

**THE EFFECT OF DYNAMIC CAPABILITIES ON ORGANIZATIONAL
COMPETITIVE ADVANTAGE: A CASE OF UBER TAXI KENYA**

BY

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DECLARATION

This research project is my original work and has not been submitted anywhere for examination in any other university or institute of higher learning.

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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 management research project to my loving wife Naomi, who encouraged me to pursue the program despite various challenges, and my children Amana and Alvin for their eagerness which motivated me to pursue the program to completion.

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ABBREVIATIONS AND ACRONYM'S

KEPSA - Kenya Private Sector Alliance

SMES - small and medium-retail enterprises

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ABSTRACT

Dynamic capabilities have come to solve some of the complex challenges for a favorable environment and a sustainable competitive advantage. Dynamic capabilities emphasize on the practice in which organizations acquire, create and adapt wealth in a given environment change. Achieving a competitive advantage locus point and improving an organization's performance comparative to its entrants include two key objectives that business firms should aim to achieve. The objective of this study was to determine the effect of dynamic capabilities on organizational competitive advantage in Uber Taxi Kenya. This study employed the case study method. For the purpose of this study, the researcher used primary data. An interview guide with open-ended questions was used to interview strategic managers of Uber Taxi Company, Kenya. The qualitative data collected was analyzed using content analysis technique. The study found that Uber taxi Company uses adaptive capability in its operations. Uber Taxi Company has innovative capabilities where it has established new goods and markets by bringing into line strategic innovative orientation with advanced actions and methods such as mobile app. It was also found that the Company protects its customer base by developing a customer loyalty strategy and increasing the barriers to entry for competitors. The company has introduced a customer loyalty program that rewards customers for maintaining or increasing levels of business. Uber Taxi Company has adopted competitive strategies such as differentiation, focus and cost leadership. The study concluded that unpredictable business model operating within a highly regulated market is the company's major challenge. This is something that exposes Uber to ever-changing and potentially dangerous political influence. The study recommends that all the taxi industries in Kenya should start using mobile app where they will be able to reach a wide range of clients.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Dynamic capabilities have come to solve some of the complex challenges for a favorable environment and a sustainable competitive advantage. (Teece, 2012). Dynamic capabilities emphasize on the practice in which organizations acquire, create and adapt wealth in a given environment change. Dynamic capabilities are also known as the monotonous routine in a firm's management and administrative processes which are always aimed to gain, reconfigure, integrate and release. Dynamic capabilities not only examine the organizations' resources by examining the demand of clients but also monitor developments in the market place and put emphasis on the setting through introducing innovation and creating a coalition with the company's clients and other major contributors in the environment. Achieving a competitive advantage locus point and improving an organization's performance comparative to its entrants include two key objectives that business firms should aim to achieve. Meanwhile the standard time in which organizations can withstand a competitive benefit has been declining with time (Wiggins & Ruefli, 2015). Having a constant competitive advantage has become an apprehension to both scholars and researchers. Ambrosini and Bowman (2016) recommend case studies of various organizations which have sustained competitive advantage through a certain period of time in an active environment can give some recommendations on how to remain competitive in such an environment where competition is high.

Several theories have been used to explain how dynamic capabilities affect organizational competitive advantage. The main theories to be used in this study include Schumpeter's Theory of Innovation and resource based view theories. Schumpeter's Theory of Innovation states that an entrepreneur is innovative, creative and visionary. Resource based view theory is aimed to achieving a competitive advantage of a given organization. A firm needs to sense, seize and be able to transform attributes in order to evolve and co-evolve in the business environment. Once these dynamic capabilities are grown, the firm will be able to have a higher organizational competitive advantage which will lead to long term profitability.

Uber has networked their resources, so as to have access to facts, information, technology, markets, resources and required processes. Technology and network assets are vital to Uber since they are categorized as network planning process which is a good combination for the business and other disciplines which are set to develop a plan for all activities of the company. The technological, economic and social change in the Taxi business sector has caused Uber to adjust slowly despite the strong competition it faces. This could come from the inability to point out the dynamic capabilities and connect their resources in the industry. Therefore, the key objective of this study is to investigate the effect of dynamic capabilities on organizational competitive advantage: a case of Uber Taxi Kenya.

1.1.1 Dynamic Capabilities

Dynamic is a word that defines one capability (The functioning ability to be able to come up with new goods) from another capacity (ability to change the way organizations make certain products) (Zahra, Sapienza and Davidsson, 2016). Zahra, Sapienza and Davidson

(2016) define dynamic capability as the capacity for a company to form change internally and be able to respond to environmental instability. This is carried out through reorganizing (adjusting, creating and extending) the resources of the organisational base. According to Teece (2013) dynamic capabilities is the gradual development and extension of the resource-based viewpoint as it clearly tackles how looks at how abilities change and how firm handle instability in its environment.

Dynamic capabilities are not directly concerned with the production of products or provision of a service, hence not directly concerned with the organization's output (Helfat and Peteraf, 2013). They are important for business change and identification of practices that can develop the said capabilities. Upgrade, positioning and possession of ability are some of the factors vital for the success of a business. Organizations may display varied dynamic capabilities which provide a base for their repositioning, for instance, sales, clients' network, marketing and service competences. Dynamic capabilities, through reorganizations of the working capabilities, can sustain the formation of a workable competitive advantage, capable of having an incidental rent generation. Wang and Ahmed (2017) claim that there is a possibility of identifying three major components linked to dynamic capabilities, namely innovative, adaptive and absorptive capability. These capabilities reinforce an organization's ability to participate, reorganize, return to and reconstruct its resources and competences in accordance to the external reforms (Teece, 2017; 2013).

Adaptive capability insists on the ability for an organization to being time conscious through being flexible with their resources and competences in a given environmental change. The main focus of adaptive capability is to synchronize outward environmental

factors and organizational features that occur internally. This type of capability points out the need combine external and internal knowledge for internal use. Innovative capability efficiently relates the organizations ability to innovate something to the market in terms of new goods (Teece, 2013). Therefore, innovative capability describes the link between an organization's resources and competences with the markets for its product markets. For this framework, more details will be provided in the following chapter.

1.1.2 Competitive Advantage

Competitive advantage is an idea that is based centrally on strategic management literature. This concept was introduced by Hofer and Schendel (1978) in the field of strategic management. They expounded that competitive advantage is gotten through allocation of resources and establishment of exceptional resource positioning by firms from their competitors. Porter (1985) later pointed out that competitive advantage comes from the standards created by the business for its clients. He defined competitive advantage as a firm's long term goal having a higher competitive position as compared to that of its competitors. He further claimed that competition was important and it helps determine all activities linked to the overall performance of a form.

These activities include innovation, implementation efficiency and being cohesive culturally. To Porter, advantage simply refers to when a firm has a higher gain in a given business environment (Porter, 1985). Additionally, Porter, (1985) proposed that a firm could implement the three strategies to add value to their products. These strategies are differentiation, focus and cost leadership. Nevertheless, Agbim and Idris (2015) claimed a competitive advantage is achieved when a company can earn high profit as compared to the average profit of the other companies in the same market setting. Agbim, Zewer &

Oriarewo (2014) held that if the high economic profits were maintained over a given period of time, then the company would be said to have a sustained competitive advantage. Baker and Ballington, (2012) stated that abilities, competences and assets are the key things a company should have to declare a sustained competitive advantage. From the information above, from the different definition referred to competitive advantage, we can still see that it is still an important element of measure to check the level of advantage of one firm over its competitors.

1.1.3 Taxi Sector in Kenya

The taxi sector in Kenya is not well documented. However according to a study done by Kenya Private Sector Alliance (KEPSA) in 2004 the human population in Nairobi was 4.5million with a day population of 3.2million people. The daily travelling needs of this population that was met through taxi mode of travelling was only 2%. This means that the current taxi business amounts to 95,080 trips per day and it is expected to grow to 165,600 trips per day in 2025.

The taxi companies in Kenya fall under two broad categories; technology based firms and traditional taxi operators. The traditional taxi operators mainly consist of pioneer industry players who command fleets of taxi cabs under their name. They tend to offer corporate taxi services, car hiring as well as safaris and airport transfers. Under this category are individual taxi owners who park their cars at strategic joints to attract passengers. On the other hand, the technology based category is comprised of both local and international players who have transformed the taxi scene. New industry entrants, like UBER and Little cab have overhauled the old system in the industry which plateaued in decades, whereby riders had only two options; either wait on the streets or call taxi dispatcher. The

use of the smartphones has made it possible for the new entrants' clients to get a taxi from wherever they are ("Daily Nation,"2016).

Public transport can be slow or inconvenient. In addition, some areas are not well served by public transport hence reaching such places may require very long walks. In other areas, options for using personal cars are unattainable due to insecurity to personal vehicle owners, need for shared rides (for groups), and lack of parking, traffic congestion and poor road networks. In all these situations, some taxis offer a reliable option to compliment or substitute other available means of transport (Rayle et al., 2014). Competition between conventional taxis and app-based taxi operators intensified in Kenya following the entrance of Uber, a company that was relatively unheard of 12 months ago. This led to entrance of local app-based taxi operators such as Mondo Ride, Taxify, Dandia, Mara Moja, Little Cabs and most recently Teke Taxi.

1.1.4 Uber Taxi Kenya

Uber is a service provider company that connects two necessities in a modest and expected way. It provides transportation to individuals who want to move from one place to the other and at the same time provides a person who wants to set up a taxi business. Uber is a transportation network which provides personal transportation. It connects available drivers with individuals who need to be transported to varied locations. This company does its operations through a mobile app. The app is operation in almost 58 countries and at most 298 cities globally. Drivers affiliated to Uber have their own vehicles, are provided with an opportunity to earn highly with a flexible work timetable. It adheres to a network orchestrated model as compared to other service providers whose framework involves inclusion of more capital. Uber has high profit margins and

continues offering opportunities due to its eminent growth. This has been brought about by the fast customer response and efficiency. It has also proved to adjust well to the recent market changes as compared to its competitors. Uber has been in pursuit of favourable prices for its clients through dynamic surge pricing. They use block by block basis to predict before it happens. This prediction is mainly on basis of how many clients open their app at a given period. However, dynamic pricing needs huge amounts of data and creation of complex algorithm which can predict the future. The algorithm considers data such as local events, ongoing news and weather forecasts

Dynamic pricing is important to Uber drivers since it gives them information on areas they should and should not take their clients. It provides stability, balance of the quantity of demand and supply. Presently, the pricing surge is updated every five to ten minutes so that the drivers can be informed in time. Their system is intensive and ensures better services offered to their clients at reasonable prices. The essence of dynamic capabilities is that they must be built. Uber uses the new digital transformation and ensures digital disruption in the taxi industry. Uber is a dynamic capability framework by itself. It is global due to the digital affordance that allow integration of digital design that integrates customer experience and feedback into the organization. Uber is presently in the new era where prices go before them due to better structures, better coordination and are able to manage relations with their associates better. They get closer and more responsive associations with their final clients.

1.2 Research problem

For a sustainable competitive advantage, a firm needs reasonable abilities and due to their fundamental units of value generation (Bowman and Ambrosini, 2016). This is because these resources can uniquely be joined together into distinct formations which gives the company's competitive advantage. Capabilities are born which create and explore opportunities externally and hence develop a sustained advantage (Teece, 2017). Uber Taxi in Kenya has been acknowledged as a fast growing taxi company and at the same time facing stiff competition from other taxi companies. The customers have become quite enlightened and demand better services than before albeit at a lower price. However, the Kenyan market base in the taxi business is still growing owing to technology. At Uber Taxi Kenya, the challenges are even more pronounced since the company entered into the Kenyan market at a time when there existed only one dominant market player. Thus, in order for the Uber Taxi in Kenya to be considered competitive and significant it should be able to recognize their unique competences in terms of the resources and organize them in a state where they can form a sustainable competitive advantage in both long and short terms. Therefore, harnessing of the firm's strategic capabilities to create competitive advantage should be target priority in the present day business world. The study will therefore seek to establish how Uber Taxi Kenya can harness its dynamic capabilities as a cradle of organizational competitive advantage.

Various studies have been done related to capability dynamism and competitive advantage. Tuan and Yoshi (2010) did a study in Vietnam about the competitive, advantage Organizational capabilities and performance in supporting industries. The findings revealed that organisational competences were associated with competitive

advantage and performance. Further Iuliana *et al.*, (2010) carried out a simple research on small and medium enterprises competitive advantages. The research established that the survival of small and medium enterprises in a very much globalized and competitive environment put forward that the firms have different competences and efficiently they use them. Also a study in Slovakia on competitive advantages and strategy of small and medium manufacturing enterprises was carried out by Papulova and Papulova (2016). The study found that a Strategic success calls for considerate comprehension of the requirements of the marketplace and the fulfilment of targeted clients more excellently and beneficially than by rivals.

More studies about capability dynamism and competitive advantage has been also done in Kenya. Kiiru (2015) researched on strategic orientation, Dynamic capabilities and competitive advantage of all small and medium-retail enterprises in Kenya. The result of this study indicated that small and medium manufacturing enterprises competitive advantage is straight affected by the arrangement of strategic dynamic capabilities employed. Also Chege (2016) investigated on the competitive strategies adopted By SMEs in Kenya. The study findings revealed that adoption of a cost leadership strategy by manufacturing SMEs defend their market share from their opponents through importation of raw materials, innovation and improving internal business processes. Muhamed (2014) also carried out a study in Nairobi County about the Strategies which small and medium enterprise have employed to develop competitive advantage. For the study findings the SMES were revealed to have developed competitive advantage strategies, one of the common strategy adopted was marketing strategies where aggressive promotion and relationship marketing were mostly adopted. Therefore, there

have been few studies in Kenya on capability dynamism and competitive advantage of small and medium manufacturing businesses. This creates a proper avenue to fill the gap that other researchers have left. The study focused on those dynamism capabilities of small and medium manufacturing enterprises including competitive advantage in Nairobi County which led to the question; what is the effect of dynamic capabilities on organizational competitive advantage: a case of Uber Taxi Kenya?

1.3 Objective of the Study

To determine the effect of dynamic capabilities on organizational competitive advantage: a case of Uber Taxi Kenya.

1.4 Value of the study

This study was of importance to the Uber management since the company aims at maximizing profitability. Thus, this study helped Uber managers to identify the necessary marketing strategies to enhance their competitive advantage. In addition, the study was of importance to marketing agencies. This is because marketing agencies provide marketing service to various organizations. Therefore, this study helped them to identify the specific dynamism capabilities, which enhanced competitive advantage of enterprises.

The findings of this study provided useful insights to competitive trends in the taxi industry, in which information was used by decision makers in designing, planning and integrating activities of the taxi transportation sector in the overall national competitiveness strategy and policies.

To the academicians the study added to the knowledge body and triggered more research similar to this on dynamism capabilities and competitive advantage. Scholars are able to use the findings in getting more accurate results and being able to identify other gaps left. Future scholars are able to have a clear picture on dynamism capabilities and competitive advantage.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter covered the writing on dynamic capabilities and competitive advantage, theoretical foundation. The chapter also brought to focus empirical studies regarding dynamic capabilities and competitive advantage in order to give an insight into the topic of study.

2.2 Theoretical foundation

This study was based on the adverse selection theory, the Schumpeter's theory of innovation, Resource Based theory and Knowledge-Based Theory as discussed below.

2.2.1 Schumpeter's Theory of Innovation

This innovation theory was first introduced by Joseph Schumpeter, who believed that a businessman could get or earn more profits through innovation (Sweezy, 1943). Schumpeter's innovation theory of profit emphasizes that the key function of an entrepreneur is to present innovations and profit as a reward is given for their performance. Schumpeter, defines innovation as any new approach that a businessman decides to undertake in order to reduce the production costs or grow the demand for his goods or services.

Innovation is put into two categories; first category which consists of undertakings which moderate all production costs, for instance, new techniques being introduced together with new equipment's, new procedures etc. Second category includes all processes which lead to the demand for manufactured goods. This involves introduction of new products, new quality merchandises, new market openings, new sources for raw materials or even

new designs of a product. Innovation theory of profit suggests that an entrepreneur can get profit if the particular innovation is successful in decreasing production costs or his product gains more demand (Vargo, Wieland & Akaka, 2015). In most instances, profits are earned in a short time as competitors try to imitate the particular innovation. Once this is done, the innovation ceases to be an innovation. Previously, an entrepreneur enjoyed a monopolistic position in the market since innovation was just for himself and giving the entrepreneur huge profits. However, through imitations, the profits started being minimal.

An entrepreneur can be able to retain earning huge profits if a law is enacted to give him patent to his particular innovation. A patent product will discourage other individuals from emulating it. Through time, the factors of supply remain the same, factor prices escalate since the production costs also increase. Conversely, the companies who have adopted the innovation increase and their prices fall. (Vargo, Wieland & Akaka, 2015). Therefore, the output per component cost rises while the per unit revenue decreases.

After all these processes, the difference between costs and receipts disappears. Hence, there is more profit. This innovation process remains and also the profits continue to fluctuate, they appear and later disappear. The Schumpeter Innovation theory has been used in the past to explain dynamic capabilities. Innovation theory causes organizations to not only measure innovation performance but to also measure the innovation inputs while having adequate control on the returns on investment of the innovation. Uber innovated a new way to order to taxi services which was both convenient and efficient. The innovation theory will help link Uber management to link its inputs and output (Teece, 2012).

2.2.2 Resource based view

Resource based view is an approach that is aimed to achieving a competitive advantage of a given organization. It was used in the early 20th century as an economical tool for a company. It was established by Wernerfelt in the 1980's. According to research, companies should look for resources as determinants of competitive advantage rather than concentrating on the environment that contains the competitive advantage. This model assumes that companies have to rely on tangible and intangible goods that must be heterogeneous and immobile (Laosirihingthong, Prajogo and Adebajo, 2014). Firms need to be different and may have different resources. Resources may also be costly for firms while some may not spread from the company easily. The heterogeneity is in respect to the type of resources they control. Secondly, the resources need to exist over time since they will be used to implement other firm's strategies. Resource heterogeneity is also considered in contribution of a competitive advantage. The dispute goes "all organizations in a market have the same amount of resources, no strategy is available to one organization that would not also be available to all other organizations in the market" (Blome, Schoenherr and Eckstein, 2014). However, heterogeneity and stillness are not enough for a continual competitive advantage.

Resource based theory views a company as a rational system, categorized by eccentric and capabilities that are context dependent to the main strategic purpose. They are accustomed by ordered capabilities or routines, which are in the management of the company business processes that help them create worth. Capabilities involve the development of expertise from specialists. Companies may be locked on a course which is difficult to change on a short term (Teece, 2009). Through resource-based view,

companies performing well are able to develop distinct competences on which future effectiveness is based; the eccentric and unique for each company. Competitive advantage is founded on compound capabilities, strategic assets and skills by a firm or the incisive management of corporeal and academic resources which form the central competence of the business. Teece (2012) outlines principal capabilities as “a collection of varied skills, schedules and corresponding assets that offer the foundation for an organization’s competitive capacities and maintainable advantage in a precise business”. Such competences are not assembled on isolated self-governing skills but are “the combination of a varied skills, information and technologies” (Zahra, Sapienza & Davidsson, 2016).

2.2.3 Knowledge-Based Theory

Knowledge is inserted and carried around by various entities which includes organizational identity and culture, documents, employees, policies, systems and schedules. This perspective comes from strategic management literature and resource-based view initially endorsed by Penrose (1959) and later prolonged by other scholars. (Young (2013); Kozlenkova, Samaha & Palmatier (2014). Knowledge is a main immaterial resource that is the main cause of a justifiable competitive advantage (Iuliana, Sorin & Razvan, 2010). A company’s role is not only to acquire resources and capabilities, but also to establish organizational knowledge which in turn results to a sustainable competitive advantage. The management’s main role is to come up with schedules necessary to incorporate (Young (2013).

The knowledge-based theory recreates supposition that resource and advantages founded on the capability are gotten from admission to and incorporation of specific information. Information or data is formed and apprehended by persons, but can develop rooted in the firm as an organizational procedures and schedule performed repetitively (Reihlem & Ringberg (2013). These firms can as well be considered as communal in which a person, a social proficient and knowledge is changed into valuable goods and services. Organizations can, then, be regarded as packages of information, where information is something that functions as a cradle of variation and competitive advantage (Kozlenkova, Samaha & Palmatier, 2014). Transfer and creation are two critical processes in which knowledge goes through.

Creation of organizational knowledge can be regarded as a process through which knowledge is made available and knowledge resources formed by people as well as developing and linking it to an overall organization's knowledge system. As soon as it is formed, information must either be brought into the organization or transferred within it. The transmission of information in some organizations is not an insignificant problem it is as complex as technologies that are impervious against simulation which are very difficult to organize and teach (Reihlem & Ringberg, 2013). Transfer of external knowledge incur some challenges like; varied levels of information transfer among partners. Those individuals who are good at deliver information outshine those less adept

2.3 Dynamic capability

Dynamic is a word that defines one capability (The functioning ability to be able to come up with new goods) from another capacity (ability to change the way organizations make certain products) The dynamic capabilities take different approaches; however, the

researcher will consider the adaptive, innovative and absorptive approaches as they are directly related to the topic under study.

2.3.1 Adaptive Capabilities

Adaptive capability is well-defined as the organization's ability to categorize and capitalize on the rising market opportunities (Kiiru, 2015). Thus, adaptive capabilities are important in commercialization. Adaptive capability aims on operative search and harmonize varied examination and utilisation strategies. The "balancing" act is conveyed to a strategic position and connected to the resource outlook. Development of adaptive capability is always accompanied by changing if the organizational forms. According to Teece (2012) organizations go through inclusive, non-stop alterations in goods, services, competences, resources and manner of organizing. Other empirical studies (e.g. Tuan & Yoshi (2010; Zahra et. al (2016); Teece (2012)) also show that the capacity to adjust to the environment and line up the internal resources with peripheral mandate is precarious to company progression and survival in several industries.

Adaptive capabilities often refer to the company's capacity to adjust their product-market scope to counter to external opportunities, monitor clients, examine the market, monitor clients and allocate resources to entrants and distribute resources for publicizing activities, and respond to the changing market environment. Gibson and Brikshaw (2014) state that adaptive capability refers to the organization capacity to inspire individuals to contest outdated traditions and practices, which waits for the firm to give a quick response to variations in the market and rapid change rapidly in reaction to

alterations in its business significances. In the context of newly reputable firms this capability is defined as placing one-self in the market space.

2.3.2 Absorptive Capabilities

Teece (2013) defines absorptive capability “as capacity of a company to consider value of the value fresh information coming externally and being able to put it on the commercial ends. The capacity to establish and use knowledge coming externally is a function of getting preceding information.” Absorptive capacity is an interesting idea since it potentially ties different areas of dynamic capability and organizational learning. Conversely, it attracts attention to be appreciated and obtain knowledge from the peripheral environment, particularly from attainments and other relations within the organizational relations; on the other hand, it aims at learning from past involvement and present activities, and the inner procedures for interpreting this into valuable deed. Organizations with high absorptive capability show tougher capacity of learning from associates, assimilating external information and changing it into organization-embedded knowledge.

Woiceshyn and Daellenbach (2015), did a study on Canadian oil and gas companies. They found out that find companies’ absorptive capability was important for the success in the aspect of outer technological transformation. Their findings also discovered that upon adoption of the new horizontal drilling technology, companies with high absorptive capability involvement had a relatively well-organized implementation procedure leading to affirmative performance results, while companies with low absorptive capability came across significant complications. The distinct absorptive capability across companies is shown in company’s capacity to get external, new information, integrate it with current

internal knowledge and capacity to make new information is a significant factor of dynamic capabilities in quite a few industries (Zahra et. al. (2016); Verona and Ravasi, 2013). Absorptive capacity is central in the learning processes especially those ones that occur in development. Commercializing intermittent innovations are a precise difficult process since the level of originality to the marketplace. Hence, the method of taking in new information and learning from other industries, associates and other players become essential. This also applies for product development and incorporation of new technological resolutions.

2.3.3 Innovative Capabilities

Innovative capability outlines the company's ability to establish new goods and markets, by bringing into line strategic innovative orientation with advanced actions and methods (Wang and Ahmed, 2014). As shown in the definition, innovative capability includes numerous dimensions. Previous research has given emphasis to dissimilar groupings of these dimensions. This is close to the company's entrepreneurial orientation concept. This incorporates numerous dimensions, such as emerging new goods and services, developed new approaches of production, identifying new-fangled markets, seeking unfamiliar and novel solutions (Sweezy, 1943). Ambrosini & Bowman (2016) studied three extents of organizational innovativeness which are appropriate for innovative capability: innovating the market, enhancing strategic tendency to and technological complexity. Most studies, have mentioned dynamic capabilities. They say that individuals' have mainly concentrated on large and well-known companies, the situation of newly reputable firms created to take innovation to market is dissimilar. In this

context, companies are cut to grow and bring to marketplace new goods so they exhibit innovative capability.

Innovative capability is applicable on how managers can produce goods and techniques; however, one could argue out if the company has innovative products, they could all name capabilities innovative. The more innovative a company is the more dynamic capabilities it possesses. Practical research on innovation is long standing. Wang and Ahmed (2014) have looked at the concern of efficiently gauging organizational innovative capability and the several pointers that have been established to measure the elements of innovative capability (i.e. innovation through the market place, process, strategic innovative orientation, product and goods) (Wang and Ahmed 2014). We remember that these multi-dimensions are significant in gauging the general innovative capability as a constituent factor of the dynamic capabilities concepts. Conversely, this would disregard certain vital features of everything that occurs in the course of commercializing continuous innovations. Hence, innovative capabilities in this study show a more underlying operational process that stimulate innovation, development, and transformations in the firm.

2.4 Empirical Studies and Research Gap

A study by Protogerou, Caloghirou & Lioukas (2017) expounded on the idea of dynamic capabilities and its influence on firm performance. The research study observed logical associations among company performance, dynamic capabilities and functional capabilities. It offers and assess a model which take up that dynamic capabilities' effect on company performance is facilitated by functional capabilities. In this model dynamic

capabilities can be theorized as high order strategic procedures that recombine, integrate and come up with new scientific and marketing capabilities which later shape company performance. To examine this model practically, the research is in an effort to operationalize dynamic capabilities as a unified construct well-defined by three consistent distinct, scopes: strategic competitive response capability, coordination capability and learning capability.

Similarly, Newbert (2017) analysed existing research on resource-based view and established that in all resource-based methods, dynamic capabilities view is the least empirically investigated stream, he noted that empirical research on dynamic capabilities is still in its early stages. Furthermore, he found that the research published prior revealed inconsistent findings less than 40% of studies done found an association between dynamic capabilities and any practice of performance and competitive advantage. He suggested that this may be due to the nature of how the dynamic capability performance relationship was tested. Arend & Bromiley (2010) criticized the capacity of dynamic capability view to cohesively expound organizational alteration with reasonable consistency, clarity on the concept and empirical precision. They identified four key problem sectors that bound the possible contribution of the dynamic capability research to strategy and management scholarship. Baretto (2010) provides a more comprehensive review of a wider range of researching the field. In line with Arend & Bromley (2010), he settles that dynamic capability 'theory' does not yet exist. This is basically due to the fact that no commonly agreed definition of dynamic capabilities has emerged Giudici & Reinmoeller (2012) provide the most recent critical review of dynamic capabilities research. They investigate whether the dynamic capability construct is a case of

reification by reviewing 104 articles across a wide range of journals and disciplines in which the dynamic capability construct featured prominently.

On the other hand, Ngeera (2013) studied the application of dynamic capabilities approaches in commercial banks in Kenya but the institutions of study had experienced success. The study found out that the dynamic capabilities that had great impact on the banks performance were enhancement of learning process, knowledge and management process, research and development activities, and sound strategic management decision making. Kiiru (2015) did a research on dynamic capabilities, strategic orientation and competitive advantage of small and medium-retail enterprises in Kenya. In her findings, small and medium-retail enterprise's competitive advantage is directly affected by the placement of strategic dynamic capabilities. The findings of this study also show that, both competition placement and customer orientation of a company partially arbitrates the association between take hold of and reorganization capabilities and fully facilitates the association between sensing capabilities and competitive advantage. Chege (2016) investigated on the competitive strategies adopted By SMEs in Kenya. The study findings revealed that adoption of a cost leadership strategy by manufacturing SMEs defend their market share from their opponents through importation of raw materials, innovation and improving internal business processes. From these studies, little has been done on effects of dynamic capabilities on organizational competitive advantage in Kenya: a case study of Uber Taxi, Kenya hence the research gap.

2.5 Summary of Literature Review and Research Gap

Author and Years	Topic of study	Area of study	Findings	Research gap
Protogerou, Caloghirou & Lioukas (2017)	Dynamic Capabilities and their indirect impact on a firm performance	Dynamic Capabilities and firm performance	Dynamic capabilities are antecedents to functional competences which in turn have a significant effect on performance	The study did not investigate the effect of dynamic capabilities on organizational capabilities.
Newbert (2017)	Expanding the dynamic capabilities view: special contributions	Dynamic capabilities	Among all resource-based approaches, the dynamic capabilities view is the least empirically investigated stream, he noted that empirical research on dynamic capabilities is still in its infancy	The study did not investigate the effect of dynamic capabilities

Arend & Bromiley (2010)	Assessing the dynamic capabilities view: spare change, everyone	Dynamic capabilities	The study criticizes the ability of dynamic capability to explain organizational change.	The study does not incorporate the effect of dynamic capabilities on organizational competitive advantage.
Giudici & Reinmoeller (2012)	Dynamic capabilities in the dock: A case of reification?	Dynamic capabilities	Dynamic capabilities Is one of the constructs that appeared to be most detrimental	The study was a critique of whether dynamic capabilities were suitable hence no effects of dynamic capabilities were tackled.
Ngeera (2013)	Application of dynamic capabilities approaches in commercial banks in Kenya	Application of dynamic capabilities	dynamic capabilities that had great impact on the banks performance were enhancement of learning process, knowledge and management process,	The study did not investigate on the effect but rather the application of dynamic capabilities.

			research and development activities, and sound strategic management decision making	
Kiiru (2015)	Dynamic capabilities, strategic orientation and competitive advantage of small and medium-retail enterprises in Kenya	Dynamic capabilities and strategic orientation	Small and medium-retail enterprise's competitive advantage is directly influenced by the deployment of strategic dynamic capabilities	The study did not investigate on effect of dynamic capabilities and organizational competitive advantage
Chege (2016)	Competitive strategies adopted By SMEs in Kenya	Competitive advantage	Adoption of a cost leadership strategy by manufacturing SMEs defend their market share from their opponents through importation of raw materials, innovation and improving	The study did not tackle competitive advantage and dynamic capabilities.

			internal business processes	
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CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented information on the research methodology that was used for this particular study. The chapter is divided into: research design, data collection techniques, data analysis and data presentation methods that were used after which an interview guide was provided to facilitate data collection,

3.2 Research Design

The study was undertaken as a case study. A case study was used since it enables the researcher have a better comprehension at one instance on Uber Taxi Kenya. According to Cooper and Schindler (2006), case studies put more weight on contextual analysis of fewer events, and their inter associations. Research design is the prearrangement of circumstances for data collection and analysis in a way that strives to combine significance to the purpose of the research (Kothari, 2000).

This design also agrees to have a thorough data collection on the problem under study. Further, it also helps the researcher understand issues through in-depth data collection and document analysis. The significance of a case study is given emphasis to by Kothari (2004), who admits that a case study is a dominant form of qualitative analysis that comprises of a cautious and comprehensive observation of a social unit, regardless of the type of unit is under study.

3.3 Data Collection

Primary data was collected using an interview guide which was administered to 5 strategic managers of Uber Taxi Company, Kenya. An interview guide was used as it allows oral supervision of questions in a face-to-face encounter therefore allowing in-depth data collection. The interview method was used to get high cooperation levels, high response rates; facilitated by the presence of the researcher and its multi-method data collection. The interview guide was semi-structured, some questions were open ended. This involved in-depth discussion through individual meetings with the Uber managers. Having unstructured questions, the response from a respondent may give insight to his emotional state, interests, background, decisions, and hidden motivation giving as much information as possible without holding back (Copper & Schindler, 2006).

3.4 Data Analysis

The qualitative data was collected and analyzed using content analysis method. The main reason for content analysis was to examine existing information in order to find factors and elements that explain a given phenomenon (Mugenda and Mugenda, 2003). According to Kothari (2000), content analysis uses classification method for making useable and replicable interpretations from data to their setting. The responses from different respondents were compared and summarized according to the goals of the study. Content analysis is the best method of analyzing the open-ended questions because of its flexibility and allows for objective, orderly and qualitative depiction of the content of communication.

Cooper and Schindler (2006), defined qualitative data analysis as handling data, being able to break and organizing into sizeable units, processing and looking for ways and patterns to get the important aspects from the data and what is relevant to the study. Qualitative data requires some creativity, to be able to place raw data into reasonable, rational categories, to inspect them in all-inclusive fashion, and find ways of communicating this interpretation to others.

CHAPTER FOUR: DATA ANALYSIS RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis and discussions. The study objective was to determine the effect of dynamic capabilities on organizational competitive advantage in Uber Taxi Kenya. Primary data was collected using an interview guide which was administered to 5 strategic managers of Uber Taxi Company, Kenya. The data was thereafter analyzed based on the objectives of the study and the findings are as presented as per the different classes underlined below.

4.2 Period of Work

The interviewees were asked how long they had worked in the company. Majority of them stated that they had worked for a period of two years and above. Only two of them had worked for a period of one year. This gave an assurance that the interviewees were conversant with the company's information and would give credible feedback to the questions assigned to them.

4.3 Description of Responsibilities in Uber Taxi Company

The strategic managers stated that their task is to ensure that both the business and technical viewpoint in the company is being considered. They also review the change record for completeness and accuracy, ensure that customer and vendor viewpoints are considered as appropriate, and provide input to the change manager for the on-going maintenance and improvement of the change management process.

The interviewees indicated that they manage and coordinate all activities necessary to control, track and audit changes in the environment. They also evaluate performance

metrics against the defined critical success factors and institutes actions to correct shortcomings or further streamline the process as necessary for better performance of the company.

4.4 Competition in Uber Taxi Company

4.4.1 Major Competitor of Uber Taxi Company, Kenya

The interviewees were asked whether their company had a major competitor. They indicated that Little Cab was their major competitor since both have overhauled the old system in the industry which plateaued in decades, whereby riders had only two options; either wait on the streets or call taxi dispatcher. Both companies use smartphones that has made it possible for the new entrants' clients to get a taxi from wherever they are.

4.4.2 Competitive Advantage in Uber Taxi and other Taxi Companies

Under this question, the interviewees indicated that Uber Taxi Company has a high competitive advantage as compared to other taxi companies in Kenya. The main reason for this is because the company is an app-based taxi operator. The interviewees stated that the company uses mobile app where it can reach a wide range of clients unlike the traditional taxi operators who command fleets of taxi cabs under their name and tend to offer corporate taxi services. They also cited the global uber brand name as one of its competitive advantage given that most clients associate with and trust in uber name unlike the other local app based taxi competitors.

4.5 Dynamic Capabilities and Competitive Advantage in Uber Taxi Company

The strategic managers were asked to indicate how they viewed dynamic capabilities and competitive advantage. Various responses were given where some managers stated that dynamic capability is one capability, that is, the functioning ability to be able to come up

with new goods from another capacity. Others stated that it is the ability to change the way organizations make certain products. One manager gave an explanation about Uber taxi and stated that the company markets its operations differently from other Kenyan taxis through a mobile app. The transportation network provides personal transportation to all customers around the country.

Under competitive advantage, the interviewees stated that it is an idea that is based centrally on strategic management literature. Competitive advantage is a firm's long term goal having a higher competitive position as compared to that of its competitors. The indicated that technology based category of Uber Taxi Company is comprised of an international player. Uber has come up with a new competitive goal where riders use smartphones to communicate with the clients which has made it possible for the new entrants' clients to get a taxi from wherever they are.

4.5.1 Dynamic Capabilities in Uber Taxi Company

The interviewees stated that Uber taxi Company uses adaptive capability in its operations. The company has the capacity to adjust its product-market scope to counter to external opportunities, examine the market, monitor clients and allocate resources to entrants and distribute resources for publicizing activities, and respond to the changing market environment. They stated that Uber Taxi is a newly reputable firm which has the capacity of placing it-self in the market space. The company also has innovative capabilities where it has established new goods and markets by bringing into line strategic innovative orientation with advanced actions and methods such as mobile app.

4.5.2 Adaptive Capabilities in Uber Taxi Company

Under this question, the interviewees indicated that the company's main adaptive capability is the mobile app. It adheres to a network orchestrated model as compared to other service providers whose framework involves inclusion of more capital. The respondents stated that the mobile app has brought about fast customer response and efficiency. It has also proved to adjust well to the recent market changes as compared to its competitors.

According to the interviewees, Uber has been in pursuit of favourable prices for its clients through dynamic surge pricing. The company uses block by block basis to predict before it happens. This prediction is mainly on basis of how many clients open their app at a given period. Dynamic pricing is important to Uber drivers since it gives them information on areas they should and should not take their clients. It provides stability, balance of the quantity of demand and supply. The system is intensive and ensures better services offered to their clients at reasonable prices.

However, this adaptive capability has some challenges. Dynamic pricing needs huge amounts of data and creation of complex algorithm which can predict the future. The algorithm considers data such as local events, ongoing news and weather forecasts. Most clients may lack money for the purchase of this data which may be a disadvantage to the company's offers.

4.5.3 Influence of Management on Dynamic Capabilities

According to the interviewees, the principles and purpose of markets are often at odds with other institutions. Regulation is one means to address these points of contradiction. Of particular importance for Uber is that in almost every locale, the transportation market

is heavily regulated. As such, Uber must contend with local regulatory bodies. Further, the regulations do not exist in a vacuum. Rather, they affect the assumptions and expectations of local drivers and riders. Therefore, Uber's management must also deal with the more ephemeral cultural components of the regulatory infrastructure. Far from facilitating the transactions of generic drivers with generic riders, the company's management must contend with the rich local diversity of regulations and their unpredictably proliferating effects.

4.6 Challenges Facing Uber Taxi Company

4.6.1 Challenges that Uber Taxi Company Face in Strategy Implementation

According to the interviewees, Uber Taxi Company faces several challenges. At the core of the company's business philosophy is to always charge less than the traditional competitors. From the beginning it has encouraged people to try the new app and to continue to use it in place of traditional taxi services. But, in fact, the relationship between the company and drivers, as well as between the company and clients is relatively weak and can be easily replaced by the competition.

In addition, the strategic managers indicated that the regulated taxi industry "feels threatened by Uber's high quality service and quick response time. Taxi operators say it represents unfair competition because Uber drivers can flout the rules and restrictions that regulate the professionals. Another challenge stated by the interviewees is the unpredictable business model operating within a highly regulated market. This is something that exposes Uber to ever-changing and potentially dangerous political influence.

4.6.2 Challenges That Come with Adopting New External Capabilities

Under this question, the strategic managers indicated that Uber's struggles to adopt new external capabilities can be traced to conflicts with regulatory bodies. The difficulty for the company is the lack of national standards that make the struggle a jurisdiction-by-jurisdiction undertaking. However, it is not as simple as just changing or complying with the laws. As stated by the respondents, the laws shape the cultural expectations of transportation in uncertain ways. Uber must simultaneously navigate the formal regulatory regimes and the informal landscape of expectations partially shaped by those regimes.

In addition, undertaking to alter, adhere and adapt to local diversity is costly. It requires lawyers and lobbyists to work with law-makers, and researchers and publicists to understand and influence public attitudes. The interviewees indicated that Uber is also faced with the prospect of competitors taking advantage without similar cost. The company is reportedly spending large sums of money trying to attract drivers and become ubiquitous in a way that locks out competitors. However, drivers could be easily swayed to other services that have not incurred Uber's expenses such as Little Cab.

4.6.3 Challenges Faced in Implementing Dynamic Capabilities

Under this question, the respondents stated that Uber expansion has disrupted traditional transportation providers and brought the company into conflict with a broad array of social actors including taxi companies and drivers, consumers, governments and other regulatory bodies, as well as social justice activist. This conflict has made it delay in its implementation of major dynamic capabilities which is a threat to the company.

The company is also facing a decrease in the number of taxi operators due to the cut down of costs. This is making the implementation of major dynamic capabilities slow. In addition, the company has been spending more time fighting their competitors who sometimes demonstrate in the streets. This is because several taxi companies had to close shop since Uber entered the market. They were losing customers as well as drivers, as both are jumping ship to Uber instead.

4.7 Uber Taxi Company New Services, Values, Technology and Innovation

4.7.1 New values Assimilated by Uber Taxi Company

According to the interviewees, Uber's application in and of itself is the biggest asset of the company. The company controls all its market abilities where is able to raise or lower the fares without anyone's regulation. Uber Taxi in Kenya considers itself competitive and significant since it is able to recognize its unique competences in terms of the resources and has the ability to organize them in a state where they can form a sustainable competitive advantage in both long and short terms.

4.7.2 New Services Assimilated by Uber Taxi Company

The interviewees stated that Uber Taxi Company has introduced network orchestrated model as compared to other service providers whose framework involves inclusion of more capital. Uber has been in pursuit of favorable prices for its clients through dynamic surge pricing. Their system is intensive and ensures better services offered to their clients at reasonable prices.

The interviewees added that Uber uses the new digital transformation that leads to digital disruption in the taxi industry. Uber is global due to the digital affordance that allows

integration of digital design that integrates customer experience and feedback into the organization. Ubers prices go before them due to better structures, better coordination and can manage relations with their associates better. They get closer and more responsive associations with their final clients.

4.7.3 Influence of Innovation on Competitive Advantage of Uber Taxi Company

The strategic managers stated that through innovation, Uber took full advantage of the concept of collaborative consumption by coming up with a mobile app that is very easy to use while packed with features that are designed for users' convenience. For example, the use of GPS technology for matching drivers and their cars with passengers, and tracking or monitoring the trip, cuts down on time, effort, and search costs. Through this, customers are able to rate the driver at the end of a trip or ride. If the driver's rating falls below the threshold set by Uber, then he can be removed from the system. This encourages drivers to provide and maintain the high quality of their service, from how they drive and interact with their passengers to how they maintain their vehicles.

4.7.4 Influence of New Technology and Marketing Capabilities on Competitive Advantage

The strategic managers stated that the company uses a cutting-edge technology. This is due to the fact that technology has been known to be able to break down and get past regulatory entry barriers because of the use of the internet. The widespread reach of the internet also means it is easier for Uber to expand to other cities all around the world.

The interviewees indicated that Uber Taxi Company has variable or flexible and often more affordable pricing model. They indicated that Uber is not responsible to any fare

regulation, so pricing is flexible. They argued that Uber is a ridesharing service, not a taxi company. As such, it is not covered by taxi regulations, which includes imposing pre-approved prices or fare rates. Therefore, it can pretty much raise its prices or lower the rates according to the demand for the service. This is a flexibility that is not present in taxi companies, whose pricing is governed by legislation.

4.7.5 Product market scope of Uber Taxi Company

The interviewees indicated that the company has the capacity to adjust its product-market scope to counter to external market opportunities by discovering the strengths, opportunities, weaknesses and threats. To protect the company's market share against competitors offering lower prices, the strategic managers stated that the company has developed a strategy based on its cost and service strengths. Uber Taxi Company has cost advantages over its competitors, where it uses that ability to reduce their own prices without damaging profit levels. According to the strategic managers, Uber Taxi Company protects its customer base by developing a customer loyalty strategy and increasing the barriers to entry for competitors. The company has introduced a customer loyalty program that rewards customers for maintaining or increasing levels of business.

4.7.6 Strategies used Uber Taxi Company to Provide Value

The interviewees indicated that Uber Taxi Company has adopted competitive strategies such as differentiation, focus and cost leadership. These strategies have added value to the company's services. Through these strategies, the company earns high profit as compared to the average profit of the other companies in the same market setting. The mobile-app connects available drivers with individuals who need to be transported to

varied locations and through this the company has been able to sustain a competitive advantage in the industry.

4.8 Future of Uber Taxi Company

The strategic managers indicated that despite the fight back and a growing pile of legal challenges in the company, the "sky is the limit" with a growth trajectory that is going to be phenomenal. The interviewees indicated that the company has been in the industry in several countries and its aggressive strategy means that it has a lot of strengths, and more importantly these strengths are strongly connected with opportunities existing in its external environment. They stated that Uber is taking advantage of its most significant strengths and it will continue achieving better performance in future.

4.9 Discussion of the Findings

The study found that Little Cab Taxi Company is the major competitor of Uber Taxi Company since both have overhauled the old system in the industry which plateaued in decades, whereby riders had only two options; either wait on the streets or call taxi dispatcher. Both companies use smartphones that has made it possible for the new entrants' clients to get a taxi from wherever they are. These findings are in line with Rayle (2004) who stated that in all situations, a taxis offer a reliable option to compliment or substitute other available means of transport. This is because public transport does not serve some areas well hence reaching such places may require very long walks. In other areas, options for using personal cars are unattainable due to insecurity to personal vehicle owners, need for shared rides (for groups), and lack of parking, traffic congestion and poor road networks.

The findings have indicated that Uber taxi Company uses adaptive capability in its operations. Uber Taxi is a newly reputable firm which has the capacity of placing it-self in the market space. The company also has innovative capabilities where it has established new goods and markets by bringing into line strategic innovative orientation with advanced actions and methods such as mobile app. The findings concur with Arend & Bromiley (2010) who criticized the capacity of dynamic capability view to cohesively expound organizational alteration with reasonable consistency, clarity on the concept and empirical precision. They identified four key problem sectors that bound the possible contribution of the dynamic capability research.

It was found that Uber Taxi Company protects its customer base by developing a customer loyalty strategy and increasing the barriers to entry for competitors. The company has introduced a customer loyalty program that rewards customers for maintaining or increasing levels of business. These findings concur with Clain (2012) who stated that to protect the market share against competitors offering lower prices, a company should develop a strategy based on its cost or product strengths. If a company has cost advantages over its competitors, it should use that ability to reduce its own prices without damaging profit levels.

The study found that unpredictable business model operating within a highly regulated market is the company's major challenge. This is something that exposes Uber to ever-changing and potentially dangerous political influence. In addition, Uber's expansion has disrupted traditional transportation providers and brought the company into conflict with a broad array of social actors including taxi companies and drivers, consumers, governments and other regulatory bodies, as well as social justice activist. This conflict

has made it delay in its implementation of major dynamic capabilities posing a threat to the company. The findings concur with Lewis (2012) who found that dissimilar objectives led to competitor's inability to share risks, lack of trust causing unsolved problems, lack of understanding, and despondent relationships hindering strategic alliance.

From the findings, Uber Taxi Company has adopted competitive strategies such as differentiation, focus and cost leadership. These strategies have added value to the company's services. Through these strategies, the company earns high profit as compared to the average profit of the other companies in the same market setting. The mobile-app connects available drivers with individuals who need to be transported to varied locations and through this the company has been able to sustain a competitive advantage in the taxi industry. The findings coincide with Porter (2008) who argued that firms that perform well in the market adopt both cost leadership strategy and differentiation strategy. Researcher findings are also similar to those of (Chebet, 2011) who stated that firms should emphasis on cost leadership and differentiation strategy to increase their market share.

CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary, conclusions, and recommendations of the study. This study focused on the effect of dynamic capabilities on organizational competitive advantage in Uber Taxi Kenya.

5.2 Summary of the Findings

From the findings, Little Cab Taxi Company is the major competitor of Uber Taxi Company since both have overhauled the old system in the industry which plateaued in decades, whereby riders had only two options; either wait on the streets or call taxi dispatcher. Both companies use smartphones that has made it possible for the new entrants' clients to get a taxi from wherever they are.

From the findings, Uber taxi Company uses adaptive capability in its operations. Uber Taxi is a newly reputable firm which has the capacity of placing it-self in the market space. The company also has innovative capabilities where it has established new goods and markets by bringing into line strategic innovative orientation with advanced actions and methods such as mobile app.

It was found that Uber Taxi Company protects its customer base by developing a customer loyalty strategy and increasing the barriers to entry for competitors. The company has introduced a customer loyalty program that rewards customers for maintaining or increasing levels of business.

According to the findings, unpredictable business model operating within a highly regulated market is a company's major challenge. This is something that exposes Uber to

ever-changing and potentially dangerous political influence. In addition, Uber's expansion has disrupted traditional transportation providers and brought the company into conflict with a broad array of social actors including taxi companies and drivers, consumers, governments and other regulatory bodies, as well as social justice activist. This conflict has made it delay in its implementation of major dynamic capabilities which is a threat to the company.

From the findings, Uber Taxi Company has adopted competitive strategies such as differentiation, focus and cost leadership. These strategies have added value to the company's services. Through these strategies, the company earns high profit as compared to the average profit of the other companies in the same market setting. The mobile-app connects available drivers with individuals who need to be transported to varied locations and through this the company has been able to sustain a competitive advantage in the taxi industry.

5.3 Conclusion

Based on the finding of the research conducted, it was concluded that Uber Taxi Company in Kenya has adopted cost leadership strategy, focus and differentiation strategy. Through these strategies, the company earns high profit as compared to the average profit of the other companies in the same market setting.

From the research findings, that unpredictable business model operating within a highly regulated market is the company's major challenge. This is something that exposes Uber to ever-changing and potentially dangerous political influence. Additionally, Uber expansion has disrupted traditional transportation providers and brought the company

into conflict with a broad array of social actors including taxi companies and drivers, consumers, governments, and other regulatory bodies, as well as social justice activist. This conflict has made it delay in its implementation of major dynamic capabilities hence posing a threat to the company.

5.4 Recommendations

The study recommends that all the taxi industries in Kenya should start using mobile app where they will be able to reach a wide range of clients. In addition, they should venture more on strategies which will make the customer more satisfied and get the value for money. They should learn to protect the customer base by developing a customer loyalty strategy. The companies should also emphasis on cost leadership, focus and differentiation strategy to increase their market share.

5.5 Limitations of the Study

The researcher encountered various challenges that tended to hinder access to information sought by the study. The study was conducted through interview guide; this provided a challenge as some respondents were not willing to participate owing to the busy schedule of their work. The respondents approached were reluctant in giving information fearing that the information sought would be used by competitors in the industry. Some respondents' feared victimization and therefore were not willing to participate in the study.

5.6 Suggestion for Further Research

The study was conducted on Uber Taxi Company only. Further studies can be conducted to find the dynamic capabilities on organizational competitive advantage in all taxi firms

in Kenya or competitive advantage adopted by public service vehicles in Kenya. Another study can also be conducted to determine the challenges faced by taxi industry in Kenya.

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APPENDIX I: INTERVIEW SCHEDULE

1. How long have you worked for Uber Taxi Kenya?
2. Give a brief description of your responsibilities in Uber Taxi Company?
3. Who is your major competitor?
4. Could you please explain how you view dynamic capabilities and competitive advantage in your industry?
5. Does Uber have a competitive advantage as compared to other taxi companies? Explain.
6. What are some of the dynamic capabilities present in Uber Taxi Company?
7. What are some of the challenges that Uber Taxi Company face in implementing the strategies to attain a better competitive advantage? Explain
8. What are some of the adaptive capabilities that Uber has identified to capitalize itself on emerging market opportunities?
9. What are some of the challenges Uber faces implementing these capabilities? Elaborate.
10. What product market scope does your company use to respond to external market opportunities?
11. How do you acquire external and internal information or knowledge that affects the competitive advantage of Uber Taxi Company? Explain
12. Which new values/external information has Uber assimilated to its commercial status? Explain
13. What are some of the challenges you face when you adopt new external capabilities (values and external information)? Explain

14. What are some of the new services you have introduced that have enhanced your competitive advantage in the taxi industry? Explain
15. What role does innovation play in enhancing the competitive advantage of Uber Taxi Company? Explain
16. Are there any new technological and marketing capabilities that influence competitive of Uber Taxi Company? Explain
17. What are some of the strategies that Uber Taxi Company has taken to provide value to its services? Explain
18. How does the management influence dynamic capabilities to attain competitive advantage? Explain
19. What major challenges are facing the implementation of all the dynamic capabilities for a better competitive advantage at Uber Taxi Company? Explain
20. How do you see the future of Uber Taxi Company? Explain