). By considering ways to grow via existing products and new products, and in existing markets and new markets, there are four possible product-market combinations. Ansoff's matrix provides four different growth strategies: Market Penetration - the firm seeks to achieve growth with existing products in their current market segments, aiming to increase its market share, market development - the firm seeks growth by targeting its existing products to new market segments, product development - the firms develops new products targeted to its existing market segments and diversification - the firm grows by diversifying into new businesses by developing new products for new markets (Porter, 2001).

Differentiation Strategies

Differentiation strategies are marketing techniques used by a firm to establish strong identity in a specific market; also called segmentation strategy. Using this strategy, a firm will introduce different varieties of the same basic product under the same name into a particular product category and thus cover the range of products available in that category. Differentiation strategy can also be defined as positioning a brand in such a way as to differentiate it from the competition and establish an image that is unique (Davidow and Uttal, 2009). Differentiation strategy aims to build up competitive advantage by offering unique products which are characterized by valuable features, such as quality, innovation, and customer service. Differentiation can be based on the product itself, the delivery system, and a broad range of other factors. With these differentiation features, firms provide additional values to customers which will reward them with a premium price. A differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceive to be better than or different from the products of the competition.

Firms that succeed in a differentiation strategy often have 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, (Oliver, 200). A product can be differentiated in various ways. Unusual features, responsive customer service, rapid product innovations and technological leadership, perceived prestige and status, different tastes, and engineering design and performance are examples of approaches to differentiation (Porter, 2001).

Market Focus Strategies

Focusing is based on selecting a market niche where buyers have distinctive preferences. The niche is defined by geographical uniqueness, specialized requirements in using the product or by special attributes that appeal to members, (Stone, 2005). 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. A successful focus strategy (Porter, 2001) depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors.

RESEARCH METHODOLOGY

The study adopted a descriptive research design. The design was appropriate for this study as it helped to describe the state of affairs as they existed without manipulation of variables which was the aim of the study (Kothari, 2004). The target population of this study was the three telecommunication companies in Kenya which include Safaricom, Airtel, and Telkom Kenya (Communication Authority of Kenya, 2016). The unit of analysis was competitive strategies affecting the performance of telecommunication companies in Kenya. The unit of observation was management employees working at communication companies in Kenya. From the target population of 300 employees working in the three telecommunication firms (Safaricom 170, Airtel 80, and Telkom Kenya 45), the study sampled 40% of the employees from each stratum of based on department that the management staff works in. According to Kothari (2004) a representative sample should be 10-30% of the target population. The study therefore had a sample size of 120 management employees. From each stratum the study used simple random sampling to proportionately select 40% of the employees making up each management level.

The study was based on primary and secondary data where the primary data was collected by using a questionnaire. Data was collected through a self- administered questionnaire to the employees from the telecommunication firms. In analysing the quantitative data, the study used descriptive statistics using Statistical Package for Social Sciences (Version 21). Measures of central tendency (mean), measures of dispersion (standard deviation), frequencies and percentage were applied for the quantitative variables (Kothari, 2004). The multiple regression analysis and t-test were used to determine the significance of each independent variable in affecting the performance of the telecommunication firms. The multiple regression analysis model specification were as follows:

$$\mathbf{Y=\alpha+\beta_1X_1 + \beta_2X_2+ \beta_3X_3 + \beta_4X_4 + \varepsilon.}$$

Where: Y= is the dependent variable (performance of the telecommunication companies)

X_1= cost leadership strategies

$X_{2=}$ differentiation strategies

$X_{3=}$ market focus strategies

$X_{4=}$ corporate growth strategies

ε= error term

β=coefficient of independent variable.

α= constant

RESEARCH RESULTS

The study targeted 120 respondents to whom questionnaire were administered from whom 100 of them returned the questionnaires duly filled in contributing to a response rate of 83.3%. 44% of the respondents were aged between 40-49 years, 36% were aged between 30-39 years. Majority (57%) of the respondents had a bachelor's degree as their highest level of education while 43% had master's degree as their highest level of education. 40% of the respondents had worked in the telecommunication industry for 6-10 years, 28% had worked for over 10 years, 24% had worked for 1-5 years. Majority of the respondents (57%) indicated that adoption of cost leadership strategy as a competitive strategy affected the performance of the company to a great extent.

On the extent to which various forces impacted on the costs in cultivating cost leadership that affected performance of the company. Majority of the respondents agreed to great extent that the forces that impacted on the costs in cultivating cost leadership included; prices of equipment (Mean=4.4552), prices of supplies (Mean=4.4552), fees charged by consultants (Mean=4.2690), staff costs (Mean=4.2414), and availability of consultants (Mean=4.2069) respectively. This illustrates that the cost leadership strategies were adopted by the telecommunication.

On the extent to which the firms used each of the various cost leadership strategy options in response to changes in the market. Majority of the respondents agreed to great extent that the cost leadership strategy options in response to changes in the market that firms used were; use of latest technology (Mean=4.0500), keeping overheads same as industry (Mean=4.0000), new service features in response to demand (Mean=3.9000), keeping overheads lower than others (Mean=3.8000), use knowledge from past experience (Mean=3.6500), keeping charges same as competition, (Mean=3.6000), keeping charges lower than competition (Mean=3.4500), and staff reduction (Mean=3.2500) respectively.

On the extent to which adoption of market focus strategies affect the performance of telecommunication companies in Kenya. Majority of the respondents (54%) indicated that adoption of market focus strategy as a competitive strategy affected the performance of the company to a great extent, 34% to a moderate extent while 12% indicated that market focus strategy as a competitive strategy affected the performance of the company to a very great extent. Majority of the respondents agreed to great extent that the strategies of market focus strategy that firms utilized included; customized services to niche market (Mean=4.6345), better service attributes to niche (Mean=4.6276) and market segmentation (Mean=4.4414) respectively.

On the extent to which various promotion strategies were used by the company, majority of the respondents agreed to great extent that the various promotion strategies used by the companies were; radio/TV advertisement (Mean=4.7655), newspapers/printed advertisement (Mean = 4.5379), outdoor posters (Mean=4.5241), and through word of mouth (Mean=4.5034) respectively. Majority of the respondents agreed to great extent that the various approaches in market focus strategies that firms used to beat competition in the market included; increasing number of service points (Mean=4.6690), ensure good security always (Mean=4.6966), ensure easy accessibility for clients (Mean=4.5241), similar charges with competition (Mean=4.2897), attractive appearance of premises (Mean=4.1034), and offering credit to customers (Mean=4.0759) respectively.

On the factors that lead to strategic success, majority of the respondents agreed to great extent that the steps applied by the firms in identifying factors that lead to strategic success in market focus strategy included; for each factor, the measures of performance is identified (Mean=4.4552), each measure of performance is critically discussed and approved by top management (Mean=4.4552), each critical success factor is discussed by CEOs and advisors (Mean=4.2690), the goals and objectives are stated for each of the critical success factors (Mean=4.2414), the organization refines the general success factors into CSF (Mean=4.2069), general success factors are considered before critical evaluation (Mean=4.2690), and the list of CSF is always ten and below(Mean= 4.0552) respectively.

Differentiation Strategies and Performance

Majority of the respondents (59%) indicated that adoption of differentiation strategy as a competitive strategy affected the performance of the company to a great extent, 31% to a moderate extent while 10% indicated that differentiation strategy as a competitive strategy affected the performance of the company to a very great extent. This depicts that telecommunication companies in Kenya had adopted differentiation strategy as a competitive strategy to a great extent to spur the performance of the company in the highly volatile telecommunication industry. Majority of the respondents agreed that the level of application of the differentiation strategies in terms of; innovation (Mean=3.9500), product (Mean=3.8000), market (Mean=3.6500), and price (Mean=3.4500) was to great extent and it affected performance of the companies.

Extent of application of differentiation

Majority of the respondents agreed to great extent that the factors affecting application of differentiation strategies in the companies included; service (Mean=4.0000), quality (Mean=3.5500), purpose (Mean=3.4500) and value (Mean=3.2500) respectively. This illustrates that factors affecting application of differentiation strategies in telecommunication companies were service, quality, purpose and value.

Innovation differentiation strategies

Majority of the respondents agreed to great extent that the innovation differentiation strategies developed included; design and controls (Mean=4.6345), quality systems from the coherence of process capabilities (Mean=4.6276), many unique and superior products (Mean=4.4414), and conformance to specifications that greatly influence the reliable performance of the product

(Mean=4.4345) respectively. This illustrates that the telecommunication companies in Kenya had developed innovative measures in differentiation to a great extent in terms of design and controls, quality systems from the coherence of process capabilities, many unique and superior products, and conformance to specifications that greatly influence the reliable performance of the product respectively.

Corporate Growth strategies and Performance

Majority of the respondents (63%) indicated that adoption of corporate growth strategy as a competitive strategy affected the performance of the company to a great extent, 20% to a moderate extent while 17% indicated that corporate growth strategy as a competitive strategy affected the performance of the company to a very great extent. This depicts that telecommunication companies in Kenya had adopted corporate growth strategy as a competitive strategy to a great extent to spur the performance of the company in the highly volatile telecommunication industry.

Majority of the respondents agreed to a great extent that the goals of growth that determined the competitive strategies in the companies included; market development (Mean=4.6690), product development (Mean=4.6966), market diversification (Mean=4.5241), growth (gain market share) (Mean=4.2897), profitability (Mean=4.1034), and survival in market (Mean=4.0759), respectively. The goals of growth that determined efficiency of corporate growth strategies were; market development, product development, market diversification, growth (gain market share), profitability, and survival in market.

Factors influencing the corporate growth strategies

The majority of the respondents agreed to great extent that the factors influencing the corporate growth strategies in companies included; changing customer needs (Mean=4.7655), actions of competitors (Mean=4.5379), financial requirements (Mean=4.5241), demands from suppliers (Mean=4.5034), staff skills and motivation (Mean=4.3724) and industry regulations (Mean=4.3655) respectively.

Majority of the respondents agreed to great extent that the corporate growth strategies that the firms applied to the changing market in the telecommunication industry in order to enhance performance included; introducing new services in market (Mean=4.0500), offering high quality services (Mean=4.0000), provision of superior customer service (Mean=3.9500) offering services not offered by competitors (Mean=3.8000), use of latest technology (Mean=3.6500), regular market surveys of customer needs (Mean=3.6000), and branding of services (Mean=3.4500) respectively.

Firm Performance

Majority of the respondents agreed to great extent that the competitive strategies adopted by the firms improved firm performance in terms of; sales volume (Mean=4.6690), profitability (Mean=4.6966), return on investment (Mean=4.5241), new and improved product introduction (Mean=4.2897), market share (Mean=4.1379), product quality (Mean=4.1034), annual earnings (Mean=4.0759), and improvement in employee skills (Mean=3.4500) respectively. The lowest value for ROA was a mean of 2.53 in year 2011 while the highest value was a mean of 4.54 in year 2015. This represented a positive change in the ROA mean values of 2.01 over the 5-year period. The steady rise in ROA values over the 5-year period indicates that the financial performance of the telecommunication companies has been on the increase over the last 5 years. On the other hand, the standard deviation indicates small variation in the financial performance between the three telecommunication companies.

INFERENTIAL STATISTICS

Multiple regressions were used to determine the predictive power of the the cost leadership strategies, market focus strategies, differentiation strategies and corporate growth strategies in influencing performance of the telecommunication companies in Kenya.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.855	0.731	0.642	0.6273

The four competitive strategies that were studied, explain only 73.1% of the performance of the telecommunication companies in Kenya as represented by the R2. This therefore means that other factors not studied in this research contribute 26.9% of the performance of the telecommunication companies in Kenya. Therefore, further research should be conducted to investigate the other factors (26.9%) that influence performance of the telecommunication companies in Kenya.

Table 2: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.534	22	1.267	9.475	.0179a
Residual	9.307	77	2.327		
Total	3.465	99			

The significance value is 0.0179 which is less than 0.05 thus the model is statistically significant in predicting how cost leadership strategies, market focus strategies, differentiation strategies and corporate growth strategies influence performance of the telecommunication companies in Kenya. The F critical at 5% level of significance was 3.23. Since F calculated is greater than the F critical (value = 9.475), this shows that the overall model was significant.

Coefficient of Determination

Multiple regression analysis was conducted as to determine the relationship between performance of the telecommunication companies in Kenya and the four variables. As per the SPSS generated Table 4.21 below, the equation: $Y = \beta0 + \beta1X1 + \beta2X2 + \beta3X3 + \beta4X4 + \beta5X5 + \varepsilon$) becomes: $Y= 1.147+ 0.752X1+ 0.487X2+ 0.545X3+ 0.439X4 +\varepsilon$

Table 3: Coefficient of Determination

	Unstandardized Coefficients		**Standardized Coefficients**		
Model	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
Cost leadership strategies	0.752	0.1032	0.152	4.223	.0192
Market focus strategies	0.487	0.3425	0.054	3.724	.0269
Differentiation strategies	0.545	0.2178	0.116	3.936	.0251
Corporate growth strategies	0.439	0.1937	0.263	3.247	.0454

According to the regression equation above, taking all competitive strategies (cost leadership strategies, market focus strategies, differentiation strategies and corporate growth strategies) to be constant at zero, performance of the telecommunication companies in Kenya will be 1.147. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in cost leadership strategies will lead to a 0.752 increase in performance of the telecommunication companies in Kenya; a unit increase in market focus strategies will lead to a 0.487 increase in performance of the telecommunication companies in Kenya, a unit increase in differentiation strategies will lead to a 0.545 increase in performance of the telecommunication companies in Kenya, while a unit increase in corporate growth strategies will lead to a 0.439 increase in performance of the telecommunication companies in Kenya. This infers that cost leadership strategies contribute most to the performance of the telecommunication companies in Kenya followed by differentiation strategies, market focus strategies and corporate growth strategies respectively. At 5% level of significance and 95% level of confidence, cost leadership strategies had a 0.0192 level of significance, market focus strategies showed a 0.0269 level of significance, differentiation strategies showed a 0.0251 level of significance, while corporate growth strategies showed a 0.0454 level of significance, hence the most significant competitive strategy in performance of the telecommunication companies in Kenya is cost leadership strategies, followed by differentiation strategies, market focus strategies and corporate growth strategies respectively.

CONCLUSIONS

Cost Leadership Strategies and Performance

The study concludes that telecommunication companies in Kenya had adopted cost leadership strategies as a competitive strategy to a great extent to spur their performance in the highly volatile telecommunication industry. From the findings, it is concluded that the firms used various cost leadership strategy options in response to changes in the market to a great extent and therefore, cost leadership strategies significantly contributed towards the performance of telecommunication firms. Some of the cost leadership strategies that the firms heavily relied upon were; use of latest technology, keeping overheads same as industry, new service features in response to demand, keeping overheads lower than others, use knowledge from past experience, keeping charges same as competition, keeping charges lower than competition and staff reduction respectively

Market Focus Strategies and Performance

The telecommunication companies in Kenya applied market focus strategies which contributed significantly towards improved firm performance. The most important market focus strategies utilized were; customized services to niche market, better service attributes to niche and market segmentation respectively. To achieve efficiency in market focus strategies telecommunication companies in Kenya used various promotion strategies such as mass media, print media, outdoor marketing and also through interpersonal communication approaches.

Differentiation Strategies and Performance

Telecommunication companies in Kenya had adopted differentiation strategy which contributed significantly towards improved their performance. The differentiation strategies they applied were; innovation, product, market, and pricing. The factors affecting application of differentiation strategies in telecommunication companies included; service, quality, purpose and value. The telecommunication companies in Kenya had developed innovative differentiation measures such as design and controls, quality systems from the coherence of process capabilities, many unique and superior products, and conformance to specifications that greatly influence the reliable performance of the product respectively.

Corporate Growth strategies and Performance

It is concluded that telecommunication companies in Kenya had adopted corporate growth strategy which significantly influenced their performance. The goals of growth that determined efficiency of corporate growth strategies were; market development, product development, market diversification, growth (gain market share), profitability, and survival in market. For corporate growth strategies to impacts on firm performance, the factors that were to be considered included; changing customer needs, actions of competitors, financial requirements, demands from suppliers, staff skills and motivation and industry regulations. The corporate growth strategies applied to achieve a competitive edge included; introducing new services in market, offering high quality services, provision of superior customer service, offering services not offered by competitors, use of latest technology, regular market surveys of customer needs, and branding of services respectively.

RECOMMENDATIONS

The study recommends that the management of telecommunication companies in Kenya should continuously evaluate the implementation of cost leadership strategy to undertake the necessary correctional measures as the industry is highly dynamic.

The study recommends that the management of telecommunication companies in Kenya should conduct a research on the market focus strategy to respond to the different market niches effectively as any gap in customer centric products would yield customer non responsiveness.

The study recommends that the telecommunication companies in Kenya should benchmark their differentiation strategy with other service industry firms in the East African Market that have successful differentiation strategies to improve on their current strategy.

The study recommends that management of telecommunication companies in Kenya should hire highly competent staff to implement the corporate growth strategy to achieve its success. This is because it is the backbone of the other competitive strategies.

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