KEY SI CCESS FACTORS IN THE MOBILE PHONE l.NDl Si R\ IN ARliSHA, TANZANIA.

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A Management Research Project Submitted in Partial Fulfillment for the Requirements For The Degree of Masters of Business Administration of the School of Business, University of Nairobi.

November, 2008.

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I I U I 1 I I I I

DECLARA'l iOiN

I the ur.iersigaed. declare that thi* p: jicct is my original work ar.J has not been submitted to _".v othc College, Institution or University for Academic Credit.

Signed .Y. Date \

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This Research Project has been submitted for examination with my approval as a UNIVERSITY supervisor

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DEDICATION

This report is dedicated to:

My lovely husband George Ktfaluka and my daughter Faith for their encouragement and support. God Bless

K N O W L E G M E N T S

Many people help tremendously with this research work. First, I would like to thank the zonal managers of Vodacom. I igo. Celtel and 1TCL mobile for allowing me to conduct the survey in their respective organizations and assign the light people to fill the questionnaire

My sincere heartfelt gratitude goes to Department of Business Administration of UON at lower Kabete for accepting me in this program and to the Institute of Accountancy Arusha for giving me the scholarship and the permission for the study

Special thanks to my supervisor and the Head of Business Administration Department of School of Business at UON, Dr Ogutu for his support and contributions for the success of this research

I owe thanks to my classmates and any other person who contributed to the success of this work

Most of all I thank God who gtanted me this opportunity of a lifetime to attain a masters degree, and my family lot their Love. Prayers and Support God bless you all

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ABSTRACT

The mobile phone industry in Tanzania is an emerging industry which is growing at a high rate The industry has been characterized by increased global competition, the transition from analogue signals to digital signals mode of communication has brought a raft of regulatory and technological innovations that allow for transfer of critical information in real time. I lie relentless march of technology has allowed the service providers to extend the scope of their activities and increase their operational efficiency while expanding their consumer base As a new industry various studies must therefore be conducted to enhance its growth as well as reaching the customer goals The objectives of this study therefore were to determine the key factors that contribute to the success of the mobile phone service industry and if the service providers leverage some of their strategics on the industry key success factors

A census of foui mobile phone service providers namely Vodacom, Tigo, Cellcl and TTCL mobile in Arusha was conducted A total of fifteen respondents from these organizations were surveyed using a drop and pick questionnaire The datu from the survey was analyzed using percentages, frequencies and content analysis for qualitative data. The survey result indicated that the industry key success factors include sales volume, price/ cost of the services, business location, stall' size and the technology Strategies such as vigorous advertisements, marketing and sales promotion are used by the respective companies for the purpose of increasing sales volume Furthermore strategies to ensure that business location is an added advantage to the success of the business were employed

Respondents lelt that their companies should put more effort at attracting and retaining customers within high potential areas Reducing the pi ice for local and international calls was another strategy mentioned by the respondents for the purpose of ensuring aflfordability of their services and products to the customers The findings then concluded that mobile service products and competitive strategies are easily copied by peers Lffeciive change of management of success factors is mandatory, by expanding their view to include strategic planning, leaders should aim at improving financial returns and effective penetration to make it tougher for competitors to emulate them quickly

1.1ST OF AC RONYMS

ATM	Automatic Teller Machine
CI.F	Converged Licensing Framework
I'DI	Foreign Direct Investment
IC I	Information and Communicatiun Technology
IT	Information Technology
TTCI.	Tanzania Telecommunication Company Limited
UoN	University of Nairobi

C HAPTER ONE

INTRODUCTION

I.I liackurounri

Liberalization of economies has opened up markets to new entrants by reducing many constraints on competitive activity in such industries like road transport, securities, financial services, education and communication Liberalization has essentially taken competition to the international market level (Charles and Gareth. 1988) Along with globalization, advances in technology have led to technological innovations that have radically altered the way in which organizations serve their customers For example, many organizations in service industries arc replacing people with machines in service delivery (Rust and Oliver. 2(X)0)

The responses in the firm's environment and performance point to the increasing focus on key success factors and in building a competitive edge Key success factors vary from industry to industry and even from time to time within the same industry as driving forces and competitive conditions change (Thompson & Strickland. 1995) Organizations had noted that there is a close link between company's key success factors and its profitability A sound strategy should therefore incorporate efforts to be competent on all industry key success factors and excel on at least one factor Ghcmawat observes that the 'whole idea of identifying a success factor and then chasing it seems to have something in common with the ill-considered medieval hunt for the philosopher's stone, a substance which would transmute everything it touched into gold' (Ghemawat 1991. p 11)

I.I.I Key Success Factors

According to Thompson and Strickland (1995) an industry '$ key success factors ate the strategy- related actions, approaches, competitive capabilities and business outcomes that every firm must be competent at doing or must concentrate on achieving in order to be competitively and financially successful A key success factor can be a specific skill or talent, competitive capability or something a firm must do to satisfy customers Thomson and Strickland continued to say, the key success factors spell difference between piofu and loss and competitive success or failure They further gave examples of industry key success factors as technological leadership, product range and packaging, service attributes, distribution system and coverage, business location and customer convenience, social responsibility, corporate governance and image and the customer oriented personnel and robust human resource management

Barley (1997) observes that identifying key success factors is top priority of managers as they are good cornerstones of a firm's strategy and that winning competitive advantage often hinges on being distinctively belter than rivals at one or more of the key success factors, lie continues by saying, a firm has a competitive advantage when it is implementing a value- creating strategy run implemented by numerous other firms in that maiket or industry and firms that arc earning normal economic profits are usually in a state of competitive parity, and firms earning below-normal performance face a competitive disadvantage Thompson and Strickland (1995) argues that, three questions arc important in identifying industry- key success factor. On what basis do customers choose between the competing brands of sellers'*, What must a seller do to be competitively successful? And what does it take for sellers to achieve a sustainable competitive advantage[0]

In the late 1980s and early 1990s the interest in the role of strategy in building competitive advantage resulted in a shift of interest towards the internal aspect of the firm Developments in the rouse based view of the firm and organizational competencies

and capabilities pointed to the firm's resources and capabilities as the primary source of its profitability and the basis lor formulating its long-term strategy The focus upon internal resources and capabilities has emphasized the dilTerence between company and their need to exploit these differences in order to establish unique position of competitive advantage Michael Porter points out that competitive strategy is about being different It means deliberately choosing a different set of activities to deliver a unique mix of value (Porter, IW6)

1.1.2 Telecommunication Industry iu Tanzania

The telephone services have been very unreliable in 1090s in Tanzania, started with fixed telephone provided by Tanzania Telecommunication Company (TTC'L.) that gave services in capital cities and had a slow expansion The information from the Tanzania Telecom scctor website shows that in 1994 the first mobile company was started Today there are four major mobile companies namely Tigo, Vodaeom, Celtel, and Zantel Zantel is based in Zanzibar Island but currently has a joint venture with Vodaeom in the process of widening its coverage to Tanzania mainland using the facilities of the later The fixed lines operators are Tanzania Telecommunication Company (TTCI.) and Zanzibar Telecoms Ltd

The research paper on communication, information and internet services submitted for research conference of September 28-30. 2007 in USA indicates that, the Information and Communication Technologies (ICTs) scctor in Tanzania is today completely liberalized and competition has grown in mobile cellular services, radio paging, internet services and data communications services Since liberalization, the sector's perfotmance has continued to grow and to modernize by increasing the number of opeiators and competition leading to increased provision of services and reduction on tariffs More recently, the Tanzania Communications Regulatory Authority, the government legulatory body, made a pioneer move in Africa, by approving in 2005 a Converged Licensing Framework (CLI) This allows operators to offer any type of services with the technology of their choice with one single license.

The report continued by saying, following such convergence in licensing. Tanzania's telecommunication sector has become more appealing to both Foreign Direct Investment (IDI) and domestic capital, becoming one of the country's fastest growing sectors I his dramatic growth has risen to meet a range of everyday needs stemming from Tanzania's particular physical, social and economic landscape. Physically, distances are enormous, which makes transport and travel difficult People in isolated communities often do not have access to basic services including electricity and communication However, wireless technologies are fast spreading and could represent a definitive solution to the telecommunications needs of a vast underdeveloped country like Tanzania. There are many less direct ways that mobile phones create business opportunities; they can provide farmers with weather and market information that helps them to decide which crops to plant, or when to harvest. Similarly, businesses can reduce costs by using their mobiles to shop around for lower priccs or to replace expensive services such as post or travel Undoubtedly, increased mobile accessibility is boosting the economies of African countries. Tanzania included

1.1.3 Mobile Phone Service Providers in Tanzania

Tanzania has a fully competitive mobile sector comprising four networks and two fixed-line operators Nonetheless, market penetration is still very low The mobile telecommunication industry's overall market penetration stands at 17 per cent, igniting competition among the industry players to capture the remaining share of the market It is widely assumed that 97% of the population has access to mobile phones in Tanzania (VVikipedia, free encyclopedia 2007) A new converged licensing regime introduced in 2006 has brought a large number of new players into the market, including the country's third national fixed-line and fifth mobile network operator There are currently almost six million mobile phone lines in Tanzania, provided by four mobile phone companies namely Tigo, Vodacom, Ccltel and Zantel

Despite of all these developments, the mobile phone sector is facing a number of challenges I'he Wikipedia (March, 2008) on Communication in Tanzania observed that, almost all mobile phone operators in Tanzania put up their own infrastructure to provide mobile services; the cost of running these infrastructures is high and limits the interest and ability to compete in lowering the consumers call charges The report continued by saying, comparing to Tanzania life standard the telephone charges still too high for an average person lo afford The report further indicated that all mobile companies focus their coverage to initially cover highly populated areas to maximize profits especially covering big cities and district capitals Availability of mining companies, national parks, small towns in rural areas, and business competition has made mobile operators to have gradually increasing interest into those areas Other challenges facing mobile services, include changing business strategies, investment risk, limitations in mobile devices, networking problems, infrastructure constraints, security concerns, and user distrust in mobile applications Vodacom Tanzania Limited is one of the largest and most successful telecommunications companies in Tanzania among the four mobile service providers As for January 2008. Vodacom Tanzania had its 4 millionth customer and became the largest wireless telecommunications network in Tanzania (based on total wireless customers) followed by Celtcl Tanzania Vodacom Tanzania was the third licensed network operator in Tanzania and became the largest mobile communications network operator in the country within one year of launching Vodacom Tanzania Limited is also a major operator in Arusha. other mobile services providers in Arusha are MIC Tanzania Ltd (Tigo) and Celtel Tanzania Ltd (Wikipedia. the free encyclopedia March. 2008).

1.2 Research Problem

Noted, four mobile phone service providers are operating in Arusha namely Vodacom. Celtel, TTCL (Mobile) and I'igo What has come up in the wake of this competitive situation is the attractive nature of the town Arusha being the fast moving business centre, attractive in mining and tourism and the centre of many international organizations, mobile companies have largely focus their activities Against the background of increased competition between mobile phone scrvicc prov iders in Aruslia. some players have been more successful than others in the market It may be important to find out how the two categoiies of mobile service providers have related to the key success factors in the industry

Many studies have been done on the Mobile phone industry particularly in Kenya I'owett (2002) did a survey on the perceived risk on the mobile telephone services Odhiambo (2003) studied the determinants of customer satisfaction with the mobile phone subscribers He outlined the customer satisfaction factors as customer service, service features, service reliability and service accessibility Muturi (2004) further carried out a study on the factors that determine customer loyalty to a mobile phone service provider The other study on the telecommunication sector was done by Maina (2004) who studied the relationship between technology strategy and the competitive performance in the telephony industry in Kenya The study which focused on key success factor was done by Maina (2006) on banking industry of Kenya who came up with success factors in this industry as being banking relationship, banking charges, technology, service delivery, bank rating and banking hall physical facilities. The other study on key success factors on tangible gcx>ds was done by Mutuku (2006) who did a study on the Construction equipment companies in Kenya Mutuku found out that key success factors in construction equipment industry include technology, plant si/e. price and the location of the plant

Most of these studies on mobile phone industry have tended to focus on the customer satisfaction and customer loyalty to firm's products and services and relating technology to the success of the firm. The two studies above on key success factors were done on

banking and construction equipment industry so the findings may not apply to the mobile phone service industry There is a need therefore to move the study to the determination of key success factors in the mobile phone industry and to establish whether mobile phone service providers leverage some of their strategies on the industry key success factors The gap to be filled by this study particularly on Tan/anian market environment is whether there exist a relationship between key success factors and strategies of the mobile phone providers The research questions being addressed are What are key success factors of the Mobile phone service providers? And whether mobile phone service providers base some of their strategies on the key success factors'[7]

1.3 The Research Objectives

i) l o determine the key success factors for Mobile phone service providers in Arusha

ii) To establish whether the mobile phone service providers in Amsha base some of their strategies on key success factors

1.4 Significance of the Study

i) Mobile service provider The project will benefit the mobile service providers in understanding the key success factors and therefore channel their efforts to build on those variables and improve them over time

ii) Potential mobile service providers: The upcoming players will be able to develop their strategics and implement them in a way of satisfying customer needs and remain successful in the market

iii) To the Government The survey results may be useful in ascertaining how well the sector is doing in meeting the communication needs, what are the obstacles in the sector and what telecommunication policies should be developed to favour the needs of the public

iv) To the researcher and scholars The study will offer some basis for further investigation and future references

CHAPTER TWO

LITERATI'RE REVIEW

2.1 The Concept of Key Success Factors

One of the major competences thai strategic managers need is the ability to define their business, conduct an effective industry analysis, and identify the "key success factors" for firms competing in their industry Misdiagnosing the industry factors critical to long-term competitive success greatly raises the risk of a misdirected strategy In contrast, a company with perceptive understanding of industry key success factors can gain sustainable competitive advantage by training its strategy on industry key success factors and devoting its energies to being distinctively better than rivals on one or more of these factors. Key success factors vary from industry to industry and even from time to time within the same industry as driving forces and competitive conditions change Only rarely does an industry have more than three or four key success factors at anyone time Moreover, even among these three or four, one or two usually outrank the others in importance To compile a list of every factor that matters even a little bit defeats the purpose of concentrating management attention on the factors truly critical to long-term competitive success

Some authors use the term critical success factors to mean key success factors for their organizations. Max and Majluf (1991) define critical success factors as the limited number of areas in which results, if they arc satisfactory, will ensure successtiil competitive performance for the organization They are the few key areas where things must go right for the business to flourish Hax and Majluf continued by saying, if results in these areas aie not adequate, the organization's efforts for the period will be less than desired They pointed out that, there are four primary sources of critical success factors which are the structure of the particular industry, the company's competitive strategy, its industry position and its geographical location, environment factors and the temporal factors which refer to areas of activities that become significant for an organization for a

limited period of time. They named some of critical success factors as image in financial markets, technological reputation with customers, market success, company morale, profit margins on jobs and performance to organizational budgets

2.2 Industry Key Success factors

2.2 I Firm Market Position and Corporate Image

Success of a firm is determined by ho\v the firm is positioned in its market and how well the firm defends itself from competition Lovelock (19X4) indicates that market position is the establishment and maintaining of a distinctive place in the market for an organization and/or its individual product offering. He noted that in a competitive market place a 'position' reflects how consumers perceive the product or organization performance on specific attributes relative to that of competitors. Gordon (2004) further argues that a superior position is achieved when higher value to the customer, through better quality or stronger technology, for example is produced at a lower cost and that effective positioning in a market first means offering a product whose characteristics match buyer preferences But it involves more than just satisfying customers, they must be satisfied efficiently Schaars (1001) suggests that, positioning incorporates a sense of direction rather than simply a sense of difference Positioning implies a greater concern with changes in image rather than physical product changes

2.2.2 Technology

Rousscl (2000) defines technology as the ability to create a responsible way to generate improved products, processes and services To him. the management of technology is analogous to the management of investment, the development and use of technology must be guided explicitly by the business strategy of the firm At the same time technology development should help define the opportunities and threats to which strategy should then respond Roussel continued by saying that the technological strength of a business reflects the degree to which it has competence in. or proprietary control of key products and process technologies It also reflects the level of investment to sustain

key technologies and lo invest in pacing technologies. Competitive technological strength has being categorized as being dominant, strong, favorable, tenable and weak in areas Olunga (2002) observes that the technology that underpins mobile telecommunication industry is standard and variation can only be on the technology strategy of firms, which includes the management plans, action, diffusion of technology and other measures Competitive performance on the other end draws responses that although it is standard to explain success in the industry such measures as call congestion and dropouts rates have been known to be firm specific

2.2.3 Public Relations

Public relation is at its simplest the way in which an organization manages its relations with its publics. Richard and Colin (1098) observes that in some companies there appear to be relatively little management or even recognition of this important function In endeavoring to satisfy customer needs, marketing has to manage relations with those people who are responsible for producing and distributing goods and services To them public relations extends beyond marketing in that it is concerned with the community as a whole, funding bodies and shareholders, political interfaces, the media, the organization's employees and their trade unions Some mobile phone service providers have come with an idea of developing a foundation with a responsibility of giving back to the society in a meaningful and sustainable fashion In his annual report the managing director indicates that Vodacom Tanzania has come up with the Vodacom Foundation which focuses Vodacom efforts of corporate social investment that aims to improve lives of Tanzanians through poverty alleviation and promoting economic development (Vodacom group annual report (2005).

2.2.4 Distribution Network and (.'overage

Professionally managed and centrally programmed network pre-engineered to achieve operating economies and maximum market impact through integration, coordination, and synchronization of marketing Hows from point of production to the point ultimate use (Richard & Colin, 1998) To perform successful, once a channel is selected, motivating

its members is an important activity. Bernhardt (1988) argues that the decision on how direct a channel from producer to ultimate consumer should be related to the cost of alternative channels, the service and control provided, the characteristics of the end consumers in terms of their numbers and geographical location, the perishability and bulkiness of the product, plus the characteristics of the firm and competitive activity Speed has been associated with the higher product quality. Schaar (1991) claims that superior quality is a by-product of improved communications among channel members and that channel members often agree on uniform standards of quality to speed products to the market, the organization then works to improve the level of product quality as defined by those standards In effect, haste docs not make waste, it makes better quality which then impact on the success of an organization

2.2.5 Business I.oration and Size of the Organization

Key success factor come in a variety of different patterns depending on the size of the plant or human resource, business location and distribution system Some of the factors arc less tangible and less obvious but just as important, for example quality of service offered, location, employees' attitude and cost control (Thompson and Strickland, 1995) Kibcra and Waruingi (1088) argue that, the size of the firm in terms of asset base, presence in many areas of country or region, revenue it is able to generate, number of quality human resources and capacity to dominate in its industry and other factors considered to make a company big. often influence the perception of the customer of the organization. Maina (2006) observes that location and bank distribution system is a very important factor to customers on the choice of their bank lie further noted that bank* with branches countrywide assist customers by availing services closer to them at their own convenience Maina also noted that size of the bank is another critical factor customers consider Customers prefer to deal with banks that invest its assets in a portfolio with the aim of reducing and spreading the total risk

2.2.6 Customer Oriented Personnel and KohuM Human Resource Management

All services are driven by a human factor. The same marketing tools used to attract customers can also serve to attract and retain the best employees who can be thought of as 'internal customers' that is. those within the service organization Maina (2006) found out that a robust human resource which involves best practice in compensation, hiring and selection, staffing, training and development, performance management as well as employee involvement and empowerment is critical for the success of an organization's service delivery strategy. Frei ct al. (1995) further observes that, firms with practices which build competences and reinforce role behaviour consistent with customer demands arc likely to be successful Me noted that consistency across practices is as important as individual employee practices

2.2.7 Customer Satisfaction

Customer satisfaction is a long- term strategy for firms seeking success in the market It is a strategy based on placing customers first Schaars (1991) observes that, improved customer satisfaction is a forward looking indicator of business success and that companies can improve customer satisfaction by building relationships with customers, provide superior customer service, give unconditional guarantees and efficient handling of customer complaints The orientation to customer satisfaction is not recent phenomenon Varva (1998) indicates that, many very successful business people over the years have identified the importance of focusing on customer satisfaction He noted that, the British car manufacturer. Sir Henry Rovce. whose name is synonymous with quality, laid down the primary principles of customer satisfaction in 1906 when he declares.

> "Our interest in Rolls-Royce cars does not end at the moment when the owner pays for and takes delivery of the car Our interest in the car never wanes. Oui ambition is that every purchaser of a Rolls- Royce car shall continue to be more satisfied" (Varva. 19%)

MIC Africa annual report (2006) highlighted that, since customers have a choice, they will remain loyal to a firm when they receive greater value relative to what they will expect from competing firms and that perceived value is the customers overall assessment of the utility of a product based on perception of what is received and what is given The complex intangible, perishable, variable and inseparable nature of the mobile phone service makes it necessary to use non-customary standards of comparison that arc different from those used in assessing goods The report noted that, the inherent nature of this service lead consumer to place more emphasizes on the reliability of the service provider and perceived justice The report noted that satisfied customers are loyal to the product and to the company and thus they increase the profit of the firm by advertising the firm's product or service through the word of mouth and they can not be easily attracted by the competitor's offerings

According to the marketing concept, consumers stand at the center of any organization and hence a firm must orient all its activities so that it can satisfy the customers for its products and services Schaars (1001) notes that, many firms are using superior consumer satisfaction to differentiate their products and services and that firms tely on superior service, unconditional guarantees, more efficient complaint handling, and many other consumer based practices to set themselves from the crowd of competitors. This is especially important when most products are physically similar and it is difficult to differentiate the product itself

2.3 Key Success Factors for Service Industry

Companies competing in service industries, in developing their competitive marketing strategies, must consider factors which in pioduct-bascd industries are less significant

2,3.1 Scrv icc Attributes and Scrvicc Delivery

The number of services available on mobile phone service providers which have been rated as success factors arc pretty standard Vodacom Group annual report (2005)

discovered that the number of service attributes offered by the company lias to a large extent contributed to its success in the market These attributes include: Free Please Call Me. free please recharge me, five free SMS. free instant recharge service, free voice recharge service, free ATM recharge service, free 24 hrs customer care service, free balance inquiry service, free credit transfer, mobile email, video calling, internet / WAP. MMS, per second <fc per minute billing, *konta kawbtda* roaming, international roaming, network coverage, *chomhcza* time, vodataarifa. vodafasta. MMS to e-mail and voikijanuM. Company success is also determined by the quality of the service Investing in efficient processes, human resource training and development, redesign of customer areas together with management of inbound and outbound logistics (value chain) are or should all be geared towards making service delivery efficient and effective (Quinn et al, 1991, Porter 1988)

2.3.2 Scrvicc Delivery Standards

Success of a company is driven from its ability to maintain standards in delivering services Brown and McDonald (1994) noted that the intangibility of the service company's product create particular challenge to the marketer in communicating the benefits to the customers and ensuring that those benefits arc realized They further noted that service delivery standards are what the market is seeking, or they are standards of technical excellence or tradition that are imagined as a part of the culture of the organization Service companies must develop a distinct, positive image if they arc to achieve leadership in their industnes. West (1991) found out that companies that are predominant in their sector in providing a higher level of service can grow rapidly than the average for the industry- good service can generate higher earnings, fo him characteristics such as geographical location, accessibility, manner of providing service, service personnel, physical appearance and opening hours are used to evaluate the quality of the service and in turn measure the success or failure of a firm

2.3.3 Consistency of Quality

Quality control procedures and monitoring of satisfaction are important pans of maintaining an image and a consistent brand position Brown & McDonald (1994) argues that, the decline in quality and reliability of many serv ice sectors has been a continuing spur to the do-it yourself market The further noted that the customer once satisfied with the benefits and familial with the method of access, frequently becomes brand loyal Where strategies can be adopted to lock the customer in this reinforces the partnership status of company and client Schaar (1991) suggests that, consistency theory implies that expectations are more important than actual product performance and it predict that consumers will bend their perception of product performance to match their prior expectations for that product Their expectations will then colour their judgements of product performance, and their ultimate satisfaction with the product

2.4 Key Success Factors and Strategy

Gordon (2004) noted that performance is an outcome of a strategy and thus the success with which a firm's business strategy effectively addresses its industry's key success factors will determine its strategic performance To him strategic performance is measured in terms of both financial and market success Financial performance is essential for continued business operations Financial capabilities are critical in supporting functional strategies and making required infrastructure investments Gordon gave an illustration that, a company with adequate funding can expand or invest, or can provide customer financing while market share demonstrates a firm's ability to create and hold customers, which determines the long term success of a firm Robert (l«>98) claims that there is no company that has the resources to excel n competitor in all the areas of skill and therefore, a strategic decision that management must make, once the driving force has been decided upon is to clearly identify those two or three skills that arc critical and give those areas preferential treatment Robert continued by saying, in good times, these areas receive additional resources, in bad times they arc the last areas to be trimmed He further noted that, knowing strategic areas that drive your organization

together with the corresponding areas of excellence that are required to support that strategy is akin to understanding what strategic weapon will give your organization a distinct and sustainable advantage against your competitors

Hax and Majluf (1991) argue that, the central thrust in strategy is to achieve a long term sustainable advantage over the key competitors of the firm in every business in which it participates. This dimension for strategy recognizes that success of a firm results from a thorough understanding of internal and external forces that impact the organization They continued arguing that well managed success factors lead to the competitive advantage of an organization and that there is therefore a close relation between success factor, strategy of a firm and its competitive advantage Schaars (1991) noted that, the best competitive advantage usually combines both the consumer and competitor orientation Neither approach, by itself, is sufficient Schaar claims that, lower prices as a success factor for example, can be used to beat back competitors, but entice consumers to the firm's products The lower price can serve as a barrier to entry, they can also provide consumers with product value. Schaar further noted that, product quality serves consumers by offering them superior product, but it also keep competitors at bay Clearly, the two sources of competitive advantage are not mutually exclusive Specific efforts merely tend to favour one source of success over the other.

Organi/ation becomes more effective when it creates, maintain and if needed change climates and cultures to emphasize innovation, service and organizational citizenship behaviours Because climates are created by practices, procedures and rewards, organizations can change climates and indirectly cultures through the selection and orientation of new employees, formal and informal reward structures, training and allocation of resources Mintzbcrg et al (2003) argues company can outperform rivals only if it can establish a difierence that it can preserve This can be achieved by combining a good stiategy with operational effectiveness. According to him, a company must deliver greater value to customers or create comparable value at a lower cost or do both Mintzbcrg continued by saying, operational effectiveness refer to any number of

practices that allow a company to better utilize its inputs by, for example, reducing the defcct products and/ or developing better products faster Differences in operational effectiveness among companies are pervasive Mintzberg finally concluded by saying that, some companies are able to get more out of their inputs than others because they eliminate wasted efforts, employ more advanced technology, motivate employees better or have greater insight into managing particular activities or set activities

Tltcrc arc a number of principles to follow in developing success factor for a firm Thompson and Strickland (1999) observe that, good understanding of the environment, the industry and the company is the fore and most important principle These factors are customized for companies and individuals and the customization results from the uniqueness of the organization Build knowledge of competitors in the industry is also important in developing critical success factors Knowing where competitors are positioned, what their resources and capabilities are. and what strategies they will pursue can have an impact on an organization's strategy and also resulting critical success factors. Strickland and Thompson further noted that key success factor should result in observable differences This does not necessarily mean that those factors must have quantitative measures but at least the difference should observable from those of competitors or possibly measurable in certain respects such that it would be easier to focus on these factors Finally they concluded that key success factors must have a large-impact on an organization's performance Due care should be exercised in identifying them due to the largely qualitative approach to identification, leaving many possible options for other factors.

2.5 Summitry

The performance of the mobile phone service providers can be linked to the firm's success factors However this relation is strong where a firm is able to identify its key success factors and build sound strategies to optimally utilize these factors Key success factors include firm's technology, location and size of the organization, customer oriented personnel, service delivery and standards, consistency of quality, firm's market

position, public relation and customer satisfaction. The above key success factors may influence the firm's performance if the service provider is able to identify and give these factors preferential treatment and effective channel of company resources on them for the purpose of building a distinct sustainable advantage against its competitors in the industry

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The focus of this chapter is the description of the research design, locations of the study, population, sample and sampling methods, data collection procedure and the technique for data analysis

3.1 Research Design

This study used an exploratory survey design to enable the researcher conduct an in-depth exploration of the success factors the mobile phone industry and establish their relationship to the strategy employed in the market by the industry players. This design is justifiable because the various interactions of customer care with clients and all other departments within the companies makes it serve as a central data collection base from where we can determine the various success aspects of the various firms Also, the various service providers have structures controlled at managerial level where the various strategies are justified and employed

3.2 Population and Sampling Design

3.2.1 Population

The target population for the study was all players of the mobile phone service industry-based in Arusha The players are Vodacom, ligo. Ccltcl and TTCI. mobile Arusha was selected due to the fact that it's readily acccssiblc and all mobile phone service providers Itavc invested in this market The population was also cooperative and it easily manageable They quickly understood objectives of the study made extra contributions on these objectives

3.2.2. Sampling Design

3.2.2.1 Sampling Frame

The survey involved two people from management executive positions from each mobile serv ice provider These gave the general information about the success of their firms and factors that have contributed to this success Departmental heads were interviewed whereby the study concentrated more on marketing and customer service departments and the Information technology department Marketing personnel provided the information about the product quality and distribution strategics and coverage and what has contributed to the success of these areas Customer service section provided the information about the factors that had contributed to its success and the role of customer satisfaction to the overall company success Survey on IT department was about the technology employed by the firm and how it had contributed to the organization success and achievement of its objectives in the market The total of department heads who were interviewed from each organization were three this then made up the total number of respondents for the study to be fifteen

3.2.2.2. Sampling Techniques

All these mobile players were studied as a census This is because the research targets very specific aspects of these four large institutions There was therefore no need to sample them However within the specific organizations the researcher sampled departmental heads while concentrating on marketing, customer service and II departments The total number of respondents w as fifteen

3.3 Data Collection

Self administered semi-stnictured questionnaire was used to collect the Primary data which was used to collect data for the purpose of this study The Primary data was about various success aspects of the firm including firm's market position, customer

satisfaction strategies, the impact of organizations' location to its succcss, technology used by the firm in developing and delivering its service and how it maintains quality standards and consistency in serving the customers Drop and pick approach which is a modification of mail questionnaire was used in the study. The researcher also used content analysis through browsing various websites so as to understand this companies deeply.

The questionnaire was made up of two parts, pan A included general information of respondents and part B addressed the two research questions

3.4 Research Procedures

3.4.1 Confidentiality

All data was collected, stored, analyzed and reported in formats that could not allow identification of the individual respondents Identification codc numbers were used on all feedback forms and respondents were advised not to record or leave any personally identifiable marks on the feedback forms such as names, numbers or email addresses

3.4.2 Compensation

No rewards or incentives in cash or any kind were provided to the respondents for participating in the study The respondents were also not coerced or influenced in any way on the information that they provided

3.5 Data Analysis and Presentation

Quantitative approaches involving use of descriptive statistics were used to analyze data in this study Descriptive statistics used include frequency tabulation and measures of central tendency i.e. Mode Statistical Package for Social Sciences (SPSS) was used as the main data analysis tool for this study Data was presented through tables, graphs and charts Content analysis was also uses in data which were qualitative by nature

J.6 Summary

Designing a research to be undertaken involves parameters of variables, suitability and scope that are essential and realized through critical choice of location, visualizing of sample size, technique and defined population The work through design simplifies the modality of data collection and the instruments to be used so as to guide the analysis on whether the study is scientific or social Self evaluation of the research to improve the quality of the instrument and to spearhead the researcher into identifying the strengths and weaknesses enables the researcher clarify purpose. Chapter 4. of this report presents the results and findings

CHAPTER FO1 R

DATA ANALYSIS AM) INTERPRETATIONS

4.(1. Introduction

This chapter presents results of data analysis and the interpretation. In analyzing and presenting the research findings the research objectives set out in chapter one guided the flow of this chapter A total of fifteen self administered questionnaires targeting the four market players in the mobile industry within Arusha were administered The same numbers of questionnaires were received When received they were analyzed and interpreted to construe to the information presented in this chapter Processing of the data involved checking, manipulating and summarizing of raw data in order to put it into a format that would be of meaningful use

The data was first edited by checking whether all questions were answered as intended It was confirmed that majority of the questions were attempted and there were no major gaps

The second stage was coding, the data was coded and entered using the SPSS package I his was essential to enable the interpretation of the data into a meaningful set of information The findings arc as follows,

4.1 Characteristics of all the Respondents

4.1.1 Characteristics of the Mobile Industry Players

The researcher targeted four mobile telephone service providers' within the lanzanian market They were Vodacom, Ccltel, TTCl. and Tigo,

Vodacom

Vodacom Tanzania l td is a subsidiary company of Vodacom (Pty) l td based in South Africa Vodacom (Pty) Ltd owns a majority share portion of 65%. the remaining 35% is

owned by owned by Tanzanian shareholders Vodaconi Tanzania l imited was formed as a subsidiary company to Vodacom (Pty) ltd when they won a bid to operate a GSM cellular network in Tanzania in 1999.After completing the setting up of GSM infrastructure Vodacom (T) Ltd officially started its commercial operations On August 15, 2000 In the year 2000. 50.000 subscribers were connectcd to its network and recently . Vodacom Tanzania registered its 4 millionth customer

Celtel

Originally known as "MSI Cellular Investments", the company began operating in 1998 In January 2004, the company name was changed to "C'eltel International" In April 2005 the company was acquired by and became a subsidiary of the Mobile Telecommunications Company Celtel now spans over 15 countries in Africa with over $750 million in investments Celtel operates in the following countries Burkina Faso. Chad, Democratic Republic of the Congo, Gabon. Ghana, Kenya, Madagascar. Malawi. Nigeria. Sierra l.eone. Sudan, Tanzania Uganda, Zambia In September 200b Celtel launched "One Network", the world's first borderless network across East Africa One Network enables its subscribers in Kenya, Uganda and Tanzania to roam free between these countries, thereby scrapping roaming charges, making calls at local rates, receiving incoming calls On 22 November 2007 Celtel doubled it's One Network countries from 6 to 12 countries by adding Burkina Faso. Chad. Malawi. Niger. Nigeria and Sudan Celtel currently has 24 million subscribers in 14 countries of Africa Celtel re-branded into Zain in April 2008 and expand its One Network" across its 22 Operations

Tanzania Telecommunications Company Limited

Tanzania Telecommunications Company I imited (TTCL) was privatized on 23rd February, 2001, whereby a consortium of MSI of the Netherlands and Deiecon of German acquired 35% share of the company from the Government of Tanzania The consortium took over both Board and Management control of the company. According to the privatization agreement, the rest of the TTCL shares were allocated for Local

Financial Institutions -14%. International Financial Institutions-10% and ITCL Hmployees- 5% Ihe Government of'l'anzania retains ownership of 36% I lowevcr. the agreement on this regard had not been done and as a result, the government at present owns 65% shares in TTCL.

Tigo

Tigo is a cellular network brand that sells its vision of giving people in emerging markets the freedom to access today's world as driven by their 3A's principle Allowability, Accessibility & Availability The Tigo brand was launched 2 years ago and has experienced the most exceptional growth as it offers innovative products and services at the most affordable rates to all Tanzanians

4.1.2 Characteristics of the Respondents Within the Mobile Industry

4.1.2.1 Level of Lducation

The respondents were required to rate their level of education Their responses arc as indicated in figure 1

Figure I: Fduration Level of Respondents (Source: Survey Data)

Majority (67%) of the respondents are undergraduate degree holders while 20% were pursuing their Masters degree 13% already had completed their masters programs.

4.1.2.2 Length of Serv ice

The respondents were required to state the number of years they had worked within their respective organizations companies They responded as indicated in figure 2

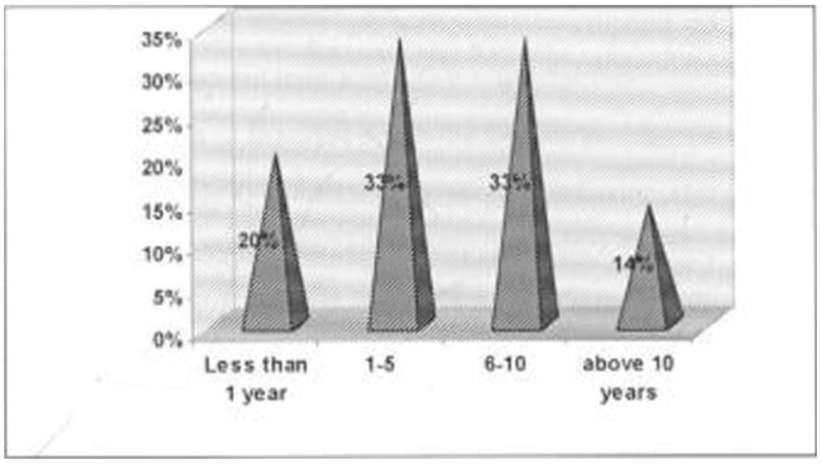

Figure 2: Number of N ears Spent with Sen ice Providers. (Source: Survey Data)

Most (66%) of the respondents have worked for their organizations for between I and 10 years Some 20% had worked for less than one year while 14% had worked for over 10 years

4.2. Success Factors for Mobile Phone Service Providers in Arusha.

Key success factors vary from industry to industry and even from time to time vary within the same industry as driving forces and competitive conditions change Some authors use the term critical success factors to mean key success factors for their organizations llax and Mnjluf (1991) define critical success factors as the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization They are the few key areas where things

must go right foi the business to flourish There are four primary sources of critical success factors and they are the structure of the particular industry, the company's competitive strategy, its industry position and its geographical location, environment factors and the temporal factors which refer to areas of activities that become significant for an organization for a limited period of time Some of the critical success factors include image in financial markets, technological reputation with customers, market success, company morale, profit margins on jobs and performance to organizational budgets The respondents were required to respond on the various aspects defining success factors within their respective organizations

4.2.1 Structure of the Mobile Phone Industry.

The mobile phone industry is a service industry characterized by consumption of communication services The service providers facilitate transfer of information and sometimes money transfer services The various services provided by the service providers lll this survey are as indicated in table 1

Services	Vodacom	Tigo	Celtel	TTCL mobile
Mobile phone communication	Yes	Yes	Yes	Yes
Money transfers	Yes	No	No	No
Community support services	Yes	Yes	Yes	Yes
Provision of internet services	Yes	Yes	Yes	Yes

Table 1: Services Provided by Mobile Service Providers (Source: Survey Data)

The respondents were required to mention the various services provided by their mobile phone companies. Mobile phone communication. Community support services and provision of internet serv ices were services provided in all companies. Money transfers services were there in Vodacom while Tigo, TTCL and Ccltcl did not provide these

services Within the provision of mobile phone communication other services such as roaming services were unique to Vodacom and Celtel, provision of pre paid calling cards and postpaid services were prevalent in all companies while landline services were unique to TTCL

4.2.2 Technological Imputation

The provision of services is a unique business because its nature demands that the reputation of the company defines its growth and expansion Within the mobile industry the challenges of investing in technology are greater as transfer of information requires investment in stale of the art technology, also the technology that underpins mobile telecommunication industry is standard and variation can only be on the technology strategy of firms, which includes the management plans, action, diffusion of technology and other measures Olunga (2002). Competitive performance on the other hand depicts that although technology advancement is standard to explain in the industry success measures such as call congestion/decongestion and dropouts' rates are known to be firm specific The respondents were required to state the equipments/facilities they use in the business and whether they had specific strategies that were employed so us to determine maximum utilization of this equipment I hey were also to state why each equipment or facility was considered as key to the success of the business Their responses arc as indicated in table 2

		Vodacom	Tigo	Celtel	TTCL mobile
Equipment in use	ISDN data networks	No	No	No	Yes
	Saponet data networks	Yes	Yes	Yes	Yes
	Diginct data networks	Yes	Yes	Yes	Yes
	GSM mobile technology	Yes	Yes	Yes	Yes
	Vsat tccluiology	No	No	No	No
	BTS(Towcrs)	Yes	Yes	Yes	Yes
	GPRS	Yes	Yes	Yes	Yes

Table 2: Equipment/ Facilities Died by Service Provident (Source: Survey Data)

All companies were reported to use systems where the voice content is transmitted digitally such as GSM mobile technology; they have also being supported by the GPRS technology so as to allow for internet based applications in data transmission None of the companies had reportedly used the VSAT technology but the BTS towers were in use in all the companies All companies were reported as to have strategics that were related to maximum utilization of this equipment while reducing cost I he strategies involved ensuring that equipments were utili/ed as per the customer base, this was necessary because all the available equipment was necessary to provide the services available within each specific firm

4.2.3 Competitive Strategics

I here is 110 company that has the resources to excel a competitor in all the areas of skill, therefore strategic decisions must be made by management, once the driving force has been decided upon so as to clearly identify those two or three skills that aie critical and give them preferential treatment. Robert (1998) Understanding what strategic weapon will give an organization a distinct and sustainable advantage against competitors is dependent on knowing strategic areas driving that organization together with the corresponding areas of excellence that arc required to support that strategy The respondents were presented with some activities that were assumedly supposed to contribute to performance or success of their organizations They were to rate their level of contribution 011 performance or success of their organizations. I heir responses are shown in the figure 3

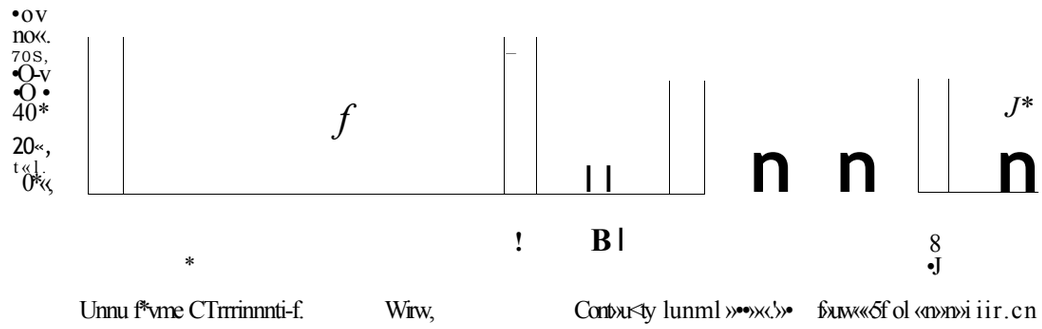

Figure 3: Activities Coiiiribtitiiij* to Succcss the Companies (Sourer: Survey Data)

Majority (80%) of the respondents felt that mobile phone communication was the major factor contributing to success within their companies Community support services and provision of internet services were rated to contribute averagely to performance of respective companies Money transfer services were rated to contribute the least to success within respective companies.

4.2.4 Key Snccess Factors.

Key success factors must have a large impact on an organization's performance and their identification should be approached with caution bccause these factors are largely qualitative The approach to their identification should leave many possible options for other factors to he included and their value addition as well as attributes identified Scrvicc Attributes and Scrvicc Delivery Standards arc key considerations when defining the success factors in the service industry' Also Consistency of Quality cannot be ignored within the mobile phone service industry The respondents were required to give feedback on the extent to which all service attributes and standards were enhanced within their respective organizations Most of the respondents indicated that their respective companies considered parliculai skills such as creativity, innovativeness and pro-activcncss in scrvicc delivery and this went along way in enhancing good service attributes and quality standards They also observed that this was necessitated by the

dynamic nature of the mobile phone service industry also this consideration went along way in enhancing consistency of quality

4.3 Strategy and Key Success Factors.

A firm's business strategy should be able to effectively address its industry's key success factors The strategy's success will be measured in terms of both financial and market success Adequate funding can expand or invest, or can provide customer financing while maiket share demonstrates a firm's ability to create and hold customers Gordon (2004) The respondents were required to give those key factors that defined the success of their various companies

Sales volume The respondents put consideration of sales volume as a key factor for success because increase in sales volume was an indication that the company was expanding and reaching out to more people They also noted that increase in mobile phone service usage was measured by the number of new customers This increase translated to more revenue for the company and thus increase in sales volume of sim cards was a good measure of company 's performance

Price/cost of Scrviccs/products - The respondents put consideration of price/cost of services/products as a key indicator of success within their respective organizations They noted that afibrdability of their services enhanced business growth by attracting several young customers und the low income earners They had also noted that most people in Tanzania are low income earners and hence they are very price conscious

Business location The respondents considered business location as a success factor because the various companies had to tap high potential areas so as to increase revenue by enhancing business growth

Sue of staff - The respondents considered size of key staff as a success factor because their organizations were considering the fact that the mobile phone industry is a service industry that is sensitive to customer focus

4.4 Are Strategies Based on Key Success Factors?

The centra) thrust in business strategy is to achieve a long term sustainable advantage over the key competitors of the firm in every business in which it participates Hax and Majluf (1991 Thorough understanding of internal and external forces that impact the organization is a dimension for strategy that recognizes results from a firm's success There exists a close relationship between success factors, strategy of a firm and its competitive advantage Well managed success factors often lead to the competitive advantage of an organization Schaars (1991) noted that, the best competitive advantage usually combines both the consumer and competitor orientation Neither approach, by itself, is sufficient. Schaar claims that, lower prices as a success factor for example, can be used to beat back competitors, but entice consumers to the firm's products The lower price can serve as a barrier to entry, they can also provide consumers with product value Schaar further noted that, product quality serves consumers by offering them superior product, but it also keep competitors at bay. Clearly, the two sources of competitive advantage are not mutually exclusive Specific efforts merely tend to favor one source of success over the other The respondents were required to give their opinion towards strategics that are employed to enhance the key success factors within the mobile phone industry. Their responses are outlined in the following paragraphs

Maximum utilization of skills- 'The respondents indicated that their respective organizations ensured that all human resources skills and talents were tapped and nurtured in the best way possible so as to ensure their maximum utilization Also retention of key staff was prioritized so as to avoid high attrition and enhance customer focus

Increase in sales volumes- The respondents were of the opinion that in order to tap the increase in sales volume their respective organizations tended employ strategies such as carrying out vigorous advertising, marketing and sales promotions Some times they even went ahead to negotiate for loans and securities from various financial institutions on behalf of their customers They also mentioned that their respective organizations

sought to regularly improve on their product portfolio so as to appeal to different clientele who have different consumer needs

Price/costs of services/products- I'he respondents were of the opinion that strategies to ensure allowability of then services/products were employed. The strategics included reducing prices in making local and international calls However, they ensured that the currency inflation and current market trends were not hindrance to profitability

Business location - The respondents felt that strategies to ensure that business location was an added advantage to the success of the business were employed They felt that their companies put more effort at attracting and retaining customers within high potential areas

4.5 Summary

From the findings and results, the respondents ascertain that companies competing within the mobile phone service industry must develop competitive strategies that tap into their key success factors that have a large impact on organizations performance The findings have also concurred with some of the views that were discussed in the literature review A key success strategy that can be expressed in these findings is that key success factors should be measures of business performance and not only should they be largely quantifiable but also observable from those of competitors and they should also be easy to focus on Phis is evident across all service industries and especially in the mobile industry where new technologies arc applied frequently, critical business issues sorted out with each innovation and the need to meet customer needs in innovative ways is addressed

From the findings, utilization of skills, sales volumes, price/cost of services/products and business location were found to be have a serious impact on key competitive strategies and processes within the mobile phone service industry For all service providers, a past focus on enhancing product innovation has tended to serve only as a temporary

differentiator because it is typically easy for competitors to imitate each other. By expanding their view to include key focus on key competencies the leaders are aiming to improve financial returns and make it tougher for competitors to emulate them quickly

The findings also show that already, successful innovators are reshaping the industry by looking beyond products and services to develop new business models and discover new ways to gain operational effectiveness Through creative partnering, for example, mobile service providers can increase their footprints and delivery capabilities, and address evolving customer needs faster and less expensively than if they only look internally In addition, the service providers have to face the challenge that they arc ottering services within a third world country and that cost is a major concern

But, overall results for the industry aren't going to rebound through a "business as usual" approach To restore confidence in customers and gain returns, mobile phone service providers must set the stage now for proper strategic planning

CHAPTER FIVE

SUMMARY, DISCI SSIONS AND CONCLUSIONS

5.0 Introduction

This chaptcr summarizes they key elements of the study, which includes the purpose of the study, the research questions and the methodology used In addition, this chapter presents discussion, conclusions and recommendations of the study The chapter is divided into six sections, namely, 5 I presents the summary of important elements of the study. s 2 presents major discussion of study structured according to research questions, sections 5 3 and 5 4 highlight major conclusions and recommendations respectively

5.1 Summary

The purpose of this study was to identify whether mobile service providers in Arusha employed any strategies on their key success factors

The study attempted to fulfill the following research objectives

a) To determine the key success factors for Mobile phone service providers in Arusha
b) To establish whether the mobile phone service providers in Arusha base some of their strategies on key success factors

This study used an exploratory survey design to enable the researcher conduct an in-depih exploration of the success factors the mobile phone industry and establish their relationship to the strategy- employed in the market by the industry players The target population for the study was all players of the mobile phone service industry based in Arusha The players are Vodacom, Tigo. Celtcl and TTCL mobile All these mobile players were studied as a census This is because the research targeted very specific aspects of these four large institutions There was therefore no need to sample them.

DIVERSITY C

However within the specific organizations the researcher sampled departmental heads while concentrating on marketing, customer service and IT departments Self administered semi-structured questionnaire was used to collect the Primary data which was used for the purpose of this study Drop and pick approach which is a modification of mail questionnaire was used in the study The researcher also used content analysis tluough browsing various websites so as to understand these companies deeply. Quantitative approaches involving use of descriptive statistics were used to analyze data in this study Descriptive statistics used included frequency tabulation and measures of central tendency i e mean Statistical Package for Social Sciences (SPSS) was used as the main data analysis tool for this study Data was presented through tables, graphs and charts

Most of the studies on mobile phone industry have tended to focus on the customer satisfaction and customer loyalty to firm's products and services and relating technology to the success of the firm The two studies above on key success factors were done on banking and construction equipment industry so the findings may not apply to the mobile phone service industry The major findings and conclusions of the research were that the industry's success factors are strategy-related actions; approaches competitive capabilities and business outcomes that every firm must be competent at doing or must concentrate on achieving in order to be competitively and financially successful The focus upon internal resources and capabilities has emphasized the difference between companies and their need to exploit these differences in order to establish unique position of competitive advantage Competitive strategy is about being different and it means deliberately choosing a different set of activities to deliver a unique mix of value

5.2 Discussions

l he main research questions presented to the respondents aimed at finding out the key success factors for Mobile phone service providers in Arusha and establish whether the mobile phone service providers based some of their strategics on key success factors

The four mobile service providers in Arusha namely Vodacom. Ccltcl. I I'CL mobile and Tigo were studied

5.2.1 Succcs* Factor* for Mobile Phone Scrvicc Providers in Arusha

I lax and Majluf (1991) define critical success factors as the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization I hey are the lew key areas where things must go right for the business to flourish The mobile phone service industry is characterized by consumption of communication services Ihe main services provided by the service providers include Mobile phone communication. Community support services and provision of internet services Money transfers services were there in Vodacom while Tigo, TTCL and Celtel did not provide these services Majority (80%) of the respondents felt that mobile phone communication was the major factor contributing to success within their companies Community support serv ices and provision of internet services were rated to contribute averagely to performance of respective companies Money transfer services were rated to contribute the least to success within respective companies

Most of the respondents cited that their respective companies considered particular skills such as creativity, innovativeness and pro-activeness in service delivery This consideration went along way in enhancing good service attributes and quality standards as key competencies Also, the dynamic nature of the mobile phone service industry greatly benefits from consistency of quality that this consideration encourages

5.2.2 Strategy nnd Key Success Factor*

A firm's business strategy should be able to effectively address its industry's key success factors The strategy's success is measured in terms of both financial and market success Various success factors were cited by the respondents from the various companies

Sales volume - The respondents put consideration of sales volume as a key factor for success because increase in sales volume was an indication that the company was

expanding and reaching out to more people Thcv also noted that increase in mobile phone service usage was measured by the number of new customers This increase translated to more revenue for the company and thus increase in sales volume of sim cards was a good measure of company's performance

Price/cost of Services/products - The respondents put consideration of price/cost of services/products as a key indicator of success within their respective organizations They noted that affordability of their services enhanced business growth by attracting several young customers and the low income earners They had also noted that most people in Tanzania are low income earners and hence they are very price conscious

Business location - The respondents considered business location as a success factor because the various companies had to tap high potential areas so as to increase revenue by enhancing business growth

Size of staff The respondents considered size of key statT as a success factor because their organizations were considering the fact that the mobile phone industry is a service industry that is sensitive to customer focus

Well managed success factors often lead to the competitive advantage of an organization Schaars (1991) noted that, the best competitive advantage usually combines both the consumer and competitor orientation The respondents gave their opinion towards strategies that are employed to enhance the key success factors within the mobile phone industry I heir responses are as indicated below

Maximum utilization of skills- The respondents indicated that their respective organizations ensured that all human resources skills and talents were tapped and nurtured in the best way possible so as to ensure their maximum utilization Also retention of key stall' was prioritized so as to avoid high attrition and enhance customer focus

Increase in sales volumes- The respondents were of the opinion that in order to tap the increase in sales volume their respective organizations tended employ strategies such as carrying out vigorous advertising, marketing and sales promotions Some

times they even went ahead to negotiate for loans and securities from various financial institutions on behalf of their customers 'I'hey also mentioned that their respective organizations sought to regularly improve on their product portfolio so as to appeal to different clientele who have different consumer needs

Price/costs of services/products - The respondents were of the opinion that strategies to ensure affordability of their services-products were employed The strategics included reducing prices in making local and international calls However, they ensured that the currency inflation and current market trends were not hindrance to profitability

Business location- I he respondents felt that strategies to ensure that business location were an added advantage to the success of the business were employed They felt that their companies put more effort at attracting and retaining customers within high potential areas

5.3 Conclusions

In general, conclusions have showed that mobile service products are easily copied by peers therefore effective management of key success factors is mandatory to all service providers so as to step up to their competition llax and Majluf (1991) define critical success factors as the limited number of areas in which results, if thev are satisfactory, will ensure successful competitive performance for the organization one can easily draw them within the mobile phone industry This study was focusing on the aspects of the mobile industry that are characterized as success factors in an industry that is purely focusing on consumption of services In such an industry the key success factors would be those that greatly considered consistency of quality of service while enhancing good service anributes and quality of standards In this study it has clearly been demonstrated that sales volume, price/cost services/products, business location, size of staff and utilization of skills arc some of key indicators of success Sales volume is considered as such because it acts as good indicator of anticipated revenue This is because uny

increase/decrease in sales volume tends 10 have an impact on the revenue growth of a company The market is characterized by many price conscious customers atTordability of the services/products should be of key consideration when defining success in such a service industry The respondents had noted that most people in Tanzania are price conscious and therefore their being able to afford the service should be considered as a success factor Furthermore to enhance business growth most companies had to tap high potential areas I'he respondents had indicated that the market in Arusha had been segregated in terms of high and low potential customer areas therefore the service providers had to target different locations differently and their ability/inability to do that was considered as a success factor Sensitivity to customer focus is what makes size of key staff a major consideration In this study the respondents clearly indicated that their respective oiganizations sought to utilize technical ability of various staff and that their focus on these was considered as a success factor

The conclusion diawn from this study is that success factors should be properly managed Their management should include expanding their view to include strategic planning, while aiming at improving financial returns and effective penetration and make it tougher for competitors to emulate them quickly The best competitive advantage usually combines both the consumer and competitor orientation Schaars (1991) The respondents' opinion towards strategies that are employed to enhance key success factors included;
Maximum utilization of skills -It has clearly come out that to enhance this most companies prioritized employee retention so as to enhance customer focus Strategies to increase sales volume outlined out that most organizations tended to carry out rigorous advertising, marketing and sales promotion Also, the respondents mentioned that their respective organizations sought to regularly improve their product portfolio so as to appeal to different clientele such as the youth and major corporations I'his study has shown that the various companies were carefully avoiding to lose customers because of allowability of their services for the purpose of leveling price/cost of services,'products These companies also ensured that currency inflation and current market trends were not

a hindrance to profitability Also they constantly reduced their prices to cater for both local and international costs.

5.4 Recommendations for Policy and Practices

The following were recommendations for improvement and further studies that would help the mobile phone industry understand and use success factors to promote and shield it competitive advantage in the industry. These recommendations for improvement were drawn for the finding.

5.4.1 Broad Agenda Includes Value Orating Strategy

The search for a global business strategy is increasing the importance of use of state of the art communication technology and as such mobile phone service providers should seek to expand across borders to tap this ready market The value creating strategy should be one that enables globalizing processing facilities for back office work and also see per unit processing cost decline as volumes increases As demand for mobile phone services increases in Arusha and regulations are relaxed, mobile phone service providers who will have consolidated with established players will win increased markets.

5.4.2 Customer and Technology Driven

Innovative mobile phone service providers should invest in new technologies that increase security across multiple channels I hese may include biometric scanners for use with money transfer services, data warehousing solution that guarantee protection for sensitive customers data and next generation authorization for online users. In additional, new technologies stand to revolutionizes other areas of mobile service industry such as internet piovision and banking services, allowing customers to access these services that were catered for by the traditional banking system would enhance more globalization

5.4.3 Leadership and Individuals Play Key Roles, \N hile RAD is One of Many Processes thai Prioritize Innovation

Leadership is very important Mobile service providers' leadership should attend to seriously rejuvenate their institutions capabilities They farther should find ways in which they can train and expose their stall" for periods to work in industry and bring visiting lecturer and researches I his would bring in a new culture of innovation hence create competitive advantage Mobile service providers should be original and spend on research and development

5.4.4 Open and Collaborative. Across Organizational and Corporate Boundaries

Mobile phone service providers in Anisha should automate key business processes They should also seek to offer telephone banking services, and even support online banking and mobile banking In this environment of rapid progress, established banks have key opportunities. Through open collaboration and consolidation, they can help eliminate the digital divide between the developing and developed economies In addition, they can share instruments in new technology application that can extend services to an even bigger number of consumers

5.5 Suggestion for Further Research

The research recommends the following areas for future studies,

> Data collection was based on questionnaires future research can be based on focus groups of managerial staff from various serv ice providers with a researcher acting as a moderator and an observer recording un-responded to issues that are expressed in symbols actions or facially This would help reach out all corncrs of service providers and involve them in future planning. The research design was based on a cross-section of the employees at the key departments within the service industry The respondents did not include the customers Future research can categorize the customers and stratify the employees into junior staff, middle class, senior staff with specific emphasis on comparison of their responses The

research design wimpled perceptions of those in service provision, future research can look into roles played by the specific groups within the service provision to determine their attitude and its contribution to service provision I he modality of research can be questionnaire or focus group depending on the number of workers in a given group Customer involvement in product development and how to enhance their satisfaction with the different products is an area worthy of research Do the customers feel satisfied with the services or are they attached to their service providers because of lack of better options or are they just exercising brand loyalty These questions can form a basis of changing service providers' attitude towards the success factors and enhance their propel strategic planning.

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APPENDIX: QUESTIONNAIRE

Please respond lo Ihe following questions by filling in the space provided.

Section A: GENERAL INFORMATION

1 Job title/ position

2 Responsibilities in that position_

3. Number of years you have spent with this organization_

•4 (education level.

S. In job training attended

Section It- COMPANY KEY SUCCESS FACTORS AND STRATEGIES

6 Which among the following activities are you engaged in[0] (Tick the appropriate)

i) Mobile phone communication
ii) Money transfer
iii)Community support activities
iv) Provision of Internet services

b) Name other activities you are engaged in which are not in the list in (a) above

0
")
iii)
«v)
v)

•M

7 In each of the following activities rate the extent to which they contribute to the performance or success of your organization in the mobile phone industry Use a scale of one to five

Where: l - least contributor and most contributor.

Activity	1	2	3	4	5
Mobile phone communication					
Community support activities					
Money transfer					
Provision of internet serv ices					
Other activities specify)					

X Do you have a strategy related to any of these activities?

9 Which strategics and lor which activities''

10 Why each activity is considered as key to success of the organization?

11 What equipments or facilities do you use in this business?

12 Do you have a strategy related to the maximum utilization of these equipments or facilities?

I> Which strategies and for which equipments or facilities[0]

14. Why each equipment or facility is considered as key to the success of the business?

I 5 What skills do you use in this business''

16 Which skills do you consider as key for success in this industry?

17 Do you have a strategy related to maximum utilization of these skills[0]

18 Which strategies and for which skills?

19 Why each skill is considered as key for success?

20 Is sales volume a key factor for success in this business 01 industry?

21 Why[0]

22 Do you have strategies related to increase in sales volume?

23 Which strategies[0]

2-1 Do you consider price or cost of your services or products as key factor for success in this business or industry[0]

25 Why?

2<> Do you have strategics related to pricing of your services or products[0]

27. Which strategics and for which services or products?

2X Why do you consider that price is a key to the success of the business''

•

29 Is the business location a key factor for success in this industry[9]

30 Why[9]

> 1 Do you have strategies related to the location of your business[1]'

32. Which strategies and for which locations''

33 Is the size of your staff a key factor tor in this business or industry''

34 Why?

35 Do you have strategics related to the maintaining a specific staff size[9]

36 Which strategies?