EFFECT OF STRATEGIC ALLIANCES ON COMPETITIVE ADVANTAGE AMONG MOBILE NETWORK OPERATORS IN KENYA

BY

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

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DECLARATION

I, Onchwari Judith Nyaboke, hereby declare that this Research Project titled "Effects of Strategic Alliances on Competitive Advantage among Mobile Network Operators in Kenya" is my original work and has not been submitted for examination in any other university.

Signed: …………………………………………... Date: …………………………………

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This MBA Research Project prepared by Onchwari Judith Nyaboke titled "Effects of Strategic Alliances on Competitive Advantage among Mobile Network Operators in Kenya" has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This Research Project is a special dedication to my parents, Mr. & Mrs. Onchwari who continue to encourage and support me through my education journey.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

The key purpose of this study was to determine the effect of strategic alliances on competitive advantage among mobile network operators in Kenya. Primary data was collected from principal respondents who were the head of strategy, marketing manager and business development manager. Data analysis was done using multiple regression analysis. The study revealed that technology sharing influences competitive advantage. Cost of technological infrastructure makes it hard for companies to thrive alone. Technological advancement necessitated mobile banking, global technological advancement has opened up diversity in market. The study found that enhanced customer service positively influences competitive advantage. It was found out that knowledge expertise influences competitive advantage. Forming a strategic alliance can give prepared access to knowledge and skill in an area that an organization needs. Cost sharing influences competitive advantage in strategic alliances. Acquisition of new technology influences cost leadership of the firm thereby reducing its marketing expenditure. Sharing activities provide cost savings and revenue enhancements. The study recommends that the telecommunication firms should enhance technology sharing since it was found to influence competitive advantage. This is because it was found out that cost of technological infrastructure makes it hard for companies to thrive alone. The study recommends that there should be enhanced customer service since it was found to be positively influencing competitive advantage. It was found that strategic alliances have enhanced service delivery to the customers. The firms should encourage knowledge expertise since it influences competitive advantage. The study recommends cost sharing as this can lead to cost reductions for the cooperating partners. The firms will be able to reduce the installation costs in adopting a technology through strategic alliances. The firm staffs should be trained and conversant with the system lowering the cost of training on the partners.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Strategic alliances are continuously becoming rampant in the business world. To conquer with this, firms need to merge their prosperities and potentials in a partnership approach named as strategic alliance. Strategic alliance is seen as an important approach of asset allocation, training and therefore competitive advantage in the vigorous commerce world. In strategic alliance, conception of value to achieve competitive advantage and management of alliances is very crucial (Ireland et al, 2002).

Strategic alliances comprises enterprises with some level of exchange and resource partition to co-create or apportion products (Kale et al, 2000).Attaining of competitive advantage by one firm on its own is not easy since it does not own all the required capital and expertise to be adequately innovative in the aggressive competitive market. Collaboration with other firms creates a chance for resource sharing and abilities of organizations while they work together to produce increased resources and hence the purpose for new competitive advantage (Chin, Chan & Lam, 2012)

The Study is pillared on Competitive advantage Theory, Resource Dependency Theory and the Transaction Cost Theory. The Competitive Advantage theory justify that organizations are required to pursue collaborative arrangements if they believe that these will intensify their capability to attain their strategic aims.

Resource Dependence Theory assumes that organizations are diversified as far as their assets and abilities even if they are operating in the same industry. The Transaction Theory hypothesize that markets decline due to designate aspects, services and goods competently due to anticipated and revolution caused externally among others (Kogut, 1988).

The significance of Strategic alliances has become a monotonous of discussion in the world of academia in today business condition. Comparably strategic alliances are emerging to be more conspicuous in the worldwide market and quickly turning into a pattern in the corporate business. In fact, the rapidly increasing number of corporate deals based on alliances and not ownership is the greatest transformation in corporate culture and in the manner in which trade units operates. Indeed, internet searches for strategic alliances indicate that there are several press releases of business creating alliances and producing numerous addresses for strategic alliances consulting companies. According to Hamilton (2014), strategic alliances had duplicated in number in a decade and were anticipated to increase exceedingly. It is therefore necessary for this study to determine how strategic alliances can aid competitive advantage among mobile network operators in Kenya.

1.1.1 Concept of Strategy

Various studies have defined strategy differently; according to Salovou (2015) strategy is defined as a deliberate set of actions put in order to achieve competitive advantage. Further Pulaj, Kume and Cipi (2015) define it as the determination of long-term objectives, execution of courses of action and apportionment of resources required for achieving the objectives.

Competitive or business strategy depicts the foundation on which a business will compete. Justnian (2015) further refer to it as the firm's competitive game plan or a pattern of choices that are designated and implemented to attain a sustainable competitive advantage within a given environment.

For firms to realize a competitive advantage, they are obligated to form strategic choices on the design of competitive advantage they seek to reach as well as the range within which it will accomplish it (Ogot, 2015). In realizing performance, selecting the competitive scope or the variety of the firm's activities will play a powerful part since it aims at establishing a cost-effective and viable position against the powers that regulate your industry competition. Strategic choice decisions that a firm can pursue to achieve competitive advantage for growth may broadly be categorized into intensive, defensive, joint venture and a combination of strategies. Depending on the competitive environment firms choose strategies that are able to give them sustainable competitive advantage (Leitner & Guldenberg, 2010).

The Porter generic strategy framework has strong theoretical underpinnings and provides a modest business strategy idea that integrates a few dire dimensions; efficiency, differentiation and scale/scope (Grant, 2016). Strategic strategies mirror firm's subjective orientations and attitudes (Shigang, 2010). These developments inform an emerging line of thinking to be investigated that' competitive strategy plays a mediating role in the knowledge management to performance relationship.

1.1.2 Strategic Alliances

Strategic alliances are seen as approaches for creating an all the more intense and successful mode for contending in a globalized world (Gichuhi, 2011). Strategic alliance relationships continue to be one of the leading business strategies as a result of increasing competition in the global market. However, strategic alliances can take different forms and as such are not limited to commercial spheres alone. It can be an alliance of strong partners who are direct competitors, alliance between strong and weak partners, alliance between those who are weak and seek to gain power, between complimentary equals, or even a merger that results in formation of a new organization altogether. The main goal of alliance is to add value with different focuses on trade, competence, information/knowledge acquisition or overcoming barriers (Hamel, 2011).

Presently, strategic alliances are a prominent phenomenon in the global economy among multinational companies (MNCs) and between companies in developing countries too. Peter Koigi (2012) states that "the greatest change in corporate culture, and the way business is being conducted, may be the accelerating growth of relationships based not on ownership, but on partnerships". Strategic alliances are therefore partnerships of two or more corporations or business units that work together to realize strategically significant objectives that are mutually beneficial to the parties. These strategic alliances present vast potential to a business within a country or cross border.

Today, Strategic alliances are a prominent phenomenon in between companies in the developing countries as well as multinational companies (MNCs) in the global economy. Peter Koigi (2012) states that “the increasing growth of associations are due to joint venture but not based on ownership, may be the utmost change in corporate culture and the way industries is being operated”. Strategic alliance are therefore corporation of various associations or companies that work conjointly to attain strategically distinguishable goals that are mutually beneficial to the parties. These strategic alliances present immense potential to a business.

1.1.3 Competitive Advantage

Competitive Advantage today is seemingly the most trendy business concept (Ireland, 2012). As the core of competitiveness, the theory was first depicted by Ansoff (1965), as the features of distinct production or markets that give the firm a powerful competitive position. Baum and Usher, (2012), attributed competitive advantage as the approach in which an organization employs skills and resources to achieve predominant return on investment in a product market. This terminology is used to determine the organization’s advantages in managing with market competition, coordinating and consolidating different forms of specialized advantages. Hence, the theoretical distinction between competitive and core advantage (Andrews, 1971), distinct advantage (Chin, Chan & Lam, 2012) or comparative advantages (Neil, 1986) is ambiguous.

Competitive advantage terminology has gained fame because of the study of Michael Porter. The significance of his fives forces model (Gulati, 2013) is that the configuration of a firm will ascertain the state of competition within the firms. These five forces that collectively determine competitive strategy are the risk of unknown entrants, direct competitors, the impact of alternative goods and services and the negotiating power of buyers and suppliers. This Competitive advantage enables the industry to achieve great economic values than its rivals, this belief is precise by associating it with added value which assure chances of survival (Kim & Mauborgne, 013). The added value is achieved from firms high performance and hence a connection between high achievement and competitive advantage (Greve, 2009).

1.1.4 Mobile Network Operators in Kenya

Mobile network operators in Kenya have three main players; Safaricom, Airtel and Telkom. Safaricom is the superior market in the mobile service section and Telkom Kenya in the fixed line segment. This industry experienced aggressive growth in 2012 which is expected to continue over till 2017.With increased users in both fixed line and mobile sectors; Kenyan's mobile network operators in Kenya is expected to establish healthy growth rates in the years to come. Expansion of network is also going to play a major role in actuating the industry till 2016 with the heating competition between the four mobile subscribers in the country.

Kenya has experienced expeditious internet and even more rapid mobile phone growth; this progress has therefore encouraged the government to have plans to transform Kenya into “East Africa’s leader in Information and Communications Technology (ICT)”. The liberalization process of the telecommunications sector which began since 1999 has made Kenya experience progressive changes and hence the institution of the “Communications Commission of Kenya (CCK) in February in that similar year through the Kenya Communications Act, 1978”.

The role of (CCK) is “license and control telecommunications, radio communication and postal services”. Since then there has been a detectable improvement in the industry (Mutula 2008). In the past five years, There has been an enormous expansion in the “telecommunication industry in Kenya, with a steady economy of a GDP of $32 billion (Kshs. 2.5 trillion) and a standard five per cent economic growth rate”.

The Kenya mobile network operators are foreseen to establish distinguishable growth rates within the coming years. With the increasing of more subscribers for mobile and fixed line sectors, network expansion is going to play a vital aspect in enterprising the industry till 2016 with the heating competition. The industry has witnessed increased demand of its products afterwards from the landing of undersea cables at the Kenyan coast which provided relatively cheaper internet bandwidth compared to the then existing satellite capacity. The government has further boosted the sector by investing in the National Optical Fiber Backbone Infrastructure (NOFBI), an initiative to build fibre infrastructure country wide.

1.2 Research Problem

Despite the popularity and advantages associated with strategic alliances that have seen many companies rush to form strategic alliances, few have succeeded. It has however been forecasted that the collapse rate of strategic alliances could be as high as 70%. According to studies it has shown 30% and 70% of alliances fall because they do not meet up the objectives of the holding companies and neither do they deliver on operative or strategic benefits they ought to provide (Bamford *et al*, 2004).

The termination rates of alliance have been reported to be over 50% (Lunnan & Haugland, 2008), and in most instances these relationships have resulted investors value devastation for the corporations that are listed on the stock exchange and engage in alliances (Davidson, 2011).

Mobile telecommunication industry deal with contemporary market forces of competition by incorporating strategic alliances. According to Davidson (2011) the vital reason for mobile telecommunication firm's creation of strategic alliances was to facilitate companies to have access to larger markets, minimize on their costs and risks as alliances can spread risks and share among partners than other types of corporate strategies hence benefiting on their productivity (Gulati, 2013).

Several studies have been done on strategic alliances and competitive strategies both globally and locally but have been inconclusive. Rationalisms for strategic alliances failure which include erroneous strategies, distrust, disagreeing partners, non-equitable or idealistic deals, in substantial management, deficient launch planning and execution among others are some as highlighted by Bamford, Ernst and Fubini (2004). Its collapse can be associated to affinity problems among the organizations which could comprise partners of diverse size, alliance understanding, or bureaucratic style.

In Kenya, Musyoki (2003) examined the conception and execution of strategic alliances amongst non-metropolitan companies with an eventuality of Gedo health consortium while Wachira (2003) conducted an assessment on strategic alliances in pharmaceutical drug development which was a case study of three strategic partnerships at Eli Lilly and company. A survey was carried out by Koigi (2002) on the application of strategic alliances experience of Kenya Post Office Savings Bank (KPOSB) and Citibank. Kamanu (2005) affirmed strategic alliances among expansion of NGOs in Kenya is a very important constituent in the achievement of any organization either for profit or non-profit in the world today. Empirical evidence suggests that studies on strategic alliances in telecommunication industry have been done in developed countries of Europe and USA with a limited number of studies being done in developing countries.

The studies indicated above focused on other sectors of the economy such as non-governmental organizations, manufacturing industry and pharmaceuticals while the current study will be limited to the telecommunication industry. In Kenya, while several studies have been done on strategic alliances, none has targeted on their effect on the competitive advantage of telecommunication industry. Therefore, there prevails a knowledge gap and hence this study attempts to concentrate on this gap by answering the research problems; what is the effect of strategic alliances on competitive advantage among mobile network operators in Kenya? And what type of strategic alliances do they have in operation?

1.3 Research Objective

The objective of this study was to determine the effect of strategic alliances on competitive advantage among mobile network operators in Kenya.

1.4 Value of the Study

This area of strategic alliances in the mobile telecommunication industry is still encountering from lack of knowledge. Analysis in the particular factors in this field can aid to expose formerly unknown information that may facilitate additional assimilation of the aspects that encourage the establishment of strategic alliances and what industries may accomplish to increase it. In theory researchers and academicians are groups who may benefit from the study in that they may identify the research gap and conduct research on this topic. Also, they might benefit by gaining information which can be used to conduct other studies on the area of strategic alliances as tool of competitive advantage in the telecommunication industry in Kenya. This research aims to render the foundation for additional analysis to be done by academics as a source for exploration of other areas in the Kenyan economy.

Practically, executives of corporation who are technically agents of the investors will use the study. The management of the telecommunication industry will gain insights on whether to use strategic alliance as tool for competitive strategy. The management will also be able to know which form of strategic alliances they can use in order to enhance mobile telecommunication performance. The shareholders who are the directors of the mobile telecommunication industry are concerned in the performance of the organization. The performance of the firms will be validated by the investors if there is an increment of the shareholders wealth.

To Policy Makers (Communication Authority of Kenya) this study may help improve the policy-making capacity and also apply innovation derived from strategic alliances in policy implementation in areas of capacity building, financial management by mobile telecommunication and the general benefits accrued by the firms in alliances. Improved policies would be geared towards enhancing the competitive advantage of mobile telecommunication sector.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The evaluation of pertinent literature is presented in this chapter encompassing both theoretical and empirical literature. Theoretical literature emphases on the theories anchoring the study, while empirical literature lays weight on outcomes of empirical research on the strategic alliances and firms competitive advantage.

2.2 Theoretical Foundation

The following theories, pertinent to strategic alliances and competitive advantage are reviewed in this study: Competitive Advantage Theory, the Resource Dependence Theory and the Transaction Cost Theory. These are as discussed below:

2.2.1 Competitive Advantage Theory

Competitive Advantage Theory developed by Day and Wensley (1988) was the overarching theory of the study. The theory shades light on a firm's behaviour from a managerial perspective as opposed to marketing approach, further illustrating that organizations are assumed to make cooperative agreements if they see that is the only channel to enhance their capacity in achieving strategic objectives, in terms of increasing profits or in protecting and widening market share. Precise definitions of Competitive advantage are rare, though a lot of study has been done, as it is often used interchangeably with notions like distinctive competence (Ireland, 2012). Comprehending Competitive advantage calls for deep analysis of its fundamental components.

Advantage is a crucial element (Kuratko, 2010), only significant when relating to alternative entity or set of entities. A competitive advantage, therefore is a benefit that an organization has over its competitors in a particular industry (Kay, 1993). In some of the advantage or benefit that a firm may have over its competitors include, greater production system, lower level of salaries and wages, capability to provide high level customer service. The paramount advantages or benefit are those that customers place some value in (Collis & Jarvis, 2002). Thus, the locus of advantage is in marketplace and points of advantage are mostly considered as either differentiation or lesser delivered cost or both (Hamel, 2011).

2.2.2 Resource Dependence Theory

Emerson (1963) established this theory which was advanced by Pfeffer and Salancik (1978), who projected a firm control over dire resources could make other firms or organization dependent on it. It further assumes even though firms operate in similar industries, they vary in equalities of their assets and capabilities. This is to mean that this theory portrays that many a times firms are not independent for all the required resources that make them continue to be viable. Therefore, this is to imply that they need to involve in exchange and interaction with other organizations in one way or another to attain essential resources for sustenance. This therefore brands a strategic partnership feasible scheme of inter-organizational edifice which can lessen fears thus improving the avenue to much required resources (Gichui, 2011).

Resource dependence theory has arisen to being an essential enlightenment for the obstinate firm level act by stressing organization's capability to produce and put up with competitive advantage through securing protective advantageous resources stations (Leiblein, 2003). The competitive advantage of an organization results from strategy which makes the most of its unique resources and expertise. Incorporation of resource dependence model will amplify our knowledge of the resources founder industries choose to manage and what they do to control them.

2.2.3 Transaction Cost Theory

The rudimentary principle of the Transaction Cost Theory is founded on the notion that natural and government-induced externalities are some of the factors among others that make markets to at times fail in allocating factors services and goods resourcefully (Beckman, Haunsschild & Phillips, 2014).

This therefore results to higher costs mainly referred to as to as natural periphery, independent ownership, and technical externalities among others in organizing exchange via market as opposed to organizing exchange internally. Strategic alliances attain to convey the transactions of these costs in a collective mutual arrangement facilitating the associates to minimize cost intricate hence evading opportunism amid exchange associates (Kuratko, 2010). The equity association between strategic associates and their projects is preferable to harmonization through spot markets or deals (Hennart, 1988).

2.3 Types of Strategic Alliances

In order to attain collective objectives and come up with larger resources cooperatively, Strategic alliances are extensively executed as collective strategies. According to Hitt et al (2006) “strategic alliances are articulated for both business level strategies and corporate level strategies for extension as well as achieve other purposes”. They further defined strategic alliance as a compliant plan whereby firms pool a few of their resources and competences so as to achieve competitive advantage. Baum & Usher (2010) also refer to strategic alliance as a tactical coalition that requires a trustworthy associate to demeanor a developing partnership, whereby organizational resources and competencies are pooled as well as developing new ones. Porter and Fuller further elaborated that in strategic alliance, firms that take part follow collective objectives and produce value adding processes to achieve competitive advantage.

Firms apply cross- border alliances in order to transform themselves as well as make use of the opportunities shooting in the global economy that is rapidly transforming. Strategic alliances, therefore, can be grouped into the following three categories: joint venture, equity strategic alliance, and non-equity strategic alliance (Chin, Chan & Lam, 2012). These types of strategic alliance yield competitiveness in diverse ways. Joint ventures can be defined as an alliance whereby two or more organizations come up with a legally independent firm with the aim of sharing their collective competencies and resources to yield aggressive advantage in the market. This venture is effective in instituting long-term relationships as well as share tacit knowledge amidst the firms (Berman et al, 2002).

The varied skill and familiarity in specific areas that each organization collectively contributes into the cooperation nurture sustainable competitive advantage.

Commonly organizations that apply the joint venture alliance have pooled resources and engage in the management tasks equally. As explains Orwall (2001) the relationship between Sony Pictures Entertainment, Warner Bros, Universal Pictures, Paramount Pictures, and Metro-Goldwyn-Mayer Inc. is a good example where each of the organizations has a 20 percent portion in a joint venture to utilize the internet to provide trait movies to customers on demand. It is considered that joint ventures are a major form of alliance where organizations share and pool resources and abilities. The participating organizations pool synchronization of both developing and marketing to enhance easy entrance to distinct markets ventures, intelligence data, and reciprocator flows of technical data (Mitchell & Singh, 2011).

An equity strategic alliance is a venture whereby the proprietorship fraction of each organization varies, as two or more organizations own shares of the newly formed organization in proportion to what each has contributed in terms of resources and capabilities having the one key goal of yielding a competitive advantage. Strategic alliances put emphasis on the relations of management competencies and set-up undertakings amidst two or more diverse firms. This eventually results to matching various corporate cultures to one aim in the strategic alliances as a result of occurrence of equity strategic alliances. Many exotic direct investments like those made by industries in Japan and U.S. to developing economies are made complete through equity strategic alliances (Gulati, 2013).

A non-equity strategic alliance is slightly different from that of equity and joint venture. This strategic alliance is less formal as it involves two or more firms creating a cooperation on an agreement basis without forming a discrete firm to attain a competitive advantage. The key goal of this alliance is to utilize each of their distinctive competencies and resources to yield a competitive advantage. The relation amidst partners is informal therefore requires less partner assurance as compared to the other forms of strategic alliances, making it easier to adopt (Gichuhi, 2011). Non-equity alliances require less experience and are simple as they do not need transfer of tacit or implied knowledge and skill. Despite shortcomings encountered while adopting this system, firms are increasingly embracing this form in various arrangements like certifying agreement, distribution treaties and supply contracts (Folta and Miller, 2002). The motivation behind these corporations includes factors such as doubt concerning technology and multifaceted economic atmosphere. Competition from opponents promotes better engagement with associates. Strategic alliances as a form of cooperative strategies are commonly used among organization due to convolution in tasks as well as the competitive corporate environment. Outsourcing of services such as cleaning, marketing, catering is an example of non-equity strategic alliance applied so as to yield competitive advantage (Uddin and Akhter, 2011).

2.3.1 Reasons for the formation of alliances

Strategic alliances are outlined from a sort of reasons which include invading into distinct markets, reduction of business costs and the emergence and diffusing new technologies speedily. Alliances can also be used to fast-track the introduction of products and overcoming formal barriers to trade promptly. In this era of sophisticated technology and international markets, executing strategies instantaneously is crucial. Formation of alliances is frequently the fastest, most efficient way of accomplishing goals. Companies ought to be certain that the objective of alliances is well-matched with their current businesses so their skill is transferable to the alliances.

2.3.1.1 Entering New Markets

Many a times, a business that possess a thriving product or service, may experience several shortcomings as it wishes to establish its products in the market, which may include; insufficient marketing skills, inadequate comprehension of customer needs and requirements, insufficient knowledge on the how to promote the product or service efficiently and insufficient access to appropriate channel of distribution. Therefore, such a company would rather identify and consult another firm that possess the needed marketing skills other than develop its expertise internally (Yabs, 2007).

The consequential alliance can serve the market quickly and efficiently if one company concentrates on product development expertise while the other firm capitalizes on marketing expertise. When entering an exotic market for the very first time, Alliances may be predominantly useful due to the wide cultural disparity that may proliferate. They may also be effectual locally when inward bound regionally or in ethnic markets. This has yield to an increased number of telecommunication companies entering into strategic alliances to achieve competitive advantage and therefore growth as a result of new markets (Uddin and Akhter, 2011).

2.3.1.2 Developing and Diffusing Technology

Numerous companies may incorporate alliances to accelerate their proficiency technologically in emerging products as compared to companies acting independently. According to Rogers, (2003), diffusion can be defined as the procedure by which modification is communicated through particular networks over time amongst members of a social system. Various industries especially the ones experiencing rapid growth, have made strategic alliance the foundation of their strategies this is contemplated from (Baum & Usher, 2010), that presently due to swift changes in the world an enterprise that is not capable to position itself quickly will miss important opportunities. Hence, Alliances described as network of organizations' because it is the core to upcoming strategy.

The suppliers of automotive parts and machineries of Toyota have transcribed a long-term strategic alliance as Microsoft joints forces autonomously with software developers who produce distinct programs to run the coming generation versions of windows. The standard large company is involved in about 30 alliances presently as compared to less than 3 in the early1990's (Kim &Mauborgne, 2013) this is achieved from the modern studies). Through strategic alliances, mobile firms expand its market position, gain access to new technology and achieve competitive advantage and substantial growth.

2.3.1.3 Improved Customer Service

Superior executives downwards the chain of command, commences the strategic alliances into their organizations in an attempt to progress their attitude towards customer service. Numerous producers are collaborating with merchants and retailers. When a merchant makes a long-term order commitment to the producer, the producer aids the merchant in customer service tools and training. Various companies have initiated strategies to provide enhanced and instantaneous customer service while reducing their costs through incorporating alliance relationships.

Through dialogue on how to pull ties together aggressive industries search other industries with related customer base. Strategic alliances allow partner firms to learn new ways to improve customer service from the one another as well as enabling them solve their customer's problems faster because of the newly acquired larger base of customer service people. This means that keeping the customers loyal to the organization enhances stable running of the business even in times of stiff competition and recession. Customer satisfaction therefore enhances the mobile firms market, more sales are realized and therefore firms can opt to grow in to other services and new market niche to realize its full potential therefore resulting to substantive growth (Gichui, 2011).

2.3.1.4 Financial stability

One of the reasons why companies find themselves walking towards forming strategic alliances is the need to eliminate the weaknesses that come with financial instability. Smaller organizations forming alliances with larger ones seek access to capital. More capability is generally the cropping of apportioned resources. For instance, when a university collaborates with a medium level training institution to offer degree programmes in new markets, both institutions depending on the agreement reached upon is required to contribute a certain percentage towards the acquisition of necessary resources.

Through alliance relationships, economic perils associated with producing distinct can products and advancing into modernized markets can be apportioned because the worth of this alliance is to achieve solutions through conjointly beneficial efforts. Collectively, companies can eliminate both their problems as well as those of their suppliers and employees. Firms ought to be discern on what they want to attain from alliance relationships, since as a consequence of this alliances their mission will be achieved. In turn it makes the company achieve enhanced quality, productivity and gaining more profits through these mutual relationships and hence and increase in their sales, market and products. (Koigi, 2012).

2.4 Strategic Alliance and Competitive Advantage

Various countries and companies are more aggressive than others in the world; this is according to Porter's (1990) diamond theory. The disagreement is that the central government of an organization provides it with particular features which possibly constitute advantages on a global scale. The Model comprises of four attributive factors which comprises of demand conditions, factor conditions which entails circumstances that can be manipulated by any national and therefore a country can build on this to progress competition which includes highly skilled labour, accessibility of raw materials and indigenous resources. The other features are similar and supporting firms as well as the industries strategy, composition and competitors.

Local markets have more demand conditions as compared to and alienated markets hence constituting global competition among home companies. Porter continues to explain that similar industries and suppliers can determine a firm’s competitiveness by making it more cost effective and becoming more innovative in its products. Relatively, an industry’s composition and rivalry ability can influence its competitiveness. Porter (1990) further explains that the five main forces can endanger an industries position if they are not addressed in the best manner attain and perpetuate benefits in the industry.

Vertical strategic alliances which originated from corresponding business levels have supreme possibilities constituting of manageable competitive advantages, this has resulted to great numbers of industries entering into alliances to achieve competitive advantages (Uddin and Akhter, 2011). However, the benefits actualized through complementary vertical and horizontal) strategic alliances are more enduring than the temporal ones. Complementary alliances are alleged more competitive because they target more on composition of value as compared to competition and therefore minimizing the uncertainties unlike competition alliances which have a tendency to be designed to react to rival’s act rather than to attack competitors.

Associates of corporate-levels strategies can apply e designs to establish competitive intelligence (CI) through knowledge management. This is very key for industries to achieve maximum value from this knowledge (Blenkhorn & Fleisher, 2003). Certainly, competitive intelligence can be contemplated as the procedure for sustaining both strategic and tactical decisions and also to sustain CI, firms require systems and mechanisms to collect and examine reliable, significant a timely information that is obtainable immense magnitudes regarding competitors and markets" (Cobb, 2003).

2.5 Summary of Empirical Studies and Knowledge Gaps

A distinguished proportion of strategic alliances are unreliable or performed inadequately regardless of the population of strategic alliance in international business. The gaps were identified and discussed with proposal on how the current study will fill them. Identification of gaps in the literature review enables the current study to conceptualize variables with the aim of filling the gaps identified in order to add knowledge on practice, theory, managerial and future research. This will add value to conceptual, contextual and methodological as presented in Figure 2.1

Table 2.1: Summary of Empirical Studies and Knowledge Gaps

Study	Study Focus	Methodology	Key Findings	Knowledge Gaps	Focus of the current study
Beamish, (1990).	Cross-cultural cooperative behavior in strategic alliances in LDCs.	Cross-sectional survey	Institutional difference, influence strategic alliances	The study did not evaluate the contribution of strategic alliances on competitive advantage	The study will seek to find out influence of strategic alliances on competitive advantage
Coombs, (2004)	Equity Alliances, Stages of Product development, and partnership instability	Chisquare tests and Anova	It was established that Equity Alliances is a common phenomenon in the product development cycle	The study considered only equity alliances which may not generalize to all aspects of strategic alliances	The study will focus on the strategic alliances in mobile telecommunication industry
Koigi, (2002)	Implementation of strategic alliance experience of KPOB and Citibank: Unpublished MBA Project, University of Nairobi	Case study research design, Analysis of Variance	There are challenges experienced in the implementation of strategic alliance	The study did not consider strategic alliances in mobile telecommunication	The study will focus on Strategic alliances on mobile telecommunication industry competitive advantage
Yaps (2007).	The Basic Steps	Empirical	Strategic alliances	The study based on	This study will be

Study	Study Focus	Methodology	Key Findings	Knowledge Gaps	Focus of the current study
	of Strategic Alliances,' *Harvard Business Review*, *4*, 78 – 92.	review	involve a stepwise process with clear guidelines.	empirical review	primary in nature
Wachira, (2003).	Strategic alliances in pharmaceutical drug development.A case study of three strategic alliances at Eli Lilly & Company	Correlation and Anova	With a heightened need for semantic interoperability, sponsors are increasingly seeking out vendors who can complement their data services with IT capabilities	The study focused on pharmaceutical industry	This study focuses on mobile telecommunication industry
Musyoki (2003).	Creation and implementation of strategic alliances among NGO's. A case study of GEDO health consortium: Unpublished MBA Project, University of Nairobi.	Case study research design	Strategic alliances are intended in helping the organization accomplish their objectives and mandate	The study did not establish the extent of influence of strategic alliances on competitive advantage	The study will be in the context of competitive advantage

Source: Researcher (2017)

CHAPTER THREE

RESEARCH METHODOLOGY

1.1 Introduction

The research methodology is discussed in this chapter. The chapter first discusses research design and goes on to outline the target population in a clear way on how it was determined and engaged fully to achieve the study objectives. The chapter further discusses how data was collected in terms of the procedures to be followed, the people to respond to the questions and the type of instruments to be employed justifying each step in a robust manner. The chapter also discusses how the instruments were validated and reliability ratio established to determine the content and consistency of the instrument in measuring the intended objectives and also explains the tabulated operationalization of key variables. The chapter further explained the key analytical models to be used during analysis stage.

1.2 Research Design

The study used cross sectional survey design where qualitative and quantitative approaches were utilized. A cross sectional study considers a section of a population as a certain point in time to allow for conclusions about phenomena under study and the entire population. The research design was suitable in the evaluation and examination to establish patterns of interrelationships amongst the study variables (Sekaran & Bouge, 2009).

The research design was envisaged to offer the researcher an opportunity to collect data across different mobile network providers and empirically test the relationship of the constructs along its conceptualization. The research design was guided by the purpose of the study, the type of investigation, the extent of researcher involvement, the stage of knowledge in the field and the type of analysis (Machuki, 2011).

1.3 Target Population

The dorminant telecommunication companies in Kenya i.e. Safaricom limited, Airtel Kenya and Telkom Kenya were the target population for this study. The study will then select participants based on their role in the strategic alliances process and also based on how the study deems their input necessary to accomplish the objectives of the study and also their availability during data collection period.

1.4 Data Collection

The study used both primary and secondary data which was collected using desk review and questionnaires which were administered using the drop and pick method in collaboration with well-trained research assistants. To enhance the completion rate an email or text message reminder was sent after every five days till the response rate was deemed satisfactory. Relevant documents from the organizations will be reviewed to collect data on competitive advantage and further to verify and countercheck on the primary data obtained. The documents will include Strategic plans and reports.

The study involved managers of the telecommunication companies in Kenya. The principal respondents were the "head of strategy, marketing manager and business development manager, who depending on the structure of the particular firm, was in a position to participate in the survey". Systematical questions was used in the questionnaire which made the respondent gain confidence and hence respond without feeling held back in concealing any information and give a discernment of his feelings.

1.5 Data Analysis and Techniques

For this study, both descriptive and inferential statistics (mean scores, standard deviations, percentages and frequency distribution) were used. Descriptive analysis was applied on primary data. Measure of central tendencies and dispersion was depicted by mean and standard deviation to identify strategic alliances, while correlation was employed to analyze extent of effect and association amongst the variables in the research.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter looks at the analysis, interpretation and discussion of the data gathered from the questionnaire survey. Information was divided into two sections in this chapter. Analysis of the respondents' general information was detailed in the first section, while the second section dealt with descriptive and inferential statistics to analyze the data on the objectives.

4.2 Demographic Information

In order to accomplish the study's main objective, it was important to seek demographic information of the respondents, the information sought included gender, age bracket, level of education and length of working experience.

Table 4.1: Demographic facts of respondents

Gender	**Frequency**	**Percentage**
Male	6	67
Female	3	23
Age bracket	**Frequency**	**Percentage**
Below 25	0	0
Between 26 and 35	2	22
Between 36 and 45	2	22
Above 45	5	56
Level of education	**Frequency**	**Percentage**
College	0	0
University first degree	7	78
Post graduate degree	2	22
Length of working in the firm	**Frequency**	**Percentage**
1-4	1	12
5-7	2	22
8-10	3	33
Over 10	3	33
Total	**9**	**100**

Source: Field Data (2017)

Table 4.1indicated that the males were slightly more 67% in total and female respondents were 23% showing that there was diversity in respondents and hence the data collected was not distorted by factors relating to data distribution. The findings indicates majority 5 (22%) of the respondents aged above 45 Years, followed by 2 (22%) who were aged between 26-35 years, while another 2 (22%) were aged between 36-45 years. It implies that most of the respondents were mature enough to respond to the questions. It also might indicate that the telecommunication firms prefer employing mature employees for managerial positions because of their experience. The study findings revealed 7 (78%) of the respondents were found to be Bachelor holders. It implies that most of the respondents were well educated to understand the study and hence gave relevant responses regarding the effect of strategic alliances on competitive advantage among the mobile network operators in Kenya.

The findings showed that 33% of the respondents had over 10 years work experience. A further, 33% had worked for between 8 to 10 years while 2 (22%) had worked for 5-7 years. This means that the information provided was reliable and could be used to make conclusions on the study variables. The findings also indicated that employees stay in employment for long periods within telecommunication firms and therefore a good indication that the firms have high employee retention.

4.3 Technology Sharing and Competitive Advantage

The study on technology sharing and competitive advantage was done by studying various aspects of technology sharing that influenced competitive advantage. The respondents were asked about the effects of technology sharing on competitive advantage of mobile operator firms.

Table 4.2: Influence of technology sharing on competitive advantage

Statement	Mean	Standard deviation
Cost of technological infrastructure makes it hard for companies to thrive alone	4.54	1.35
Technological advancement necessitated mobile banking	4.04	0.18
Global technological advancement has opened up diversity in market	4.03	1.25
Skills and competency to manage advance levels of technology in Kenya is limited.	4.19	1.13
To counter the competition the major target is to invest in new technology through a partnership	4.39	1.31
Strategic partnerships have enhanced association with consumers and all investors through the Internet	4.52	1.32
Economies of Scale has thrived through pooling of resources across business units	4.25	1.27
The firm has been able to acquire new technologies from partners in the alliance.	4.53	1.28
Diffusion of technology affect competitive advantage of mobile telecommunication firms	4.78	1.37

Source: Field Data (2017)

Table 4.2 showed that “majority of the respondents agreed that cost of technological infrastructure makes it hard for companies to thrive alone as shown by a mean of 4.54 and a standard deviation of 1.35. The respondents also agreed that the technological advancement necessitated mobile banking as revealed by a mean of 4.04 and a standard deviation of 0.18. The participants agreed that global technological advancement has opened up diversity in market as shown by a mean of 4.03 and a standard deviation of 1.25. The study found out that majority agreed that skills and competency to manage advance levels of technology in Kenya is limited as shown by a mean of 4.19 and a standard deviation of 1.13. Majority of the respondents agreed that to counter the competition the major target is to invest in new technology through a partnership as shown by a mean of 4.39 and a standard deviation of 1.31.

Majority of the respondents agreed that strategic partnerships have enhanced connecting with consumers and all stakeholders through the Internet as shown by a mean of 4.52 and a standard deviation of 1.32. A large number of respondents agreed that economies of Scale has thrived through resource pooling across operational areas as shown by a mean of 4.25 and a standard deviation of 1.27. Majority agreed that the firm has been able to acquire new technologies from partners in the alliance as shown by a mean of 4.53 and a standard deviation of 1.28. With a mean of 4.78 and a standard deviation of 1.37, majority also agreed that diffusion of technology affects competitive advantage of mobile operator firms”.

4.4 Enhanced Customer Service and Competitive Advantage

This study was done by examining the aspects in customer service that influence competitive advantage and the respondents view on the effects of enhanced customer service on competitive advantage of mobile telecommunication.

Table 4.3: Influence of enhanced customer service on competitive advantage

Statement	Mean	Standard deviation
Strategic alliances have enhanced service delivery to our customers	4.51	1.37
Our strategic alliances have been based on changes in consumer taste and lifestyle	4.65	1.37
Customers consider diversity of services offered by telecommunication companies before subscribing to their services	4.38	1.29
Customer service influence competitive advantage of mobile telecommunication	4.02	0.32

Source: Field Data (2017)

Table 4.3 showed that majority of the respondents were in agreement that strategic alliances have enhanced service delivery to our customers with a mean of 4.51 and a standard deviation of 1.37. Most of the respondents also agreed that their strategic alliances had been based on changes in consumer taste and lifestyle as revealed by a mean of 4.65 and a standard deviation of 1.37. A large number of participants agreed that customers consider diversity of services offered by telecommunication companies before subscribing to their services as depicted by a mean and standard deviation of 4.38 and 1.29 respectively. With a mean and standard deviation of 4.02 and 0.32 respectively, it was agreed by a majority of those who responded that customer service influences competitive advantage among mobile network operators in Kenya.

4.5 Knowledge Expertise and Competitive Advantage

Knowledge expertise and competitive advantage was done by examining the influence of knowledge expertise on competitive advantage that had entered in strategic alliances

Table 4.4: Influence of knowledge expertise on competitive advantage that has entered in strategic alliances

Statement	Mean	Standard deviation
Forming "a strategic alliance can allow ready access to knowledge and expertise in an area that a company lacks".	4.36	1.21
The "information, knowledge and expertise that a firm gains can be used, not just in the joint venture project, but for other projects and purposes".	4.37	0.35
The "expertise and knowledge can range from learning to deal with government regulations, production knowledge, or learning how to acquire resources".	4.31	1.13
Strategic partnerships lead to access to knowledge and technological innovation	4.54	1.35
One of the motivations of entering into partnerships is the potential to gain access to new information and skills	4.00	1.13
Knowledge expertise influence competitive advantage of mobile telecommunication firms	4.40	1.31

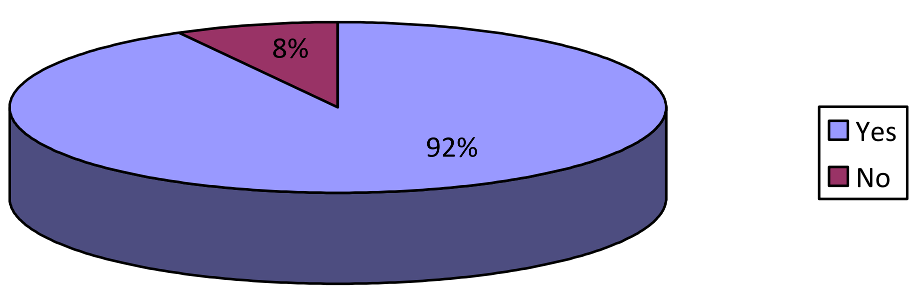
Source: Field Data (2017)

Table 4.4 presented that "majority agreed that forming a strategic alliance can allow ready access to knowledge and expertise in an area that a company lacks as shown by a mean of 4.36 and a standard deviation of 1.21. Majority agreed that the information, knowledge and expertise that a firm gains can be used, not just in the joint venture project, but for other projects and purposes as revealed by a mean of 4.37 and a standard deviation of 0.35. A large number agreed that the expertise and knowledge can range from learning to deal with government regulations, production knowledge, or learning how to acquire resources as shown by a mean of 4.31 and a standard deviation of 1.13. Majority of the respondents agreed that strategic partnerships lead to access to knowledge and technological innovation as shown by a mean of 4.54 and standard deviation of 1.35". A large number agreed that one of the motivations of entering into partnerships is the potential to gain access to new information and skills as shown by a mean and standard deviation of 4.00 and 1.13 respectively. Majority were in agreement that knowledge expertise influence competitive advantage of mobile network operator firms as revealed by a mean and standard deviation of 4.40 and 1.31.

4.6 Cost Sharing

This study on cost sharing involved probing the respondents view on the influence of cost sharing on competitive advantage in strategic alliances and the relationship between cost sharing on competitive advantage.

Figure 4.1 Cost sharing influence competitive advantage in strategic alliances



Source: Field Data (2017)

Majority (92%) of the respondents agreed that cost sharing influences competitive advantage in strategic alliances.

Table 4.5: Influence of cost sharing on competitive advantage

Statement	Mean	Standard deviation
Acquisition of new technology influences cost leadership of the firm thereby reducing its marketing expenditure	4.08	1.58
Sharing activities provide cost savings and revenue enhancements	4.14	1.49
Joining forces implies cost reductions for the cooperating partners’	4.01	1.51
The firms reduce the installation costs in adopting a technology through strategic alliances.	4.10	1.45
The firm staffs are well trained and conversant with the system lowering the cost of training on the partners.	4.93	1.42
The availability of suitable space and openness fundamentally act as a cost reduction factor to the partners	4.04	1.52
Alliances between banks and telecoms have led to reduced costs of cash handling	4.94	1.33
Cost sharing affect competitive advantage of mobile telecommunication	4.94	1.32

Source: Field Data (2017)

Table 4.5 presented that “majority agreed that acquisition of new technology influences cost leadership of the firm thereby reducing its marketing expenditure as shown by a mean of 4.08 and a standard deviation of 1.58. Majority of the respondents agreed that sharing activities provide cost savings and revenue enhancements as shown by a mean of 4.14 and a standard deviation of 1.49. Majority agreed that joining forces implies cost reductions for the cooperating partners' as shown by a mean of 4.01 and a standard deviation of 1.51. A large number agreed that the firms reduce the installation costs in adopting a technology through strategic alliances as indicated by a mean of 4.10 and a standard deviation of 1.45. Majority also agreed that the firm staffs are well trained and conversant with the system lowering the cost of training on the partners as shown by a mean of 4.93 and a standard deviation of 1.42. Majority agreed that the availability of suitable space and openness fundamentally act as a cost reduction factor to the partners as shown by a mean of 4.04 and a standard deviation of 1.52". A large number agreed that alliances between banks and telecoms have led to reduced costs of cash handling as shown by a mean and standard deviation of 4.94 and 1.33. Majority established that cost sharing affects competitive advantage of mobile network operator firms as shown by a mean and standard deviation of 4.94 and 1.32 respectively.

Table 4.6: Rate of the competitive advantage of mobile firms for the past 5 years

Rate	Frequency	Percentage
Exceptional growth	7	78
Satisfactory growth	1	11
No growth	1	11
Total	**9**	**100**

Source: Field Data (2017)

Table 4.6 indicates that 7 (78%), which is a majority, of the respondents rated competitive advantage of mobile firms for the past five years to be exceptional growth.

4.7 Correlation Analysis

The study tested for existence of significant relationship between the independent variables and the dependent. This was to ascertain whether the independent variables relate with the dependent variable by carrying out correlation test.

The results in Table 4.7 show that there is a substantial relationship between each of strategic alliances benefits and competitive advantage and this was high because the correlation coefficient (r) for each comparison was positive.

Table 4.7: Correlation analysis results

		Technology sharing	Enhanced customer service	Knowledge expertise	Cost sharing	Competitive advantage
Technology sharing	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	9				
Enhanced customer service	Pearson Correlation	.590**	1			
	Sig. (2-tailed)	.000				
	N	9	9			
Knowledge expertise	Pearson Correlation	.263**	.424**	1		
	Sig. (2-tailed)	.000	.000			
	N	9	9	9		
Cost sharing	Pearson Correlation	.568**	.723**	.505**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	9	9	9	9	
Competitive advantage	Pearson Correlation	.519**	.692**	.358**	.805**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	9	9	9	9	9

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

Source: Field Data (2017)

Table 4.7 showed that cost sharing had the highest relationship (r = .805), followed by technology sharing (r = .519) and lastly knowledge expertise (r = .358). This means that an increase in technology sharing leads to an increase in competitive advantage in the same direction and an increase in customer service also leads to an increase in competitive advantage in the same direction.

From the results also, it is evidenced that an increase in knowledge expertise leads to an increase in competitive advantage in the same direction and finally an increase in cost sharing leads to an increase in competitive advantage and in the same direction. The relationship between independent variables was also established and the results indicated that technology sharing had a positive significant relationship with enhanced customer service with a correlation coefficient of 0.590 and a p-value of 0.000. This means that as technology sharing increases, enhanced customer service also increases in the same direction. The coefficient also showed a positive significant relationship between technology sharing and knowledge expertise and cost sharing with coefficients of 0.263, P-value of 0.000, and 0.568 and p-value of 0.000 respectively. This means that an increase in technology sharing leads to an increase in knowledge expertise and an increase in cost sharing in the same direction. A positive substantial relationship between enhanced customer service and knowledge expertise was noted with a coefficient of 0.424 and a p-value of 0.000.

From the results; the relationship between enhanced customer service and cost sharing was found to be the highest among the predictor variables (r = .723, p-value = .000), followed by customer service and technology sharing (r = .599, p-value = .000) and relationship between knowledge expertise and technology sharing was the least (r = 263, p-value -.000). The results of correlation analysis in Table 4.7 also show that all the independent variables; technology sharing, customer service, knowledge expertise and cost sharing were significantly related to competitive advantage in telecommunication sector, since the p-value for each relationship was less than 0.01.

4.8 Discussion of Results

The study findings revealed that there was a variation of 25.6% on effect of strategic alliances on competitive advantage of mobile network operator sector due to changes in technology sharing, customer service, knowledge expertise and cost sharing. This is an indication that 25.6% changes in competitive advantage could be accounted for by technology sharing, customer service, knowledge expertise and cost sharing. The study also revealed a positive strong relationship between technology sharing, customer service, knowledge expertise, cost sharing and competitive advantage of telecommunication sector as shown by positive correlation coefficient.

From the above correlation it was revealed that holding technology sharing, customer service, knowledge expertise, cost sharing to a constant zero, competitive advantage of telecommunication sector would be at 0.055. The study revealed a positive relationship between technology sharing, customer service, knowledge expertise, cost sharing and competitive advantage in telecommunication sector.

The study finding agree with the finding of Baum and Usher, (2012), who attributed competitive advantage as the approach in which an organization employs skills and resources to achieve predominant return on investment in a product market. This terminology is used to determine the organization's advantages in managing with market competition, coordinating and consolidating different forms of specialized advantages.

According to Gulati (2013), competitive advantage terminology has gained fame because of the study of Michael Porter. The significance of his fives forces model is that the configuration of a firm will ascertain the state of competition within the firms. These five forces that collectively determine competitive strategy are the risk of unknown entrants, direct competitors, the impact of alternative goods and services and the negotiating power of buyers and suppliers. This Competitive advantage enables the industry to achieve great economic values than its rivals, this belief is precise by associating it with added value which assure chances of survival (Kim & Mauborgne, 2013). The added value is achieved from firms high performance and hence a connection between high achievement and competitive advantage (Greve, 2009).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The aim of the study was to investigate the impact of strategic alliances on competitive advantage in the mobile telecommunication sector in Kenya. This chapter gives a summary of the data collected and the statistical treatment of analysis; discussion with regards to the research objectives and the evaluating and interpreting the meaning of the results. The conclusions relate to the particular objectives and the recommendations state suggestions for further study.

5.2 Summary of the Study

The study on technology sharing and competitive advantage was done by studying various aspects of technology sharing that influenced competitive advantage. The respondents were asked about the effects of technology sharing on competitive advantage of mobile telecommunication firms. Majority of the respondents agreed that cost of technological infrastructure makes it hard for companies to thrive alone. The respondents also agreed that the technological advancement necessitated mobile banking. The participants agreed that global technological advancement has opened up diversity in market. The study found out that majority agreed that skills and competency to manage advance levels of technology in Kenya is limited.

It was agreed by a majority of the respondents that to counter the competition the major target is to invest in new technology through a partnership. Majority of the respondents agreed that strategic partnerships have enhanced association with customers and all partners through the Internet. A large number of respondents agreed that economies of Scale have thrived through pooling of resources across business units. Majority agreed that the firm has been able to acquire new technologies from partners in the alliance. Majority also agreed that diffusion of technology affect competitive advantage of mobile telecommunication firms.

The study on enhanced customer service and competitive advantage was done by examining the aspects in customer service that influence competitive advantage and the respondents view on the effects of enhanced customer service on competitive advantage of mobile telecommunication. Majority of the respondents agreed that strategic alliances have enhanced service delivery to our customers. Most of the respondents were in agreement that their strategic alliances had been based on changes in consumer taste and lifestyle. A large number of participants agreed that customers consider diversity of services offered by telecommunication companies before subscribing to their services. Majority of respondents agreed that customer service influence competitive advantage of mobile telecommunication.

The study on knowledge expertise and competitive advantage was done by examining the influence of knowledge expertise on competitive advantage that had entered in strategic alliances. Majority agreed that forming a strategic alliance gives prepared access to information and skill in an area that an organization needs. Majority agreed that the information and skills that a firm gain can be used in other projects. A large number agreed that the expertise and knowledge can range from knowledge on production to dealing with government regulations. Most of the respondents were in agreement that strategic partnerships lead to access to knowledge and technological innovation. A large number agreed that one of the motivations of entering into partnerships is the potential to gain access to new information and skills. Majority agreed that knowledge expertise influence competitive advantage of mobile telecommunication firms.

The study on cost sharing involved probing the respondents view on the influence of cost sharing on competitive advantage in strategic alliances and the relationship between cost sharing on competitive advantage. Most of the respondents were in agreement that cost sharing influences competitive advantage in strategic alliances. Majority agreed that acquisition of new technology influences cost leadership of the firm thereby reducing its marketing expenditure. Majority of the respondents agreed that sharing activities provide cost savings and revenue enhancements. Majority agreed that joining forces implies cost reductions for the cooperating partners'.

A large number agreed that the firms reduce the installation costs in adopting a technology through strategic alliances. Majority also agreed that the firm staffs are well trained and conversant with the system lowering the cost of training on the partners. Majority agreed that the availability of suitable space and openness fundamentally act as a cost reduction factor to the partners. A large number agreed that alliances between banks and telecoms have led to reduced costs of cash handling. Majority agreed that cost sharing affect competitive advantage of mobile telecommunication. Majority of the respondents rated competitive advantage of mobile firms for the past five years to be exceptional growth.

5.3 Conclusion of the Study

It can be concluded that technology sharing influences competitive advantage. Cost of technological infrastructure makes it hard for companies to thrive alone. Technological advancement necessitated mobile banking; global technological advancement has opened up diversity in market. The study found out that skills and competency to manage advance levels of technology in Kenya is limited. To counter the competition the major target is to invest in new technology through a partnership; strategic partnerships have enhanced association with consumers and all investors through the Internet. Economies of Scale have thrived through pooling of resources across business units. The firm has been able to acquire new technologies from partners in the alliance, diffusion of technology affects competitive advantage of mobile telecommunication firms.

The study concludes that enhanced customer service positively influences competitive advantage. Strategic alliances have enhanced service delivery to the customers. Strategic alliances had been based on changes in consumer taste and lifestyle and customers consider diversity of services offered by telecommunication companies before subscribing to their services. Customer service influence competitive advantage of mobile telecommunication.

It can be concluded that knowledge expertise influences competitive advantage. “Forming a strategic alliance can allow ready access to knowledge and expertise in an area that a company lacks. The information, knowledge and expertise that a firm gains can be used, not just in the joint venture project, but for other projects and purposes. The expertise and knowledge can range from learning to deal with government regulations, production knowledge, or learning how to acquire resources”. Strategic partnerships lead to access to knowledge and technological innovation. One of the motivations of entering into partnerships is the potential to gain access to new information and skills.

Cost sharing influences competitive advantage in strategic alliances. Acquisition of new technology influences cost leadership of the firm thereby reducing its marketing expenditure. Sharing activities provide cost savings and revenue enhancements. Joining forces implies cost reductions for the cooperating partners’. The firms reduce the installation costs in adopting a technology through strategic alliances.

The firm staffs are well trained and conversant with the system lowering the cost of training on the partners. The availability of suitable space and openness fundamentally act as a cost reduction factor to the partners. Alliances between banks and telecoms have led to reduced costs of cash handling. It was found that cost sharing affected competitive advantage of mobile telecommunication.

5.4 Recommendations of the Study

It is recommended that the telecommunication firms should enhance technology sharing since it was found to influence competitive advantage. This is because it was found out that cost of technological infrastructure makes it hard for companies to thrive alone. The study recommends that there should be enhanced customer service since it was found to be positively influencing competitive advantage. It was found that strategic alliances have enhanced service delivery to the customers.

The firms should encourage knowledge expertise since it influences competitive advantage. Establishing a strategic alliance gives prepared access to knowledge and expertise in an area that an organization needs. The recommends cost sharing, this can lead to cost reductions for the cooperating partners. The firms will be able to reduce the installation costs in adopting a technology through strategic alliances. The firm staffs should be trained and conversant with the system lowering the cost of training on the partners.

5.5 Area Suggested for Further Research

This study examined the effect of strategic alliances on competitive advantage of mobile telecommunication. The study concentrated on four strategic alliances that included technology sharing, customer service, knowledge expertise and cost sharing. A further study is, therefore, recommended to determine the influence of other strategic alliances. The current study also investigated influence of strategic alliances on competitive advantages on sample drawn from only telecommunication sector. Further study is, therefore, recommended where a repeat study can be done using samples from other sectors which are not telecommunication. This will ensure that the findings can be compared among the various samples of sectors and determine whether strategic alliances affect competitive advantage in equal magnitude.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Dear respondent,

This questionnaire is meant to find information on the strategic alliances and competitive advantage of mobile telecommunication in Kenya. The information will be used for academic purposes only. Your responses will be totally anonymous and accorded the highest degree of confidentiality. Therefore, I request you openly respond to the following questions.

SECTION ONE: GENERAL INFORMATION

1. Age (in Years)

   Below 25 [ ] Between 26 and 35 [ ] Between 36 and 45 [ ] Above 45 [ ]

2. Gender

   Male [ ] Female [ ]

3. Level of education

   College [ ] University first degree [ ] Post graduate degree [ ]

4. What is your position in the company?

   ....

5. For how long have you worked in the company?

   1-4 [ ] 5-7 [ ] 8-10 [ ] Over 10 [ ]

SECTION TWO: TECHNOLOGY SHARING AND COMPETITIVE ADVANTAGE

1. The statements below are concerned with the influence of technology sharing on competitive advantage. Please tick the one that best describes your opinion. Use the following scale:

   1=strongly disagree 2= disagree 3=neither disagree nor agree 4=agree 5=strongly agree

Statement	1	2	3	4	5
Cost of technological infrastructure makes it hard for companies to thrive alone					
Technological advancement necessitated mobile banking					
Global technological advancement has opened up diversity in market					
Skills and competency to manage advance levels of technology in Kenya is limited.					
To counter the competition the major target is to invest in new technology through a partnership					
Strategic partnerships have enhanced connecting with consumers and all stakeholders through the Internet					
Economies of Scale has thrived through resource pooling across operational areas					
The firm has been able to acquire new technologies from partners in the alliance.					

Diffusion of technology affect competitive advantage of mobile telecommunication firms					

7. What is the effects of technology sharing on competitive advantage of mobile telecommunication firms.

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SECTION THREE: ENHANCED CUSTOMER SERVICE AND COMPETITIVE ADVANTAGE

8. The statements below are concerned with the influence of enhanced customer service on competitive advantage. Please tick the one that best describes your opinion. Use the following scale: 1=strongly disagree 2= disagree 3=neither disagree nor agree 4=agree 5=strongly agree

Statement	1	2	3	4	5
Strategic alliances have enhanced service delivery to our customers					
Our strategic alliances have been based on changes in consumer taste and lifestyle					
Customers consider diversity of services offered by telecommunication companies before subscribing to their services					
Customer service influence competitive advantage of mobile telecommunication					

9. In your own view what is the effects of enhanced customer service on competitive advantage of mobile telecommunication.

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SECTION FOUR: KNOWLEDGE EXPERTISE AND COMPETITIVE ADVANTAGE

10. The statements below are concerned with the influence of knowledge expertise on competitive advantage that has entered in strategic alliances. Please tick the one that best describes your opinion. Use the following scale.

1=strongly disagree 2= disagree 3=neither disagree nor agree 4=agree 5=strongly agree

Statement	1	2	3	4	5
Forming a strategic alliance can allow ready access to knowledge and expertise in an area that a company lacks.					
The information, knowledge and expertise that a firm gains can be used, not just in the joint venture project, but for other projects and purposes.					
The expertise and knowledge can range from learning to deal with government regulations, production knowledge, or learning how to acquire resources.					
Strategic partnerships lead to access to knowledge and technological innovation					
One of the motivations of entering into partnerships is the potential to gain access to new information and					

skills					
Knowledge expertise influence competitive advantage of mobile telecommunication firms					

11. What is the effects of knowledge expertise on competitive advantage.

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SECTION FIVE: COST SHARING

12. Does cost sharing influence competitive advantage in strategic alliances?

Yes ☐ No ☐

13. If yes, how do cost sharing influence competitive advantage in strategic alliances?

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14. The statements below are concerned with the influence of cost sharing on competitive advantage. Please tick the one that best describes your opinion. Use the following scale. 1=strongly disagree 2= disagree 3=neither disagree nor agree 4=agree 5=strongly agree

Statement	1	2	3	4	5
Acquisition of new technology influences cost leadership of the firm thereby reducing its marketing expenditure					
Sharing activities provide cost savings and revenue enhancements					
Joining forces implies cost reductions for the cooperating partners’					
The firms reduce the installation					

costs in adopting a technology through strategic alliances.					
The firm staffs are well trained and conversant with the system lowering the cost of training on the partners.					
The availability of suitable space and openness fundamentally act as a cost reduction factor to the partners					
Alliances between banks and telecoms have led to reduced costs of cash handling					
Cost sharing affect competitive advantage of mobile telecommunication					

19. On overall, how would you rate the competitive advantage of mobile firms for the past 5 years?

Exceptional growth ☐ Satisfactory growth ☐ No growth ☐

APPENDIX II: INTRODUCTION LETTER

Onchwari Judith Nyaboke
November 2017

Dear Sir/Madam,

I am a student at the University of Nairobi studying Masters of Business Administration. I am conducting a management research on Effect of strategic alliances on competitive advantage among Mobile Network Operators in Kenya.

In order to undertake the research, you have been selected as one of the respondents. This is therefore to request for your assistance in collecting information to facilitate carrying out the research study. The information you will provide will be treated with confidentiality and will only be used for academic purposes.

Thank You.

APPENDIX III: AUTHORITY TO DO RESEARCH