DECLARATION

This research project is my original work and has never been submitted for examination to any other University.

Signature…………………………….. Date………………………………

Joshua Meru

D61/67472/2013

This project has been submitted with my authority as the university supervisor.

Signature…………………………….. Date………………………………

Dr. Regina Kitiabi

Lecturer,

School of Business,

University of Nairobi
DEDICATION

This project is dedicated to my mum and dad who instilled values and morals in me more importantly, setting the path for my long journey towards academic excellence by ensuring that I understand the meaning of education.
ACKNOWLEDGEMENT

This research project could not have been possible without the valuable input of a number of groups whom I wish to acknowledge. First and foremost, I say thank you to God for His grace and guidance during the period of the study.

I wish to also express my gratitude to my supervisor: Dr. Regina Kitiabi for her guidance, professional advice and availability when it came to discussing issues involved with this project.

I am thankful to the Safaricom Limited and its staff for the assistance that they accorded to me during the period of data collection.

Last but not least, thank you to my family, especially my brothers and sisters and many friends for their support and encouragement when I was undertaking this project.
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# ABBREVIATIONS AND ACRONYMS

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ABSTRACT

The business environment is ever changing; due to macroeconomic variables like technology, customer preference, competition among others. This has forced firms in the telecommunication industry to adjust themselves and accommodate changes in the external environment in order to meet the ever-changing needs of customers. The study sought to determine the influence of the competitive strategies used by Safaricom Limited to boost its market share. To achieve this goal, a case study was used for this study. This is because it provided very detailed information about a particular subject that it would not be possible to acquire through another type of experimentation. An interview guide was used for data collection purposes. The study used primary data since the nature of the data to be collected was qualitative. Primary data was collected by interviewing four departmental heads at Safaricom, these departments were namely: strategy and innovation, customer management, operations and marketing. Data was analyzed using content analysis. The use of this analysis method was important since it saved time and resources. The study found the most popular competitive strategies used by Safaricom to boost its market share are as follows: differentiation strategy, focus strategy, cost leadership strategy and market focus strategy. These strategies enabled Safaricom Limited to understand its customers’ needs and develop solutions that add value to their lives. Further, adoption of modern technologies enabled Safaricom to achieve integration that created a platform to easily interact with their customers and thus increase access to their products and services. The limitation of this study is that it limited itself to Safaricom limited and thus the findings obtained in this study cannot be used for direct application in any other firm or sector but for comparative purposes only. The study recommends that a similar study should be conducted to investigate the influence of competitive strategies on the firm’s market share in all the telecommunication firms in Kenya. This will give more detailed findings which will lead to more reliable and accurate conclusion that is based on solid facts. Due to the dynamic nature of technology, it would be interesting to carry out a similar study after a period of ten years since the external environment is very dynamic and also because of the nature of Telecommunication industry that prompt firms to keep on changing their strategies and tactics in order to effectively cope and accommodate the changing needs of their customers to meet their satisfaction. This will provide a base for comparison upon which reliable conclusion will be drawn.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Pearce and Robinson (2005) argued that a mismatch between the environment and the organization brought about by failure to respond to changes in the environment creates a strategic problem. Competitive strategies are a broad range of strategies firms resort to in order to cope with competition, beat competition or keep ahead of competitors (Amit and Shoemaker, 2003). There are various models of competitive strategies. One such model is Michael Porter’s generic competitive strategies which propose that firms can apply cost leadership, differentiation or focus strategies to gain competitive advantage against competitors (Prehalad and Gary, 1990). Firms also develop competitive strategies to enable them seize strategic initiatives and maintain a competitive edge in the market (Porter, 2004).

This study is anchored by two theories namely: Resource-based view and capability-based view. According to resource-based view, Barney (1991) argues that by identifying their core competencies firms are able to focus on areas that give them an advantage over their competitors. Core competences are more robust and difficult to imitate because they relate to the management of linkages within the organizations value chain and to linkages into the supply and distribution chains. With regard to capability-based view, firms have to take consideration of the resources available, their capacity and capability to make maximum use of available resources to ensure that they align their strategic goals with the external environment.
Most telecommunications firms in Kenya develop competitive strategies provide a framework for the firm to respond to the various changes within the firms operating environment (Ong’ong’a, 2014). Safaricom Limited is one of the leading telecommunication firms in Kenya, it should consider developing competitive strategies to achieve strategic initiatives and maintain competitive edge in the market. Due to competition telecommunication firms develop competitive strategies to enable them seize strategic initiatives and maintain a competitive edge in the market.

1.1.1 Competitive Strategies
Competitive strategies are a broad range of strategies that firms resort to cope with competition. There are various models of competitive strategies. One such model is Michael Porter’s (Porter, 2004) generic competitive strategies which propose that firms can apply cost leadership, differentiation or focus strategies to gain competitive advantage against competitors (Ogutu, 2012).

Competitive advantage is superiority gained by an organization when it can provide the same value as its competitors but at a lower price, or can charge higher prices by providing greater value through differentiation. Most forms of competitive advantage mean either that a firm can produce some service or product that its customers value than those produced by competitors or that it can produce its service or product at a lower cost than its competitors. Porter (2008) indicates that competitive advantage is one derived from characteristics that others lack and which are also sustainable and appropriate. A distinctive capability becomes a competitive advantage when it is applied in an industry or brought to a market.
1.1.2 Market Share
According to Mintzberg (1998) market share is the percentage of a market that is defined in terms of either units or revenue accounted for a specific entity. Firms need to be able translate and incorporate sales targets into market share because this will demonstrate whether forecasts are to be attained by growing with the market. Market share is closely monitored for signs of change in the competitive landscape, and it frequently drives strategic or tactical action. Increasing market share is one of the most important objectives of business.

The main advantage of using market share as a measure of business performance is that it is less dependent upon macro environmental variables such as the state of the economy or changes in tax policy (Davis, 2003). The importance of a market share is that it’s a measure of the consumers’ preference for a product over other similar products. A higher market share usually means greater sales, lesser effort to sell more and a string barrier to entry for other competitors. A higher market share also means that if the market expands the leader gains more than the others. Market share is an essential measure that marketers use in order to judge the effectiveness of marketing campaigns.

1.1.3 Telecommunication Industry in Kenya
Until 1977, all telecommunications services were manned by the East African community. This ceased when the Kenya Posts and Telecommunications Corporation (KPTC) was introduced bringing about a challenge of moving from the monopolized structure to a more liberal market structure of communication. Later in 1999, KP&TC was disbanded and the telecommunication sector reforms were undertaken by the government allowing for competition in the sector.
According to Odeon and Aligula (2006), the liberalization of telecommunication sector has attracted more interest and scrutiny by the public and Communications Authority (CA) with the later rooting for performance and progress being made in the sector. Although the sector has so far indicated positive progression, it is not entirely satisfactory considering the vision of liberalization therein the statute and policy statement.

Esselaar, Gillwald and Stork, (2007) note that even though the policy statement does not give the time frame for which the changes are expected to occur, it does give the promise of increased progression towards privatization of the sector. So far the country has experienced major expansion of the sector with players such as Safaricom, Airtel Kenya and Orange (owned by Telcom Kenya).

1.1.4 Safaricom, Kenya
Safaricom Limited Company started its global systems for mobile communications (GSM) operations on 16\textsuperscript{th} May of 2002 when it actually became a public company with limited liabilities and ceased being a private company under the companies Act. Safaricom is partly owned by the Government of Kenya (35\%), Vodafone (40\%) and 25\% in the hands of a multitude of independent investors (Safaricom, 2015).

Safaricom is a leading provider of converged communication solutions that also operates on voice, video and data requirements. The company provides broadband high-speed data to its clientele through its 3G network. It is also involved in community services such as health, education, sports, culture and environment related projects as a way to give back to society. Mobile service providers like Safaricom
have come up with new products like Mpesa, and Mkesho in partnership with Equity bank, because of changes in the environment that companies had not anticipated. Safaricom aims to continuously provide quality services that meet customer needs in order to attract new customers and retain existing ones (Akinyi, 2006).

1.2 Research Problem
Firms have realized the need to adopt competitive strategies to cope with competition and accommodate changes in the external environment. This is driven by the need to serve the growing needs of customers for improved satisfaction. Porter (2004) pointed out that successful implementation of strategies leads to superior performance and competitive advantage against competitors. Successful implementation of competitive strategies enables the firm to distinguish it competitively and reflect its personality. This positions that firm competitively in the market place thus increased sales and market share. This is in line a study by Porter (2008) who concluded that competitive strategies enabled firms to target new and existing market segments hence improved sales and market share.

The business environment is ever changing; due to macroeconomic variables like technology, customer preference, competition among others. This has forced firms in the telecommunication industry to adjust themselves and accommodate changes in the external environment in order to meet the ever-changing needs of customers. In Kenya, Safaricom being one of the telecommunication firms should consider adopting competitive strategies that will guarantee the firm a sustainable market share in the long-run and short-run.
Competitive strategies have been a subject for conceptual discussion and empirical investigation for decades. Although studies have been done in relation to competitive strategies in the service firms: Hall and Saias (1998) studied competitive strategies by sixty-four American companies; the study found that companies following a differentiation strategy had a large market share than those who were reluctant to adapt differentiation strategies. Chan and Jamison (2001) studied competitive strategies adopted by banks in China.

Njuguna (2012) studied the Competitive strategies adopted by Safaricom Kenya limited to tackle competition. The results revealed that the most popular strategies were as follows: differentiation, cost leadership strategy, focus strategy, product choice, and market penetration strategy and pricing strategy. Ong’ong’a, (2014) studied that effect of marketing strategies in gaining market share by insurance companies in Kenya. The study found that marketing strategies led to improved market share. Irungu (2010) investigated the strategies used by Safaricom in responding to the competitive environment. The study found that the responses adopted by Safaricom led to financial strategies, innovation, invention, strategies, research and development ventures and investment in technology strategies. As observed above, the studies conducted on competitive strategies adopted by various organizations have not considered the strategies to enhance market share being adopted in the telecommunication industry which is currently very competitive. This research will therefore seek to identify the competitive strategies being adopted by Safaricom Kenya Limited to enhance its market share. This problem statement leads to the following question: what are the competitive strategies adopted by Safaricom to boost its market share?
1.3 Research Objective
The objective of this study was to determine the influence of the competitive strategies used by Safaricom Limited to boost its market share.

1.4 Value of the Study
The study will be essential to other telecommunications firms; they will learn about the competitive strategies adopted by Safaricom and how these strategies influence its market share. This might motivate other firms in the telecommunication industry to adapt similar strategies to boost their market share and compete favorably in the market.

Safaricom will also benefit from the findings of this study. The literature of this study will enrich Safaricom them with more information about other competitive strategies that might be aid Safaricom to enlarge its market share and sustain its competitiveness in the short-run and in the long-run.

The findings of this study might be useful to the Communication Authority (CA); it can be used to guide CA on promoting certain competitive strategies that will boost the market share of telecommunications firms in Kenya. This study will contribute to the existing body of knowledge; students will learn how competitive strategies lead to improved market share. Researchers interested in this area of study might use the findings of this study and its recommendations as a point of reference for further research.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This section covers the theoretical framework for the study, review of the literature on variables, empirical review, research gaps and the summary. This study was anchored on generic strategies and the best known categorization of generic strategies. Literature was reviewed empirically and the research gap identified on this chapter.

2.2 Theoretical Foundation

This study is anchored by two theories that is the resource-based view and capability-based view.

2.2.1 Resource-Based View

Barney (1991) indicates that the possession of strategic resources provides an organization with a golden opportunity to develop competitive advantages over its rivals. These competitive advantages in turn can help the organization enjoy strong profits. In reference to Wernerfelt (1984) a strategic resource is an asset that is valuable, rare, difficult to imitate, and no substitutable. A resource is valuable to the extent that it helps a firm create strategies that capitalize on opportunities and ward off threats.

Prehald (1990) posit that firms align their resources, skills and expertise into core competence to gain a competitive edge against their competitors. Core competencies in this case are the activities that an organization does better than its competitors (Chi, 1994).
A strategy acts as an integral part of the organization’s goals and objectives in a firm, strategy acts as a plan of action that links together an organization’s key goals, policies and action sequences towards achieving the vision and the vision (Barney, 1991). A strategy that is well aligned to the organization’s goals and objectives play an essential role of assembling and allocation of an organization’s resources into a viable setting based on the organizational capabilities, external environment and contingent moves by their competitors. Mintzberg (1987) defines a strategy as a plan of actions that is designed to achieve certain goals and objectives. Although most studies have shown that firms results to competitive strategies to boost their market share. This might not always be the case since the manner in which an organization implements these strategies depends on a number of factors for example leadership, resources, employees, technology and facilities.

2.2.2 Capability-Based View

Grant (2001) argued that capabilities are the source of competitive advantage while resources are the source of capabilities. Amit and Shoemaker (2003) adopted a similar position and suggested that resources do not contribute to sustained competitive advantages for a firm, but its capabilities do. Haas and Hansen (2005) supported the importance of capabilities and suggest that a firm can gain competitive advantage from its ability to apply its capabilities to perform important activities within the firm.

Ray and Barney (2004) defined capabilities in contrast to resources, as ‘a firm’s capacity to deploy resources, usually in combination using organizational processes, and affect a desired end. They are information-based, tangible or intangible processes that are firm-specific and developed over time through complex interactions among
the firm’s resources’. Hamel and Prahalad, (2004) define dynamic capabilities as, the firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments.

Grant (2001) defines organizational capability as, a firm’s ability to perform repeatedly a productive task which relates either directly or indirectly to a firm’s capacity for creating value through effecting the transformation of inputs to outputs. Grant (2001) also divides capability into four categories: cross-functional capabilities, broad-functional capabilities, activity-related capabilities and specialized capabilities. Sirmon (2003) stressed the importance of organizational learning. They suggest that capabilities and organizational learning implicitly and explicitly are a part of any strategy within a firm. It has been argued Lee and Lee (2001) that the ability to learn and create new knowledge is essential for gaining competitive advantage.

2.3 Competitive Strategies
Firms pursue competitive strategies when they seek to improve or maintain their performance through independent actions in a specific market or industry. There are various competitive strategies adopted by the organisations namely; customer intimacy cost leadership, differentiation and focused strategy:

2.3.1 Differentiation Focus Strategy
A business aims to differentiate within one or a number of target market segments. The special customer needs of the segment means that there are opportunities to provide products that are clearly different from competitors who may be targeting a broader group of customers. This demands that the customer’s different needs and wants be recognized (Porter, 2008).
Porter (2004) reiterates that only if a company makes a strong and unwavering commitment to one of the generic competitive strategies does it stand much chance of achieving sustainable competitive advantage that such strategies can deliver if properly executed. Many scholars have questioned this; in particular, Tidd (2001) questions the notion of being “caught in the middle”. He claims that there is a viable middle ground between strategies. Many companies for example, have entered a market as a niche player and gradually expanded.

### 2.3.2 Cost Leadership Strategy

Porter (1998) indicates that cost leadership strategy is an integrated set of actions taken to produce goods or services with features that are acceptable to customers at the lowest cost, relative to that of competitors. Firms using the cost leadership strategy commonly sell standardized goods or services but with competitive levels of differentiation to the industry’s most typical customers. Process innovations, which are newly designed production and distribution methods and techniques that allow the firm to operate more efficiently, are critical to successful use of the cost leadership strategy.

The cost leadership strategy is frequently the domain of big business. Small firms are not in general resourced to achieve cost leadership which requires scale. This generic strategy emphasizes efficiency once is considered for being the low cost producer in an industry for a given level of quality. Low costs allow firms to sell relatively standardized products that offer features acceptable to many customers at the lowest competitive price and such low prices will gain competitive advantage thus increasing market share. Whether a cost leadership strategy is sustainable depends on the ability
of another competitor to match or develop a cost base than is lower than the cost leader. The lowest cost base must be able to be sustained if leadership is to continue (Mintzberg, 1998).

2.3.3 Differentiation Strategy
The differentiation strategy is an integrated set of actions taken to produce goods or services at an acceptable cost that customers perceive as being different in ways that are important to them. While cost leaders serve a typical customer in an industry, differentiators target customers for whom value is created by the manner in which the firm’s products differ from those produced and marketed by competitors.

Firms must be able to produce differentiated products at competitive costs to reproduce upward pressure on the price that customers pay. When products differentiated features are produced at non-competitive costs, the price for the product can exceed what the firm’s target customers are willing to pay. When the firm has a thorough understanding of what its target customers value, the relative importance they attach to the satisfaction of different needs, and for what they are willing to pay a premium, the differentiation strategy can be successful. Through the differentiation strategy the firm produces non-standardized that is unique products for customers who value differentiated features more than they value low cost (Pearce and Robinson, 2005).

2.3.4 Focused Strategy
Focused strategy is an integrated set of actions taken to produce goods and services that serve the needs of a particular competitive segment. Thus firms use a focus strategy when they utilize their core competence to serve the needs of a particular
industry segment or niche to the exclusion of others. Examples of specific market segments that can be targeted by a focus strategy include a particular group for instance youths or senior citizens, a different segment of a product line for example products for professional painters or a different geographic market. They are various specific customer needs that firms can serve by using a focus strategy for example Los Angeles-based investment banking firm Greif and company positions itself as the entrepreneur’s investment bank (Porter, 2008).

Lower cost advantages to a section of the market segments with basic services offered to a higher priced market leader is a strategy acceptable in the corporate world. It results to similar products to much higher priced products that can also be acceptable to sufficient customers in the market. A focused strategy based on low cost aims at securing a competitive advantage by serving buyers in the target market niche at a lower price than rival competitors. This strategy has considerable attraction when a firm can lower costs significantly by limiting its customer base to a well-defined buyer segment. Focused low cost strategies are fairly common (Porter, 1996).

2.4 Empirical Review
Hall and Saias (1998) carried out an investigation of sixty-four American companies and the findings of the study revealed that companies following a differentiation strategy had a large market share than those who were reluctant to adapt differentiation strategies. Chan and Jamison (2001) carried out an investigative study on the competitive strategies applied by banks in China from 1978 to 1998 and performance. The author states that the sector witnessed important players’ going in and out, different legal regulations were fulfilled, the structure and intensity of the competition became different, and trade making and differentiation became the most
important element of the competition in that period. Most commercial banks that adopted competitive strategies: differentiation and cost leadership strategy exhibited high performances in terms of sales and market share.

Bonaccorsi di Patti and Gobbi (2001) carried out a study on the effect of competition on commercial banks in Italy. They sampled 15 commercial banks in Rome. From their study they found that competition leads to higher growth rates and greater access to credit by new firms and other SMEs. Further, the study found that competition had unfavorable effects including less new firm creation, expansion, and employment, less economic growth and slower exit of mature firms.

Ferdinand (2002) carried out a study on the competitive strategies applied by Tesco Company in the UK. This study was carried on 230 employees in the various departments of the company. He noted that the company was positioned to capitalize on a value proposition which emerged from their low cost emphasis. They also found that the company typically focused their efforts on value-oriented customers to boost their market share. Alamdari and Fagan (2005) conducted a model-based study, by discussing the effectiveness of the low-cost model and the effect on the profitability of banks. They found that the bank with the lowest costs would earn the highest profits and large market share in the even when the competing products are essentially undifferentiated, and selling at a standard market price.
Asiabugwa and Munyoki (2012) studied the relationship between e-commerce strategy and performance of commercial banks in Kenya. The study adopted a cross sectional design, and targeted commercial banks in Kenya under the umbrella of Kenya Institute of Bankers Association (KIB). Data analysis was through measures of central tendency, dispersion and correlation analysis. The results indicated that there was a strong relationship between the e-commerce strategy and performance of commercial banks in Kenya. The findings also indicated that the main factors which influenced the adoption of e-commerce strategy in banks to a larger extent are customer support service and the payment systems.

Kirumba (2012) determined the effect of investment strategies on the financial performance of collective investment schemes in Kenya. The study used a descriptive research design on all the collective investment schemes in Kenya. The total population of this study was 16 investment schemes firms. The study used both primary and secondary data from the financial statements of the investments firms. The selected period was 5 years. The researcher used frequencies, averages and percentages in this study. The findings revealed that there was a positive and significant relationship between investment strategy and profitability and return on assets.

Fakii (2013) examined the influence of strategy on organizational performance of State Corporations in Kenya. The study used a descriptive research design to investigate the variables under investigation. The target population was 184 State Corporations in Kenya. The data collection instrument was a questionnaire which was delivered to the respondents. Quantitative data collected was analyzed by descriptive
statistics and presented through percentages, means, standard deviations and charts. The study further found out that the strategies employed by State Corporations are mainly based on cost leadership and diversification of products/services. The study found a weak and moderate correlation between strategy and performance of state corporations in Kenya.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
This chapter describes the research methodology that was used to achieve the objective of this study; it also provides research design, the technique of data collection, data analysis and data presentation methods.

3.2 Research Design
A case study was used for this study. A case study is an in depth investigation of an individual, group, institution or phenomenon. Case studies focus on and gather in depth information about a specific person, group, community or event. The advantage of this kind of research design is that it provided very detailed information about a particular subject that it would not be possible to acquire through another type of experimentation.

A case study was suitable for this research since it involved a complete observation of social unit emphasizing in depth rather than in breadth analysis. A case study was important for analyzing information in a systematic way to arrive at useful conclusions and recommendations (Kothari, 2005).

3.3 Data Collection
An interview guide was used for data collection purposes. The study used primary data since the nature of the data to be collected was qualitative. Primary data was collected by interviewing four departmental heads at Safaricom, Kenya these departments were namely: strategy and innovation, customer management, operations and marketing.
The interview guide contained three sections: section A contained questions on the general information about Safaricom, Kenya. Section B contained questions on competitive strategies adopted by Safaricom, Kenya and Section C contained questions on the influence of competitive strategies on the market share by Safaricom, Kenya.

A face to face interview was conducted with the selected interviewees since they are responsible for implementing competitive strategies and thus understand how competitive strategies impact on the market share at Safaricom, Kenya limited.

3.4 Data Analysis
Data was analyzed using content analysis which is a systematic qualitative description of the composition of the objects or materials of the study. Creswell (2009) argues that content analysis involves observations and detailed description of objects, items, or things that comprise the sample. The use of this analysis method was important since its saves time and resources.

Content analysis can be used to present an objective account of events, themes, issues and so forth that may not be immediately apparent to a reader, viewer or general consumer. Content analysis was used to determine the presence of certain words or concepts within texts or sets or texts.
CHAPTER FOUR
DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction
This chapter provides the analyzed data, interpretation and findings as per the main objective of the study which was to determine the influence of the competitive strategies used by Safaricom Limited to boost its market share. To achieve this goal primary data was collected by interviewing three departmental heads at Safaricom Limited, these departments are namely: strategy and innovation, customer management, operations and marketing. The researcher managed to interview all the interviewees and all of them responded.

4.2 Demographics
With regard to the ownership structure of Safaricom Limited, the findings revealed that the company was incorporated on the third April 2007 under the company act as private limited and Liability Company. Later the company was converted into a public company on 16th of May 2012. Safaricom is partly owned by the Government of Kenya (35%), Vodafone (40%) and 25% in the hands of a multitude of independent investors.

The findings also revealed that Safaricom Limited had been in operation for a period of fourteen years which was considered long enough for the firm to have implemented competitive strategies. The interviewees agreed that the products and services offered by Safaricom Limited are as follows: Voice calls and text messages, Mpesa services, text messages, data and internet services.
Further, the respondents indicated that Safaricom should address competition using a number of strategies for example differentiation strategy, cost leadership, focus strategy, product choice strategy, market penetration strategy and pricing strategy. The interviewees agreed that these strategies were the most appropriate in accommodating the changing needs of the customer and improving efficiency of the firm. These findings conform to explanations by Porter (2004) on competitive strategies. He argued that strategies are business approaches and initiatives it undertakes to attract customers and fulfill their expectations, to withstand competitive pressures and to strengthen its market position. These strategies provide opportunities for the organization to respond to the various challenges within its operating environment. Safaricom Limited adopted these strategies to seize strategic initiatives and maintain a competitive edge in the market. Porter (2008) further argues that the organization’s competitive aim is to delight in her customers since its success is determined by its responsiveness to the customer needs thus enabling the organization to earn a competitive advantage and outsmart rivals in the market place.

4.3 Competitive Strategies used by Safaricom to Boost Its Market Share
The respondents unanimously agreed that Safaricom Limited adopted formal strategies for achieving its strategic objectives. According to the respondents this was intended to enhance allocation of resources to support the chosen strategies. These findings are in line with the recommendations given by Pearce and Robinson (2007), that to succeed in strategy implementation the organization should allocate adequate resources. He further argues that to successfully deal with strategy implementation, then organization should allocate adequate resources for instance time to ensure successful strategy implementation. The process of implementation requires discipline, planning, and motivation; the top and lower level management must work
together towards realizing goals and objectives. The firm’s management should create adequate time in explaining the importance of strategy implementation to the employees to ensure that they understand its importance.

The respondents agreed that top management was in charge of strategy implementation, human resources, and administration, planning and enterprise business solutions. Top leadership motivated and inspired their subjects through steering the organization to undertake changes which are necessary in strategy implementation. The top level management cultivated team spirit and acted as a vehicle in strategy implementation process. The respondents agreed that most middle level managers needed to team up with top managers in implementing strategy. These findings are consistent with the observations of Ray, Barney and Muhanna (2004) who explained that to deliberate on strategy implementation, the middle level managers must be fully involved in strategy implementation. Managers form part of the strategy implementation process since their motivation towards a successful implementation increase since they see themselves as an important part of the implementation process. The organization should adapt a flexible organizational structure that can effectively accommodate the changes in the environment. The set goals and objectives should be compatible with the strategy in place. Some of the strategy implementation instruments include the balance score card which is a popular and prevalent management system that considers financial as well as non-financial measures. It provides a functionality to translate a company’s strategic objectives into coherent set of performance measures

The respondents agreed that competitive strategies were geared towards enabling Safaricom Limited to gain a competitive edge against their competitors. Most market
players in the Telecommunication industry offered the same products and services. Most of the competitive strategies adopted by Safaricom focused on utilizing its core competence to make it difficult for its competitors to imitate because they relate to the management of linkages within the organizations value chain and to linkages into the supply and distribution chains. These findings are in tandem with the resource-based view theory which indicates that the possession of strategic resources provides an organization with a golden opportunity to develop competitive advantages over its rivals. These competitive advantages in turn can help the organization enjoy strong profits. In reference to Wernerfelt (1984) a strategic resource is an asset that is valuable, rare, difficult to imitate, and no substitutable. A resource is valuable to the extent that it helps a firm create strategies that capitalize on opportunities and ward off threats.

The respondents unanimously agreed that Safaricom compete head on for market share in the Telecommunications industry. It was observed that competition was an increasingly important theme in the Telecommunications firm industry which was credited with offering flexible and differentiated products, lowering prices for goods and services and stimulating innovations.

Safaricom competitors include other Telecommunications for example Airtel Kenya and Orange. Although Safaricom Limited dominated the industry, a lot of effort was made to maintain its competitiveness in the market. One of the respondents pointed out that Safaricom was able to dominate the industry due to a number of reasons namely: product innovation, reliability and accessibility. These were some of the guiding principles that maintained its loyal customers while attracting new customers.
The respondents indicated that the nature of competition that faced Safaricom was threat of entry, bargaining power of suppliers and bargaining power of buyers and threat of substitution and intensity of rivalry. However, according to findings Safaricom adopted specific strategies to counter this kind of competition these are: differentiation strategy, creation of unique products and services, adoption of low product prices, advertisement, cost and focus strategy.

The respondents indicated that competitive strategies adopted by Safaricom contributed towards achieving a competitive advantage in a number of ways for instance access to natural resources, highly skilled personnel, high entry barriers and product innovations. Further the findings observed that through adoption of competitive strategies the firm was able to achieve capabilities utilization. This is achieved by identifying core competencies the firm is able to focus on areas that give them an advantage over their competitors (Pearce &Robinson, 2005). Core competences are more robust and difficult to imitate. The management should also ensure that the strategies adopted by the bank are in line with the mission and vision of the organization in order to align itself more competitively. The organization has to take consideration of the resources available and how to make maximum use of them this is essential in ensuring that the firm can accommodate changes in the external and internal environment.

Differentiation is one of the strategies that enable Safaricom Limited to gain competitiveness in the market. The findings observed that this was achieved through products and service differentiation which involved innovation of products and services to ensure that they appear different from those of competitors and thus
enhancing competitive advantage against its competitors. These findings are consistent with the arguments by Pearce and Robinson (2005) who indicated that firms that utilize product differentiation produce products at competitive costs to reproduce upward pressure on the price that customers pay. When products differentiated features are produced at non-competitive costs, the price for the product can exceed what the firm’s target customers are willing to pay. When the firm has a thorough understanding of what its target customers value, the relative importance they attach to the satisfaction of different needs, and for what they are willing to pay a premium, the differentiation strategy can be successful. Through the differentiation strategy Safaricom limited is able to produce non-standardized that is unique products for customers who value differentiated features more than they value low cost.

The achievement of competitive advantage has influenced Safaricom in outperforming its rivals in the market through growing the customer numbers, opening branch networks and winning customers’ loyalty, this has resulted to customer retention. Some of these services include M-shwari, roaming services, top-up services, loyalty programs like ‘Bonga points’, messaging, Mpesa, voice services for example post-paid, sambaza and Okoa jahazi.

The respondents indicated that the strategies used by Safaricom influence effective utilization of resources in achieving superior performance over its competitors. This was realized through allocating sufficient resources to enhance their implementation.
in order to achieve strategic goals and objectives. This also gave Safaricom a platform to improved flexibility and market penetration.

The findings also revealed that competitive advantage influenced Safaricom in achieving market leadership in the Telecommunication industry. The respondents argued that through access to raw materials of modern technologies for example information communication technology (ICT) enabled Safaricom to lower its prices which increases the level of demand and hence increased market share. Outsourcing strategy also enables the firm to accelerate re-engineering benefit and to focus on the core competence, increase flexibility and facilitate market penetration. These findings are consistent with Porter (1998) who indicated that cost leadership strategy is an integrated set of actions taken to produce goods or services with features that are acceptable to customers at the lowest cost, relative to that of competitors. The respondents agreed that Safaricom used cost leadership strategy to sell standardized goods and services but with competitive levels of differentiation to the industry’s most typical customers. This was achieved in line with the process innovations which are newly designed production and distribution methods and techniques. This enabled Safaricom Limited to operate more efficiently.

The findings further revealed that Safaricom implemented business strategies which led to achievement of a high market share. The findings observed that focus strategy led to targeting specific market segments. Cost strategy was also used by Safaricom in minimizing the cost of operations through improved efficiency in operations. The respondents agreed that advertising strategy was one of the most popular business strategy that was intended to target the audience by communicating to them directly
about a product and the benefits of using it. The respondents further observed that creation of unique products and services that target unique needs of the customers in a more flexible and cost effective means.

4.4 Influence of Competitive Strategies on the Market Share
The respondents were asked to indicate the role of competitive advantage in enhancing the market share of Safaricom; the respondents unanimously agreed that competitive strategy was seen as an essential tool for enhancing the market share. They agreed that through competitive strategies enabled the firm to increase sales through attracting more customers and retaining existing ones.

When asked whether competitive strategies contribute to increased sales turnover, two of the respondents agreed that competitive strategy was a process whereby a firm’s portfolio of products and services was designed to bring together its unique resources and capabilities to gain a competitive advantage in the market place.

Success implementation of competitive strategies led to improved efficiency, operational excellence which was intended to achieve cost leadership. Through efficient processes and procedures, the study found that Safaricom had streamlined its operations which significantly minimized costs this led to high volume of transactions and standardized production of goods and services.

The respondents unanimously agreed that competitive strategy used by Safaricom was an essential tool in enhancing market penetration and thus high profits, increased sales and improved customer satisfaction. It was also revealed that cost reduction,
innovation and quality improvement created strong barriers to entry, through customers’ captivity, lower production costs or economies of scale, Safaricom was able to maintain and sustain these advantages. The respondents argued that the firm used its competitive advantage to build a good corporate image in terms of distinctiveness and uniqueness in terms of providing value adding goods and services that are reliable and accessible.

The findings further observed that through focus strategy, Safaricom had created a market segmentation which focused on selecting customer groups, product range, geographical area or service line. Through cost leadership strategy Safaricom was able to streamline its operations in a manner that led to reduced costs. This made the company to be seen as a brand in terms of flexibility, accessibility and convenience. Other competitive strategies that Safaricom adopted included focus strategy, penetration, product differentiation, pricing and cost leadership. Some of the differentiated products and services were seen as superior as compared to those of competitors. Examples include: Data messaging, Mpesa, voice services, loyalty programs, roaming services, sambaza, fixed data and Okoa jahazi.

4.5 Discussions
Safaricom adopted specific strategies to counter this kind of competition these are: differentiation strategy, creation of unique products and services, adoption of low product prices, advertisement, cost and focus strategy. This enabled the firm to achieve a competitive advantage in a number of ways for instance access to natural resources, highly skilled personnel, high entry barriers and product innovations. Differentiation is one of the strategies that enable Safaricom Limited to gain competitiveness in the market. This was achieved through products and service
differentiation which involved innovation of products and services to ensure that they appear different from those of competitors and thus enhancing competitive advantage against its competitors. Through the differentiation strategy Safaricom limited is able to produce non-standardized that is unique products for customers who value differentiated features more than they value low cost for example M-shwari, roaming services, top-up services, loyalty programs like ‘Bonga points’, messaging, Mpesa, voice services for example post-paid, sambasa and Okoa jahazi. Use of modern technologies for example information communication technology (ICT) enabled Safaricom to lower its prices which increases the level of demand and hence increased market share.

4.5.1 Comparison with Theory

The study found that resources are necessary for a company to achieve its competitive advantage. This findings are in line with Barney (1991) who indicates that the possession of strategic resources provides an organization with a golden opportunity to develop competitive advantages over its rivals. These competitive advantages in turn can help the organization enjoy strong profits.

The study found that Safaricom capability is the firm’s capacity to deploy resources, usually in combination, using organizational processes, to produce a desired effect. This study is in line with studies done by Grant (2001) who argued that capabilities are the source of competitive advantage while resources are the source of capabilities. Also Amit and Shoemaker (2003) adopted a similar position and suggested that resources do not contribute to sustained competitive advantages for a firm, but its capabilities do.
4.4.2 Comparison with Other Studies

In line with the objective of this study, the respondents agreed that differentiation strategy, cost leadership, focus strategy, product choice strategy, market penetration strategy and pricing strategies were the most popularly used by Safaricom limited. These findings are consistent with Porter (2008) who argue that that the organization’s competitive aim is to delight her customers since its success is determined by its responsiveness to the customer needs thus enabling the organization to earn a competitive advantage and outsmart rivals in the market place. Competitive strategies were geared towards enabling Safaricom Limited to gain a competitive edge against their competitors. Most market players in the Telecommunication industry offered the same products and services. Most of the competitive strategies adopted by Safaricom focused on utilizing its core competence to make it difficult for its competitors to imitate because they relate to the management of linkages within the organizations value chain and to linkages into the supply and distribution chains. The respondents unanimously agreed that Safaricom compete head on for market share in the Telecommunications industry. It was observed that competition was an increasingly important theme in the Telecommunications firm industry which was credited with offering flexible and differentiated products, lowering prices for goods and services and stimulating innovations.

Safaricom Kenya Limited has had to employ different competitive strategies to face off the market competition. These strategies include market segmentation in which it has developed products that meet the needs of various markets such as the youth and clients with low income. In addition, the company has employed cost leadership in which to counter the high marketing cost that are being incurred to inform the
customers on the company’s products, Safaricom has put in place a myriad of measures tailored to cut cost and this include restructuring the organization and reducing the operational cost. This line of strategy was advocated by Porter (1980) who observed that in order for a firm to implementing the cost leadership strategy and maintain a strong competitive position and sustain their profit margins for a considerable period of time, they have to place a premium on efficiency of operations in all functional areas. This strategy came out strongly to indicate that Safaricom strategy on this has yielded positive results and help in maintaining the organizational competitive advantage.

4.6 Chapter Summary

Outsourcing strategy also enables the firm to accelerate re-engineering benefit and to focus on the core competence, increase flexibility and facilitate market penetration. The findings further revealed that Safaricom implemented business strategies which led to achievement of a high market share. The findings observed that focus strategy led to targeting specific market segments. Cost strategy was also used by Safaricom in minimizing the cost of operations through improved efficiency in operations. The respondents agreed that advertising strategy was one of the most popular business strategy that was intended to target the audience by communicating to them directly about a product and the benefits of using it. The respondents further observed that creation of unique products and services that target unique needs of the customers in a more flexible and cost effective means.

The respondents unanimously agreed that competitive strategy was seen as an essential tool for enhancing the market share. They agreed that through competitive
strategies enabled the firm to increase sales through attracting more customers and retaining existing ones. Success implementation of competitive strategies led to improved efficiency, operational excellence which was intended to achieve cost leadership. Through efficient processes and procedures, the study found that Safaricom had streamlined its operations which significantly minimized costs this led to high volume of transactions and standardized production of goods and services. The respondents unanimously agreed that competitive strategy used by Safaricom was an essential tool in enhancing market penetration and thus high profits, increased sales and improved customer satisfaction. It was also revealed that cost reduction, innovation and quality improvement created strong barriers to entry, through customers’ captivity, lower production costs or economies of scale, Safaricom was able to maintain and sustain these advantages. The respondents argued that the firm used its competitive advantage to build a good corporate image in terms of distinctiveness and uniqueness in terms of providing value adding goods and services that are reliable and accessible.

Through focus strategy, Safaricom had created a market segmentation which focused on selecting customer groups, product range, geographical area or service line. Through cost leadership strategy Safaricom was able to streamline its operations in a manner that led to reduced costs. This made the company to be seen as a brand in terms of flexibility, accessibility and convenience. Other competitive strategies that Safaricom adopted focus strategy, penetration, product differentiation, pricing and cost leadership. Some of the differentiated products and services were seen as superior as compared to those of competitors. Examples include: Data messaging,
Mpesa, voice services, loyalty programs, roaming services, sambaza, fixed data and Okoa jahazi.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter provides a summary of major findings drawn in chapter four in line with the general objective of this study which was to determine the influence competitive strategies used by Safaricom Limited to boost its market share.

5.2 Summary of Findings
The findings revealed that the company was incorporated on the third April 2007 under the company act as private limited and Liability Company. Later the company was converted into a public company on 16th of May 2012. Safaricom is partly owned by the Government of Kenya (35%), Vodafone (40%) and 25% in the hands of a multitude of independent investors. Safaricom Limited had been in operation for a period of fourteen years which was considered long enough for the firm to have implemented competitive strategies. The respondents agreed that the products and services offered by Safaricom Limited are as follows: Voice calls and text messages, Mpesa services, text messages, data and internet services. The respondents agreed that adopting competitive strategies was the most appropriate way of countering competition in the Telecommunication industry.

The respondents agreed that differentiation strategy, cost leadership, focus strategy, product choice strategy, market penetration strategy and pricing strategies were the most popularly used by Safaricom limited. These findings are consistent with Porter (2008) who argue that the organization’s competitive aim is to delight in her customers since its success is determined by its responsiveness to the customer needs.
thus enabling the organization to earn a competitive advantage and outsmart rivals in the marketplace. Safaricom Limited adopted formal strategies for achieving its strategic objectives.

According to the respondents, this was intended to enhance allocation of resources to support the chosen strategies. The top management was in charge of strategy implementation, human resources, and administration, planning and enterprise business solutions. The top management motivated and inspired their subjects through steering the organization to undertake changes which are necessary in strategy implementation. This cultivated team spirit and acted as a vehicle in strategy implementation process. The respondents agreed that most middle level managers needed to team up with top managers in implementing strategy. Competitive strategies were geared towards enabling Safaricom Limited to gain a competitive edge against their competitors. The respondents unanimously agreed that Safaricom compete head on for market share in the Telecommunications industry. It was observed that competition was an increasingly important theme in the Telecommunications firm industry which was credited with offering flexible and differentiated products, lowering prices for goods and services and stimulating innovations.

Differentiation is one of the strategies that enable Safaricom Limited to gain competitiveness in the market. This was achieved through products and service differentiation which involved innovation of products and services to ensure that they appear different from those of competitors and thus enhancing competitive advantage against its competitors. Through the differentiation strategy Safaricom limited is able
to produce non-standardized that is unique products for customers who value differentiated features more than they value low cost for example M-shwari, roaming services, top-up services, loyalty programs like ‘Bonga points’, messaging, Mpesa, voice services for example post-paid, sambaza and Okoa jahazi.

The findings observed that focus strategy led to targeting specific market segments. Cost strategy was also used by Safaricom in minimizing the cost of operations through improved efficiency in operations. The respondents agreed that advertising strategy was one of the most popular business strategy that was intended to target the audience by communicating to them directly about a product and the benefits of using it. The respondents further observed that creation of unique products and services that target unique needs of the customers in a more flexible and cost effective means.

Through efficient processes and procedures, the study found that Safaricom had streamlined its operations which significantly minimized costs this led to high volume of transactions and standardized production of goods and services. The respondents unanimously agreed that competitive strategy used by Safaricom was an essential tool in enhancing market penetration and thus high profits, increased sales and improved customer satisfaction. It was also revealed that cost reduction, innovation and quality improvement created strong barriers to entry, through customers’ captivity, lower production costs or economies of scale, Safaricom was able to maintain and sustain these advantages.
The respondents argued that the firm used its competitive advantage to build a good corporate image in terms of distinctiveness and uniqueness in terms of providing value adding goods and services that are reliable and accessible. Through focus strategy, Safaricom had created a market segmentation which focused on selecting customer groups, product range, geographical area or service line. Through cost leadership strategy Safaricom was able to streamline its operations in a manner that led to reduced costs. This made the company to be seen as a brand in terms of flexibility, accessibility and convenience.

5.3 Conclusion
The study concludes that the most popular competitive strategies used by Safaricom to boost its market share are as follows: differentiation strategy, focus strategy, cost leadership strategy and market focus strategy. It was revealed that these strategies enabled Safaricom limited to understand its customers’ needs and develop and solutions that add value to their lives.

The findings also observed that due to adoption of modern technologies Safaricom was able to provide integrated information communication technology (ICT) solutions that created a platform to integrate their customers and thus increase access to their products and services. This attracted more customers which resulted to increased sales and market share.
5.4 Limitations
The limitation faced by the researcher during data collection was that some of the managers were too busy and therefore the researcher had to interview their deputies whom to some extent were not experienced as compared to their seniors.

The other challenge faced by the researcher during data collection was time and cost constraints. Primary data collection especially interviews is a tedious and expensive process that involves scheduling and making appointments based on the availability of the respondents. This process requires adequate time and resources to achieve.

Lastly, the challenge faced by the researcher was that there was lack of control over the data collection; some of the respondents gave out incomplete questionnaires while others failed completely to fill the interview guides. It was also observed that most of the respondents agreed to participate on condition that the information was going to be used for academic purposes only and hence would not be divulged to a third party. This study was limited to scope that necessitated the use of a case study. This therefore means that the findings obtained in this study cannot be unique and specifically apply to Safaricom. The findings cannot be used for direct application in any other firm or sector but for comparative purposes only.

5.5 Recommendations
The study recommends that a similar study should be conducted to investigate the influence of competitive strategies on the firm’s market share in all the telecommunication firms in Kenya. This will give more detailed findings which will lead to more reliable and accurate conclusion that is based on solid facts.
The study further recommends that a similar study should be conducted in order to test whether there exists any relationship between competitive strategies and market share using a financial econometrics model like a regression model to find out whether these findings will hold. This will allow use of secondary data. It is imperative to note that primary data is very subjective since it highly depends on the perception and the judgment of the interviewee. This might affect the accuracy of the findings and interfere with the conclusion drawn in this study.

5.6 Suggestions for Further Research

A similar study may be carried out but in a different context for example the banking sector. This will provide a basis of comparison to find out whether the findings obtained in this study will hold. This will guide the extant literature on the benefits of utilizing competitive strategies to achieve efficiency, flexibility and customer satisfaction. Also, it will provide a comparison on the influence of competitive strategies and their contribution to market share. These findings will guide on the areas of improvement to effectively realize the benefits of competitive strategies adoption and their contribution to increased market share.

Due to the dynamic nature of technology, it would be interesting to carry out a similar study after a period of ten years since the external environment is very dynamics and also because of the nature of Telecommunication industry that prompt firms to keep on changing their strategies and tactics in order to effectively cope and accommodate the changing needs of their customers to meet their satisfaction. This will provide a base for comparison upon which reliable conclusion will be drawn.
The study recommends that Safaricom should invest more on training and development programs inorder to educate its customers on the easiest way of accessing their products and services through technology platforms like applications and website. This will fulfill an important need since most customers prefer to use internet services since it’s more efficient and convenient to them. This will attract more customers and eventually lead to increased sales.
REFERENCES


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APPENDICES

Appendix I: Introduction Letter

TO WHOM IT MAY CONCERN

The bearer of this letter is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABOGO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

DATE

Registration No. DGI 62472 2013

UNIVERSITY OF NAIROBI
P.O. Box 30197
Nairobi, Kenya

Telephone: 020-2059162
Telegram: "VIRATY", Nairobi
Tele.: 72809 Varsity
Appendix II: Indemnity Letter

UNIVERSITY OF NAIROBI
OFFICE OF THE DEPUTY VICE-CHANCELLOR
(ADMINISTRATION AND FINANCE)

Our Ref: D61/87472/2013

Safaricom Limited
P. O. Box 66827-00100
NAIROBI

Dear Sirs,

INDEMNITY IN RESPECT OF THE RESEARCH TO BE UNDERTAKEN BY JOSHUA MWENDA MURI AT SAFARICOM LIMITED

We refer to the above matter.

We write to confirm that Joshua Mwenda Muri, Registration Number D61/67472/2013 is a Master’s student based at the University of Nairobi in fulfillment of the requirements for Master project. MJU will be focusing on the INFLUENCE OF COMPETITIVE STRATEGIES ON MARKET SHARE AT SAFARICOM (K) LIMITED.

Joshua Mwenda Muri has by an email dated 23rd September 2015 requested to be allowed to undertake his research at Safaricom Limited. We are aware that in the course of his research, he may receive confidential information utilized in the course of Safaricom’s business operations.

In this regard, the University of Nairobi hereby agrees to indemnify and hold harmless Safaricom Limited from and against all claims, liabilities, losses, damages, and expenses incurred (including any legal costs or penalties and liabilities connected or imposed by a court or expenses properly incurred) by Joshua Mwenda Muri pursuant to any breach of non-disclosure by his obligations or warranties under the Non-Disclosure Agreement which he has executed with Safaricom Limited.

[Signature]

DEPUTY VICE-CHANCELLOR (ADMINISTRATION & FINANCE)
## Appendix III: Research Gaps Table

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Topic</th>
<th>Major Findings</th>
<th>Knowledge Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hall &amp; Saias (1998)</td>
<td>A survey of competitive strategies by sixty-four American companies</td>
<td>The study found that companies following a differentiation strategy had a large market share than those who were reluctant to adapt differentiation strategies.</td>
<td>The study limited itself to one strategy alone; differentiation</td>
</tr>
<tr>
<td>Chan and Jamison (2001)</td>
<td>Competitive strategies adopted by banks in China from 1978 to 1998 and performance</td>
<td>The findings revealed that most banks that adopted competitive strategies had a superior performance.</td>
<td>The study did not address issues of market share. The study focused on profitability</td>
</tr>
<tr>
<td>Irungu (2010)</td>
<td>the strategies used by Safaricom in responding to the competitive environment</td>
<td>The study found that the responses adopted by Safaricom led to financial strategies, innovation, invention, strategies, research and development ventures and investment in technology strategies</td>
<td>The study did not address matters pertaining the market share</td>
</tr>
<tr>
<td>Njuguna (2012)</td>
<td>Competitive strategies adopted by Safaricom Kenya limited to tackle competition.</td>
<td>The results revealed that the most popular strategies were as follows: differentiation, cost leadership strategy, focus strategy, product choice, and market penetration strategy and pricing strategy.</td>
<td>The study limited itself to competitive strategies</td>
</tr>
<tr>
<td>Ong’ong’a, (2014)</td>
<td>Effect of marketing strategies in gaining market share by insurance companies in Kenya.</td>
<td>The study found that marketing strategies led to improved market share.</td>
<td>The study did not address competitive strategies in the telecommunications firms.</td>
</tr>
<tr>
<td>Asiabugwa and Munyoki (2012)</td>
<td>The relationship between e-commerce strategy and performance of commercial banks in Kenya</td>
<td>The findings also indicated that the main factors which influenced the adoption of e-commerce strategy in banks to a larger extent are customer support service and the</td>
<td>The study did not address issues to do with the market share</td>
</tr>
<tr>
<td>Author (Year)</td>
<td>Title</td>
<td>Findings</td>
<td>Limitations</td>
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<tr>
<td>Kirumba (2012)</td>
<td>The effect of investment strategies on the financial performance of collective investment schemes in Kenya</td>
<td>The findings revealed that there was a positive and significant relationship between investment strategy and profitability and return on assets.</td>
<td>The study was too broad and did not address issues to do with the market share.</td>
</tr>
<tr>
<td>Fakii (2013)</td>
<td>Influence of strategy on organizational performance of State Corporations in Kenya.</td>
<td>The study found a weak and moderate correlation between strategy and performance of state corporations in Kenya.</td>
<td>The study was too broad and thus laid more focus on return on assets and sales turnover other than market share.</td>
</tr>
</tbody>
</table>

Source: (Researcher, 2015)
Appendix IV: Interview Guide

Section A: Background Information

i. How is Safaricom Kenya owned?

ii. How long has Safaricom been in operation?

iii. What services and products does Safaricom offer?

iv. What need do you think that Safaricom should address using competitive strategies?

Section B: Competitive Strategies used by Safaricom to achieve Competitive Advantage

i. Has Safaricom adopted any formal strategies for achieving its strategic objectives?

ii. Who is formulates and implements competitive strategies?

iii. Do you think such strategies are geared towards achieving a competitive edge?

iv. Does Safaricom compete head on for market share in the Telecommunication industry?

v. Who are Safaricom’s competitors?

vi. What is the nature of competition that Safaricom faces in the telecommunication industry?

vii. What specific strategies has Safaricom put in place to overcome such competition?

viii. How have competitive strategies contributed towards achieving competitive advantage?

ix. How do competitive strategies influence company capabilities utilization?

x. How does differentiation strategy enable Safaricom in gaining competitiveness in the market? Please explain
xi. How has the achievement of competitive advantage influenced Safaricom in outperforming its rivals in the market?

xii. Does the strategies implemented by Safaricom influence effective utilization of resources in achieving superior performance over its competitors?

xiii. How does competitive advantage influence Safaricom in achieving market leadership in the telecommunication industry?

xiv. What are the business strategies implemented by Safaricom that have led to the achievement of high market share?

**Section C: Influence of Competitive Strategies on the Market Share**

i. What is the role of competitive advantage in enhancing the market share of Safaricom?

ii. Does competitive strategies contribute to improved sales turnover, if yes please explain

iii. How does successful implementation of competitive strategies lead to improved efficiency?

iv. How does competitive advantage at Safaricom influence market penetration hence high profits, increased sales and customers as compared to its competitors in the telecommunication sector?

v. What role do competitive strategies play in terms of customer retention at your organization? Please explain