

**INFLUENCE OF DIVERSIFICATION ON THE
COMPETITIVENESS OF SAFARICOM (K) LTD**

BY

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DECLARATION

I hereby certify that this research project is my original work and has not been presented for examination in any other university.

Signature Date

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This research project has been submitted for examination with my approval as the University Supervisor

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DEDICATION

I dedicate this project to my family and friends.

ABSTRACT

The operating environment for business has become very volatile and dynamic following increased innovation and globalization. This has meant that organizations have to constantly be ready to develop and implement new strategies that would boost their competitiveness. One of the strategies that companies have adopted is diversification wherein a company tries to increase profitability through increased sales volume from new products and new markets. The purpose of this study was to establish the influence of diversification strategies on the competitiveness of Safaricom (K) Limited. The research used a case study approach to give an in-depth understanding of the diversification as a competitive strategy by Safaricom Company Limited in Kenya. Primary data was collected from 5 senior managers using an interview guide and data collected was analysed using content analysis. Data was then organized into various thematic areas so as to build a profile on how Safaricom Limited has used diversification as a competitive strategy and a report generated to show how successful Safaricom has applied diversification strategy as a competitive strategy. The study established diversification had been a key factor in the success of Safaricom and that the innovative culture within the organization had highly contributed to the success of the diversification strategy. The study also established that through diversification, the company has been able to increase its revenue streams and hence increased profitability. This study concluded that one of the contributing factors to the success had been diversification. The innovative culture within the organization had highly contributed to the success of the diversification strategy where new products and services that appeal to their customers have been launched to suit different market segments. It was also concluded that through diversification, the company had been able to increase its revenue streams and hence increased profitability. The study recommends that the company should continuously review its diversification strategies guided by the market dynamics so as to stay ahead of competition and that the company should continuously encourage innovation among its employees by reward innovative ideas. The respondents were reluctant to give information on strategy since it is at the core of design of the future of an organization and creating a competitive advantage over competitors. The researcher proposed that further studies ought to be carried out to investigate the relationship between innovation and the success of diversification strategies. Moreover, a more detailed study needs to be carried out to investigate the influence of diversification strategies amongst other telecommunication companies in Kenya.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The operating environment for business has become very volatile and dynamic following increased innovation and globalization. This has meant that organizations have to constantly be ready to develop and implement new strategies that would boost their competitiveness (Bruche, 2000). Some of the strategies commonly applied by organizations is diversification whose purpose is to allow the company to enter lines of business that are different from current operations (Zhou, 2008). Diversification strategy helps organizations in the management of their risks by spreading it. By entering new business lines that are different from the organization's current operations, a firm mixes investments bearing different degrees of risks. This leads to the formation of a portfolio that optimizes organizational performance. Diversification also improves the competitive level of firms as firms seek to position themselves strategically in the mind of the consumer (Johnson, Scholes & Whittington, 2008). This is achieved through design and providing the goods and services demanded by customers. In normal circumstances, firms diversify as long as they see the opportunity to consolidate their market power, which predicts a linearly positive relationship between diversification and profitability.

This study was founded on the resource based view theory which suggests that since related diversification is inherently positioned to identify, develop, and leverage resources, it would lead to superior performance (Scott, 2003). On the other hand, considerations of the institutional environment predicts that unrelated diversifications in

emerging economies can help firms internalize market institutes and manage institutional relations (Wernerfelt, 1984). Open systems theory holds that organizations as open systems operate from an environment and are therefore affected by the operating environment in equal measure that they affect it. This theory therefore calls on firms to consider the operating environment in their strategy formulation process because any strategy not formulated with the immediate environment in mind may fail. Open systems theory therefore requires that firms interact with their immediate environment in order to be successful.

The mobile phone telecommunication industry in Kenya has become very competitive as more and more firms seek to share the profitability of the voice, data and short message services (World Bank Report, 2010). Safaricom as the industry leader commanding over 65% of the market share has been challenges to be innovative if it has to remain competitive and profitable. This has forced the Company to look for other avenue to improve if not to maintain its competitiveness and profitability. This has seen the Company diversity its investment in various ventures related to communication (Achuti, 2012).

1.1.1 Concept of the strategy

Strategy has been defined differently by different scholars. For instance, Thompson, Strickland and John (2010) define strategy as the match between an organization's resources, skills and the environmental opportunities as well as the risks it faces and the purposes it wishes to accomplish. It is depicted as the management's game plan for growing the business, staking out a market position, attracting and pleasing customers,

competing successfully, conducting operations, and achieving targeted objectives (Thompson & Strickland, 2007). It is a set of beliefs on how a firm can achieve success (Woods & Joyce, 2003). Ansoff (1998) views strategy in terms of market and product choices. According to his view, strategy is the “common thread” among an organization’s activities and the market. It indicates the choices its managers have made about how to attract and please customers, how to respond to changing market conditions, how to compete successfully, how to grow the business, how to manage each functional piece of the business and develop needed capabilities, and how to achieve performance targets.

According to Andrews (1980), a strategy refers to the pattern of decisions in a company that determines and reveals its objectives, purposes or goals, produces the principal policies and plans for achieving those goals, and defines the range of businesses the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities. Quinn (1980) defines strategy as the pattern or plan that integrates an organization’s major goals, policies and action sequences into a cohesive whole. The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Pearce & Robinson, 2007).

1.1.2 Organizational performance

According to Moosa and Bhatti (2010), organizational performance is the ability of a firm to fulfill its mission and objectives through the engagement of sound management, strong governance practices and the persistent dedication towards achieving targeted

results. Moosa and Bhatti (2010) identified three broad measures of assessing organizational performance namely; accounting, market, and hybrid measures. The accounting measures that assess organizational performance are; return on assets (ROA), return on equity (ROE), sales growth (SG), return on investment (ROI) and also return on capital employed (ROCE). These accounting measures have a number of strengths in that they can be easily assessed since governments` regulations require all firms to publish annual accounting data. Further, these measures are subjected to internal control systems thus enhancing their reliability (Beck, Randa, & Trandafir, 2010).

Non financial measures of organizational performance include firm innovativeness and market footing. These measures are also useful besides the usual financial performance measures. Alam et al., (2011) further deduced that organizational performance is a multidimensional construct that comprises of four key elements that is; customer-focused performance that checks levels of customer satisfaction with regards to offered product and services. Market and financial performance that entails scrutinizing revenues, earnings per share and market footing. Current human resource performance that aims at assessing employee satisfaction which has a direct effect on their work performance. Lastly, the measure of organizational effectiveness that entails assessing innovation levels, the production efficiency and supply chain flexibility. Profitability is however the key indicator factor used to measure organizational performance. All firms strive to increase shareholders wealth thus the ultimate goal is to achieve optimal profitability. (Khan, Shaem & Mahmud, 2009).

1.1.3 Diversification as a Competitive Strategy

Diversification is a company strategy wherein a company tries to increase profitability through increased sales volume from new products and new markets. In layman's term, diversification means venturing out into new business, new products or new markets to increase profits. It is a form of growth strategy involving a significant increase in the performance objectives beyond past performance records (Amit & Livnat, 1988). Diversification allows a company to venture out into new lines of business that are different from the present operations. Companies employ different diversification strategies to expand firms' operations by adding markets, products, services, or stages of production to the existing business. Diversification in the form of growth strategy is viewed by many investors as "bigger the better". Higher sales volume is seen as a measure of performance irrespective of the profit margins, increase in sales is always welcomed. People often assume that if the sales increase, profits would follow suit.

Diversification efforts may be either internal or external depending upon the objectives of the company. Internal diversification is a situation where a company ventures into a different but related business line (Marlin et al, 2004). It involves increasing the company's product or market base. The external diversification on the other hand is used to achieve similar results with a difference that the line of business is drastically different and not related to the parent company. Banks have been forced to compete harder on price terms to respond to the competitive threat of new entrants but they have also responded to the changed environment by offering new products and by diversifying and expanding their activity in new markets (Amit & Livnat, 1988).

1.1.4 Mobile Telephony Sector in Kenya

The mobile telephony was first introduced in the Kenyan market in 1992, but the real diffusion of this technology and of affordable services started in 1999 following the deregulation of the communication sector opening up for private sector to put up commercial communication networks in the country and Communications Commission of Kenya (CCK) was established. Earnest growth begun in 1999 when the newly privatized company Safaricom, formerly a subsidiary of the defunct Kenya post and telecommunication corporation and KenCell Communications now Airtel Kenya were licensed to provide mobile services. These two operators started to roll out mobile telephony network across the country from 1999 and currently providing mobile connectivity together with Telkom operating under the brand name “Orange” and Essar Telecom operating under the brand name “YU” throughout Kenya. The Communications Commission of Kenya is the regulatory authority for the communications sector in Kenya, established in 1999 by the Kenya Communications Act (KCA) No. 2 of 1998, with initial mandate of regulating the telecommunications and postal/courier sub-sectors, and the management of the country’s radiofrequency spectrum.

In recognition of the rapid changes and developments in technology which have blurred the traditional distinctions between telecommunications, information technology and broadcasting, the Government of Kenya in January 2009 enacted the Kenya Communications (Amendment) Act 2009. This statute enhanced the regulatory scope and jurisdiction of CCK, and effectively transformed it to a converged regulator. CCK is now responsible for facilitating the development of the information and communications

sectors including broadcasting, multimedia, telecommunications, postal services and electronic commerce. The complete modernization of the telecommunication sector has been achieved within a few years through the work of private organizations and at no cost for the government which further benefits by getting huge revenues from license fees, custom duties and taxes. The Kenyan government, like many others in the continent, has obliged mobile operators to provide coverage as part of their license conditions to enabled population living in rural areas that are not commercially attractive to private investors get mobile telephony services like their counterparts in the cities (CAK, 2015).

Currently, Kenya has five licensed mobile operators namely Safaricom Limited, Airtel Kenya, Essar Telecom, Equitel and Telkom/Orange Kenya which is also the sole national fixed network operator. The four mobile phone operators in Kenya had combined mobile subscriptions of 32.8 million as compared to a subscription base of 24.96 million as at end of 2010, representing a penetration rate of close to 64.2 per cent (CAK, 2015). Further statistics also indicate that mobile penetration now stands at 80.5%, the number of mobile money transfer subscriptions now stands at 26.9 million.

1.1.5 Safaricom Limited

Safaricom is the leading provider of converged communication solutions, operating on a single business driver that has a peerless understanding of voice, video and data requirements. It was formed in 1997 as a fully owned subsidiary of Telkom Kenya wholly owned by the government and the only telecommunication operator in the country. In 1999 the communication sector was deregulated and opened up for private

sector to put up commercial communication networks in the country and Communications Commission of Kenya (CCK) was established as the regulator.

In May 2000, Safaricom limited was privatized with 60% stake remaining with government and Vodafone group Plc of the United Kingdom, the then world's largest telecommunication company acquired a 40% stake and management responsibility for the company. Safaricom Limited is a one stop shop for integrated and converged data and voice communication solutions, with a countrywide network of mobile wireless technologies and fiber. Its services seek to make positive contributions to communities in direct ways through value added services and financial support for community projects.

Safaricom has four competitors in the Mobile operator industry namely Airtel Kenya, Orange/Telkom wireless, Essar's Yu and Equitel. In the previous years, Safaricom limited dominated the market but with increase in the competitors, it's supposed to come up with strategies which would help it achieve sustainable competitive advantage over its competitors. The competition is very stiff, the products Safaricom offers are also offered by its competitor. For mobile money transfer, Safaricom limited has Mpesa , Airtel Kenya has Airtel mobile money transfer service, orange wireless has orange money, Yu has Yu money and Equitel has Equitel Money.

In the previous years, Safaricom dominated because the competition was between Safaricom and Airtel and those days customer preferred Safaricom because it was cheaper since it used per second billing while Airtel used per minute billing which was expensive. But with the current competition, the prices have dropped by 70% and all its competitors have per second billing as well .Internet service is also offered by the other

mobile network providers. Initially it was said that customers are able to move to other networks because of fear of losing the mobile number they are used to, but competition has seen to it that now with introduction of Mobile Number portability (MNP) a subscriber is free and able to join another network used the mobile number they acquired on a previous Mobile Network provider. Despite the stiff Competition, Safaricom Limited is still the leading mobile network operator in Kenya. Research Problem

The nature of industrial competition has drastically changed following Accelerated global competitiveness, reduced product life cycles, rapid technological advancements, and dynamic customer requirements. Therefore, in order to remain competitive in a risky environment, it is important that firms develop and implement appropriate strategies that would sustain and improve their competitiveness (Letangule & Letting, 2012) Diversification as a strategy helps improve the performance of firms by helping them diversify risks for optimal performance. This means that if one line of business happens not to be doing well, its poor performance is compensated on the overall performance by the diversified investment (Bisungo, Chege & Musiega, 2014)

The competitiveness of firms in the telephone industry remains challenging following the entry of more firms like Equitel from well established investors like Equity Bank (CAK, 2015). This means that in order to remain competitive and sustain positive performance, the firms in the telephone industry need to think of strategies that would manage their risk exposure. According to quarterly statistics released on June 30th 2015, Safaricom remains the dominant telco in the market, with 64 percent of the total 29.70 million mobile subscribers (CAK, 2015). However, Safaricom has been facing a lot of

competition of late, with other telcos investing more in advertisements and new products to attract more customers to their networks. These statistics further show that Safaricom recorded a decline in mobile subscriptions of 67,719, which represented 0.4 percent drop from the previous quarter. The decline in the Safaricom and Telkom's market share was taken up by Airtel and Essar that saw their market shares rise by 1.2 percentage points and 0.3 percentage points to reach 16.5 percent and 9.0 percent, respectively at the end of the quarter (CAK, 2015).

A number of studies have been conducted on diversification as a competitive strategy. For instance, on international front, Purkayastha (2013) examined diversification strategy and firm performance with evidence from Indian manufacturing firms. Purkayastha established that in the chemical and allied products industry, the return on total assets (ROA) of firms has a negative relationship with unrelated diversification, while it has a positive relationship in the transportation equipment industry. In another study, Raei, Tehrani and Farhangzadeh (2015) conducted a study on the relationship between diversification strategy, firm performance and risk using evidence from Tehran Stock Exchange and found no significant relationship between diversification strategy, firm performance and risk.

Locally, Mwangi (2012) examined agent banking as a diversification strategy by commercial banks in Kenya and established that agent banking was highly useful as a diversifying strategy among banks as banks used agent banks to expand geographical coverage and promote their products and services because they save time and they are efficient. This study concentrated on banks and agent banking which is different from

Safaricom Limited. Gababo (2014) examined factors considered in adopting diversification strategies by Safaricom Kenya Limited. The findings show that factors considered by Safaricom Limited in adopting diversification strategies could be broadly categorized into: availability of workforce, government regulations, financial capability, attractiveness of the market and availability of resources and institutions. Kivungi (2013) examined factors influencing choice of unrelated diversification strategies in the insurance industry in Kenya. The findings identified promise for attractive financial gain, availability of resources which makes diversification economically feasible; in order to gain from superior skills of top management people, build shareholder value, profit erosion in maturing markets, and factors to compete successfully. As noted above, the existing studies have been done in different contexts and for those done on Safaricom, they are either looking at factors influencing adoption of diversification strategy or were done long and thus their findings may not be applied today. This study sought to answer the question, what is the influence of diversification strategies on the competitiveness of Safaricom (K) ltd ?

1.2 Research Objective

To establish the influence of diversification strategies on the competitiveness of Safaricom (K) ltd.

1.3 Value of the Study

The findings of this study would be valuable to the management staff at Safaricom Limited and other telephone industry players, Government of Kenya especially the Communications Authority of Kenya, Customers and future researchers and scholars. For

the managers at Safaricom Limited, the findings of this study would show how effective the Company has applied diversification strategy to improve its competitiveness in the industry. Therefore, the findings of this study would inform their future strategy formulation and implementation for competitiveness and optimal organizational performance. To the Government of Kenya especially the Communications Authority of Kenya, it would inform their policy formulation on regulations and guidelines governing the telephone industry in Kenya. Customers would be informed of other Safaricom Limited products because it is through diversification strategy that the Company is able to expand its service line offerings. For future scholars and researchers it would act as a source of literature review besides suggesting areas where they can study to extend the literature.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents a review of the related literature on the subject of diversification as a competitive strategy as presented by various researchers and scholars. The materials are drawn from several sources which are closely related to the theme and the objectives of the study.

2.2 Theoretical Perspective

The study is founded on two theories including the open systems and the resource based view theory all of which explain how organizations need to interact with the environment to build competitive advantage in its industry. These theories are discussed in details below:

2.2.1 Open systems Theory

Open system theory was developed by Ludwig von Bertalanffy (1956), a biologist, but it was immediately applicable across all disciplines (Scott, 2003). Open system perspectives see organizations both as hierarchical systems and as loosely coupled systems. Open systems tend to have some semblance of clustering and levels. The open-systems theory assumes that all large organizations are comprised of multiple subsystems, each of which receives inputs from other subsystems and turns them into outputs for use by other subsystems (Hatch, 1997). The subsystems are not necessarily represented by departments in an organization, but might instead resemble patterns of activity. Interdependencies and connections within a subsystem tend to be tighter than

between subsystems. These "stable sub-assemblies" give a distinct survival advantage to the entire system (Gortner, Mahler and Nicholson, 1997).

Open systems reflects the belief that all organizations are unique in part because of the unique environment in which they operate and that they should be structured to accommodate unique problems and opportunities (Hatch, 1997). Environmental influences that affect open systems can be described as either specific or general. The specific environment refers to the network of suppliers, distributors, government agencies, and competitors with which a business enterprise interacts. The general environment encompasses four influences that emanate from the geographic area in which the organization operates. The open-systems theory assumes that all large organizations are comprised of multiple subsystems, each of which receives inputs from other subsystems and turns them into outputs for use by other subsystems. The subsystems are not necessarily represented by departments in an organization, but might instead resemble patterns of activity (Hatch, 1997). This theory holds that in order for the organization to achieve its objectives and goals, it is important that it operates as an open system where it takes care of the environment in its decision making process because failure to do this may lead to failure to deliver on organizational objectives. This theory therefore made imperative insights on understanding how internal firm environment especially organizational hierarchy influences the success of strategies geared towards ensuring optimal firm profitability.

2.2.2 Resource Based View Theory

The resource-based perspective has an intra-organizational focus and argues that performance is a result of firm-specific resources and capabilities (Barney, 1991). The resource-based view (RBV) is a basis for the competitive advantage of a firm that lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal (Prahalad, 1996). The RBV isolates unique resources that are complex, intangible, and dynamic within a particular firm which can be utilized by the firm to gain and sustain competitive advantage (Barney, 1991). The bundles of resources that are distinctive to a firm give it an edge which other firms may not easily copy hence providing sustainability of the competitiveness (Wernerfelt, 1984).

The basis of the RBV is that successful firms would find their future competitiveness on the development of distinctive and unique capabilities, which may often be implicit or intangible in nature (Wernerfelt, 1984). The firm's unique resources and capabilities provide the essence of strategy. Barney (1991) argues that if all the firms were equal in terms of resources, there would be no profitability differences among them because any strategy could be implemented by any firm in the same industry. The RBV suggests that competitive advantage and performance results are a consequence of firm-specific resources and capabilities that are costly to copy by other competitors. Therefore, in an organization's effort to gain competitive advantage, it is important to establish the resources owned by the company and how such resources can be tapped for the given organization's competitive advantage. This study sought to establish the influence of diversification strategies on the competitiveness of Safaricom (K) Ltd. The resources that are available to this firm have an impact on the level of adoption of diversification

strategies aimed at striking market competitiveness. This theory therefore aids to comprehend how resources owned by the firm influences market competitiveness that is attributable to the adoption of various diversification strategies that calls for the utilization of resources.

2.3 Organizational Competitiveness

Porter (2008) argues that competitive strategy is "about being different. This means deliberately choosing a different set of activities to deliver a unique mix of value. Strategy is about competitive position, about differentiating oneself in the eyes of the customer, adding value through a mix of activities different from those used by competitors (Johnson, Scholes and Whittington, 2008). If the primary determinant of a firm's profitability is the attractiveness of the industry in which it operates, an important secondary determinant is its position within that industry (Porter, 1985).

A firm positions itself by leveraging its strengths and minimizing the effects of its weaknesses. Porter (1985) argues that a firm's strengths ultimately fall into one of two categories, namely cost advantage or differentiation. By applying these strengths in either a broad or narrow scope, three generic strategies result: cost leadership, differentiation, and focus. These strategies are applied at the business unit level and are called generic strategies because they are not firm or industry dependent. They apply across all industries.

When a firm sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage over its rivals (Porter, 1985). The goal of much of

business strategy is to achieve a sustainable competitive advantage. An organization would gain competitive advantage over its competitors from an understanding of both markets and customers, and special competences that it possesses (Porter, 1985). A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Thus a competitive advantage enables a firm to create superior value for its customers and superior profits for itself.

2.4 Diversification Strategies

The strategies of diversification can include internal development of new products or markets, acquisition of a firm, alliance with a complementary company, licensing of new technologies, and distributing or importing a products line manufactured by another firm (Thomsen and Pedersen, 2000). Diversification strategy of a company may include several plans, ranging from development of a new product to licensing of new technologies, or a combination of one or more of these plans. Basically, there are three different types of diversification strategies.

2.4.1 Concentric Diversification

In case of concentric diversification strategy, the technology used in the industry remains the same, while the marketing plan changes to a significant extent. This strategy requires technological similarities between the two business ventures (Ramirez 1995). Technical knowledge turns out to be an advantage when it comes of concentric diversification strategy. This means that there is a technological similarity between the industries, which means that the firm is able to leverage its technical know-how to gain some advantage.

For example, a company that manufactures industrial adhesives might decide to diversify into adhesives to be sold via retailers. The technology would be the same but the marketing effort would need to change. It also seems to increase its market share to launch a new product, which helps the particular company to earn profit.

The goal of concentric diversification is to achieve strategic fit. Strategic fit allows an organization to achieve synergy (Manikutty, 2000). Strategic fit as a result of this diversification enhances firm competitive advantage since there is transfer of specialized skills and knowledge, combination of related activities in the value chain that strives to achieve lower costs, leverage of brand names and the usage of cross company collaboration and internal knowledge sharing that enhances profitability thus boosting firm`s competitiveness in the industry it operates. In essence, synergy is the ability of two or more parts of an organization to achieve greater total effectiveness together than would be experienced if the efforts of the independent parts were summed. Synergy may be achieved by combining firms with complementary marketing, financial, operating, or management efforts. Marangu (2014) concluded that the adoption of concentric diversification positively and significantly affects competitiveness of sugar firms. The regression results further indicated that 54.8 percent of the increments of sugar firm competitiveness was attributed to concentric diversification.

2.4.2 Horizontal Diversification

According to Lins and Servaes (2002), horizontal integration occurs when a firm enters a new business (either related or unrelated) at the same stage of production as its current operations. The company adds new products or services that are technologically or

commercially unrelated (but not always) to current products, but which may appeal to current customers. In a competitive environment, this form of diversification is desirable if the present customers are loyal to the current products and if the new products have a good quality and are well promoted and priced (Lins and Servaes, 2002). Moreover, the new products are marketed to the same economic environment as the existing products, which may lead to rigidity and instability.

In case of horizontal diversification strategy, the technology used is not at all related to the existing business of the company. Though the existing products are not related to the new venture, the current customer base of the company is taken into consideration when coming up with these new products (Fisman and Khanna, 2004). This strategy proves to be advantageous in a competitive market scenario, wherein the company has a loyal customer base.

This form of diversification enhances competitiveness due to customers' loyalty in purchasing offered products and services due to good product and service quality and (Lins & Servaes, 2002). Firms are able to retain their market competitiveness since they are able to maintain their current customer base at the face of increasing market competition.

2.4.3 Conglomerate Diversification (Lateral Diversification)

As in the case of horizontal diversification, even lateral diversification strategy stresses on products, which are not related to the existing line of products. The only exception in this case, however, is that the company targets a new segment of customers, instead of

catering to its existing loyal customers. The company markets new products or services that have no technological or commercial synergies with current products, but which may appeal to new groups of customers.

The conglomerate diversification has very little relationship with the firm's current business (Fisman & Khanna, 2004). Therefore, the main reasons of adopting such a strategy are first to improve the profitability and the flexibility of the company, and second to get a better reception in capital markets as the company gets bigger. Even if this strategy is very risky, it could also, if successful, provide increased growth and profitability. Diversification strategies are used to expand firms' operations by adding markets, products, services, or stages of production to the existing business. The purpose of diversification is to allow the company to enter lines of business that are different from current operations. When the new venture is strategically related to the existing lines of business, it is called concentric diversification (Comment & Jarell, 1995). Conglomerate diversification occurs when there is no common thread of strategic fit or relationship between the new and old lines of business; the new and old businesses are unrelated.

Conglomerate diversification occurs when a firm diversifies into areas that are unrelated to its current line of business. Synergy may result through the application of management expertise or financial resources, but the primary purpose of conglomerate diversification is improved profitability of the acquiring firm (Goto, 1982). Little, if any, concern is given to achieving marketing or production synergy with conglomerate diversification. One of the most common reasons for pursuing a conglomerate growth strategy is that opportunities in a firm's current line of business are limited.

Fisman and Khanna (2004) opine that conglomerate diversification leads to better reception in capital markets since the company gets bigger thus improving on their competitiveness. This diversification however may also carry very little impact on current profitability since the firm diversifies into businesses in totally different areas thus slow rate of return. This diversification leads to synergy that in turn enhances competitiveness since the new firm is able to acquire management expertise and enhanced financial resources.

2.5 Diversification and Firm competitiveness

A common feature of the industrial landscape of most emerging economies is the existence of diversified business groups. Many contemporary studies of business groups (Khanna & Rivkin, 2001) have established that diversification is beneficial in emerging markets, unlike in developed economies where diversified companies are valued at a discount. Khanna and Palepu (2000) have also examined the extent of diversification and firm value, arguing that beyond a threshold diversification is beneficial. The predominant rationale for the existence of groups that researchers explore in literature relates to transaction cost economics and weaknesses in market institutions. The resource perspective which is our focus is relatively underutilized perspective by researchers, and we believe has a potential to enhance our understanding of group existence and performance link.

Li and Wong (2003) suggested that when analyzing the performance effects of corporate diversification strategies, one should keep in mind the different institutional contexts in the emerging economies. Specifically, the lack of well-established product markets,

financial markets, and labor markets, coupled with the lack of necessary laws and regulations and inconsistent enforcement of contracts may make it difficult for firms to pursue resource building and leverage alone in emerging economies.

In other words, the “match” between the related and unrelated diversification was more important than the specific kind of strategy firms adopt. They found that firms that pursue single/dominant strategies (low in both related and unrelated diversification) and high diversity strategies (high in both related and unrelated diversification) outperform pure related and unrelated strategies, since the latter lack the “consistency” between the two strategic dimensions

Manikutty (2000) argues that resource allocation can be handled much more efficiently in internal capital markets than external capital markets. Thus, diversified firms by this very logic are at an advantage because of their ability to create sizeable internal capital markets. Nonaka (1991) work suggests that inefficiencies in the external capital market (as in many emerging economies) should make internal capital markets much more attractive. Ramirez (1995) emphasize that in the absence of well developed external capital markets internal capital markets have potential to create value.

The resource-based view seems to suggest that firms diversify into related industries and related diversification leads to superior rents (Montgomery, 1994). The firm resources include the factors of production, services created from the factors of production and the specialized competencies it has created over time. According to the resource-based view, firms diversify in response to the excess capacity in the resources they possess. Therefore, as long as the firm can find profitable ways of exploiting its unutilized

resources, it has incentive to expand (Montgomery, 1994). The unutilized resources of the firm offer the potential to exploit scale and scope benefits. The exploitation of economies of scale is available through the exploitation of firm-specific resources into related industries. Nayyar (1993) contends that benefits of positive reputation and economies of scope are exploitable from related diversification, but are unavailable from unrelated diversification. Thomsen and Pedersen (2000) conjecture related diversification to be a better strategy in comparison to unrelated diversification.

2.5.1 Transaction Costs

Transaction costs theory (Coase, 1937) predicts that the optimal firm structure would be dependent upon the institutional context. Most developed economies have strong and well developed institutions with efficient product, labour and capital markets. Hence, the market structure would be a much more efficient mechanism for transactions. In this light, there are higher costs associated with diversified firm structure and therefore it is predicted that conglomerates would be poor performers in strong and mature market.

Emerging markets are characterized by underdeveloped institutions and weak capital, labour and product markets. Transaction costs theory predicts that diversified group structure is a beneficial organization form in emerging economies. Interestingly the diversification literature predominantly attributing the value gain/loss arguments to transaction costs rationale and the institutional voids argument is comprehensively researched in the finance and strategic literature in both emerging and developed market context.

The assumptions of emerging markets are that the capital market structure is imperfect and underdeveloped. Khanna and Palepu (1997) suggest that these imperfections exist in the labor, capital and product markets as well. Transaction cost economics predicts that internal capital markets would be an efficient alternative under these conditions. Therefore, firms would have incentive to diversify. The transaction cost economics theory also predicts that diversified firms would outperform focused firms in imperfect markets. Therefore, in Kenyan business environment it is expected that diversified business groups would have superior performance. Hence, firms that are not diversified would be valued poorly.

Because transaction cost economics predicts favorable effects of diversifying as a strategy, it follows that firms that have a dominant diversified structure would be valued more by the market. In developing countries diversification strategy is typically executed through the group structure although many focused business entities also emulate the group structure. Perotti and Gelfer (2001) showed that industrial groups commonly exist in emerging markets. Therefore, a positive impact of group affiliation (and therefore diversification) on firm value is expected and is a well researched proposition by authors examining business groups in emerging markets (Lins & Servaes, 2002).

2.5.2 Diversification and Firm Performance

There are many and contradictory theoretical arguments in the literature to explain the relationship between the diversification strategy and firm performance, suggesting that diversification may have both value enhancing and value reducing effects. The diversification strategy is a considerable and interesting topic of study in the literature of

the firm value, but there is significant divergence on whether or not diversification can be conducted to make long-run competitive advantage (Markides & Williamson, 1994). Nowadays there is a debate in the finance literature whether or not corporate diversification is a value maximization strategy for shareholders.

The firm's choice to diversify is undertaken when the benefits of diversification overcome its costs, aid the firm stay focused when the opposite occurs. On the one hand, some theoretical arguments points to diversification as a value-increasing strategy for the firm. For instance, Fluck and Lynch (1999) argue that diversification permits marginally profitable projects, which cannot get financed as standalone units, to be financed. Matsusaka (2001) shows that the firm chooses to diversify when the gains from searching for a better organizational fit outweigh the costs of reduced specialization.

Consequently the economic literature has focus on the impact of different levels and types of diversification on firm value. To examine this impact is crucial to distinguish between related and unrelated diversification. The firms who follow the related diversification try to exploit economies of scope through the sharing of physical and human resources across similar lines of business while unrelated diversification pursues search for achieve economic advantage by being able to distribute capital and other financial resources in an internal market more efficiently (Helfat & Eisenhard, 2004).

2.6 Performance

Organizational performance is the valued productive output of a system in the form of goods or services. It can be subdivided into three categories: financial performance (profit), internal non-financial performance (productivity) and external non-financial performance (customer satisfaction). Private sector organizations strive for good financial results whereas public organizations are aimed at non-financial aims like delivering good public services to citizens. To achieve performance through employees, the organization must consider them as assets and must be treated with attention so that the employees become productive (Swanson, 2000).

There are a number of indicators by which company performance may be judged. The balanced scorecard offers both qualitative and quantitative measures that acknowledge the expectations of different stake holders and relates an assessment of performance in choice of strategy. In this way performance is linked both to short term outputs and process management (Johnson et al., 2006). Due to the realization that people are the most valuable assets in an organization, the importance of performance management has been pushed to the fore (Bartlett & Ghoshal, 2005). The performance measurement system employed in an organization must therefore measure the performance of all assets including the human ones.

Profitability measures the extent to which a business generates a profit from the factors of production: labor, management and capital. Profitability is the most important measure of success of the business. A business that is not profitable cannot survive, yet a highly profitable one has the ability to reward its owners with a large return on their investment.

Profitability analysis focuses on the relationship between revenues and expenses and on the level of profits relative to the size of investment in the business (Mesquita & Lara, (2003). Four useful measures of firm profitability are the rate of return on firm assets (ROA), the rate of return on firm equity (ROE), operating profit margin and net firm income. The ROA measures the return to all firm assets and is often used as an overall index of profitability, and the higher the value, the more profitable the firm business. The ROE measures the rate of return on the owner's equity employed in the firm business. It is useful to consider the ROE in relation to ROA to determine if the firm is making a profitable return on their borrowed money (Hadlock & James, 2002).

2.7 Summary

This chapter reviewed both theoretical and empirical literature presented by theorists and researchers that were relevant to the effects of diversification strategies on firm competitiveness. The theoretical framework was presented and related to the study objective. Previous work by researchers was reviewed under empirical literature whereby each diversification strategy was discussed and related to firm profitability.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that would be used to carry out the study. It specifically presents the research design, data collection and data analysis.

3.2 Research Design

The research used a case study approach to give an in-depth understanding of the diversification as a competitive strategy by Safaricom Company Ltd in Kenya. A case study is an empirical inquiry that investigates a phenomenon within its real-life context of one organization.

Case study research provides a systematic way of looking at events, collecting data, analyzing information, and reporting the results. As a result the researcher is able to gain a sharpened understanding of why the instance happened as it did, and what might become important to look at more extensively in future research (Yin, 2002). Other studies such as (Kasingiu, 2010 & Gababo, 2014) successfully adopted this research design.

3.3 Data Collection

The study used both primary and secondary methods. Data was collected using an interview guide. The interview guide enabled the researcher to collect in-depth qualitative data. This was used in order to gain a better understanding and a more insightful interpretation of the results from the study. The researcher interviewed senior managers as they are the ones charged with the formulation and implementation of strategies.

The Company had a total of six senior managers who include corporate affairs, Chief Finance officer, director resources, strategy and innovations director, enterprise business unit director and the Consumer business unit director. All the six senior managers were included in the study though they were free to delegate as they may deem necessary.

3.4 Data Analysis

Data collected was qualitative in nature as it is collected using an interview guide. Content analysis was used to analyze this data collected from the respondents. Kothari (2004) define content analysis as any technique used to make inferences through systematic and objective identification of specified characteristics of messages. Kothari (2004) also explains content analysis as the analysis of the contents of documentary and verbal material, and describes it as a qualitative analysis concerning the general import of message of the existing documents and measure pervasiveness.

Data collected was organized into various thematic areas so as to build a profile on how Safaricom Limited has used diversification as a competitive strategy. A report was then generated to show how successful Safaricom has applied diversification strategy as a competitive strategy.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The chapter presents an analysis of the data, results and discussion based on the research objectives and the research method. The objective of the study was to establish the influence of diversification strategies on the competitiveness of Safaricom (K) ltd. The study targeted a total of 6 respondents who were in the senior management team because of their involvement in competitive strategy formulation issues from an operational point of view in the organization. Out of the target 6 respondents, 5 availed themselves for an interview with the researcher thus giving a response rate of 83%. This response rate was excellent, representative and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent.

4.2 General Information

The study sought for some background information from the respondents so as to ascertain their suitability for the study. The respondents were requested to indicate their departments and from the responses they were from finance department, strategy and innovation, consumer business, enterprise unit and corporate affair. The respondents were further asked to indicate their designations, from the responses, there was the finance director, deputy consumer business director, a manager from the enterprise unit, corporate affairs director and strategy and innovations manager. Managers are better placed to provide required data because they play a leading role in ensuring that they

position the Company favorably within the changing environment through instituting appropriate timely responses. This implies that the respondents of this study are well distributed across the strategic business units and key departments and thus the results were more representative

4.3 Diversification Strategies

This section presents finding on diversification strategies which include, reasons for diversification, diversification strategies adopted by Safaricom K ltd, benefits of concentric diversification and the effect of government regulation on diversification.

4.3.1 Diversification Strategies Employed by Safaricom (K) Ltd

The respondents were asked to indicate some of the diversification strategies employed by Safaricom Kenya Limited, from the responses, they indicated that the company had adopted various diversification strategies to broaden the scope of its operation from the traditional voice services to other related services building on technology. They indicated that the company had developed a range of products and services which included Mpesa, which offers a variety of payment solutions, connectivity solutions which include internet connectivity, managed Wi-Fi solutions and 4G connections. The company had also introduced communication solutions for businesses that include biashara smart, Zidisha biashara, video conferencing and voice conferencing

The respondents further indicated that the company diversified through strategic partnerships with device manufactures which was aimed at improving access to customers through safaricoms retail shops. Some of those devices were tied to their services and hence helped in retaining customers. In addition, the shops sell laptops and

tablets among other products. They further indicated that the company had partnered with many business which included petrol stations, supermarkets, restaurants and airlines among others through the lipa na Mpesa initiative to ease payments for goods and services. The respondents further indicated that the company has also partnered with over 37 banks and microfinance institutions to allow their customers transfer money between banks and also transfer from their account into their M-PESA account and vice versa.

The respondents also indicated that Safaricom has diversified into unrelated fields. The company has entered into the Machine to Machine (M2M) and mobile applications space where it is now able to offer corporate and government customers 'value added services around areas such as workforce management, transportation, retail distribution, security and building management as well as smart utilities. The study also established other areas of unrelated diversification were banking services through Mshwari, which enables Safaricom customers to open and operate an M-Shwari bank account through mobile phone, move money in and out of M-Shwari savings account to ones M-PESA account and access to micro credit product (loan).

The respondents were asked to state the reasons why Safaricom diversified, from the responses it was established that the company diversified in order to fully utilize the existing resources and capabilities, Safaricom had invested in technology and human resource that had the capacity to take in more business and hence saw the need to make maximum use of these resources and capabilities. The respondents further indicated that the business environment in which the company was operating was undesirable where there was constant price wars with its competitors, the company deemed it important to

diversify in other areas of business in order to counter the threat of losing to low prices on voice communication.

The respondents further indicated that the company sought to strengthen their current business and generate new opportunities for profitable growth which could be achieved through diversification. The company had an obligation to give positive returns to the shareholder and hence had to remain competitive and ensure that the shareholders receive good returns on their investments. They further stated that the company diversified in order to spread risk that may emanate from failure of any one of the products or services that they offered.

The respondents also indicated that another reason for adopting diversification as a strategy was to take advantage of the emerging opportunities occasioned by change in technology and preferences of consumers. Technological advancement in the world today have made the customers more informed and their preferences have shifted to more of digital solution and as such Safaricom has used such opportunities to diversify using technological advancement.

The study established that Safaricom has been a leader in innovation and the company sought to maintain its leadership position and shape the direction at which the mobile telephony industry takes in East Africa and Africa at large. The respondents cited M-pesa as one of the innovations that have not only revolutionized the way money is transferred in Kenya but also has shaped the direction of other mobile operator in developing world.

4.3.2 Influence of Diversification on Firm Competitiveness

The respondents indicated that diversification has contributed positively both financially and in the wellbeing of the organization generally. Safaricom has been able to build a very strong brand in the market to the point that it is now considered an opinion leader among its competitors; whatever products it introduces to the market they become an instant success prompting competitors to copy and develop similar products.

The respondents further stated that the new innovations are usually received with a lot of good will by the market and hence success despite challenges or product shortcomings. This has led to Safaricom being very profitable and as a result it has accumulated a lot of retained earnings that enables it to invest in new innovations. Due to the innovative culture in the organization, Safaricom was able to attract the best human resource talents in the market giving it another advantage over its competitor as human resources are very critical to organizational success in the service industry. The study also revealed that product diversification has helped the company to take advantage of the evolution of the market and future opportunities in industries of rapid growth by increasing products and brands for competitive advantage. Diversification had immensely contributed to Safaricom Limited in gaining competitive advantage over competitors.

The study also sought to establish the benefits realized through diversification around the core business (concentric diversification) in the company. The respondents indicated that the company has been able to benefit from related diversification. The company was able to use the same human resources and other resources hence to offer different products and services and hence maximization of resources. There was also focused attention due

to the related nature of services and thus the probability of failure or risk was minimized since the system had been used before on other products. The study also established that there were some benefits accrued by the company through marketing of new products and services. These benefits were such as increased confidence among its customers and high acceptability in the market that has seen customers switch from other mobile service providers.

The study further established that brand loyalty had improved hence increased competitive advantage. The study also revealed that development and investing in knowledge and related capabilities has enabled the company to undertake strategies of product diversification at less energy and spent less funds in training on the new products. The respondents indicated that diversification had enabled Safaricom increase its revenue streams through increased sales and more subscriptions. They further indicated that the company was able to deal with competitors who had previously majored on voice communication. Diversification had also enable Safaricom deal with market threats that affect particular product lines at certain times.

4.4 Effect of Government Regulation on Diversification Strategies

The respondents indicated that government regulatory policies had an effect on diversification decision. Government limits or even forecloses entry into industries with such controls as licensing requirements and other statutory requirements. Safaricom Kenya Limited operates within a regulated environment which is subject to legal and economic constraints. As such, the firm is exposed to high levels of determinism which can severely limit the strategic choices available.

The respondents indicated that due to government regulation on voice data, the company has had to seek for other products and services to increase returns to maintain shareholder satisfaction. Regulators have the responsibility of representing the public interest, consisting mainly of the customers (rate-payers) and the stockholders. They must see that mobile phone service providers like Safaricom provide adequate service at reasonable rates, while also maintaining the financial viability of the firm. As such, the company has to satisfy the regulations governing the field in which it seeks to diversify, either in monetary terms (licensing), environmental compliance or through corporate social responsibility.

4.4 Discussion

The study sought to establish the influence of diversification strategies on the competitiveness of Safaricom (K) Ltd. Findings from the study indicate that Safaricom had adopted diversification strategies that were both related and unrelated. For the related diversification or concentric diversification the company had launched several products like Wi-Fi, internet connections and other business communication solution like biashara smart. In this type of diversification, technical knowledge turns out to be an advantage. This means that there is a technological similarity in the product or service which means that the firm is able to leverage its technical know-how to gain some advantage.

The company had diversified into unrelated areas like banking through Mshwari and also Machine to Machine (M2M) and mobile applications space. Lin and Servaes (2002) stated that in horizontal diversification, a company adds new products or services that are technologically or commercially unrelated (but not always) to current products, but which

may appeal to current customers. In a competitive environment, this form of diversification is desirable if the present customers are loyal to the current products and if the new products have a good quality and are well promoted and priced.

The study established that diversification had influences the firms competitiveness. Diversification has contributed positively both financial and in the wellbeing of Safaricom. The company had been able to build a very strong brand in the market to the point that was considered an opinion leader among its competitor. Johnson, Scholes and Whittington (2008) stated that diversification improves the competitive level of firms as firms seek to position themselves strategically in the mind of the consumer. This is achieved through design and providing the goods and services demanded by customer.

The study also revealed that product diversification has helped the company to take advantage of the evolution of market and future opportunities in industries of rapid growth by increasing products and brands for competitive advantage. In normal circumstances, firms diversify as long as they see the opportunity to consolidate their market power, which predicts a linearly positive relationship between diversification and profitability (Johnson, Scholes and Whittington, 2008)

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings from chapter four and also it gives the conclusions and recommendations of the study based on the objective of the study. The objective of this study was to establish the influence of diversification strategies on the competitiveness of Safaricom (K) ltd.

5.2 Summary of Findings

The study established that Safaricom had adopted diversification strategy driven by the desire to strengthen their current business and exploit new opportunities, another reason for diversification was to maximize on the existing resources and capabilities, beat the competition that was existing in the voice communication and also maintain its status as a leader in innovation.

The study also established that the company had adopted various diversification strategies which involved both related and unrelated products and services. Related products included business communication solutions like biashara smart, Zidisha biashara, video conferencing and voice conferencing among others. The firm had entered into strategic partnerships with device manufactures to sell devices that were tied to the company's products. The company had also moved into unrelated fields like banking through Mshwari and Machine to Machine (M2M) and mobile applications space.

The study established that diversification had influences the firms competitiveness. Diversification has contributed positively both financial and in the wellbeing of

Safaricom. The study also revealed that product diversification has helped the company to take advantage of the evolution of market and future opportunities in industries of rapid growth by increasing products and brands for competitive advantage.

5.3 Conclusion

This study concludes that one of the contributing factors to the success of Safaricom as a company had been diversification. The innovative culture within the organization had highly contributed to the success of the diversification strategy where new products and services that appeal to their customers have been launched to suit different market segments. Strategic partnerships had also worked to strengthen the strategy in reaching more clients with their service.

The study also concludes that through diversification the company has been able to increase its revenue streams and hence increased profitability. The company has also been able to stay above competition by taking advantage of market opportunities and utilizing them to enhance their products and services.

5.4 Recommendations

From the study findings it was established that Safaricom limited had effectively adopted diversification strategy that has given it a competitive edge over its competitors, it therefore recommends that the company should continuously review its diversification strategies guided by the market dynamics so as to stay ahead of competition.

The study established that innovation was a key driver in the success of diversification strategies adopted; it therefore recommends that the company should continuously encourage innovation among its employees by reward innovative ideas.

5.5 Limitations of the study

The respondents were reluctant to give information on strategy since it is at the core of design of the future of an organization and creating a competitive advantage over competitors. The respondents feared that the information would get to their competitors who could copy or counter Safaricom`s strategy. However the researcher assured them that the information would be used for academic purposes only and would be treated with confidentiality.

The study relied heavily on the views of all respondents in order to ascertain the influence of diversification on the competitiveness of Safaricom. In this regard, it is intricate to verify that their responses were indeed sincere, accurate and authentic with regards to diversification and competitiveness.

Most respondents were relatively busy hence not readily available to fill in their reponses owing to the busy nature of operations at the firm. The researcher therefore decided to interview them during breaks so that significant responses could be obtained.

5.6 Suggestions for Further Studies

This study has investigated the influence of diversification strategies on the competitiveness of Safaricom (K) Ltd. There are numerous areas that still require further research. The researcher would therefore wish to propose the following areas for further research on this study.

Influence of diversification strategy in other organizations, this will allow generalization of the findings to other industries. Influence of diversification strategy in other product development or the Influence of diversification strategy in performance of an organization.

To this end, a study should be carried out to investigate the relationship between innovation and the success of diversification strategies.

Moreover, a more detailed study should be carried out to investigate the influence of diversification strategies amongst other telecommunication companies in Kenya.

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APPENDICES

Appendix I: Interview Guide

DIVERSIFICATION AS A COMPETITIVE STRATEGY BY SAFARICOM (K) LTD

Part A: Background Information

- 1 Name of department
- 2 What is your designation?

Part B: Diversification Strategies

- 3 Why does Safaricom (k) ltd diversify
- 4 What are some of the diversification strategies employed by the Safaricom (k) ltd?
- 5 What approach of diversification does Safaricom Ltd take?
- 6 What is the role of diversification in sustaining business competitiveness?
- 7 Which are some of the benefits realised through diversification around the core business (concentric diversification) in your company?
- 8 In what ways has development and investing in knowledge and related capabilities enabled your company to undertake strategies of diversification?
- 9 Of what effect is accumulation of knowledge derived from past experience in enhancing capability of the Safaricom (k) ltd to improve and renew its operations?
- 10 What benefits are realized when Safaricom ltd expands into related lines of new products?
- 11 What is the effect of government regulation on diversification strategies?
- 12 What are some of Diversification motivations of your company?

Part C: Diversification and Firms Competitiveness

- 13 In your opinion what type of diversification result in higher levels of performance? In what way does diversification affect performance at the Safaricom Ltd?

- 14 How has diversification helped Safaricom ltd to take advantage of the evolution of markets and future opportunities in industries of rapid growth?
- 15 In what ways has employing diversification strategies helped your company become competitive in the mobile telephony industry?

Thank you

Appendix II: Introduction Letter

Dear Respondent,

I am a postgraduate student at the University of Nairobi undertaking a research study on **“INFLUENCE OF DIVERSIFICATION ON THE COMPETITIVENESS OF SAFARICOM (K) LTD”**. This is a requirement for the award of the Degree of Master of Business Administration.

I'm therefore requesting your assistance to fill the attached questionnaires by ticking and recording the appropriate answers. The information given will be handled confidentially, and will only be used only for academic intention.

Yours Sincerely

Beatrice Kering'