ENTRY STRATEGIES FOR SUSTAINABLE PERFORMANCE OF MULTINATIONAL CORPORATIONS: A CASE OF TECNO OUTLETS IN KENYA

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DECLARATION

This research project is my original work and has not been presented for examination in any other university.

Sign: ……………………...… Date: ……………………………

LU YING

D61/5403/2017

This research project has been submitted for examination with my approval as University of Nairobi supervisor.

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Finally, I express my unwavering gratitude to my family, that was always ready to support me throughout the course of study.

DEDICATION

I wish to dedicate this project to my husband, my siblings and to my entire family for encouraging me to follow this path of study.

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ABBREVIATIONS AND ACRONYMS

MNC - Multinational Corporations

MNE - Multinational Enterprises

ABSTRACT

Multinational Corporations (MNC) consistently explore opportunities to attain an edge above the ever-growing size of rivals. These corporations are faced with entry challenges into certain markets at the verge of rapid development and emerging global dynamics. The need to be equipped with highly competitive entry strategies is crucial to not only penetrate but also control a large foreign market share. This study explored the market entry strategies for sustainable performance of multinational corporations entering foreign markets. It adopted a case study research design and the use of a structured interview with a closed-ended questionnaire to collect primary data. The target population consisted all the departmental heads of Tecno outlets, including Information Communication Technology, Marketing, Research and Development, Procurement, Human Resource, Finance, and Chief Executive Officer. The study was of a qualitative nature that employed the use of content analysis to analyze primary data. Based on the findings, this study concluded that Tecno Mobile company adopted the use of exporting, franchising and licensing in its entry into the Kenyan market along with additional factors like Research and Development, development of new products and attainment of state of art Technology to achieve a sustainable performance. The study recommends the use of product differentiation upon the adoption of these entry strategies to obtain customer loyalty over the early periods of entry.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

At the heart of global competition, one escalating incident is the involvement of local companies in industries across cross-cultural boundaries. MNC consistently explore opportunities to attain an edge above the ever-growing size of rivals. Entry into new markets is a leading area that these firms can competitively explore in pursuit of prolonged performance. It is impractical for an MNC to drift away from new market entry (Ochola, 2015). These corporations are faced with entry challenges into certain markets at the verge of rapid development and emerging global dynamics. The need to be equipped with highly competitive entry strategies is crucial to not only penetrate but also control a large foreign market share. Penetrating markets within foreign developing economies is, by all means, risky and highly unpredictable, yet new MNC that offer similar services are still in rising.

Teece (2007) established that most local firms would retain the domestic market if it were large enough to meet their objectives. Despite this underlying theory that it would be less risky to serve local markets without having to expand into the foreign market, there are attractive profit opportunities, desire for large customer base, increased demand for international goods and services along with many more factors that draw companies into the foreign market (Cheptegei & Yabs, 2016). Over the past decades, MNC have exhibited an increased role in international business practice. Due to their position in the international market, much research has been geared towards these corporations to define why they exist, the impact they have on politics, cultures and various industries and overly, their strategic structure (Naidoo, 2016; Rodriguez et al., 2005).

Given the vast amount of resources, managing MNC is more overwhelming than managing firms that operate only domestically. MNC face the hard decision to make entry into environments that are occupied by harsh politics and varying cultures (Kotabe & Kothari, 2016).

1.1.1 The Concept of Strategy

The strategy of a firm is defined as its action plan crafted by the management to direct how business is run and operated (Ochola, 2015). A firm's strategy entails a sense of balance of decisions between an external environment and its internal competencies. In its entirety, a firm's strategy outlines a comprehensive plan that stipulates how a firm is likely to achieve its mission, vision, and objectives to gain a competitive advantage (Rodriguez, 2005). As defined by Johnson et al. (2008), strategy exists in various forms that cover different aspects of organizational decisions. Firstly, the corporate level strategy is a topmost form that covers the general extent of a firm. The range of products and services a firm offers, its geographical scope and resource allocation modes are among the underlying decisions contained in corporate strategy. Secondly, the business level strategy is a form of strategy outlining the best way to compete in markets and provision of best value. In this level, he demonstrates that gaining a competitive edge over rivals attracts much focus on the achievement of organizational objectives. Lastly, he pinpoints the third level of strategy as the operational level which deals with how to deliver both corporate and business level strategies. At this point, the business units are arranged in terms of processes, resources, and people to implement best practice.

Companies usually perform a thorough evaluation of both the internal and external environment to generate the best possible strategies in pursuit of success. Kieti, J. (2006)

establishes that when a company introduces competitive strategies that render it in a more superior business position than rivals, it is likely to enjoy better performance before another market situation hinders it. In the contemporary world, new entrants consider differentiation to be among the most innovative strategies (Hollender et al., 2017). Strategy is usually generated at the top level of management and executed at the bottom levels of operation. The decision to embark on the internationalization process by a local firm is considered risky and requires critical analysis. There existed most companies around the world that desperately became unsuccessful in their internationalization process; some of which had topped the foreign market for decades (Naidoo et al, 2016). Some of them registered bankruptcy while others were acquired. These companies include General Motors, Kodak, and Compaq. Globalization and the ever-dynamic needs of customers have reshaped the face of practicing business in the international platform.

1.1.2 Entry Strategy

As concurred by Brouthers and Hennart (2007) and Johnson et al. (2005), the choice of mode of entry into the foreign market is a key strategic decision. Entry strategy is defined as a company's business strategy pointing their preferred market, the timing of entry, and the method of entry; which eventually affects their short-term and long-run performance (Rodriguez et al., 2005; Cheptegei & Yabs, 2016). Entry strategy is a crucial aspect of any extension plan of an MNC both of developed and developing economies. The entry approach chosen by a firm significantly defines its resource commitment, risk investment, control level and ultimately the share of profit. As Ho et al. (2016) outlines, entry strategies into the global arena differ for emerging economies and developed economies. Emerging economies are considered to consist of a considerably high number of entry barriers. As a result, the type of economy to be exploited by MNC affects the choice of entry.

The barriers to entry in such economies influence the economy-wide growth of MNC and, as a result, their mode of entry stands as an important element for expansion plans. Entry strategy has been considered by a growing size of research to be of strategic significance, suggesting that a deep evaluation and assessment must be carried out by MNC before entering foreign markets. According to Rugman (2016) and Kieti (2006), the mode of foreign entry decided by a firm consequently influences its major future decisions and performance. MNC venturing into the foreign market ought to devise entry modes that exploit available opportunities in a sustainable manner. The choice of mode of entry is a challenging thing for organizational managers because any inappropriate entry can be costly to a firm. Competitive advantage is only attained by appropriate strategy selection; though such a strategy may also cause competitive disadvantage (Cui et al., 2011) as a result of competitive liability.

On the national level, firms need substantial amounts of resources, people, time and energy to become competitive and survive in the local market. Any desire to expand into the foreign market is an overwhelming idea that most domestic firms avoid. Upon consideration of many factors, a firm seeking to venture into foreign markets faces the entry mode challenge even after evaluating its personnel, foreign experience, and appropriateness of products. Scholars and business practitioners are considering market entry strategy as a field requiring many studies and future investigation. Joseph, (2013) acknowledges that a firm’s choice of entry into the foreign market usually determines its manner of implementing business processes along with marketing programs, which similarly affect its future success. Rugman et al., (2016) denote that there exist several entry strategies that a firm may consider when embarking on international expansion. With their varying levels of risks and associated control mechanisms, literature still stagnates studies only on entry strategies and multinational firms. It is not clear which strategies are safe to adopt with relevance to the sustained superior performance of MNE.

1.1.3 Sustainable Performance

In the foreign business literature, both performance and survival of a firm are directly influenced by mode of entry and is gaining much attention to scholars (Rodriguez, 2005; Rugman, 2016; Spreitzer & Porath, 2012). As indicated by Teece, (2007), sustainable performance requires a much more competitive strategy than just the retention of knowledge assets in a global environment open to geographical expansion. He adds that the renowned traditional components of a firm’s success, consisting of efficient and effective cost control, ownership of tangible assets and inventory control, are among the necessary elements but are considered inadequate to achieve sustained performance of MNC.

As recently adopted by Mellahi (2016) in the study on performance management, attaining sustainable performance for MNE is closely linked to strategic orientations that are more critical than any domestic firms. In measuring the performance of MNC, three basic indicators have been suggested in observing future performance. Firstly, the economic indicator observes profitability, revenue and product quantity (Kotabe & Kothari, 2016). Secondly, a company’s social performance is a great indicator of its success with regard to stakeholders, consumer interests, human resource and culture (Joseph, 2013). Lastly, environmental indicator monitors gas emissions, elimination of waste and consumption level of water by MNC (Goerzen & Beamish, 2003). Entry mode is a big opportunity that should generate sustainable performance for an MNC.

1.1.4 Foreign Entry Strategies for a Multinational Corporation

As defined by Buckley and Ghauri, (2015) along with other research work (Ho et al., 2016; Li, 1995; Teece, 2007), an MNE is a firm that not only has possession of business activities in two or more countries but owns control over such activities. In the study of internationalization, MNE have been seen to increase in number since World War II, as a result of technological opportunities that have since emerged. Buckley & Casson (2016) define a MNC as a corporation that is large in size which produces goods and services and sells them not only within the home country but also in various countries.

According to Herrmann and Datta (2002), venturing into the foreign market is associated with learning difficulties in the creation of superior strategies for sustainable competitive advantage. Most firms are still willing to venture into the foreign market despite the many entry barriers because of the benefits that accrue to internationalization. Amongst the common entry strategies is the exporting strategy that involves marketing of goods and services by a parent company to a foreign country. Ochola (2015) submits that new firms usually prefer indirect exportation of goods and services an early entry strategy. He adds that the new firms gradually progress into direct investment or licensing as a strategy. Licensing is an early entry strategy (Ochola, 2015; Stoian et al., 2017) where the licensing company offers trademark, patent rights, copyrights and know-how about parent business processes.

Others entry strategies include joint ventures, wholly owned, mergers and acquisitions and management contracts. MNC have to decide which mode can be most suitable at any given time of entry (Ho et al, 2016). Upon entry, sustainable performance is maintained by innovation capabilities of an MNC. Competition has tremendously risen to the verge of internationalization requiring firms to be very innovative, especially multinational firms that have invested a lot of resources. Traditional MNC have established structures that may be difficult to transform but new MNC have an opportunity to adjust to the needs of global shifts. Entry strategy is a foundational choice that the firm can later capitalize on in the future.

1.1.5 Tecno Corporation

Tecno mobile is an MNC among the leading mobile phone manufacturers in the world, currently selling only in Africa. Having been firstly named as Tecno Telecom Limited with its first Research and Development center situated at Shanghai-China, Tecno has since launched several subsidiaries across the world. With a large workforce of more than 140, 000 workers, about 45% of which are actively engaged in Research and Development, Tecno has achieved a great sustainable performance by its transformation of state-of-art technology into customized and localized products across the world. The firm emerged to be the first in Africa to supply dual-SIM mobile under the “think globally, act locally” global concept. Tecno has been able to set up more than 20 Research and Development centers in superior nations like the USA, Germany, China, and India.

In 2010, Tecno attained the third rank among the top-selling mobile phone companies in Africa and has continued to launch attractive brands. With barely a decade since its launch, Tecno mobile has demonstrated its commitment to avail conventional technology into desirable products and at better prices to customers. In the mobile phone industry, Tecno has managed to penetrate the African market despite the established brands such as Samsung, Huawei, and Apple. The main focus on this MNC is the demands of the countries it operates in.

Between the year 2006 and 2008, Tecno mobile had concentrated all its effort towards the South Asian market. The business did not do well in the South Asian market, prompting the corporation to change direction to Africa. In close liaison with global technological giants, the MNC is determined to deliver quality products and improving customer experience. Mobile phone customers have praised Tecno's products for availing high technology at affordable prices, reliable performance, and customer service platforms. The corporation is still determined to put up with the competition with customized solutions to every market it seeks to penetrate. The headquarter has over the years remained in Hongkong – China but products are distributed in other continents. Tecno Mobile is the most suitable case study organization to use in establishing the entry strategy for sustainable performance of MNC. Most other mobile phone manufacturers are already considering Tecno Mobile as a threat.

1.2 Research Problem

In undertaking entry into foreign markets, MNC seek to increase their customer base for improved economies of scale, exploit available profit opportunities, counter global competition and meet the need for international goods and services in the global arena (Ayden, 2018). Recent empirical studies have indicated that early entrants enjoy improved performance than late entrants. Amidst these realities, multination corporations are increasingly emerging and still play an important role in international business. Scholars have claimed that early players in the international market have established large market shares but little chances of survival than late participants. Besides mere survival in the international market, multinational firms have had to achieve a sustained performance in host countries amidst considerable risks involved in such engagements. As has been generalized by current studies, certain strategic choices; consisting of entry and diversification along with a firm’s features, influence the likelihood of survival and subsequently performance in foreign markets. As Lu & Beamish (2004) record, the ever-growing difficulty in management of products for MNE has continuously attracted studies on how they can gain a sustainable competitive advantage.

With the huge amount of resources endowed in the international expansion of firms, the evolving entry strategy research has not clearly identified the suitable entry constructs that enable multinational firms to thrive in the long-run. Looking into research on international business, most scholars have only studied the underlying factors behind foreign market entry, only a few have addressed suitable entry strategies for sustainable performance of MNC. Rapid growth has been witnessed in emerging economies; a move that has made entry difficult into certain markets. Among the several entry modes that literature has provided, it is not clear which of these eventually guard a higher record of performance for MNC. Though most scholars have researched on entry strategies practiced by MNC (Ochola, 2015; Munyiri, 2014; Rodriguez et al., 2005; Cheptegei & Yabs, 2016), no studies have yet examined the entry strategies that promote sustainable performance. The study on foreign market entry is, therefore, in saturation. Studies have revealed that MNC are rising speedily to meet global needs. What are the entry strategies for sustainable performance of MNC?

1.3 Research Objectives

The objective of this study was to establish the market entry strategies for sustainable performance of MNC entering foreign markets.

1.4 Value of the Study

The results of this study will act as a source of reference to the international world and of most benefit to management teams of MNC since it pinpoints the most suitable modes of entering foreign markets, explaining their influence on sustainable performance and survival. Domestic firms that have little experience but desire to venture into the global opportunities for growth will equally treasure the findings of this study. The findings will enlighten strategic managers on the best practices of decision-making regarding expansion across borders and how to cope with obvious challenges like uncertain politics and variation in culture. Consultants will equally benefit from this study when developing recommendations along modes of market entry and their associated level of performance and survival in international business.

Additionally, business scholars and researchers will use the results of this study in the citation of literature and develop gaps for future study. The findings are likely to contribute to the existing body of knowledge regarding entry strategies for sustainable performance by shading light on the market entry strategies agreed to produce a sustainable performance of MNC. This study will act as a benchmarking position for domestic firms that may desire to expand into foreign markets. The may derive insight from entry strategies adopted by MNC in order to generate the most suitable strategies preferable to them.

The study will also benefit policymakers like Government and other agencies to form policies that will improve expansion of domestic firms into the foreign market. They will be endowed with knowledge about entry into foreign markets and the ways domestic firms would explore such strategies as beneficial opportunities for gaining competitive advantage.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter explores the theoretical foundation related to strategies adopted in the foreign market entry by MNC and the opportunities and challenges associated with various entry strategies. The section also reviews the association of these theories with the performance of firms.

2.2 Theoretical Foundation of the Study

This study is based on internationalization theory and product life-cycle theory. Most of past literature has adopted these theories in the study of internationalization process of firm and MNC.

2.2.1 The Internationalization Theory

According to the literature on internationalization, international business has been traditionally studied based on a firm's environment consisting of financial, cultural and political environments (Buckley & Ghauri, 2015; Buckley & Casson, 2003). It was upon such gap on the uncertain environment of international business that internationalization theory was conceptualized by Buckley and Casson in 1976 (Buckley & Casson, 2003). As earlier established, internationalization theory has attempted to describe the various considerations that drive a firm's entry into the foreign market along with the choice of market entry mode (Rugman & Verbeke, 2008).

The internationalization theory suggests that the knowledge of the market and commitment are key factors in a firm's ability to expand into the international arena. It denotes that the necessary knowledge must be acquired through interaction with the international environment. There have evolved several expansion studies to the conventional internationalization theory explaining its connection with strategic management views on MNC. In the international strategic management research, most recent studies have failed to recognize the internationalization theory approach in reviewing international business.

The internationalization theory suggests that the transfer of a firm to the foreign market begins first with exportation as an entry strategy to familiarize with foreign markets.

Secondly, the firm introduces an agent to progress its exportation practice after gaining information about the foreign market. At this stage, a firm may opt to use joint ventures in its internationalization process. Thirdly, the firm grows its knowledge of the foreign market and explores marketing subsidiaries before finally setting up wholly owned companies in foreign locations. De Villa et al. (2015) posit that such phases suggested by the internationalization theory do not apply to all firms embarking on foreign market entry. Multinational firms could use a combination of these modes of choosing specific modes of entry without having to follow these phases. Most technological firms, for instance, have entered the foreign markets by licensing other than exporting.

2.2.2 Product Life-cycle Theory

The international product life-cycle theory is one of the most enduring theories that have attempted to explain international business forms. As conceptualized by Raymond Vernon in 1966, the theory states that all labor and business components associated with production in the life-cycle of a product initially originate from the invention area. Having become the main exporters, the inventing nation avails the new product to the global market and subsequently giving away its production to foreign countries. As a result, the invention nation loses its superior competitive advantage thereby becoming an importer of the same product over time. According to Hitt et al. (1997), the extent of diversification due to the intensified global competition has shortened the international product lifecycle. This reality is attributed to the increased technological evolution and innovation that has advanced due to globalization. He adds that innovation is a useful resource in gaining competitive advantage in the global market.

As Lu and Beamish (2004) outline, diversification of a product influences the strategic orientation of most multinational firms. Today's customers expect a higher quality of products availed at lowest possible costs, therefore causing global competition to shift to new product development. As a result, innovation is emerging to be a key element in the achievement of global competitive advantage (Lu & Beamish, 2004). According to Kieti (2006), a long-term performance of an MNC not only depends on the entry strategy it adopts but also (on a small scale) on its product and process innovation capability. As Ameri and Dutta (2005) demonstrate, there is a growing need for the know-how for developing products as a result of sophisticated customer needs and availability of complex products. As concurred by Wild et al. (2003) and Rugman (1980), product lifecycle theory has prevailed to be among the most useful foundations of describing foreign market entry and growth of international business. According to Bilir (2014), a domestic firm does not get induced to enter the foreign market before gaining competitive advantage locally.

2.3 Entry Strategy and Performance

Over the past 50 years (Nguyen, 2017), the relationship between internationalization and performance of MNE has gained popularity in international business research, most of which have focused on the influence of internationalization on the performance of firms. However, there have been considerable variations in findings regarding this area of study. As Stoian et al. (2017) recommended, firm-specific advantages play an important role in the sustainable performance of MNC. He maintains, for example, that when a multinational firm is able to retain a give fraction of profit, the firm-specific advantages can constantly be regenerated when reinvestment is done on a continuous basis and thereby assuring a sustained performance.

According to Stoian et al. (2017), a knowledge-based view of a market entry indicates that a firm's knowledge of a market and its aspects are a key generator of both performance and competitive advantage in international business. This implies that inadequate knowledge constituents may form the internationalization of firms. As recently noted by Rugman (2016), top Chinese MNE have stirred up several studies in international business research; especially the factors behind the internationalization of Chinese MNE. A number of researchers have challenged the use of particular MNC as case studies to explain the behavior of MNE, arguing that most instances that literature has provided have unique features and patterns. In his work, Rugman (2016) suggests one of the top ways of measuring the performance of an MNE is by benchmarking comparatively with global matches. By laying down the key performance indicators, a firm's sustainable performance and strategic success can be measured.

As founded by Martinez & López (2009), market entry mode strategies are among the top-most topics studied in international business research. They describe entry strategy as a firm's business-level strategy that enables it to introduce its product, skills, technology and other valuable resources into a foreign nation. In a period of the past three decades, more than ten theories have been developed to describe the choice of market entry mode and associated trade-offs. The transaction cost theory along with eclectic paradigm is among the mostly applied foundations in understanding foreign market entry.

2.4 Factors Influencing Foreign Market Entry Strategy

Recent studies have identified the elements in the foreign market entry that influence the sustainable performance of the MNE. As Joseph (2013) describes, multinational firms face opportunities and challenges while venturing into foreign markets. Firstly, he identifies that governments are more interested in attracting MNC to generate more taxes and promote economic development. MNC play an important role in the process of globalization. Such attraction forms a major opportunity for the continued existence of MNC. Secondly, Ayden et al. (2018) and Kotabe and Kothari (2016) have recently established that foreign market entry strategies are influenced by policies in the country of origin as well as foreign policies.

According to Buckley & Casson (2016), MNC, especially new entrants, find it challenging to balance between available opportunities and the challenges surrounding them. Thirdly, Mellahi et al. (2016) outline that MNC assess foreign markets with regard to economic development, distance, and other market factors like level of competition, size, knowledge of the market and necessary information. Once such an analysis has been done, an MNC chooses to venture into a suitable market. Upon the selection of a target market, tradeoffs are involved in selecting the best entry strategy. Every situation is surrounded by returns and limitations but as Kotabe & Kothari (2016) recommends, an MNC ought to identify an entry strategy that is likely to generate prolonged performance.

When an MNC gains control in a foreign country, it is able to maintain the desired performance level in spite of the country’s limiting policies (Spreitzer & Porath, 2012). This quantity of control is greatly affected by the mode of the entry selected by MNC in new ventures. Most studies, however, agree that different mode of foreign market entry vary in the extent of risk they stage, the resource commitment required and their subsequent return on investment (Buckley & Ghauri, 2015; Martinez & López, 2009; Nguyen, 2017; Rodriguez et al., 2005). Fourthly, the size of a corporation seeking to expand internationally will determine which entry strategy it is likely to use. A firm that is deciding to adopt riskier strategies like management contracting and wholly owned has obviously attained the size large enough for this endeavor and has gained product differentiation advantages (Hollender et al., 2017).

Depending on both internal and external factors firms face entry modes that feature low level of control usually involve fewer risks than those that exhibit high levels of control (Teece, 2007). Exporting and licensing are examples of low-risk modes of entry used by new foreign entrants. Ayden et al. (2018) have associated riskier entry modes like joint venture and full ownership with more control.

2.5 Foreign Market Entry Strategies

There are a number of entry strategies available for exploration by firms and depending on the above factors; franchising strategy, licensing strategy, exporting strategy, joint venture strategy, management contracting strategy, wholly owned strategy and mergers and acquisition strategy (Ochola, 2015).

2.5.1 Licensing Strategy

Under the licensing, a parent company firm provides all patent rights, copyrights, know-how on products and business processes and trademark rights to produce products to another company in a foreign country. The licensee firm thus produces and markets these products in a different country and pays some fees to the licensing firm (Ochola, 2015; Rodriguez et al., 2005). Though licensing is considered a low- risk strategy, it avails little control to the licensing firm. Licensing distributes technology to the licensees' countries and is, therefore, invited by most public authorities. Nguyen (2017) suggests franchising and licensing entry strategies to be among the least risky modes of entry because few resources are involved.

In recent studies about foreign entry strategies, licensing is preferred by corporations that are not willing to produce in foreign countries (Tomassen, 2004; Nguyen, 2017). A corporation can, therefore, operate internationally without necessarily investing into a foreign country. A company may be unable to invest in the foreign market because of lack of financial resources and managerial ability to engage internationally. Even though licensing entry strategy gives the licensor an opportunity to participate in international marketing, the licensee may emerge to be a key competitor upon the end of the licensing agreement.

2.5.2 Franchising Strategy

Franchising equally involves a business owner paying some fees to a parent company to gain trademark rights and business processes knowledge in order to sell its products. Franchising is considered equal to licensing (Lu & Beamish, 2004; Joseph, 2013) but involves an extended timeline. The franchisor provides an inclusive package that allows the franchisee to do a business, forming an agency relationship with them. The franchisee is governed by a franchising agreement allows usage of trademark rights, business processes and the name of the franchisor to perform similar business activities in a foreign country (Bilir, 2014). Unlike licensing, franchising is considered to have moderate control and involvement of resources.

2.5.3 Exporting Strategy

Most studies have identified exporting strategy to the most natural mode used by new foreign entrants (Naidoo et a., 2016; Ho, 2016; Rugman & Verbeke, 2008; Hennart, 2007). Production is done in the country of origin and then distributed to the foreign countries for sale. The company use only a little amount of investment and is equally considered a less risky entry strategy. As Ho (2016) posts, the MNC has the opportunity to market its products overseas into a foreign market without having to produce in another country. The exporter and importer create a closer relationship to conduct international business. According to Hollender (2017), a company exports its product by means of extended marketing practices, arguably, to gain first-hand experience and knowledge about international engagements. Exporting is considered less risky because production is retained domestically by a company. The success of exporting as an entry strategy relies on the use of intermediaries, mode of transport, payment methods and other associated factors.

2.5.4 Joint Venture Strategy

In a joint venture strategy, the parent company enters into a partnership with the host company to form a third firm (Ayden et al, 2018). As a result, the parent company gains operational control and knowledge of the foreign market. This arrangement generates shared technology and capital that are in abundance as a result of the partnership. The resultant company is shared by means that control and ownership is common to both companies forming the joint venture. A firm is able to participate in a foreign location with little responsibility of it. Munyiri (2014) adds that a joint venture entry strategy does not necessarily involve only two companies but may be formed by more companies from different companies.

The success of a joint venture ordinarily rests on the nature of the agreement between the partnering companies regarding what to share. Past studies have identified some of the reasons driving the formation of joint ventures (Nguyen, 2017; Tomassen, 2004; Bilir, 2014). They include lack of adequate financial and managerial resources, foreign government policy requiring joint venture for entry, political constraints and to penetrate the hardest markets. A company benefits from the experience of the host company in economic and political environments. The host or local company takes advantage of new technology and additional capital into operations.

2.5.5 Wholly Owned

Among the riskiest entry strategies is the wholly owned. an entry mode in which the parent company sets up a business in foreign locations, fully owned and controlled by them (Hennart, 2007). The investing company takes charge of operations and is obliged to transfer both management and capital. Companies that choose wholly owned strategy as a mode are considered to be established with reliable market experience. The investing company takes full responsibility for such expansion and bears all the risks that come with it.

The wholly owned strategy is practiced by MNC that have a large capacity regarding capital, management, market experience, and the know-how to engage in international business. Nguyen (2017) describes that most corporations are unwilling to generate wholly owned subsidiaries and would still prefer joint ventures or to engage in strategic alliances. Though these firms may possess the full capacity to create wholly-owned subsidiaries, they prefer partnering internationally to share most of the risks available in foreign settings.

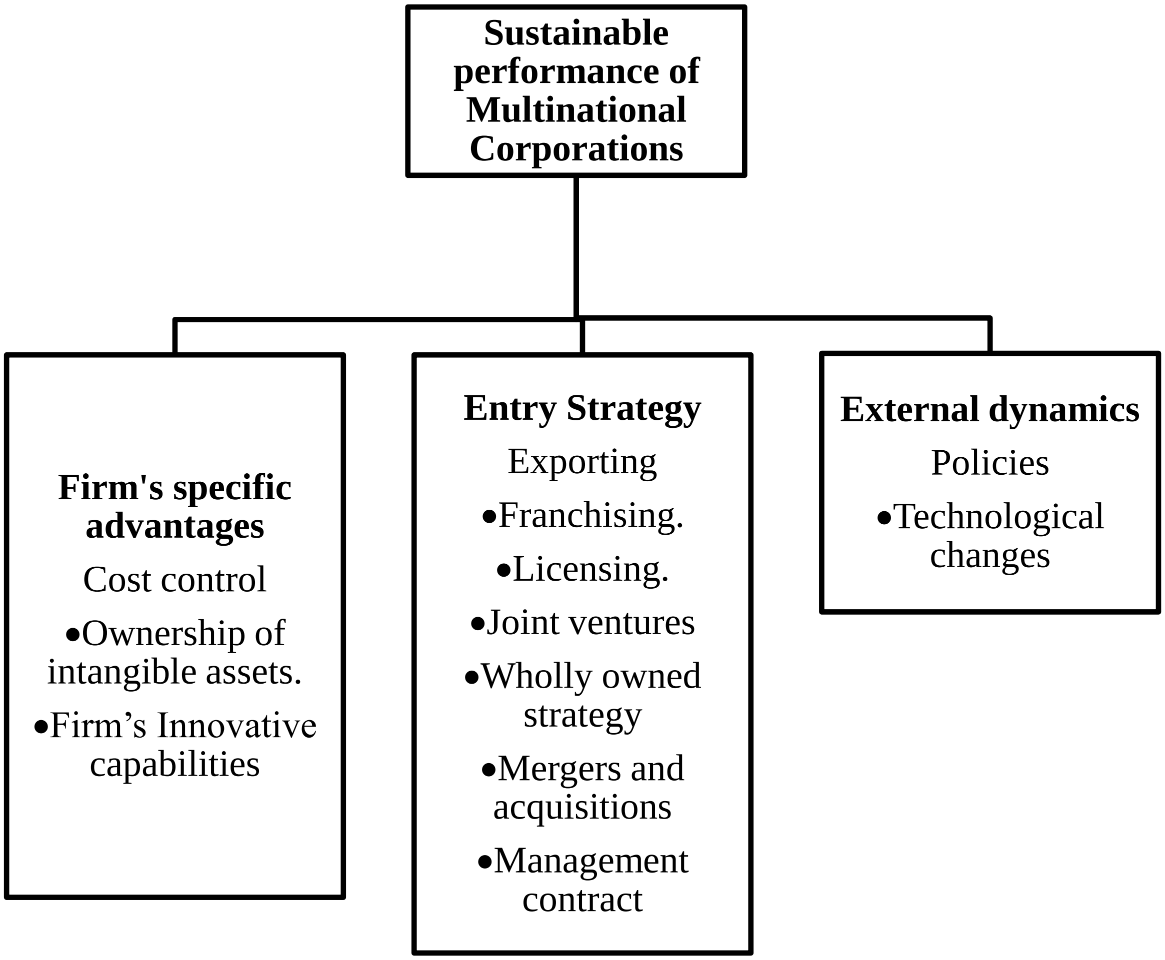
2.5.6 Mergers and Acquisitions

Furthermore, mergers and acquisitions is a prevailing entry strategy that avails control to firms that desire to expand. The new enterprise produces upon merging two equal companies is more superior. In internationalization theory, a merger has been described as the process where two companies from different countries combine into one; the surviving firm gaining more value to replace the outgoing firm (Kieti, 2006; Teece, 2007; Mellahi et al., 2016). The combination generates reduces expenses and generate more income. Mergers and acquisition is a mode of strategic significance geared to attain the following: to expand the geographical coverage of the new company, to explore new product categories, get access to new technologies, reduce operational costs and to form opportunities for new industries (Ochola, 2015). The new firm enjoys a shared capital and accesses a wider network along with global business practices (Cui et al., 2011).

2.5.7 Management Contracting Strategy

Finally, management contracting strategy is a mode of entry in which an expanding company creates their organization in the foreign environment. By this means, the investing company attains full control of the new one. In situations where, technical skills are not accessible in the host countries, management contracting strategy is suitable to avail the necessary management. As Buckley & Casson (2016) outline, exporting, licensing and franchising are mostly used by firms that have no market experience and are just planning to expand. Firms are believed, to begin with, less risky modes of entry then gradually get market knowledge that enables them to engage in more intensive strategies such as wholly-owned subsidiaries and management contracting.

Figure 1: Conceptual Framework


Sustainable performance of Multinational Corporations
Firm's specific advantages
Cost control
•Ownership of intangible assets.
•Firm’s Innovative capabilities
Entry Strategy
Exporting
•Franchising.
•Licensing.
•Joint ventures
•Wholly owned strategy
•Mergers and acquisitions
•Management contract
External dynamics
Policies
•Technological changes

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the approach that will be used to collect, analyze data and report results. It presents the study methodology that was used to achieve the objectives of the research. The chapter outlines the research design, target population, sampling design, method of data collection and data analysis.

3.2 Research Design

Research design is the description of the study method adopted to achieve the objectives of research (Munyiri, 2014). This study adopted the case study research design which was the most suitable design in inspecting the entry strategies for sustainable performance of MNE. As Yin (2003) describes, a case study is an empirical design centered on present-day events in their real-time contexts and thus retaining meaningful features. Case study employs the use of several sources of evidence-guided by a vast theoretical framework. This design will help achieve the objectives of this study. Structured interviews were used along with an analysis of relevant secondary data to deeper understand the most suitable entry strategies.

3.3 Target Population

Target population is a set of people, firms, elements or incidents under study, which consists of the various components possessing similar features and which are of interest to the researchers. This study targeted all Tecno Mobile outlets within Nairobi. The target population in this study consisted of all the departmental heads of these outlets: Information Communication Technology, Marketing, Research and Development, Procurement, Human Resource, Finance, and Chief Executive Officer. This population was interviewed to establish the most suitable foreign market entry strategies that Tecno Mobile uses in all its expansion plans.

3.4 Data Collection

This study examined both primary and secondary data to capture as many sources as possible as a solid foundation of evidence. Under primary data collection, a structured interview with closed-ended questionnaires was be adopted targeting all departmental heads; Information Communication Technology, Marketing, Research and Development, Procurement, Human Resource, Finance, and Chief Executive Officer. With the ability to collect qualitative data, interviews provided a comprehensive knowledge of the study. Questionnaires were designed to reveal the most appropriate market entry strategies that avail the sustainable performance of MNE. Respondents were equipped with strategies that Tecno Corporation adopted when entering new markets. The study also obtained secondary data from various case studies, journals, publications among other sources.

3.5 Data Analysis

Upon the collection of data, content analysis was applied based on the responses received. Since questionnaires were distributed to respondents, the intensity of particular words was of much focus. The objectives of this study were qualitatively explained. As a result, the analyzed data described the findings of the entry strategies for sustainable performance of MNC.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter represents the results of the study, analysis and their interpretation. The data herein was collected through structured interviews with closed-ended questionnaires and other secondary sources. Content analysis was the most appropriate method of data analysis based on information from respondents and additional documentation on entry strategies for sustainable performance of MNC. The study targeted the departmental heads of Tecno outlets consisting of Information Communication Technology, Marketing, Research and Development, Procurement, Human Resource, Finance and Chief Executive Officer.

4.2 Response Rate

Response rate evaluates the statistical strength of a study, assumed to be stronger when a greater percentage responded to a study. With a target of 62 individuals in managerial positions, the researcher managed to interview 58 respondents in Tecno Mobile outlets within Nairobi. Of the 58, 10 occupied top management positions, 25 occupied middle management and 23 in supervisory-level management. This indicated a response rate of 93.5% which the study considered statistically powerful and adequate. 4 respondents were not interviewed because 2 outlets had only sales representatives who had no adequate capacity to respond. The other 2 respondents refused to participate in the study despite the effort to persuade them. All the responses were analyzed, allowing for the same sample of 93.5% to represent the population of study. They were all verified for consistency, uniformity, completeness and accuracy and none fell short of these standards.

4.3 Demographic Features of Respondents

Under the gender category, most of the respondents indicated they were male and the rest females which consisted of 63.8% and 36.2 % respectively. On the age category, most respondents fell between 30-35 years representing 41.5%, followed by the category between 25-30 years representing 34% and the older respondents aged above 35 years and representing 22.6 % of the population. The rest of the respondents fell below 25years forming only 1.9 % of the population. Interviewees were also asked to indicate the period within which they have worked with Tecno Mobile to base findings on reliable experience. Under this category, a majority of the respondents indicated that the period of between 4-8 years of partnering with Tecno Mobile. This formed the largest portion of 67.2%; 27.6 % had worked above 9years with Tecno and only 5.2% had worked between 1-3 years.

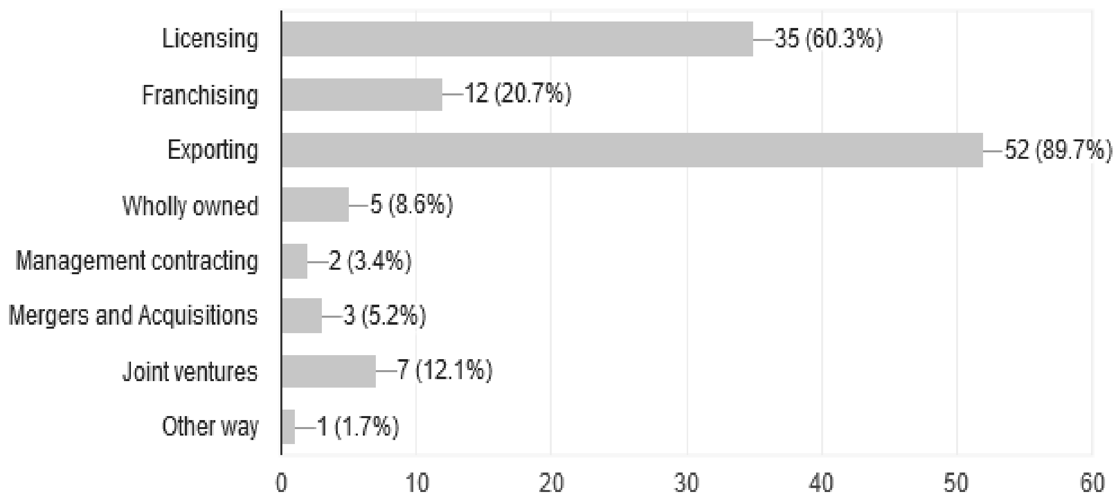
On the other hand, 43.1 % of the respondents fell under the Middle-level of management, 39.7% under the supervisory-level and only 17.2 % under the top-management level. The researcher also asked the respondents to estimate the number of years their respective outlets had been in operation. Most of the outlets had been operated for a period between 6-8years. The rest fell under 3-5 years and above 9years. However, only a few outlets had been operated below 2 years.

Additionally, the study inquired whether the respondents had been involved in market entry decisions. A majority of them indicated that they had been involved in entry decisions; which implies that such decisions were more strategic and required the intervention of the top management. 8.6% of the population were not sure whether they had been involved or not. Furthermore, the respondents were asked to indicate the designations that set up market entry strategies for Tecno Mobile; in which the marketing manager, the senior manager and the directors took the lead respectively.

4.4 Entry strategies for sustainable performance

The study asked respondents to indicate the strategy or the combination of strategies that Tecno Mobile adopted while entering the Kenyan Market. Most of the respondents pointed exporting as the strategy used by Tecno Mobile over others like licensing, franchising, joint ventures, wholly owned, Mergers and Acquisitions and Management contracting respectively.

Figure 2: Entry strategies used by Tecno to enter the Kenyan market



Exporting strategy has been considered the most natural mode of entry used by MNC to enter the foreign markets (Naidoo et a., 2016; Ho, 2016; Rugman & Verbeke, 2008; Hennart, 2007). It is a mode that is less risky compared to all the other modes, enabling an MNC to gain first-hand experience and knowledge about foreign markets. It is upon the success of exporting strategy that other modes evolve to generate improved competitive advantage for the expanding firm. The success of exporting relies on intermediaries which in this context comprises all Tecno outlets. The mode of transport, payment, and other associated factors also determine the success of exporting.

Respondents were also asked to indicate whether any of these market entry strategies had affected the performance of Tecno Mobile. In that regard, 84.5% of the respondents indicated that the mode of entry had affected the performance of Tecno Mobile. 10.3% of the population were not sure whether such entry strategies would have influenced performance, whereas the resultant percentage indicated that these strategies did not affect performance.

4.4.1 Driving Forces for Market Entry

The study tested the driving forces that caused Tecno to venture into the Kenyan market. The driving forces included the following: great profit opportunities, the desire to increase customer base, demand for improved technology at lower prices, the need to acquire resources and the desire to minimize competitive risk. Respondents were asked to suggested the extent to which these forces caused Tecno to venture into the Kenyan Market. This was tested on a scale of 1 to 5, where 1 stood for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree. Respondents revealed that Tecno ventured into the Kenyan market mainly because of the great profit opportunity and the desire to minimize competitive risk.

These forces emerged to be the most rated compared to the rest. It was so unlikely that Tecno Mobile entered the Kenyan market to acquire resources. Most of the key resources that the company would require are already made available in particular countries. For instance, Tecno Mobile has Research and Development centers in several countries. In exporting strategy, the parent company maintains production in the country of origin and only transports products to host countries for sale. On the other hand. Kenya is among the countries with leading usage of mobile in the whole of Africa. The ICT industry has grown tremendously over the past two decades since it was liberalized with attractive dynamics. It is worth noting that the introduction of new products that meet the needs of consumers is a great investment opportunity for multinational firms. The mobile phone industry has recently faced stiff competition with only a few companies like Tecno mobile able to have a sustainable competitive advantage.

4.4.2 The Performance of Tecno Mobile

Respondents were asked to rate the performance of Tecno Mobile since it entered the Kenyan market. This was tested on a scale of 1-5 where 1 stood for worst performance, 2 for bad performance, 3 for average performance, 4 for good performance and 5 for excellent performance. Based on this scale, 82.8 % of the population indicated that Tecno had an excellent performance since it ventured into the Kenyan market. 15.5% of the respondents indicated a good performance and finally, 1.7% that indicated an average performance. Neither bad nor worst performance received any measurement. The performance of Tecno Mobile since its beginning has tremendously improved. This performance is visible to all partners and customers.

In 2010, Tecno Mobile was ranked the third among the top selling mobile phone companies in Africa. Despite the established brands like Huawei, Apple, and Samsung, Tecno mobile has boldly taken a big share of the African market. With a strong network of Research and Development centers in superior countries like USA, Germany, India, and China, the company has adopted strategies that have earned it a sustainable competitive advantage for a long time. It is important to briefly determine what competitive advantage and sustainable competitive advantage mean, and when a firm may be considered to have them. Indeed Barney (1991) outlines distinctive definitions that this analysis considers to be profound and acceptable. Beginning with competitive advantage, he isolates his definition from the traditional theory that is based on the environmental model suggested by Porter (2008). Instead, resource-based competitive advantage takes a different approach in suggesting how a firm's competitive advantage can be recognized.

For the purpose of this analysis, competitive advantage is best described based on the definition developed by Barney (1991) which holds that a firm is considered to have a competitive advantage when it implements value-generating strategies that are not simultaneously implemented by any available competitor and or potential entrants. When all the available firms and any potential competitors are not able to duplicate the advantages attributed to such strategies, then the beholder firm is considered to have a sustainable competitive advantage. On the other hand, according to Kerin et al. (1992), a first movers advantage also causes a firm to enjoy a sustainable competitive advantage, which this study relates with sustainable performance. Tecno Mobile was the first company to launch a dual-SIM mobile way before other brands. Additionally, it was the first company to transform state-of-art technology into customized and localized products that have since won the loyalty of a majority of customers. With such privileges, Tecno has had a sustained competitive advantage over others, despite attempts to replicate its packages.

4.4.2.1 Factors that Contribute to Sustainable Performance

Besides the entry strategies adopted by Tecno Mobile while entering the Kenyan market, respondents were asked to determine the extent to which several factors have contributed to its sustainable performance. These factors included the following: attainment of state of art technology, Research and Development, strong management, and the development of new products. Under this category, a scale of 1-5 was also used, where 1 stood for lowest extent while 5 stood for greatest extent. The study measured additional strategies that Tecno Mobile had adopted since its entry into the Kenyan market. This was important to test the implication of other variables.

Respondents indicated that Tecno's development of new products had contributed the most to its sustainable performance with 51 respondents indicating the greatest extent. Additionally, Research and Development followed with a count of 38 indications on greatest extent. The attainment of state-of-art technology received a majority of responses under the fourth scale of measurement, indicating that this was not a significant factor in the maintaining of sustainable performance. Presumably, the state-of-art technology is a resource-based factor that any other MNC can obtain. According to Barney (1991), a company has a sustainable competitive advantage when its resources are perfectly heterogenous and inimitable.

The state-of-art factor has fallen short of this concept because most firms have equal resources to Tecno Mobile and have the potential to duplicate most of its strategies. However, Tecno mobile has lead in its transformation of state-of-art technology into localized and affordable products which have greatly earned loyalty from customers. Such a first-movers-advantage has sustained the competitive advantage of Tecno-mobile, hence its sustainable performance. Research and Development have significantly contributed to the sustainable performance of Tecno Mobile. 45% of a worldwide workforce of 140, 000 employees are actively involved in Research and Development to achieve its mission of transforming state-of-art technology for emerging markets into localized products. Respondents indicated that the strong management factor was only averagely significant in sustaining the performance of Tecno Mobile.

4.4.2.2 Dimensions of Performance.

Respondents were asked to indicate their level of agreement or disagreement with the various dimensions of Tecno's performance. These included the following: Tecno has gained increased market share, Tecno products have become reliable, Tecno has improved Return on Investment, Tecno Mobile customers are satisfied, and that Tecno has gained a good reputation. Respondents were required to estimate the performance of Tecno Mobile based on these dimensions. A scale of 1 to 5 was used, where 1 stood for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree.

Of all these dimensions, a majority of respondents (a count of 54) strongly agreed that Tecno Mobile customers were greatly satisfied. The proceeding dimension that was strongly agreed with respondents was that Tecno Mobile has gained an increased market share. The rest of the dimensions such as the gaining of good reputation, improved return on investment, and reliability of products still indicated a relatively higher score between the scale of 3-5. In general, Tecno has performed well on all the dimensions. As indicated earlier in this study, Tecno was ranked the third among the most selling brands in Africa in 2010. This was a tremendous increase since it entered Africa in 2006. It is worth noting that obtaining such a significant share of the market within a period of only four years was a clear indication of improved performance. 65.5% of respondents strongly agreed that Tecno's products had become reliable.

4.5 Discussion

This section highlights the findings of this study. The study finds that Tecno Mobile adopted a set of market entry strategies that have contributed to a sustainable performance. These strategies include exporting, licensing and franchising, exporting being the main mode of entry Tecno Mobile used. The findings reveal that MNC mostly adopt exporting strategy in their entry into the Kenyan market. These findings agree with those of Li (1995), who established that MNC seeking to expand into foreign markets prefer to use less risky strategies. According to Hitt et al. (1997), the performance of an MNC is initially positive within an early period of operation until a particular point when it levels off. However, this study established that the performance of Tecno mobile has tremendously grown for a period of over 10 years despite the presence of renowned market strongholds like Samsung, Apple, and Huawei. On the other hand, Mellahi et al. (2016), Hitt et al. (1997), and Joseph (2013) found out that multinational firms that practice product diversification experience high performance. The intensity of Research and Development also contributes competitive advantage to a firm.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The objective of this study was to determine the entry strategies for sustainable performance of MNC. This section provides a summary of the study findings, the conclusion generated from them and further recommendations. The responses were aligned with the objectives of the study. In close comparison with the theoretical background in chapter two, the interpretation of the findings is outlined along with study limitations and suggestions for future work.

5.2 Summary of Findings

The findings of this study revealed that most respondents had worked with Tecno Mobile for a period of between 4 and 8 years. This is an indication that most of Tecno outlets have actively been involved in sales for a period of barely a decade. This can be explained on the basis of the time Tecno Mobile has been in operation since its entrance into the African market in the year 2006. Only about a quarter of the respondents admitted having worked with Tecno Mobile for over 9 years. This must have been the outlets that began a partnership with Tecno Mobile upon entry. It is only recently that most renowned outlets such as Jumia, Safaricom and Airtel became closely associated with Tecno Mobile when considerable developments had been made on its productions.

However, most of the respondents occupied both the middle-level and the top-level managerial positions. Besides that, a majority of them agreed to have been involved in market entry decisions, thus providing relevant and reliable data that met the objectives of this study. The findings of this study also revealed that most outlets had operated for a longer period of between 6 to 8 years. This was an arguably reliable experience to support the objectives of this study. The findings also revealed that the marketing managers, rather than the senior management or the directors are involved in market entry decisions for Tecno Mobile.

The findings of this study also revealed that Tecno Mobile adopted the exporting strategy when it entered the Kenyan market. Licensing and franchising were also revealed as the accompanying strategies used. Additionally, the findings revealed that the combination of entry strategies used by Tecno Mobile had affected its performance. This was in light with the objectives of this study that needed to determine the mode that influenced sustainable performance. The findings revealed that the demand for improved technology at low prices was the leading driving force that caused Tecno Mobile to enter the Kenyan market. This is in line with the mission of Tecno Mobile which is to transform state-or-art technology into localized products.

This driver must have caused Tecno to sell most of its products in African states. Additionally, profit opportunities were agreed by respondents to be a driving force for foreign market entry. Revenue is likely to increase when sales improve. The findings also revealed that Tecno Mobile did not enter the Kenyan market to acquire resources. The company has established production facilities and a headquarter in China, that are capable of sustaining the market demand as far as its expansion plans are concerned. Most of the respondents indicated that Tecno had an excellent performance since it entered the Kenyan market.

Despite the threat of many entrants into the mobile phone industry, most respondents still had confidence in the sustained performance of Tecno mobile. On the other hand, the findings revealed that there were associated factors that had sustained the excellent performance of Tecno Mobile. Among these factors, the findings revealed that Tecno's development of new products had been the main one. For instance, Tecno was the first mobile company to launch a dual-SIM mobile phone, way before its peers. Additionally, the study revealed that Tecno had a strong Research and Development benefits that respondents perceived to be among the leading factors that caused it to have a sustainable performance.

On the dimensions of performance, the findings revealed that Tecno had performed in many dimensions. Firstly, most of the respondents indicated that Tecno had gained an increased market share in Kenya. Secondly, the products of Tecno mobile were perceived by respondents to be reliable to customers. Most respondents had worked for a relevant period to determine the state of reliability of Tecno's products. The respondents also revealed that Tecno had gained a good reputation and that mobile customers are satisfied with its products. The return on investment was also perceived to be a great dimension of Tecno's performance. Having been ranked third in the top-selling brands in Africa, it was only likely that Tecno Mobile had achieved higher Return on Investment. In an open question to obtain the respondent's comments, one of them indicated that the products of Tecno Mobile are quickly dominating the Kenyan market and that they anticipated improved performance in the future.

5.3 Conclusion

Based on the findings, this study concludes that Tecno company adopted the use of exporting, franchising and licensing in its entry into the Kenyan market. This provided the company with an opportunity to assess the viability of not only the Kenyan market but also the African market. The company recently launched a plant in Ethiopia after a longer period of assessment of the African market. The study also concludes that these entry strategies have affected the performance of Tecno Mobile. However, the study concludes that additional factors had contributed to the sustainable performance of Tecno mobile alongside its entry strategies.

These factors include the following: Research and Development, development of new products and attainment of state of art Technology. Furthermore, the study concludes that Tecno has experienced an excellent performance since it entered the Kenyan market. The researcher also concluded that the customers of Tecno Mobile are satisfied with its products and that the company has gained a good reputation over its period of existence. The study also supposes that Tecno has had an increasing market share with an established reliability of products. The study concludes that exporting, licensing and franchising entry strategies have led to the sustained performance of Tecno Mobile alongside Research and Development and development of new products.

5.4 Recommendations

Based on the study findings and conclusions, this study recommends that MNC should adopt the most appropriate foreign market entry strategies such as exporting, licensing and franchising to first analyze the viability of a foreign market. The study also recommends the adoption of particular factors that contribute to the sustainable performance of MNC. The study commends the use of product differentiation upon the recommended strategies to obtain customer loyalty over the early periods of entry. Tecno Mobile adopted exporting, licensing and franchising, then strengthened its Research and Development courses, while providing new products that gave it a first-movers-advantage, which literature perceives to generate a sustainable competitive advantage.

5.5 Limitations of the Study

This study adopted a case study as the most appropriate design to research on the entry strategies for sustainable performance of MNC. However, the market entry strategies may differ from firm to firm depending on the particular factors surrounding entry decisions. In the whole continent of Africa, for instance, Tecno mobile may adopt other entry strategies while venturing into particular countries.

Having had an extensive target population, the study faced extreme challenges with finances and time. On the other hand, most respondents had a busy schedule and could only respond upon compulsion by the interviewer. However, the researcher adopted the use of closed-ended questionnaire to counter any possible resistance by the respondents and save time. Without the use of such an instrument, it would not have been possible to complete the study on time and with the available resources. This may have overpassed critical opportunities for strategic secrets that would make the findings better.

5.6 Suggestions for Further Research

This study recommends that a similar study be done in the future, but on several firms to determine what other entry strategies are adopted. Additionally, the study suggests that a related study be carried out in other industries to establish the particular entry strategies for sustained performance. Based on these, statistical regression should be employed to test the relationship between entry strategies and sustainable performance of MNC.

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APPENDICES

APPENDIX I: Introduction Letter

UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES & SOCIAL SCIENCES
SCHOOL OF BUSINESS

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P.O. Box 594 - 30100
Eldoret, KENYA

12 September 2018

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

INTRODUCTORY LETTER FOR RESEARCH
LU YING– REGISTRATION NO.D61/5403/2017

This is to confirm that the above named is a bona fide student in the Master of Business Administration (MBA. Strategic Management) option degree program in this University. He is conducting research on ***"Entry Strategies for Sustainable Performance of Multinational Corporations".***

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
12 SEP 2018
ELDORET CENTRE
P.O. Box 594 - 30100 ELDORET

Dr. John Yabs
Co-ordinator,
School of Business
Eldoret Campus

APPENDIX II: Questionnaire

SECTION A: BACKGROUND INFORMATION

1. **Gender:** Male [ ] Female [ ]

2. **How long have you worked with Tecno Mobile**

   0-5 years [ ] 5-8 years [ ] 10 years and above [ ]

3. **Please indicate your managerial level**

   Top level management [ ]

   Middle-level management [ ]

   low-level management [ ]

4. **Which of the following ranges best estimate the number of years this outlet has operated**

   1-2 years [ ] **3-5 years** [ ] **6-8 years** **9 years and above** [ ]

5. **Have you ever been involved in market entry decision?** **Yes** [ ] **No** [ ]

6. Who sets up a market entry strategy for Tecno Mobile

   Directors [ ] Senior management [ ]

   Marketing manager [ ] Other Employees [ ]

   Others (specify) [ ]

SECTION B: ENTRY STRATEGIES

7. **Which strategy or combination the following strategies did Tecno Mobile adopt when entering the Kenyan market.**

i. **Licensing** ☐

ii. **Franchising** ☐

iii. **Exporting** ☐

iv. **Wholly owned** ☐

v. **Management contracting** ☐

vi. **Mergers and Acquisitions** ☐

vii. **Joint ventures** ☐

8. **Do you think the choice of any of the above market entry strategies can affect the future performance of Tecno Mobile?** **Yes** ☐ **No** ☐

9. **Which driving forces caused Tecno to enter the Kenyan Market**

	Strongly agree	Agree	neutral	disagree	Strongly disagree
Great Profit opportunities					
The desire to increase customer base					
Demand for improved technology at low prices					
Acquisition of resources					
The desire to minimize competitive risk					

SECTION C: SUSTAINABLE PERFORMANCE

How would you rate the performance of Tecno Mobile since it entered the Kenyan market?

Excellent ☐ Very Good ☐ Good ☐ Poor ☐ Very Poor ☐ Worst ☐

Based on the strategy or combination adopted in SECTION B (8) above, estimate the range by which the following factors have contributed to the performance of Tecno Mobile

(Estimate as per the level of disagreement or agreement)

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
Attainment of state of art technology					
Research and Development					
Strong management					
Development of new products					

By which range has the adopted strategy or combination in SECTION B (8) above affected

the following:

	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree (5)
Increased market share					
Enabled product					
Made Tecno product reliable					
Improved Return on Investment					
Satisfied mobile customers					
Created good reputation					