

**MARKET ENTRY STRATEGIES ADOPTED BY MULTINATIONAL SMARTPHONE
COMPANIES IN KENYA: A CASE STUDY OF TECNO MOBILE**

WYCLIFFE AMOLLO ONYALO

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DECLARATION

This research project is my original work and has not been submitted for examination to any other University.

Signature..... Date.....

WYCLIFFE AMOLLO ONYALO

D61/72534/2014

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

Signature..... Date.....

DR. JOHN YABS

SENIOR LECTURER

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

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DEDICATION

I dedicate this project to my little boy Alvah Griffin, my wife Cynthia and all those who wholeheartedly supported me in the completion of this project.

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ABBREVIATIONS AND ACRONYMS

MNCs	-	Multinational Corporations
MSCs	-	Multinational Smartphone Companies
R&D	-	Research and Development
OEM	-	Original Equipment Manufacturer

ABSTRACT

The choice of market entry strategy is very important in the entrant's future decisions and performance in foreign markets due to complex, continual change and dynamic business environment. Most firms have adopted entry strategies that will preposition them to take advantage of the chances in the economy in a manner that is bearable. This made it important to find out how those strategies have been adopted in organisations. The study therefore sought to establish the market entry strategies adopted by multinational smartphone companies in Kenya, with specific focus to Tecno Mobile. The findings of this research might help scholars undertaking studies on entry strategies used by multi-nationals companies when entering the Kenyan Market. A case study research design was used to collect primary data through interview guide from heads of department at Tecno Mobile Kenya. Content exploration method was employed in scrutinizing the data collected. The findings revealed that several factors such as returns on investment, exit costs, risk exposure, the degree of adaptation of smartphones, marketing and transportation costs were the factors that influenced Tecno's choice of a market entry strategy. Indirect exporting strategy was the key market entry strategies Tecno used to establish its presence in the Kenyan market. Indirect exporting involves selling of goods or services to or through an intermediary and it's a relatively cheap and straightforward way to enter a new market. Licensing strategy was used in making high technology co-operation in the world while the local parties resort to strategic alliances. Therefore, licensing agreement provides accessibility to foreign markets from end-to-end foreign production devoid of the obligation of investing in the foreign location. Another strategy employed by the company to enter Kenya market was Innovation. This strategy focuses on firms innovating products that appear different from their competitors and is aimed at making them earn a competitive advantage over others. The study found that fierce competition from counterfeit phones, poor infrastructures, availability and cost of electricity as some of the challenges the company face in using the market entry strategies. The study recommended that Tecno Company expand to other African markets using the same strategies it employed in entering the Kenyan Market. The study further recommended that, to stay ahead of the competition, Tecno Company will need to produce tailored products to target specific needs of different market segments.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Lately, strategies adopted by Multinational Smartphone Companies (MSCs), and what implications these strategies can have for MSCs, have received increased attention (Fang, Fridh and Schultzberg, 2004). Plentiful of the globe's trade and industry currently is consigned in MSCs. According to Kotabe, Michael and Murray (2008), a national establishment refers to an initiative that assigns firm wealth devoid of nationwide limits, but is all over the country grounded in relationships to possession and topmost supervision. In regard to Dunning (2001), MSCs has played the most important part in transnational trade over the last numerous eras. Essentially, MSCs are universal companies that have assembly localities in over and above solitary state. Multinational firms' origin lie in their self-desire to increase profits and sales. Outside the country in which MNCs are based, these enterprises tend to own or control production or service facilities. In most emerging frugalities, a number of MSCs have become attractive in the worldwide economy as a result of global economic downturn which has spurred companies even more to explore prospects in that part of the globe (Terpstra and Sarathy, 2013).

In developed countries, companies concerned with overhauling alien markets are anticipated to use a choosy strategy with high chances of favouring entry into additional eye-catching markets. This is due to the fact that their likelihoods of gaining advanced returns are healthier in eye-catching markets. Additionally, based on market potential and investment risk, the desirability of a market has been categorized. Arriving at foreign market requires numerous choices and a lot of consideration in needed when choosing the right strategy. In most cases, trade-off among the

amount of control an organization wants and the level of commitment of resources are mostly involved during choosing for a strategy. Before choosing a market entry strategy, an organization should take time to evaluate its business standing, its strengths and weaknesses (Johnson, 2008).

In developing countries, Multinational corporations (MNCs) engross in valuable and dynamic undertakings. These activities include generating employment opportunities and increase availability of better quality products (Johnson, 2008). Additionally, MNCs add the serious economic structure and massive resources for social and economic development. In recent years, MNCs like local companies have been confronted with growing opposition ascending from numerous bases that include conglomerates (Malhotra, Agarwal and Ulgado, 2013). Regardless of the competitive challenges encountered and the difficulties in coping with the task of downfall and competition in the process, these enterprises seem to be doing extremely sound. Nevertheless, how MNCs are capable of coping with the encounters is worth bearing in mind, and thus the necessity for carrying out this study.

1.1.1 Concept of International Business

International business and trade encompasses the spread of information and the interchange of ideas, money and products. International business has backed the development of the globe from trade, spread of cultural impacts, travel, movement and the distribution of information and considerate which include science and technology (Bhagwatim, 2002). Nevertheless, some critics often tend to neglect these characteristics of international business.

Over several decades, international business has been one of the main foundation of intercultural connections which develop prospects that can engender facts. According to Broda (2005), international companies have the capacity to create and verbose information inside a nation in

which maneuvers occur. Additionally, Becker (2003) argue that unavailability of a vibrant knowledgeable environment as a result of inadequate international business activities in these regions is the main hindrance to expansion in the deprived nations of the biosphere.

Bardouille, (2005) notes that the need to contend in the global market has made small and enormous businesses create planned strategies to take their business globally. Firms find opportunities to do businesses overseas with the internet regarded as the main source of worldwide networking and technology progressing quickly to upkeep a global economy. Thus, intensifying firms globally is not a new practice to many multinational corporations.

1.1.2 Market Entry Strategies

According to Worthington and Britton (2014), first-hand arcade entries are ways through which firms increase their businesses with its expertise, human skills, products, and other assets. Additionally, Sharma and Erramilli, 2013) posit that entry modes are organizational settlements which permit companies to monitor and evaluate their merchandise marketing policies in a horde nation through performing promoting procedures, or both manufacture and publicizing processes in so doing the situation or in corporation with others. Contemporary eons has accommodated increased attention in developing parsimonies, or developing marketplaces ranging from big business, administrations and academics comparable. Additionally, some of the primary ins and outs for their established lure is amalgamation of elements that include monetary liberalization, inundation of industrialized nation-markets, and occurrence of recognizable objective marketplace with cumulative throwaway capital and advertising influence of the internet (Arnold and Quelch, 2014).

Additionally, most firms effectively function in a flea market devoid of forever being addicted to upcoming marketplaces. Nevertheless, more or less companies attain improved transactions, product alertness and trade steadiness through arriving at arising marketplaces. Common business strategies employed by MNCs can be classified into the following categories according to Terpstra and Sarathy (2013); Exporting, which refers to the publicizing of goods manufactured in one nation to another. Exporting can be further segmented to Indirect and Direct Exporting.

Furthermore, strategic alliances refer to business relationship created by more than two companies to share risk to achieve a mutual objective; Establishing Wholly Owned Subsidiaries is another market entry strategy which is the greatest method of contribution is one hundred percent (100%). This comprises the utmost obligation in capital and managerial effort; Foreign Direct Investment which refer to the formation of invention services in abroad nations, thus representing additional direct involvement in the local economy (Worthington and Britton, 2006).

1.1.3 Mobile Telecom Industry

Market for mobile phone comprises handsets of both analog and digital type which are used for mobile services such as telephony. Market values are assumed at retail selling price (RSP). Furthermore, market volumes for a specific time are referred to as the quantity of consignments to end-users which include both renewal purchases and new uptake. The Kenyan mobile phone market delivers a vivacious instance of how enlarged rivalry in market for mobiles can sprawl into all zones of the telecom industry through use of aggressive methods on operators to resort to hurried and come together services to advance their market situations.

The choice by the Communications Authority of Kenya (CAK) to compromise amalgamated licenses in 2008 have led to recent tendencies which extrapolate that CAK has the capability of creating a fast progression and expansion in most fixed markets (Mureithi, 2011). In 2008, the Kenyan mobile market turn out to be melodramatically extra viable. Additionally, the primary drive for growth in the telecommunications and the information technology sectors is the fast rate at which new technology is implemented. This has extended the market potential through introduction of new services and developing new capabilities to key players, as well as reducing their costs.

Furthermore, Coyne (2008) identified government exertions to alter the monopoly situation of the nationwide communication carriers and international privatization as the major determinants of growth and competition in the telecommunication industry. The purchase and use of cell phones in Kenya is not only seen through the upsurge in the number of subscribers and providers, but also in enduring development of the country and the kinds of services that are provided. As such, a plethora of services to cater to the needs of every single customer due to the fact that cell phone industry is an ever expanding industry is a clear indication that there is always room for innovation and growth in this sector.

1.1.2 Tecno Mobile Company

Tecno is a Chinese multinational telecommunications, networking equipment and services companies (Lau and Hurly, 2012). Furthermore, Lau and Hurly, 2012) posit that Tecno ranks amongst the biggest companies in the world that deal with telecommunications equipment. In July 2006, Tecno Mobile conglomerate was started in Hong Kong and the first research and development (R&D) centre in Shanghai, China as Tecno Telecom Limited. Nonetheless, it well

along transformed its name to Transsion Holdings with Tecno Mobile serving as one of its subsidiaries (Kotabe, Michael and Murray, 2008).

The core missions of the company is to consult services and equipment to enterprises inside and outside of China, build telecommunications networks, provide operational and manufacturing communications devices for the consumer market. Furthermore, Tecno Technology Company employs more than 140,000 employees, with roughly 46% involved in R&D (Kotabe, Michael and Murray, 2008). It has more than 20 R&D establishments in nations such as Germany, Russia, United States of America, Sweden, China, Ireland, Turkey and India. Techno's products and services have been positioned in more than 140 countries and it currently serves 45 of the world's 50 largest telecoms operators, thus resulting to the involvement in the society's sustainable development, the environment and the economy at large. Per se, Tecno constructs green solutions which empower reduction in power consumption by the customers, carbon emissions, and resource costs.

Tecno has accomplished great success in translating unconventional technology into superior localized products. The company was the first to produce a dual SIM mobile phone brand in Africa, and staying true to the maxim "think globally, act locally". Furthermore, the company puts substantial deliberation on the clientele's understanding and endeavors to offer the customer with the most suitable products for their environment by adopting the latest innovative technology. Africa is a dissolute developing region for Tecno, where essential business zones include solutions for operators, global Services, consumers, and enterprises. According to William (2013), there are more than 60 operators in more than 20 African countries, including Kenya that have deployed Tecno technology solutions.

Tecno owns an inclusive merchandise portfolio that include all classes of phone equipment which include feature phones and smartphones. Due to the fact that R&D centre is based in France, Tecno Kenya designs their products at the top level with the main aim of giving consumers the best product at the best price. In addition, the firm's phone devices have been very much preferred by consumers because of their high-performance in internet experience, an excellent service support network, high quality and powerful recreational function and lower prices.

1.2 Research Problem

The choice of market entry strategy significantly influences the entrant's future decisions and performance in foreign markets due to complex, continual change and dynamic business environment (Gathirua, 2013). Most firms have adopted entry strategies that will preposition them to take advantage of the chances in the economy in a manner that is bearable (Lau and Hurly, 2012). Some of the alternative entry strategies have been considered by MNCs include exporting, licensing, franchising, joint ventures, strategic Alliances, establishing wholly owned subsidiaries and foreign direct investment (Malhotra, Agarwal and Ulgado, 2013). However, choice of the entry strategy emanates from related costs and challenges and can ultimately lead to failure or eventual success of the international firms.

In spite of these encounters and factors to consider, there are copious opportunities accessible and unexploited markets in emerging economies that multinationals seek to capitalize on (Philippe, 2009). A number of corporations have been successful and have considerably increased their wealth through expansion to foreign markets in emerging markets. Some multinational corporations have not been as lucky and have had to either change strategy or close shop all

together. For example, G4S which was established in 1969 as Securicor by the acquirement of three companies: Night Security Thika (NST), K9 guarding company and a Mombasa based Guarding Services Company has proved to be successful as the company has since grown to be a leading multinational employing thousands of employees (Nakata and Sivakumar, 2013). On the other hand, the Intercontinental hotel operates under the franchising strategy, while Knight Frank and Daly & Figgs law firms operate use partnership as their strategy all of which are successful (Kotabe, Michael and Murray, 2008).

Numerous researchers have done all-embracing studies on market entry strategies adopted by MNCs in businesses which include manufacturing, energy and service (Mulaa, 2014), but none has carried out studies on market entry strategies adopted by Tecno Mobile Company in Kenya. A study by Mugambi (2011) focused on foreign market entry strategies embraced by companies in the export processing zones (EPZ), Gichui (2011) studied foreign market entry strategies adopted by Eco Bank Kenya Limited (EBK) to come into the Kenyan market, Cherop (2011) researched on the foreign market entry strategies used by Fina bank Kenya when entering the East African market, while Wachari (2010) studied the contributing factors of foreign market entry strategies embraced by Kenyan companies in picking and entering international markets. As such, there was a persuasive need to investigate the strategies being embraced by international companies in entering this competitive environment and the strategies that had enabled them to survive the increasingly more challenging competition due to increased competition in this sector. Information gap therefore existed. The study sought to determine the market entry strategies adopted by Tecno Mobile in Kenya.

1.3 Research Objective

The main objective of this study was to establish the market entry strategies adopted by multinational smartphone companies in Kenya; a case study of Tecno Mobile.

1.4 Value of the Study

This study added to obtainable literature on the market entry strategies that MNCs adopt to arrive in the Kenyan market. Additionally, the study out housed understanding on the factors that make MNCs vacate their domestic markets and go into foreign markets. The findings of this research was significant because it was of help to scholars undertaking studies on entry strategies used by multi-nationals when entering the Kenyan Market.

This study was of great importance to foreign multinationals since the study brought out entry strategies that had ensured success and those that had not. Existing multinationals may have used the study as a basis of changing strategy to increase their presence while new corporations may have used the study as a starting point in determining what entry strategy to employ.

Furthermore, the findings from both the theoretical and empirical studies were of importance to the academicians and professionals working with international organizations. Therefore, the study results aided the government in the areas of planning and policy formulation to create a favourable business environment for foreign investors.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter contains writings on theoretical framework, related to market entry strategies which include innovation strategy, licensing strategy and joint venture strategy and the conceptual framework.

2.2 Theoretical Foundation of the Study

This study was guided by The Internalization Theory of the Multinational Enterprise, Dynamic Fit Model and Transaction Cost Theory.

2.2.1 The Internalization Theory

The Internalization theory of the Multinational Enterprise (MNE) was founded by Mark Casson and Peter Buckley in 1976 (Buckley and Casson, 2009). This theory states that there was an instantaneous manifestation of 5 fundamentals that resulted to the speedy progression of internationalization of businesses in the world subsequently after the World War 2. The five elements included efficacy and scales economy advances in awareness production; teething troubles related to bring together exterior markets for the new knowledge; the upsurge in plea for technology intensive products; growing room for tax lessening by use of transferal pricing and reductions in international communication costs (Rugman and Verbeke, 2003). According to Buckley and Casson (2009), internalization of a business takes place mainly to the fact that the paybacks equal the costs and that there are 4 cliques of considerations that are significant to the internalization decision. These decisions include first, precise aspects of the industry which are

associated with the product's nature and the external market arrangement; secondly, region-specific factors that are related to number of firms in the market and trading blocs restrictions; thirdly, company-specific aspects, with emphasis on the aptitude of the supervision to bring together an internal market and state-explicit issues that include management strategies (Rugman and Verbeke, 2003).

This theory represents a milestone research on the economic investigation of the MNE and it delivers a demanding clarification of the functioning and existence of Multinational Corporations (MNCs) in a global market (Rugman, 1980). According to Sakarya et al., (2011), the main feature of global market is the upsurge in outsourcing by cosmopolitan establishments, and that MNCs have little dependency on a domestic market, thus adopting practices which minimize the consequence of national policies can lead to movement outside the reach of any system of politics in their home countries. These movements can be related to the operations as affiliates, parent by merger, or have substantial autonomy.

According to Bernard and Koerte (2007), majority of overseas conglomerates that manufacture goods has been envisioned by markets in host nations since the advancement of the 1970 era. Additionally, new monetary enticements during the 1970 era caused companies to commence contracting out manufacturing of commodities for markets across the developed nations to manufacturing facilities in developing countries. During the 1980 era, the accessibility of global financing permitted industrialists to set up production amenities in developing economies, in order to meet the growing demand by MNCs for offshore production. Furthermore, in 1980 and 1990, and into the year 2000, there was a notable surge in Foreign Direct Investment (FDI) on corporations leading to over 40,000 international companies that presently function in the worldwide frugality, as well as roughly 250,000 foreign associates that run their businesses over

the continent (William, 2013) and some 213 MNCs have operations in Kenya (Oloko and Ogutu, 2012).

2.2.2 International Product Life Cycle Theory (IPLC)

Vernon (1966) and his associate Wells (1968) developed International product life cycle theory (IPLC) to explain international trade patterns in the marketing literature. The theory has become the most useful theory in explaining international growths of productions and sales companies. Due to this fact, there has been valuable certainty in clearing up certain kinds of FDI (Albaum et al., 2005). This is majorly accredited to fast technological progression and the development of international innovativeness. In terms of agreeing to product life cycle stages in the domestic market, there is little incentive for substantial export before the start of competitive growth.

IPLC states that “efforts related to produce and initialism in the life-cycle of the product’s come from the area in which it was invented” (Vernon, 1966). Throughout the progression, innovator nations of the new products are originally exporters, during which many manufactured goods undergo a trade cycle. After that, innovator nations lose their competitive advantage to their trading partners thus ultimately becoming importers of the product some years later.

2.2.3 Transaction Cost Theory (TCT)

In most cases, Transaction cost theory (TCT) attempts to explain the costs of transacting in the market (Brouthers and Hennart, 2007). In regard to Transaction cost theory, limits of organizations remain decided by companies opting for the power organization which reduces the expenses of transactions in booming out the accomplishments (Williamson, 1985). TCT is grounded on twofold interactive expectations which include restricted rationality and

unscrupulousness. Furthermore, three features which include inner and exterior uncertainty, asset specificity and task rate of recurrence impact operation costs thus playing a major role in the selection of governance structure (Williamson, 1985).

Furthermore, Anderson and Gatignon (2012) posit that entry approach choice is a trade-off amongst control and resource obligation. Companies exploit market in case the transaction overhead of functioning in a specific overseas markets are truncated. As such, defaulting entry approach beneath the transaction cost viewpoint is a little resource pledge method which include exporting. The necessity for control is greater in situations where transaction expenses of functioning in most outdoor markets are sophisticated. Therefore, companies have the obligation to be involved in entry methods include advanced commitment of resources which comprise of establishing a subordinate overseas (Williamson, 1985).

2.3 Market Entry Strategies

According to Root (2011), market entry strategies are utilitarian agreement that creates likely the entrance of a company's merchandises, knowhow, humanoid skills, managing, or other resources into oversea countries. The significance of the calculated cognitive and decision-making is constantly rising due to the fact that companies are gradually engrossing in global business. Koch (2013) argues that to some extent market entry approach possess assortment markets that go in every entry approach for collective market. Koch (2013) further posit that market assortment criteria comprises of phases which include initial screening, proof of identity and final selection. Markets are assessed at each phase grounded on factors which include level of economic development, country environment, psychic distance, market-based factors,

competition, market size and growth, availability and cost of production factors, information and market knowledge (Sakarya et al., 2011).

In selecting a market entry approach, numerous trade-offs are used, and each of which has its own rewards and drawbacks. Companies hunt for an entry approach which harvests the anticipated quantity of control in excess of operations in the oversea country, despite the fact that it obeys a company's resource manacles and restraining the danger expected. Root (2011) argue that to increase superior control, firms have to obligate extra resources to far-off markets, thus take responsibility of better market and dogmatic dangers. Additionally, Anderson and Gatignon (2012) suggest that the selection of entry mode is a task of trade-off flanked by control and resource commitment.

Quite a lot of diverse cataloging of the all-purpose entry approaches accessible to most companies have been recommended. Furthermore, all-purpose entry approaches have been categorized as both low, medium and high-control modes (Root, 2011). Furthermore, centered on fifteen explicit entry methods offered by Root (1987), Johnson (2008) suggests the subsequent entry approaches which include export strategy, license and franchise strategy, alliance strategy, joint venture strategy and wholly owned subsidiary.

According to Basche (2006), the entry mode chosen proposed by Johnson (2008) have an influence on the level of control MNCs have on most venture. Cavusgil et al. (2013) argue that some entry modes, for instance exporting and licensing, are associated with low levels of control over operations and marketing. Additionally, these entry modes are related to lower levels of risk. In distinction, other entry modes which include full ownership of conveniences and joint ventures involve more control, but bring about additional risk (Anderson and Gatignon, 2012).

Therefore, it is significant that fine thought out decisions are made due to the fact that drawing back an unsuitable entry strategy choice can be problematic. An enormous group of inquiries scrutinizing some of the issues tangled in companies' market entry approach has gone forward on account of the prominence of entry strategy decisions.

2.3.1 Innovation Strategy

Mulgan and Albury (2013) posit that effective innovation is the conception and execution of emerging developments, merchandises, amenities and ways and means used in conveyance that lead to noteworthy enhancements on matters regarding outcomes proficiency, efficiency and quality. Additionally, Stern (2012) argue that chief international companies in the turf of amalgam technology have begun to merge in the fight for market dominance and stronger competitive position. Woolridge (2010) did a study on the innovation strategies adopted by MNCs in the United States of America. He found that components of contemporary business such as recruitment, supply chain management and retention are reinvented on one emerging market after another. Woolridge further argued that ancient expectations about invention are now being thrown down the gauntlet with the success of the MNCs. Innovation in emerging markets is not how products are redesigned to apt innovative clusters of customers, but reshaping the entire business progression.

Aghion, Carlin and Schaffer (2002) did a study in Croatia, and found that MNCs display extra predisposition in the direction of carrying out innovation activities in evaluation of foreign companies with domestic owners. They further found that knowledge primarily within MNCs boosts perform innovative approach prospects within local businesses. A vital incentive intended for innovation strategy expansion is the innovation capacity of domestic businesses which

include the capability to perform innovative activities. Johanson and Vahlne (2011) indicated that technological competences in several domestic businesses are thoroughly related to accumulation of transnational knowledge of MNCs and amassed obligations to overseas markets. Holm and Sharma (2006) add that after a while oversea investor businesses inspire upsurge of technological activities contained by their elements where alien investor inventiveness that offer a daring act to local opportunities.

Mokaya et al (2012) carried out a research on the adoption of innovation strategy in the airlines industry in South Africa. Mokaya et al (2012) found that the choice of innovation strategies by an organization influenced industry competition and the strategies determine the organizational performance. Their study mainly focused on airline industry and not on other sectors. On their part, Oloko and Ogutu, (2012) found that the strategies adopted by multinational banks were influenced by competition forces in the industry. They however did not look at other sectors like smartphone companies which this study aims at studying.

Nassimbeni (2001) did a study in Uganda and posited that innovation measurements is tightly connected with product adaptation when companies commence internationalization of their business activities. As such, the proficiency of a company's running in regard to detailed market demand is critical. This is due to the fact that in most companies, innovative product and/or processes cost is not standardized. Additionally, Sanna-Randaccio and Veugelers (2003) indicated that the main task for MNCs is to treasure trove an administrative system which has the capability to transfer know-how across units and locations, allowing locally generated know how to be used in most global corporations. Majority of the academic research illustrate that parent companies have optimistic effect to domestic companies and their innovation activities through transfer of knowledge (Damijan et al., 2003).

In their study, Oloko and Ogutu (2012) argued that MNCs are faced with innovation difficulties and that the entry of new products in market based in Kenya necessitates the designing of strategies that are competitive to assure performance. These scholars state that MNCs plays a major role in international trade and that they are key players in the global economy through their activities in Third World Countries, Kenya being one of them. It is this importance and the need for a more focused research on MNC's strategies to counter innovation difficulties that has brought the need of this study.

2.3.2 Licensing Strategy

According to Stern (2012), licensing is a votive pact among two corporate bodies where the licensor allows the licensee to practice a brand name, patent, or other proprietary right, in interchange for certain amounts of income. Licensing allows unexceptional services to be conspicuous from those of rivals. Furthermore, the licensor profits from the expansion capital and skills (Stern, 2012). Licensing is over and over again applied by companies when entering oversea markets in which they have no expertise.

A study by Rauch and Watson (2003) found that licensing is satisfactory over other entry methods in the subsequent circumstances; import and investment obstacles; lawful defense likely in target environment; large cultural distance; low sales potential in target country and where the licensee portray deficiencies in becoming a contestant. Furthermore, Basche (2006) posits that licensing delivers businesses with lots of benefits which include prompt entry into foreign markets but inadequate income necessities to launch firms in oversea countries. In addition, licensing is of great importance in that, in spite of the little level of home-grown participation

obligatory of the global licensor, the business is fundamentally indigenous. Consequently, import obstacles such as regulation or tariffs do not apply (Basche, 2006).

Tallman and Shenkar (2004) did a study on the shortcomings of licensing and found that control over usage of possessions may perhaps be mislaid over marketing. According to Tallman and Shenkar (2004), the licensee usually has to get endorsement from the transnational merchant for merchandise design and specification. Tallman and Shenkar (2004) further add that the licensee is not a demonstrative of the global merchant and is greatly more of a sovereign commercial that licenses merely a precise and thoroughly distinct facet of the marketing offer when compared to a distributor. Possibly, the greatest significant drawback of authorizing involves running the jeopardy of making upcoming domestic contenders. In technology firms, this is has become predominantly real in situations where a design or progression is licensed to a domestic firm, consequently enlightening “secrets,” in the form of intellectual property that would or else not be accessible to that domestic firm (Mulgan and Albury, 2013).

In their research on the strategies adopted by multinational corporations in Kenya, Oloko and Ogutu (2012) found out that the utmost widely held approaches assumed by large corporations include enhanced quality, exceptional service for the customers, innovation and differentiation, with each scoring a mean as follows; 4.48, 4.48, 4.43 and 4.29 in that order. They concluded that strategies that MNCs adopt in Kenya are influenced by level of ownership which stood at 61% of MNCs being foreign owned and 39% were domestically and overseas owned. Other strategies that MNCs adopt include cost cutting processes, branching out, strategic pacts, joint venture, unions, acquisitions and inferior prices to cope with difficulties in competing. However, their study did not focus on licensing strategy.

2.3.3 Franchising Strategy

Franchising is comparable to licensing even though it encompasses extended time commitment. With a comparatively little capital investment, franchising bids the potentiality for fast development. In addition, Cherop (2011) posit that while having the ease of knowing that each location is being worked on by an independent business owner, franchise firms tend to keep in mind a momentous level of control over the use of their brand and system. Furthermore, in franchising, more or less of the rights are sold by the franchisor so as to be used in branding their name in return for a lump sum and share of their franchisee forthcoming revenues. According to Nyaga (2014), franchising is a market entry approach besides a hybrid way of bring together the industry by instituting a rapport between the agency and the franchisees.

On the other hand, franchising is an influential exemplary that has a confirmed history of assisting business possessors and individuals to comprehend their dreams (Rugut, 2012). Franchising encompasses the coming together of parent companies and numerous small businesses. Parent firms trade to the smaller companies the right to mete out their products or use their trade names and processes (Cherop, 2011). In almost all cases, a contract governs the recognition of agency affiliation among the company's parent and the franchisee, which is referred to as the franchise contract. The indenture outlines the terms and state of affairs of the agency and the duration of the relationship. Furthermore, Mbindyo (2013) adds something that others are willing to pay for, such as a name, set of products, and the availability of willing and able franchisees is mostly fruitful in cases where franchise calls for their control.

2.3.4 Joint Venture Strategy

Joint venture has gained acknowledgement in the present day's global market and most of the cosmopolitan companies have been able to to achieve momentous development by use of alliances such as joint venturing. Still, a number of firms from diverse cultures and backgrounds emanate as one to work in partnership with the intention of adventuring to each other's fitness to advance a viable benefit. Parties from whichever side have the mandate to pool skills and knowledge, share assets and ownership, mix employees and amalgamate management as soon as they get intricated in a joint venture (Terpstra and Sarathy, 2013).

In his study, Stiles (2011) found that the idea of intercontinental joint ventures has been embraced whole heartedly by the business world due to the rapid change in the global market. Additionally, he added that currently, joint ventures are well thought-out as instruments for fast development and sustainability in the market. The progression of joint venture has been of assistance to a large number of firms on matters concerning entrance to inaccessible markets, development of new ideas and changing of the conventional structure and methods that prevailed in the industry (Stiles, 2011).

A study by Ling et al. (2011) found that in joint ventures, firms pool their assets and knowhow using other corporations, and as such, the corporations share the benefits or risks of that emanate from their new venture. They further found that joint venture encompasses continual sharing equity and risks and also involvement in management amongst partners thus establishing a long lasting, profit seeking relationship. Rauch and Watson (2013) also outlined that the benefits of joint venture include capital saving and reduction in restriction of resources for overseas nation operations. On the other hand, Lau and Hurly (2012) posits that the dangers involved in market

entry are minor, thus joint venture between firms is highly important resources in factors such as local knowledge and capabilities.

According to the study by Tylecote and Ramirez (2005), a large number of joint ventures carried out in third world nations consist of enormous MNCs that participate in a range of other joint ventures and run wholly owned subsidiaries in other parts of the world. Tylecote and Ramirez (2005) further argue that third world nation firms that are MNCs' joint venture partners, though they may be quite large by local standards, are often dwarfed by their MNC partners. For example, one of the possible source of difficulty is the differing basic objectives of the two types of firms. An MNC may decide for the joint venture to function in a way that is optimal from the standpoint of its entire global network, not purely within the local market on which their domestic joint venture partner typically focuses.

2.3.5 Exporting

Exporting is the most common strategy used by firms that begin to enter new markets. The firm produces the products in the home country and then exports them to a foreign market. Cavusgil et al (2009) observes that this trade mode is the first natural step for foreign expansion in universal trade. Because of its involvement in little investment, exporting is a relatively little risk entry strategy (Hitt, 2009).

Terpstra & Sarathy (1997) classify exporting into direct and indirect export in regard to diverse gradations of participation. In indirect exporting, the firm does not need to undertake the export operations such as documentation and freighting within its organization, instead they rely on domestic based intermediaries. The central benefit of indirect exporting is that a firm can access a foreign market without much complexity (Doole & Lowe, 2001). Direct exporting is where

companies carry out the export task by themselves more willingly than hand over it to others. The company has complete control of its export in the new market (Johansson, 1997)

2.3.6 Wholly Owned

Wholly-owned companies encompass the setting up of businesses in external locations that are possessed exclusively by the investing corporate. In wholly-owned entry mode, the parent company which is the investor parent is in complete control of operations but also have need of the ability to deliver the desirable capital and management, and to take on all of the risk (Kaberia, 2013).

Additionally, it is every so often the favored choice in situation where businesses are proficient of the investment and control is significant. Majority of the current firms go for joint ventures or strategic alliances, even in cases when they are financially proficient of hundred percent (100%) ownership due to the fact that they have the sensation for local input from local partners, or specialized input from international partners (Sylvester, 2010).

2.3.7 Management Contracting Strategy

Management contracting is another entry strategy where companies set up their own organization in the foreign country or region so as to have full control on the same. Management contracting entry strategy is beneficial in the expansion of organization in situations where the obligatory management and the technical skills are hard to attain domestically (Palmer 2008). Contracts are effective for companies with talents that are not being copiously exploited at home and in demand in foreign locations. In addition, they are comparatively stop gap and allow for

tractability, hence fixation of the fees so as to have knowledge on revenues in advance (Munyao, 2013).

This intercession consumes a lot of time, is costly, and needs skill at cross-cultural negotiations. According to Kaberia (2013), revenues are expected to be irregular and the company must have the ability to endure times when there is no materialize new contracts. The main disadvantage is their short-term nature, thus necessity to cultivate new business constantly and negotiate new contracts for contracting firms (Sylvester, 2010).

2.3.8 Mergers & Acquisitions

Machiraju (2003) describes a merger as a process where two firms merge with only one surviving and the other going out of being as it is merged in the other company. In getting hold of, one company (acquirer) gets control over the other company (acquired) at the readiness of each of the companies (Machiraju, 2007). A merger encompasses two comparatively equal firms, which has an association of becoming one legal entity in regard to the aim of creating a firm that is valued more than the sum of its assets. An equal number of shares in the merged entity is swapped for between shareholders involved in merging of dualistic companies that typically have their shares in the old firm. The combined business can reduce expenses and maximize income generation as well as give a helping hand in shareholder values for both groups of shareholders (Jensen, 2006).

According to Thompson et al. (2008), combination of operations of companies through merger or acquisition is an attractive strategic choice in that it helps in attaining operating economies, firming up the resultant competitiveness and competency of a company, and opening up avenues of new market opportunity. Many merger and acquisitions are motivated by strategies to achieve

the following; cost efficient operations out of the joint companies; increase a firm's geographic coverage; spread out the firm's services into new product categories; advance accessibility to new technologies or other resources and competitive advantage; and to try to invent a new industry (Karim and Michelle, 2000). Organisations will want to come across the improved heights of share capital; increase circulation network and market share; and to get assistance from best worldwide practices amongst others (Jensen, 2006).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This part highlights the study approach which is followed to achieve the objective of the study. It includes research design, data collection and methods for data analysis.

3.2 Research Design

The study involved a case study research design. According to Yin (2003), a case study was deemed suitable since it's an experimental inquiry which examines a present-day spectacle contained by actual framework mainly when the limits among phenomenon and situation are not clearly evident. Hartley (2004) also posits that a case study refer to inquiries involving thorough exploration of phenomena with the goal of understanding how activities and/or processes are prejudiced by and effect framework and where framework is intentionally part of the design. The use of case study comes in handy when a detailed examination of discrete group, establishment or occurrence is required (Ngechu, 2004). A case study may aid in discovering causation in order to observe the vital principles since it provides an in-depth exploration of a single individual, group, institution or phenomena. The facts attained are typically much comprehensive, diverse and more widespread. Ngechu (2004) designates that a case study, in most cases, involves qualitative data.

3.3 Data Collection

In this study, an interview guide as primary data gathering instrument. Primary data was obtained by use of interview guide from head of departments which will be the Chief Executive Officer, Information Communication Technology, Marketing, Research and Development, Procurement, Human Resource and Administration, Maintenance and Finance. This made a total of eight interviewees.

The interview guide comprised of questions intended for tracking down data on market entry strategies adopted by Tecno Mobile Company in Kenya. An interview guide is valuable in guiding the researcher in the direction of the topic under study (Cooper and Schindler, 2003).

3.4 Data Analysis

Content exploration method was employed in scrutinizing the data collected. This was done through a systematic in depth qualitative explanation of the objective for the study. Additionally, it comprised of detailed description and observation of things, objects or items which are involved in the study. As such, there was a possibility of analyzing and logically grouping the large quantity of data and compiling the rest of the study. The researcher further used the data to present the research findings about market entry strategies adopted by Tecno Mobile Company in Kenya.

CHAPTER FOUR

DATA ANALYSIS

4.1 Introduction

This chapter present information on the market entry strategies embraced by multinational smartphone companies in Kenya; a case study of Tecno Mobile. The researcher used the interview guide as the main data collection instrument. A qualitative content analysis was employed.

4.2 Demographic information

The interviewees were asked to indicate their position in the organization. Most of the interviewees indicated that they were Sales and Marketing managers.

The study also requested the interviewees to indicate how long they had worked with Tecno. Majority of the interviewees stated 2 years as duration they had worked with Tecno while other interviewees indicated 1, 3 and 6 years as the duration which they had worked with Tecno respectively.

Additionally, the interviewees were asked to indicate how long they had been holding their current position. Most of the interviewees stated 1 year as duration they had been holding their current position while other interviewees indicated 4 years as the duration they had been holding their current position.

The interviewees were asked to indicate the decisions they were involved in. The majority of the interviewees indicated that they were involved in strategic decisions. Strategic decisions involve

matters such as monitoring management functions, planning and directing, but commonly in partnership other managers; also they are responsible for plan, quality, and budget, but not for the people associated to functions such as discipline and training.

The study went ahead to ask them to indicate the major services offered by Tecno Mobile Company. Most of the interviewees indicated smartphone vendor as the major services offered by Tecno Mobile Company.

4.3 Market Entry Strategies

The study asked the interviewees to state how a company chose its market entry strategy in a given market. According to the study findings the interviewees indicated resource commitments, degree of control over the operations, returns on investment, exit costs and risk exposure as the factors that influenced Techno's choice of a market entry strategy. Kenya is one of the main user of mobile phone in Africa and this has encouraged the Tecno in selecting Kenya to enterprise its products. Kenya has undergone sporadic alterations as the liberalization process of the telecommunications sector began and has become more dynamic in the sector as the (Information, Communication and Technology) ICT industry grows.

The study further asked the interviewees to state the market entry strategies that Tecno use to establish its presence in the Kenyan market. From the research findings, majority of the interviewees designated exporting (direct and indirect) strategies as the market entry strategies that Tecno use to establish its presence in the Kenyan market. Exporting (direct and indirect) strategy, has many advantages some like the ownership of proprietary product or technology, decreasing of administrative overlap, better integration of new product development, experience to enhance the advantage in managerial processes, operational flexibility and innovativeness,

size of the firm, availability of the managerial expertise, level of involvement in international market through affiliates and financial commitment for maintaining indirect and direct operational control over its exclusively possessed subsidiary and speedy execution of strategic. Therefore, proprietary knowledge is positively related with high control entry modes (Contractor, 1990), and so is the degree and intensity of the technical requirement of the product.

The interviewees were asked to mention the ways technology influenced market entry of the company into the market. According to the findings, majority of the interviewees indicated that technology influenced market entry of the company into the market in low resource commitments and lower level of risk exposure. Kenya's broadband and telecommunications market that has experienced a revolt as a result of the entrance of fiber-optic international cables, thus culminating its dependency on limited and expensive satellite bandwidth.

4.3.1 Licensing Strategy

The study also asked the interviewees to state ways licensing strategy is being used as a market entry strategy to enter the Kenyan market. The interviewees indicated that licensing strategy was used in establishing owned subsidiaries and making high technology co-operation in the world while the local parties resort to strategic alliances. Licensing has the potential to provide very large returns on investment. Licensing is considered a favorable entry method considered in the following conditions; low sales potential in target country; import and investment barriers; legal protection possible in target environment; large cultural distance and where the licensee lacks ability to turn into a challenger.

4.3.2 Exporting Strategy

The interviewees stated that exporting strategy was one of the key entry strategies that the company employed in establishing its presence in the Kenyan Market. Most of the interviewees stated that selling to or through an intermediary is a relatively cheap and straightforward way to enter a new market. The company has strong distribution channel in the country. It has over 20 strong agents and distributors who sell Tecno Phones to end users. The interviewees further stated that there agents and distributors have in-market experience, reputation and contacts. One of the key challenge with indirect strategies as stated by the interviewees was that, the company had less control over the actual final transaction and some agents tend to overcharge the end user.

4.3.3 Innovation Strategy

The study asked the interviewees to mention how the company use innovation strategy to enter into the Kenyan market. Most of the interviewees stated that innovation strategy imports automated systems and acts as a sales representative of recognized global brands. The business carries out an active and focused technology watch that allows to survey competitive products and positioning, detection of customers' needs or problems to solve and the sensing of opportunities in niche markets and new customers. The meetings between technical and commercial staff are a source of information in this matter.

4.3.4 Joint Venture Strategy

The study also asked the interviewees to state ways joint venture strategy been used as a market entry strategy to enter the Kenyan market. Most of the interviewees indicated that Tecno uses

joint venture strategy through probable decrease in general insurance costs, in addition to a sharing of the liability and risk among the venture partner. In Tecno Company, joint venture activities make available many chances to expand their businesses and spread risk in the Kenyan market. This is done by forming local contacts/parties that have influenced the facts and resources of a joint venture partner that has an acceptance of the market.

The study further asked the interviewees if they were planning to continue with joint venture market entry strategy in Kenya. From the study findings, most of the interviewees confirmed that they will continue with joint venture market entry strategy in Kenya since combined talents and resources such as equipment, financial strength, workforce and bonding capacity, even though sharing the risks is involved in completing a particular project.

Additionally, the interviewees were asked to state other market entry strategies Tecno use to establish its presence in the Kenyan market. Most of the interviewees indicated differentiation strategy as the other market entry strategies Tecno use to establish its presence in the Kenyan market. Differentiation strategy focuses on firms innovating products that appear different from their competitors and is aimed at making them earn a competitive advantage over others. This strategy has been intensely adopted by the company and has developed a range of products. The interviewees also identified cost leadership strategy as a competitive strategy used by Techno to maintain and keep their service offer lower price than the others with the aim of increasing their revenue.

The study further asked the interviewees to indicate the factors that motivated the company management to use the strategies mentioned. From the findings, most of the interviewees indicated level of control, operations and marketing as the factors that motivated the company

management to use the strategies. Fully owned organizations obtain greater control in excess of operations and higher profits since there is no ownership split agreement. Nevertheless, such entry method requires large investments and faces higher risks, especially in the political, legal and economical arenas.

The study also asked the interviewees to indicate ways entry strategies influenced the performance of the company. From the findings, most of the interviewees indicated that the company had been able to focus on innovation since it's not directly involved in sales. The respondents further stated that licensing has the possibility to be responsible for a very large return on investment (ROI) because little investment on the part of the licensor is required. Conversely, potential returns from manufacturing and marketing activities may be lost due to the fact that the licensee produces and markets the product.

Additionally, the interviewees were asked if they attribute the company's performance to the entry strategies used. Most of the interviewees attributed the company's performance to the entry strategies used to a larger extent. Entry modes such as joint ventures and full ownership of facilities involve more control, but entail additional risk. Since reversing an inappropriate entry strategy choice can be difficult, it is important that well thought out decisions be made. As a result of the importance of entry strategy decisions, a large body of research examining the factors involved in firms' foreign market entry strategy decisions has evolved.

4.4 Challenges

The study asked the interviewees to mention the major challenges faced by Tecno Mobile Phone in Kenya. Most of the interviewees indicated import of counterfeit phones as the major challenges faced by Tecno Mobile Phone in Kenya. For instance the study established that the

company had to tackle the problem of import of counterfeit phones, it is one of the factors that can hinder the increasing of revenue of a company. The respondents agreed to the fact that corporate and personal taxes are part of tax regimes in Kenya were deemed to be more challenging and one of the impediments that resulted into increasing of company's expenses. The challenges of economic elements like exchange rate, inflation and income level had impacted Tecno limited.

The study further asked the interviewees to elaborate the other challenges the company face in using the market entry strategies. From the findings, most of the interviewees indicated fierce competition and the counterfeit phones as other challenges the company face in using the market entry strategies. Mobile industry is the dissolute stirring industry since a day in the mobile business is comparable to a month or a year in other businesses. There is a constant launch of new products and improvement of quality and service. Furthermore, the efficiency of infrastructure like road, availability and cost of electricity is also another challenge that Tecno had to deal with. This meant that the company had to devise strategies of expanding its services to reach several customers, and handicapped the company to increase its market share. The services of competitors were also the major problem of Tecno had to overcome; the company was the third company entered in Kenyan smartphone market after Samsung and Sony Xperia. The respondents conformed that the issues of market-seeking, trends and growth in the market size, pricing, and setting channels of distribution were set among the big challenges faced by the company in implementing their strategies. The country was initially French speaking and this was also a challenge to the subsidiary whose parent company is from an English speaking country. This was more of a challenge to company's expatriates who had to work in Kenya.

Furthermore, the interviewees were requested to mention the mechanisms that have been put in place to counter the challenges. Majority of the interviewees indicated that Tecno Company ensure their merchandises bump into the local demand due to the fact that they are exclusively created for the African market since the firm acknowledges that it acknowledges there are rewards in regard to host nation production that would not be afforded by exporting.

The study asked the interviewees to state the future of the company in the mobile telecom industry in Kenya. From the findings, majority of the interviewees designated that the smartphone is the mobile device to watch this year since their prices are coming down and the sales volumes will increase. This is driving mobile internet access, which then opens up a lot of doors for innovation in that space. Studies indicate that most people now access the internet through their mobile phones as opposed to PCs. They are launching more internet series mobile phones to serve the growing demand. Their research from years back shows that the buyers of Tecno phones are mostly the youth and as such Tecno has decided to focus on that market of young people aged ranging from 17 to 35. The young people want to be unique. They want unique features that allow them to play and chat.

4.5 Discussion of Findings

The study found that licensing strategy was used in establishing owned subsidiaries and making high technology co-operation in the world while the local parties resort to strategic alliances. It also found that licensing has the potential to provide very large returns on investment. This information concurs with Thompson and Strickland (2004) who argue that the licensing agreement provides accessibility to external markets through foreign production without the necessity of investing in the foreign location. This primary offers attractiveness to companies

that do not have the financial dimensions to invest and undertake foreign production (Thompson and Strickland, 2004).

The study found that innovation strategy imports automated systems and acts as a sales representative of recognized global brands. It also found that Tecno executes a dynamic and engrossed technology guard which permits for the uncovering of needs of the customers or glitches to solve, to survey competitive products and positioning, and the detecting of prospects in niche markets and emerging clients. According to Cantwell and Piscitello (2000), the lee way of undertakings into new fields of production and across a variety of geographical sites allows the firm to take advantage of and consolidate in effect technological abilities. For that reason, Cantwell and Piscitello (2000) posit that scattering the capability base of a firm and of obtaining emerging innovative resources of competitive advantage can be met through such means as business internationalization and the diversification of technological activities.

The study also found that Techno uses joint venture strategy through likely decrease in general insurance costs, along with involvement of the liability and risk amongst the venture partner. They further indicated that joint venture engagements offers Tecno Company with numerous prospects to enlarge their businesses and spread risk in the Kenyan market. This information concurs with Czinkota et al (1992) who posit that the benefit of joint endeavor include income saving and a lesser amount of controlled resources for alien country operations. Additionally, the perils intricated in global market entry are lesser (Root, 1994). Therefore, joint ventures allows handier associations with indigenous regime and other governments such as labor unions.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides summary to the research findings, deductions, commendations and recommendations for further research.

5.2 Summary of Findings

The study found that resource commitments, degree of control over the operations, returns on investment, exit costs and risk exposure were the factors that influenced Tecno's choice of a market entry strategy. It found that exporting (direct and indirect) strategies as the market entry strategies that Tecno use to establish its presence in the Kenyan market. The study further found that technology influenced market entry of the company into the market in low resource commitments and lower level of risk exposure.

On matters concerning licensing strategy, the study found that licensing strategy was used in establishing owned subsidiaries and making high technology co-operation in the world while the local parties resort to strategic alliances. The study also found that innovation strategy imports automated systems and acts as a sales evocative of familiar global products. Furthermore, Techno uses joint venture strategy through sharing of the liability and risk amongst the venture companions.

The study further found that differentiation strategy was the other market entry strategies Tecno use to establish its presence in the Kenyan market. Additionally, level of control, operations and

marketing were the factors that motivated the company management to use the strategies. The company had been able to focus on innovation since it's not directly involved in sales.

The study found that import of counterfeit phones was the major challenges faced by Tecno Mobile Phone in Kenya. Fierce competition from other Smartphone vendors were the other challenges the company face in using the market entry strategies. The study also found that Tecno Company ensure their products meet the local demand because they are solely produced for the African market. This is due to the fact most firms acknowledges that they have faith in the benefits related to host nation production that would not be afforded by exporting.

5.3 Conclusions

In conclusion, the study revealed that several factors such as returns on investment, exit costs and risk exposure were the factors that influenced Tecno's choice of a market entry strategy. Kenya has witnessed essential ups and downs as the liberalization process of the telecommunications segment began and has become more dynamic in the sector as the (Information, Communication and Technology) ICT industry grows.

The study established that licensing strategy was used in making high technology co-operation in the world while the local parties resort to strategic alliances. Therefore, licensing agreement provides accessibility to foreign markets from end to end foreign production devoid of the obligation of investing in the foreign location. As such, these obligation is striking for firms which do not have the financial and or managerial capacity to capitalize and undertake foreign production.

The study further concluded that differentiation strategy was the other market entry strategies Tecno use to establish its presence in the Kenyan market. Differentiation strategy focuses on firms innovating products that appear different from their competitors and is aimed at making them earn a competitive advantage over others. This strategy has been intensely adopted by the company and has developed a range of product, latest being its long-awaited and anticipated Flagship phone, the Tecno Phantom 6 & Tecno Phantom 6 Plus with Bio-metric Authentications Security. The interviewees also identified cost leadership strategy as a competitive strategy used by Tecno to maintain and keep their service offer lower price than the others with the aim of increasing their revenue.

Finally, the study concluded that fierce competition and counterfeit phones as other challenges the company face in using the market entry strategies. Furthermore, the efficiency of infrastructure like road, availability and cost of electricity is also another challenge that Tecno had to deal with. This meant that the company had to devise strategies of expanding its services to reach several customers, and handicapped the company to increase its market share. The services of competitors were also another major problem that Tecno had to overcome; the company entered Kenyan market when Samsung and Nokia controlled nearly 80% of the mobile shipments to Africa.

5.4 Recommendations

The study recommends that the Tecno Company should use the same strategies in creating a sustainable position in the market. Therefore, continuing with innovating and coming up with unique products which will compete with other companies' products and at the same they should do aggressive marketing in order to attract more customers. To stay ahead of the competition,

Tecno Company will need to produce tailored products to target specific needs of different market segments.

5.5 Recommendations for Further Research

Further research needs to be done on the effect of various entry strategies on the performance of the firm. There is need to conduct a comparative study on the success of Tecno's entry strategy as compared to the other foreign market entry strategies that have been applied by other Mobile Phone companies elsewhere in the globe.

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APPENDICES

APPENDIX ONE: LETTER OF INTRODUCTION



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE... 11TH OCT. 2016

TO WHOM IT MAY CONCERN

The bearer of this letter... WYCLIFFE AMOLLO ONYALO

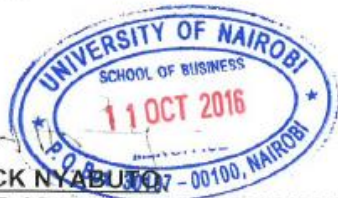
Registration No. D61/72534/2014

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 NYABUTO - 00100, NAIROBI
SENIOR ADMINISTRATIVE ASSISTANT
SCHOOL OF BUSINESS

APPENDIX TWO: INTERVIEW GUIDE

1. What is your position in your organization?
2. For how long have you worked with Tecno?
3. For how long have you been holding your current position?
4. What decisions are you involved in?
 - i. Strategic
 - ii. Middle
 - iii. Operational
5. What are the major services offered by Tecno Mobile Company?
6. How does the company choose its market entry strategy in a given market?
7. What market entry strategies did Tecno use to establish its presence in the Kenyan market?
8. In what ways has technology influenced market entry of the company into the market?
9. In what ways has licensing strategy been used as a market entry strategy to enter the Kenyan market?
10. How does the company use innovation strategy to enter into the Kenyan market?
11. In what ways has joint venture strategy been used as a market entry strategy to enter the Kenyan market?

12. Are you planning to continue with joint venture market entry strategy in Kenya? Why?
13. What other market entry strategies did Tecno use to establish its presence in the Kenyan market?
14. What factors motivated the company management to use the strategies you have mentioned above?
15. In what ways has entry strategies influenced the performance of the company?
16. Would you attribute the company's performance to the entry strategies used?
17. What are the major challenges faced by Tecno Mobile Phone in Kenya?
18. What challenges does the company face in using the market entry strategies you have mentioned above?
19. What mechanisms have you been put in place to counter the challenges?
20. What is the future of the company in the mobile telecom industry in Kenya?