

**EFFECT OF E-BUSINESS STRATEGY ON COMPETITIVE ADVANTAGE
OF SAFARICOM LIMITED, KENYA**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER
OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY
OF NAIROBI.**

2019

DECLARATION

This research proposal is my original work and has not been submitted for the award of a degree in any other University or Examination body.

Signed Date

REG. NO: D61/86082/2016

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This research proposal has been submitted for examination with my approval as the candidate's university supervisor.

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ACKNOWLEDGEMENTS

My personal appreciation goes to the supervisor, family, friends and the supportive respondents who created time to contribute tremendously towards a fruitful accomplishment of this research study project. I specially thank and appreciate my Supervisor Dr. Kennedy Ogollah because of his professional supervision and guidance all through the research study. Creating time in his busy schedule makes me feel highly indebted to him. I also recognize and thank my supportive moderator Dr. Moses Aranga going out of his way to create time for reviewing this study. Special thanks to Dear Wife Anne Wangui, lovely children Paula, Andrew and Elsa for cheering me up through the MBA study. Likewise, I am grateful to Safaricom Limited respondents who provided very valuable discussions plus information and more so my Manager Barrack Odero for allowing me time to study. Finally, I am forever thankful to the Almighty God who makes all things possible and giving me energy, persistence, self-motivation and high spirits all throughout the study period.

DEDICATION

Dedication of this research study project goes to the Almighty God for His graciousness and underserved blessings. To my ever loving Mother and Father Mr. and Mrs. Matthew Waweru Gakiria who gave me immense inspiration and encouraged me in life whenever I felt like giving up. My siblings the late Grace, Late Sam, Late Joe, Gakuo, Bonnie and Wong. Thank you for being a family as our work and study demands keep us away from each other for long.

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ABSTRACT

The study sought to establish the effects of e-business strategy on competitive advantage for Safaricom limited. As competition increases in telecommunication industry companies are coming up with innovative ways to ensure customer needs are met in a more effective way while keeping the costs low and growing revenues. Through an interview guide, data was collected from e-vendor managers, marketing manager in Safaricom limited and finally a focus group comprising of enterprise business managers at Safaricom limited, dealer vendors and merchants. The methodology used is research design, data collection and data analysis. The analysis showed e-business strategy enabled quick turnaround in decision-making delivering more effectiveness in adapting to changes in an unpredictable business environment comprising external threats that might harm the business. E-business strategy in Safaricom limited has ensured the firm's strengthened response mechanisms to customer needs as well as enable the firm localize products and services based on regional customers' needs. The challenge was requirement of uniformity across Safaricom limited and all Vendors in usage of electronic technologies on the e-vendor platform and harmonization of services and products offered by each vendor. Logistical challenges in delivering products ordered online by customers across the regions remains an area that needs improvement. In conclusion, the successful adoption of the e-business strategy is influenced by both internal integration (Safaricom's human capital, Digital organization and supplier integration system control.) and external diffusion (Quick decisions, Electronic integration, Active customer support) variables. Key recommendations are that adoption of e-business strategy must consider the internal and the external elements. When adopted perfectly, it gives rise to competitive advantages on financial terms and other non-financial competitive advantages that ensure survival in a volatile changing business environment. These are differentiation, enterprise agility, relationship development and partner attraction.

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ABBREVIATIONS AND ACRONYMS

CEO:	Chief Executive Officer
DOI:	Diffusion of Innovation
ERP:	Enterprise resource planning
ETACS:	Extended Total Access Communications System
FYROM:	Former Yugoslav Republic of Macedonia
GSM:	Global System for Mobile Communications
ICT:	Information Communication Technology
IT:	Information Technology
SMEs:	Small and Medium Enterprises
SPSS:	Statistical Package for Social Scientists

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Internet is now an essential component of the modern-day world and economies all over the globe. Resulted to unprecedented changes and transformations in governance, research and education, social interactions, philanthropic pursuits, business world, communication, and many other aspects of life. E-business strategy also denoted to as electronic-business strategy, is usage of systems that are based on the internet platform to facilitate business transactions. Innovations that are enabled by information communication technology (ICT) are creating new ways to manage supply chain relationships such as e-marketing, e-procurement, e-logistics and e-payments among others. By applying a more data driven approach in understanding how customers behave, unlocks secrets in business and insights that help avoid failure by adopting new techniques to change unhealthy business practices as revealed by the data. E-business strategy is reducing rigid structuring and inflexible procedures that make businesses less efficient. These e-business trends are causing seismic shifts and creating competitive advantages. It is an important innovation in the information technology (IT) industry. The buyers and also customers benefit significantly by the usage and implementation of E-business. E-business strategy involves trade dealings throughout the value chain and brings together the buyers and sellers on both ends of a business transaction. This means buying from the upstream suppliers of goods and services and selling the same to downstream customers through the use of Internet infrastructure platform and related systems (Soto-Acosta, Popa & Palacios-Marqués, 2016).

This study was underpinned on the following theories, diffusion of innovation theory, contingency theory and Lewin's change management model. The Diffusion of innovation (DOI) theory, established by E.M. Rogers in the year 1962, is among the first social science theories. It began in communication to explain that over a period, an idea, innovation, product or service gains impetus and spreads across a particular population or social system. Contingency theory on the other hand, was done by an Austrian psychologist Fred Edward Fiedler in the year 1964.

The theory posits that the most effective technique to organize is contingent on the existing complexity and changes inherent in the environment. Lewin's change management approach was developed by Kurt Lewin in 1950s. Massive changes are disruptive and if not well managed run the risk of alienating employees because their workflow becomes radically different than before. Care needs to be taken to ensure full participation that includes deliberate and intentional team involvement.

In Kenya, the adoption of electronic business offers a remarkable opportunity to telecommunications firms especially Safaricom to gain superior global access at reduced transactional costs, with much more improved efficiencies and better revenues; enables access to potential customers and supplies, improvement in productivity, products and services customization, management and information exchange (Macharia, 2009). Safaricom Limited is striving to maintain its market share by increasing its competitive advantage. The Internet, is by far the most significant technological phenomenon today, providing competitive opportunities.

The adoption of e-business in Safaricom through Masoko platform enables Safaricom Limited to maintain its competitive advantage. The e-business ensure convenience in serving customers hence retention and guarantees internalization of the firms through global marketing (Kasemsap, 2016). This study seeked to establish the effects of e-business on competitive strategy for Safaricom Limited.

1.1.1 E-Business Strategy

E-business strategy can lead a company to superior performance and scale up business transactions. This highly depends upon the fit with the firm's core competencies and the alignment with the firm's information technology (IT) infrastructure. Firms undertaking e-business have managed to achieve significant returns through closer friendlier customer relationship, efficiency improvements, growth of sales revenues, inventory reduction, market development, market penetration, and also financial returns (Delina, 2014). It is fundamental to develop the capability and capacity within the firm to adopt e-business with respect to its rapid changes in the ways enterprises buy, sell, and handle customers. E-business is suitable and positioned much more centrally within the firm's business and technology strategies.

E-business implementation turns out to be an important research topic since it empowers the organization to execute effective automated transactions alongside value chain events this is a new approach of integrating internet-based technologies along with the organizations' core business, and in so doing potentially impacting the entire business (Kasemsap, 2016).

Electronic business platforms enable the practice of instantaneous reporting of business events which greatly augment speed of business transactions. Permanent impact of adopting e-business has quickly improved the coordination, integration and incorporation of the entities in the supply chain (Kurnia, Karnali & Rahim, 2015). Electronic business practices are defined as practices which involve progressive process of investing in ICT; applying them to transform business processes like market production, research, finance and management; and transacting commercials with other businesses, households and governments via online networks. The retail sector firms such as supermarkets have adopted the use of electronic business procedures in the recent past as an attempt to improve the operators (Kasemsap, 2016).

1.1.2 Competitive Advantage

Competitive advantage is the differentiating feature with the capability to influence customers to make purchases from a given business other than those from competition since this creates value and convenience for the customers. The main drive of a business success is to safeguard an establishment of a exclusive competitive advantage that has the ability to create value to the customers and it needs to be difficult to duplicate (Namada, 2018). According to Namada (2018), competitive advantages can be well-defined as an state that ensures an organization or a business proposition offers goods and services at a lower price and of best quality to their customers. The creation and maintenance of superior strategies enable an organization to perform better than others in a certain potential niche by deploying a uniques strategy that creates competitive advantage (Michael Porter, 1985).

Competitive advantage of Safaricom resulting from e-business is a significant concept that needed to be understood in order to enhance its competitiveness for the Kenyan market. The firm found out that a lot of Kenyans can use an online platform to buy stuff, but there is a need to first have a paradigm shift as the first imperative towards cashless online shopping and need to trust the digital seller before committing. The trust aspect is what Masoko e-vendor platform believes elevates its trade preference over competitors. Safaricom have been looking forward to helping vendors get a market for their products, and for anybody to have access to products via a smartphone or any other gadget (Rotich, Aburi & Kihara, 2014).

1.1.3 Safaricom Limited

Safaricom limited is the number one mobile phone network operator in Kenya and information has indicated that it is the largest in east and central Africa as far as infrastructure, profits, and resources are concerned. Safaricom PLC started as one of the departments at Kenya Posts & Telecommunications Corporation that was formed to tryout an innovation known as ETACS network. Nevertheless, in 1996, the technology advanced to GSM and in 1997, Safaricom was finally incorporated as a private liability company (Safaricom, 2016)

Safaricom developed an e-vendor business platform launched November 2017.

As an innovative product, the e-vendor platform leverages its potential on the Kenyan expansive online customer base with a view to access the untapped digital customers using mobile technology within Kenya and beyond. By democratizing retail, vendors and merchants suddenly get access to a market for their products and customers have access to these products through mobile technology (Rotich, Aburi & Kihara, 2014). This e-vendor platform referred to as Masoko positions itself to help the skeptical vendors and merchants to understand that there are advantages of selling products in a timely manner as it provides faster business growth.

To achieve this, Firstly the vendors and Merchants meet timelines through both training and assistance with stable delivery tools. Secondly, merchants leverage on brand trust of the e-vendor platform as it deals with quality products by vetting the partners and known brands. When these two issues are well addressed, the business potential is lucrative with a competitive advantage. The e-vendor platform technological leadership can gain a competitive advantage through purchase and control of resources that lock in the first mover advantage in a Kenyan environment (Chege, 2018).

The e-vendor platform signs up vendors and sell their merchandise. This does not mean Safaricom owns any of the goods on offer but ensures the stock on sale meets a set standard. Customers and vendors signup accounts and trade electronically on a wide variety of goods and related services. This ensures vendors benefit from the brand trust developed by Safaricom over the years. The preferred payment is Safaricom Lipa na Mpesa though other options such as cash on delivery are allowed. Supporting this platform are logistical services for delivery of customer orders within 24 -72 hours in the 100 delivery network locations (Chege, 2018).

As a value add to customers, they are allowed to shop with Bonga points and additionally get 24hr assistance through the customer care service centre. Trustworthiness is a significant aspect in online shopping by buyers before they commit. Online Customers are duped by vendors through substandard and fake goods. Furthermore, the return process of these goods ends up with unhappy customers due to the refund and replacement process. Also, warranty and repairs in some cases is not available. These issues can be addressed if the partners and vendors are appropriately verified (M'itonga, 2019).

1.2 Research Problem

Electronic business strategy enables the practice of instantaneous reporting of business events which greatly augment speed of business transactions. Permanent impact of adopting e-business strategy has quickly improved the coordination, integration and incorporation of the entities in the supply chain (Kurnia, Karnali & Rahim, 2015). The e-business strategy ensure convenience in serving customers hence retention and guarantees internalization of the firms through global marketing (Kasemsap, 2016). Using appropriate e-business strategies, business enhance their competitive position and an organization with strong competitive advantage has the ability to enlarge its market share compared to companies with a weaker competitive position.

Safaricom launched its e-vendor platform referred to as Masoko on 16th November 2017. As an innovative product, the platform leverages its potential on the Kenyan expansive online customer base with a view to access the untapped digital customers using mobile technology within Kenya and beyond. By democratizing retail, merchants and vendors suddenly get access to a market for their products and customers have access to their products through mobile technology (Rotich, Aburi & Kihara, 2014). Masoko e-vendor platform signs up vendors and sell their merchandise. This does not mean Safaricom owns any of the goods on offer but ensures the stock on sale meets a set standard. Customers and vendors signup accounts and trade electronically on a wide variety of goods and related services.

Ilin (2017) did a study on adoption determinants in electronic business among ERP-enabled companies and other non-ERP-enabled companies based on a research case study in Western Balkan Peninsula. A survey based on questionnaire was done in five developing countries in Former Yugoslav Republic of Macedonia (FYROM), Serbia, Bosnia Herzegovina, Croatia and Western Balkan, Montenegro and data from two hundred and seventy-six firms was collected. Using factorial analysis, data were analyzed, and relevant hypotheses finally tested by using logistic regression analysis. Final results showed ERP-enabled companies and other non-ERP-enabled companies with precise seeming comparative advantages, government resource support, top level management resource support, and governments regulatory backing are much more probable to adopt e-business. Adede (2017) studied electronic marketing practices, environments that are operationally competitive and the performance of companies in telecommunications industry in Kenya.

The goal of the research study was to ascertain the effect of electronic marketing practices on the performance of telecommunications companies in Kenya. The studied population was drawn from all the existing telecommunications companies in the country. Data collected from Primary sources used semi-structured questionnaire whereas data collected from secondary sources was extracted from industry performance journals and reports. The collected statistical data descriptive in nature was then analyzed by use of factor analysis and regression analysis. The findings exhibited statistically substantial relationship between electronic marketing practices and organizational performance. Results of the moderating impact of competitive environment on the relationship were equally statistically significant.

This study casts light on gaps that may arise within step by step adherence to the Lewin change management and evaluating successful implementation. Accomplishments be made only when deliberate and intentional efforts towards effective change management are implemented. Gaps may exist in collaborative teamwork, stakeholder management, bureaucracy, communication, support systems and structure, among others. Care must be taken when bringing employees onboard and keep their enthusiasm during the change. Change management also provides guidance on how to go about getting people to change. Change only happens when everyone is prepared to adopt new processes and transition. This study sought to answer the research question; what is the effect of e-business strategy on competitive advantage of Safaricom limited?

1.3 Research Objective

The research study objective was to examine the effect of e-business strategy on competitive advantage of Safaricom Limited.

1.4 Value of Study

This study is significant from a standpoint of theory in that it gives information on the e business field. The conclusions and recommendations deduced are suitable and give support on effect of e-business strategy on competitive advantage. Scholars in e-business strategy can use this study as part of reference. Additionally, researchers are be able to gain further knowledge as it focuses on Safaricom limited only. This is therefore a foundation for further studies with focus on other telecommunication companies.

From a practical view, these research study finding deliver key data to enable management of Telecommunication companies in Kenya relate to the problems that need to be addressed to enhance their competitive advantage. This research study is useful for both existing Telecommunication companies in Kenya as well as those that are starting up. Findings are to be used by Telecommunication companies in Kenya in developing their strategies and improvement on services offered to its customers.

The findings benefit policy makers and government institution such as ministry of ICT and Communication. It also enables them make policy and guidelines on the existing Telecommunication companies to identify areas of improvement in their operations that can result in increased competitive advantage through increased revenue or through reduction in operational costs.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses the theoretical foundation on which this study was based on which includes Contingency theory, Diffusion of innovation theory and Lewin change management theory. It gives a critique of previous studies done on challenges facing the e-business adoption. Lastly it gives the empirical assessment and a summary of the literature review and knowledge gap which this study attempted to fill.

2.2 Theoretical Review

The simplest of ways to put it is saying that a theoretical foundation is something which makes the theory valid while at the same time logically sustainable. This study underpinned on diffusion of innovation theory, the contingency theory, and finally Lewin's change management model. Thereby helping in specifying and developing the conceptual framework of the study with relevant hypothesis and the supporting rationale.

Massive changes are disruptive and if not well managed run the risk of alienating employees because their workflow becomes radically different than before. The contingency theory was developed in 1964 by the Austrian born psychologist Fred Edward Fiedler. Theory posits that the best and effective method to organize is contingent on existing complexity and volatile changes in the environment. In the year 1962, the theory of Diffusion of innovation (DOI) was advanced by E.M. Rogers, it is among the first theories in social science. It began in communication to describe how, over a span of time, an idea, innovation, product or service achieves impetus and spreads across a particular population or social system. Lewin's change management model was advanced by Kurt Lewin in 1950s.

2.2.1 Contingency Theory

In 1964, Fred Edward Fiedler an Austrian born psychologist developed the contingency theory. It claims that the utmost effective method to organize is contingent on the current complexity and changes in the volatile business environment. The operational environment usually is volatile, turbulent and fast changing thus business leaders must first observe the environment and draw up effective growth strategies which enable businesses to achieve continuous and sustainable competitive advantage. The contingency theory currently makes available a key framework for the research study on organizational design. Suggests that utmost effective organizational structural design is where the structure fits business contingencies. Contingency theory of organizational structure can be stated to more concisely as the theory of structural contingency (Otley, 2016).It theorizes that this goal may not perfectly be accessible, if organizations are unable to develop competitive strategies appropriately based on current market positioning, plus secondly, the company intentional competitive business tactics are not adopted by current dynamic capabilities within the company. Strategic arrangement can assist businesses in deciding a compromise between the business current costs visa vie related gains in the existing market that sustains their customers and business partners.

Capability to maintain and retain customers involves flexibility in meeting customer needs; hence, it must be based on a dynamic business process. The organizations that profit from a higher level of dynamic business capability are more capable to adequately react to the dynamic process of recognizing the gradual changes in their customers' preferences and therefore, prevent customer churn (Mansbridge, 2014). Organizations that deliberately offer products, services, online experiences, minimize customer search costs, create trust, and tailor clients' needs are more likely to elicit the first and repeat purchases. Thus, what is central to trigger real transactional buying in a electronic marketplace, is use of Internet to cut costs tremendously and deliver and guarantee higher level of client satisfaction and convenience to retain them (Wadongo & Abdel-Kader, 2014).

2.2.2 Diffusion of Innovation Theory

E.M. Rogers developed in 1962 the theory of Diffusion of Innovation (DOI). It is among the theories that are oldest in social science and originated in communication to clarify in what manner, over a span of time, an idea, product or service achieves motion and spreads across a particular population or social system. The innovation diffusion research can be followed back to Schumpeter who shaped the theory of innovation in the early twentieth century. He studied the "imitation" habits among individuals (Zhang, Yu, Yan & Spil, 2015). The theory is focused on the way an original technological idea, method or technique, journeys from creation to eventual use. Principally the diffusion is concerned with minimizing uncertainty 'amongst members in a system that is social through communication. For telecommunication firms this is mainly by interpersonal networks and learning is crucial to the adoption rate and application of more complex innovations.

The promotion and awareness of adoption of electronic business must encompass the use of suitable media for convey information, the inspiration of very early adopters to share and extend with their peers, targeting education programs and training, the distribution of facilitators to persuade plus inform possible innovators, the choice and backing of opinion shapers, enticements to encourage several initial trial adoptions and a promise of unending support (Santacreu, 2015). This theory is relevant towards this study in explanation of the necessity to spread electronic business within the operations of Telecommunication organizations like marketing, payment, invoicing and inventory maintenance. The theory articulates that the process by which an innovation becomes diffused has shared applications to all fields that promote innovations. Adopting e-business in companies is appropriate as it makes much more efficient various activities in the supermarkets like activating and tracking every supply chain operation.

2.2.3 Lewin's Change Management Model

A psychologist Kurt Lewin in the year 1950s developed this change management model. The Lewin (1951) approach of three steps is an important piece of strategies in change management that deal with change for competitive advantage in the twenty-first century. Care must be taken when bringing them onboard and keep their enthusiasm during the change. Digging up the organization process methods and completely revamping these processes and practices where needed can hinge the organization at a critical time in its lifespan. Lewin's model splits the change process into three bitesize chunks and steps that makes up the process and people in the organization. This includes Unfreeze, Make changes and Refreeze (Benhabib, Perla & Tonetti, 2017).

Lewin model is the easiest and simplest to plan, specifically in organizations unfamiliar with the discipline of change management. Altogether, it tries to diminish the problems of opposition to change by addressing it boldly head on. Lewin's approach of three step model provides a manager, leader or change agent a clue of what implementing change implies when working with employees and introducing strategies which make firm maintain its competitive advantage. It additionally Provides direction and guidance on ways to go around achieving employees to embrace change: business leader or manager should effect brand-new processes and re-assign duties and responsibilities, nonetheless changes only are seen and felt when employees involved accept it and put it into practice (Ma, Sian Lee & Hoe-Lian Goh, 2014). Making Changes then happens when everyone is prepared to adopt new processes and transition. This requires extra training or education for the employees and partners and regular communication through a support person. This is guided by regular meetings or a mentor who is a knowledge base on the topic. Refreeze the new status quo after the changes have been affected and ensuring the old ways of working have been eliminated (Santacreu, 2015). It is effective to review and reward those who consistently keep the new processes and those making large efforts to support and sustain the changes that uncovered hidden mistakes or processes that were taken for granted. This sheds light on competitive advantage in Safaricom Limited and how changes affect it.

2.3 Empirical Review

The rapid progress and fast changes of electronic business technologies bring new prospects and difficulties to businesses. The primary technologies of e-business roles such as data transport, processing, analyzing and storage are becoming progressively indistinguishable between different organizations (Soto-Acosta, Popa & Palacios-Marqués, 2016). Investments in electronic business are now being regarded as competitive necessities and not a cause of competitive advantage. Even as big sums of resources are invested in electronic-business technologies, evidence points to countless cases that are still not delivering value to business. Even in the situations where e-business was should augment the organization's competitive position, challenges in the interface between the e-business applications, current business models, pre-existing human-resources is poorly understood (Delina, 2014). This framework is vital for decision making based on information system and to solve research problem on ways competitive advantage is produced by e-business applications since it assists in evaluating potentially fruitful strategic e-business investments in organizations, and consequently reducing wastage of scarce organizational resources (Chege, 2018).

Globalization and developments in information technology (IT), electronic business is a new model approach that has transformed people's lives. The rise and growth of electronic business modifies former business models, this includes expanding the existing marketing channels for businesses and dropping operation costs of businesses; more significant is the mode of electronic business activities that reinforce and galvanize coordination among upstream and downstream companies along the value supply chain, and encourage cooperation between enterprises (Kurnia, Karnali & Rahim, 2015).

The industry is characterized with stiff competition, fierce battle for subscribers and at times unethical business practices that include unrelenting aggressive advertisement and price wars. The industry still has high potential for growth making investors interested in venturing into the lucrative industry though with caution due to volatile and sometimes unpredictable business environment (Kasemsap, 2016).

Ilin (2017) did a study on adoption determinants in electronic business among ERP-enabled companies and other non-ERP-enabled companies based on a research case study in Western Balkan Peninsula. A survey based on questionnaire was done in five developing countries in Former Yugoslav Republic of Macedonia (FYROM), Serbia, Bosnia Herzegovina, Croatia and Western Balkan, Montenegro and data from two hundred and seventy-six firms was collected. Using factorial analysis, data were analyzed, and relevant hypotheses finally tested by using logistic regression analysis. Final results showed ERP-enabled companies and other non-ERP-enabled companies with precise seeming comparative advantages, government resource support, top level management resource support, and governments regulatory backing are much more probable to adopt e-business.

Malenya (2017) studied factors stimulating growth of e-business in Nairobi, Kenya. The aim of the study was to scrutinize issues that inspire development of e-business in Nairobi capital, Kenya. By adopting a broad survey design, instrumental in the collection of data from a target population of focus at a time of making the research study descriptive in nature. Additionally, a research survey study was used enabling the researcher have deep knowledge of the research problem all across online businesses.

The final entire sample comprised thirty respondents as a general rule of thumb for small target populations. The research study exposed that by introducing 4G network as a service on average influenced the advancement of electronic business, most clientele would choose to trade using gadgets and mobile devices, since clients would now effortlessly install various mobile applications in their mobile phones, all business processes were concluded online and that it was proving easier to interact with clients online.

Macharia (2009) did a study on aspects influencing the adoption of e-business in SMEs in Kenya. The research showed that Small sized and Medium-sized Enterprises (SMEs) are quickly accepting the e-business, to empower and enable them compete at par with much larger counterparts. Earlier studies have showed that substantial gains are achievable by those SMEs adopting and using e-business. However, similar gains have not been realized in developing economies like Kenya where SMEs are adopting e-business slowly. As a result, this study establishes an existence of a positive relationship between costs of e-business execution, Information Technology (IT) know-how and training, with e-business adoption rate.

Muoki (2016) did a study on performance and the related issues the of electronic business strategy in Bidco Africa Kenya. A survey was done with qualitative and quantitative data collected having both closed-ended and open-ended questions in the questionnaire The collected data was captured in Ms Excel software and the Statistical Package for Social Scientists (SPSS). By using descriptive statistics, numerical values from Quantitative data were analyzed. The reply on organization expertise on electronic business strategy was on averagely neutral possibly since the company had minimally invested on technology.

However, the organization was gradually adapting to electronic business strategies like the use of ICTs in their processes. ICT presents brand-new methods of creating and delivering business value. Resources does an important part towards adoption of electronic business, creation of more extensive awareness regarding electronic business. Satisfactory training and know-how skills are some of the various support that aid company employees adapt to change.

Petrtyl (2011) did a study on usage of electronic business to achieve competitive advantage. If executed correctly toolsets of electronic business make organizations much more efficient and very competitive. Author presented the topic by explaining e-business framework and pointed out difficulties associated with this issue. Also, the level of usage of electronic business in sampled European countries is defined and complimented by connecting related sources. Samples and examples of electronic business applications demonstrate current opportunities of use of ICT to turn out more competitive. The final part of the paper is the design of future research. The study found that electronic business is a critical component that can significantly boost organization's performance. From the theoretical and practical perspectives, it remains essential to describe the term correctly. Otherwise there is risk of losing solid ground for research. Using this approach, there is expectation to find common signs of brilliant implementation and consequently find a way to succeed.

Moreover Pilinkiene (2013) examined the electronic business as basis of obvious competitive advantage. Presenting the investigation of relationships that exists between electronic business rewards and competitive advantage. By examining, summing up and analyzing the diverse methods by authors towards electronic business and competitive advantages, the impact of electronic business analyzed on normal business processes that have been outlined, resource-based as well as M. Porter's approaches to competitive advantage were all compared. A model was developed by linking helpful and positive impact of electronic business on 9 completely different business processes and corresponding competitive advantage. The model can well be combined into wider research study framework built for analyzing electronic business development and its contribution in achieving competitive advantage in any sampled industry. While various research studies established that electronic business solutions gave a positive effect on many business processes electronic business gains do not automatically result in improved profits and/or sales, therefore the relation and connection of electronic business value to the competitive advantage should be made with precaution.

Nderitu (2017) studied the impact of growing and expanding the retail network on Vivo energy competitive advantage as a firm dealing in oil marketing in Kenya. The research design was descriptive, the targeted population was based on all the 110-working staff at the headquarters of company. By applying the technique of Stratified random sampling, it was possible to select fifty percent of this targeted population. Analyzing quantitative data using both descriptive and inferential statistics by use of statistical package for social sciences (SPSS version 22).

The research study outcome was that the expansion of retail network and growth had a good and noteworthy influence on Vivo energy company competitive advantage. Finally, research study recommended that Vivo energy company pursues an increase in its network branches even more widely. Adede (2017) studied electronic marketing practices, environments that are operationally competitive and the performance of companies in telecommunications industry in Kenya. The goal of the research study was to ascertain the effect of electronic marketing practices on the performance of telecommunications companies in Kenya. The studied population was drawn from all the existing telecommunications companies in the country. Data collected from Primary sources used semi-structured questionnaire whereas data collected from secondary sources was extracted from industry performance journals and reports. The collected statistical data descriptive in nature was then analyzed by use of factor analysis and regression analysis. The findings exhibited statistically substantial relationship between electronic marketing practices and organizational performance. Results of the moderating impact of competitive environment on the relationship were equally statistically significant.

2.4 Summary of Literature Review and Knowledge Gaps

Lewin model is the simplest, easiest and modest model. It is simple to proposal, particularly in organizations unaccustomed to a discipline of change management. Altogether, it tries to diminish the challenges of opposition by taking them direct. Lewin's three stage model approach provides a leader, manager and/or change agent with an idea of what executing change implies when dealing with employees and introducing strategies which make firm maintain its competitive advantage.

Additionally, delivers direction and guidance on ways to get people embrace change: a leader or manager executes new processes and re-allocate duties and responsibilities, but true change is only felt if the employees involved embrace change and aid putting it into genuine practice (Ma, Sian Lee & Hoe-Lian Goh, 2014).The existing knowledge gaps include addressing all the issues that would be used as effective measures of adherence to the successful adoption of the new process. This also includes the mindsets, skillsets and toolsets required for the new ways of working. Making Changes then happens when everyone is prepared to adopt new processes and transition. It is effective to review and reward those who consistently keep the new processes and those making large efforts to support and sustain the changes that uncovered hidden mistakes or processes that were taken for granted. The adoption to the change remains at a personal level that needs to be deliberate and intentional.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Third chapter comprises several phases that will be followed to complete the study research. The chapter presents research methodology that employed these subsections: research design, data collection and data analysis techniques. This chapter therefore presents the research methodology.

3.2 Research Design

This is a case study. A research case study largely involves unfolding a unit in great detail. It can be holistic, intensive and quite descriptive analysis of an entity (Oso & Onen, 2005). The use of the research study is because of the fact that effectiveness of e-business strategy in telecommunications industry in Kenya gives players in the industry a competitive edge. A case study is well-defined as a topical scope whose data collection and analysis were conducted through the use of interviews to state, define/describe and justify. The oral interviews were conducted face to face using open ended questions. The interviewer pursued further in-depth information around the topic.

The purpose of case study research is to unpack that particular case in detail and take learnings from that and develop theory from that approach. The choice of the case study was due to the fact that effectiveness of e-business in service delivery in the telecommunications industry has become an aspect that gives players in the industry a competitive edge. A case study would also provide flexibility during the research project. The targeted respondents were the top level professionals in the Safaricom Limited offices.

3.3 Data Collection

The study used primary data sources. The data was collected using interviews guide. These interview guides were a blend of questions both open-ended and closed. To conserve money and time and make analysis easy, questions were closed ended to offer immediate usable form. Interviews were face to face administration of questionnaires and/or an interview schedule. Interviews were quite useful as follow-ups to certain respondents to further investigate their responses. The researcher was mainly concerned with opinions, skills, knowledge and attitude of strategic workers of Safaricom Limited and a focus group containing strategic partners to the subject area,. Such information could only be best collected through the use of focus group interviews (Touliatos & Compton, 1988; Bell, 1993). Open ended questions were used since open ended nature of the question defines the topic under investigation but provides opportunities for both interviewer and interviewee to discuss some topics in more detail.

Interviews were very ideal since they delivered good cooperation from respondents, probe for answers, used follow-up questions and gathered information by observation. They were be used since they encouraged the respondents to give more information without restriction on the subject under study, the researcher made use of open-ended questions. The Masoko e-vendor business development manager was interviewed as he had in-depth knowledge of e-business strategy. Also a focus group discussion comprising the strategic management staff of the Safaricom Limited enterprise business unit were interviewed.

3.4 Data Analysis

The data collected was presented qualitatively and analyzed using content analysis. Content analysis helped to determine the presence of key words or concepts within text. This tool helped researchers analyze and quantify the presence, make inference about messages and the meaning and relationships of such words and concepts. This method further enabled the investigator to include large volumes of information and analytically identify its attributes. All the filled interview sheets were collected and treated confidentially. The data was first sorted out around key central questions and used in pattern matching and explanation building. This was done to establish whether it would fit or fail the research questions.

For the received questionnaires, referencing was done and questionnaire items coded to enable the entry of the data. After cleaning of the data which included sorting errors that occurred during entry of the data, the analysis of qualitative data collected was through conceptual content analysis using questions that were open-ended and presented in paragraphs. Additionally, correlational data analysis was applied to see the effect of the two variables and to measure their degree of correlation

3.5 Chapter Summary

This chapter discussed all the possible methodologies applied in the project study, targeted respondents and also the data information gathering methods and techniques applied. Nevertheless, the project study faced a few challenges and encounters. The confines and limitations of this project study are related to the problem of generalizing only one organization. There was constraint of time in the duration of this project study since the schedule was tight and constricted for the researcher.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter contains the analysis of data for the e-business strategy case study. It also gives the findings and discussion of the study based on the objective of the study. Understanding variables of e-business strategy at Safaricom limited that lead to the competitive advantage of Safaricom Limited, Kenya.

4.2 Response Rate

A total of 3 interviews were conducted, one was a face to face with the e-vendor manager within Masoko division, Safaricom limited. Second was a face to face with the marketing manager and finally a focus group discussion comprising the enterprise business unit strategic managers, merchants and vendor partners of Safaricom limited. The focus group were expected to have interview comprising 10 members for the purposes of getting diverse views from each representative group but only 90% showed up for the interviews. The findings are shared in the form of a report with the respondents' responses to the questions.

4.3 Profile of Safaricom Regions

Safaricom Limited is headquartered in Westlands, Nairobi along Waiyaki way. Safaricom is spread countrywide and it is divided into six regions which are, Nairobi East region comprising of five million customers and eight hundred employees, Nairobi West region which has two million Safaricom mobile phone subscriber and nine hundred employees, Central region which has nine million Safaricom mobile phone subscriber and two hundred and sixty employees, Coast region which has three million Safaricom

mobile phone subscriber and two hundred and fifty employees, Rift Valley region which has ten million Safaricom mobile phone subscriber and six hundred employees, Western and Nyanza region which has twelve million Safaricom mobile phone subscriber and two hundred and forty employees. The Table 4.1 shows a regional representation of Safaricom Kenya Limited.

Table 4.1: Regional representation of Safaricom Kenya

REGION	AREA (Sq Meters)	Estimated 2014 Population	NO of employees
COAST	69537	3854475	250
Mt. KENYA	280107	9605733	260
NAIROBI EAST	52745	5690305	800
NAIROBI WEST	1658	2567099	900
RIFT VALLEY	151151	10762495	600
WESTERN KENYA	23131	12529948	240

Source: Safaricom Kenya Limited,2018.

4.3.1 Structure of Safaricom Regional offices

The regional offices are headed by regional Head of Department who reports to the head of regional operations at the head office. The regional coordinator is in charge of all the operations of the region. Subordinate to the regional coordinator are regional managers, area managers who report to the coordinator to ensure smooth flow of activities in the region. The operation and decision making of each region is done at the regional level headed by a small group known as executive committee. Regional strategic planning is done and implemented at the regional level since each region has its own customer unique needs. The Figure 4.1 indicates the current decentralized structure.

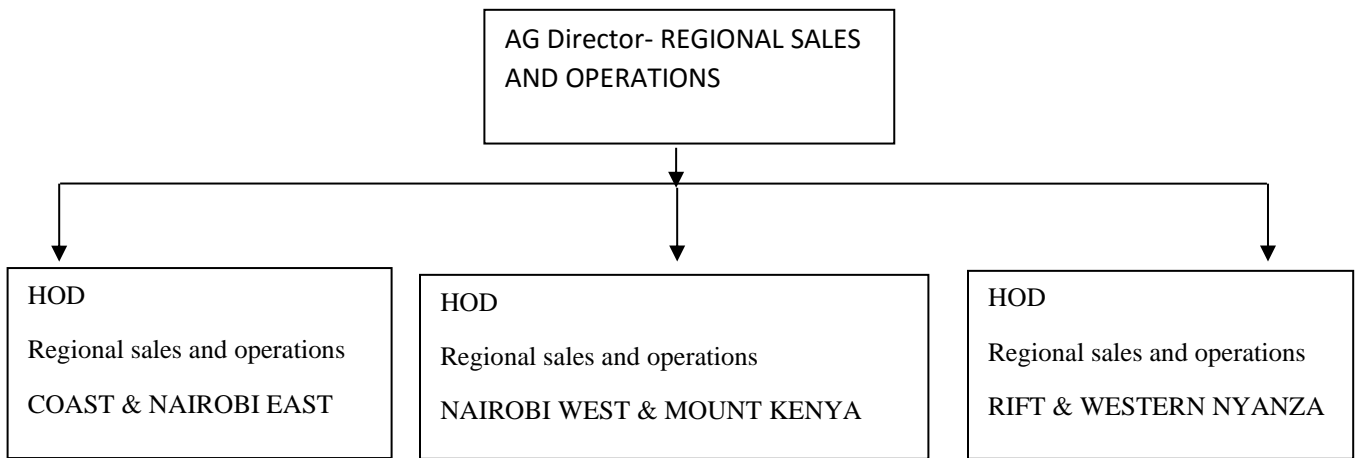


Figure 4.1: Organo-gram of Safaricom Kenya Limited regional offices

Source: Safaricom Kenya Limited,2018.

4.4 Adoption of E-business Strategy

This research study sought to find the reason why Safaricom Kenya adopted an e-business strategy for its operations. Respondents from the focus group interview argued that Safaricom Kenya needed to meet its customers' needs by offering a compelling proposition with the right products and services and at the same time serve them better so that their customers are satisfied and they stay loyal. This could be made possible by embracing e-business strategy and onboard partners to serves customers better.

According to the respondents the main key effectiveness pointers of e-business strategy were increasing market share. This was achieved by building a robust and stable e-vendor platform that is highly scalable and convenient for merchants to give compelling propositions to their customers. Through this Safaricom is able to bring products and services conveniently to customers. This could only be done more efficiently when vendors and merchants have collection points and warehouses regionally in Kenya. Customer service can be provided from retail shops including care desks in satellite towns to cater for the newly acquired customers who are far from main Towns. Customer care ethical standards are enhanced by empowering employees skillsets and toolsets, supporting them with training, suggesting and giving them freedom in making decisions but however being accountable for them.

The key focus of this e-business strategy was to simplify transactions in the organization all through the vendors /merchants and to the customers; Safaricom Kenya wanted its vendors and merchants to the best insights and information of the guidance to the company on the direction that would be tactful. Since there are fewer layers of bureaucracy in an e-business strategy, Safaricom Kenya also envisioned the company being able to make decisions more quickly, which is useful in a highly competitive telecommunication environment..

4.5 E-business Strategy Variables at Safaricom Ltd.

The focus of this research study was to find out the variables of e-business strategy at Safaricom limited. E-business has been defined the use of electronic networks and associated technologies to enable, improve, enhance, transform or invent a business process or business system to create superior value for current or potential customers. These definitions recognize e-business strategy has the potential to transform an organization or firm into a networked and well-connected entity operating seamless supply chains and value addition processes through assisting to shape and manage relationships with employees, customers, partners and suppliers, Interview of focused groups were carried out and both internal integration and external diffusion came up from the focused group's discussions as discussed below.

4.5.1 Internal Integration

There are notable themes that are internal to the organization and are within the organization. The respondents recognized these items regarding e-business strategy that need to be keenly analyzed in the use of Internet technologies to integrate internal business activities, processes and conducting business transactions with to link customers, suppliers, business partners / trading partners, and employees. The respondents outstanding themes internal to the organization that affects application of e-business strategy at Safaricom Kenya and the degree ICTs are unified with organizational internal process activities are: Safaricom's human capital, Digital organization and supplier integration system control. Safaricom Kenya is spread country wide and has a large number of skilled human resources. According to the information collected from the respondents during the interviews it was evident that the wealth of human resource of Safaricom Kenya was a determinant of the e-business strategy. Safaricom's employees are a factor that may be leveraged within the firm and made local knowledge important. The firm's IT division employees also came in as a determinant of the e-business strategy. The team is matured with all the innovative products and services developed for customers.

A formidable and cohesive team can develop an end to end e-vendor platform through innovative technologies. This acquires and amass insightful statistics regarding their clients' inquiries, likings and sense of tastes, which facilitates market dissection. Using customers trends to customize and tailor products and services, which the subsequently helps Safaricom limited to differentiate themselves in the telecommunication industry.

E-business strategy can significantly help a company to differentiate itself from competition not only by price leadership, but also offering and enticing a much more inexpensive price, and further through superior and effective customer service. Companies gain using interactivity of ICT internet systems like e-mail, business customer groups, forum assemblies to gather client information. Simultaneously, the company should hands-on to afford information on their offerings and deliver online internet based customer and shoppers service. Moreover, the organizational and company internal procedures like buyers orders placement, order checking and payments plans of clients can lead to better customer support and buyer satisfaction, helping the company to attain a superior image and brand differentiation. The respondents suggested some widget systems employed in company internal process activities contain possibility to positively influence company brand corporate image of the company by providing workers with a supportive and conducive working environment to deal better with buyer questions and needs. The company employees can check, track and query shoppers' orders electronically, refining customer service and ending up with a better company brand image and a larger differentiation of the organization in the business environment. Differentiation associated to brand image and brand positioning is utmost significant outcome of the adoption e-business strategy and use of internet communication technologies and has a positive effect on the company performance. Product and service differentiation realized by the e-business strategy could ultimately rise economic performance of the company. In e-retailing, the organization that trades more is not automatically the organization that provides the lowest prices, but the organization that communicates better trust to its clients and customers.

The respondents argued that at the moment Safaricom Kenya had been in Kenya since 2000 and an e-business strategy for Safaricom is timely for the purposes of meeting the regional customer's needs, the regional growth and ultimately the growth of the firm as a whole. The nature of a digital organization decision is also important determinant of the e-business strategy at Safaricom Kenya. Response showed that the need to simplify transactions that involve large paperwork benefits the customer's journey.

The inventory record control, customer order processing, company sales force management and supply chain management (SCM) can be executed in the internal processes of a digital organization. The supply chain management (SCM) aids the back-end widget application that connect suppliers, manufacturers, distributors and resellers in a interconnected production and delivery network in order to achieve the highest level of synchronization and collaboration that achieves the greatest response to customer needs. The Electronic Data Interchange (EDI) applications use these interconnected networks to regulate costs, minimize paperwork, reduce inventory and cut product cycles.

Finally as an internal factor the respondents also acknowledged that Safaricom Kenya also took into consideration the use of supplier integration and systems control for the regional offices. They argued that their degree of e-business was influenced by the ability of the head office to design an efficient scalable platform for vendors across the country with robust logistical efficiency supported by regional offices. They further argued that Internal integration positively influences organizational performance.

4.5.2 External Diffusion

External diffusion, on the other hand, “refers to the extent to which the firm integrates its trading partners and transactions with them through ITs”. IT applications such as company intranet, extranet, customer relationship management (CRM), company web site are connected to outward events of the company, also acknowledged as front-end activities. Electronic integration with customers advances the company benefits. The telecommunication industry generally requires quick decision making in the ever-changing unpredictable business environment. Quick decision making is needed to reduce time to market and ensure quick response to market trends. The respondents also considered that the urgency of decision should also favor the regional offices to hasten turnaround time to respond to customer’s needs. When organizations adopt decentralized e-business strategy structures, responsibility is often delegated to teams of workers that do multitask which requires less coordination and enables quick responses to market changes.

The product/service market competition also affects the degree of delegation. The respondents made it clear that the stiff competition in the telecommunication industry in Kenya increases the need for timely decisions that make better use of the regional knowledge and the end that leads to better firms. Consequently, e-business strategy has bearing on company performance in the entire width of the company’s structure beginning from procurement to company field sales force teams. The value of regional information is also a determinant that Safaricom Kenya put into consideration in e-business strategy.

When the value of regional information is high compared to that of countrywide information a firm is more likely to decentralize data centre and warehousing like was the case of Safaricom Kenya. From this it is evident that firms closer to the technology frontier are more likely to be decentralized logistics, because they are less likely to learn from public information just like Safaricom Kenya did. They also argued that External diffusion positively influences organizational performance.

4.6 Competitive Advantage of Safaricom Limited

We have seen that e-business strategy may have multiple goals of varying priority and that it is inherently a complex and challenging phenomenon. If e-business strategy is to work effectively, reform must be conceived in a way that is appropriate to the context in which it is being adopted, and careful attention to its various interrelated dimensions and elements is needed. Bottom-up information flow enforced is a crucial component of competitive advantage. The company then is obliged to make its customers part of its information system process. Therefore, begins to actively "listen" to its own customers and seize the wealth of data information on customers new needs and innovative solutions to the presents processes activities and the formation of products and services. Innovative decisions as a result of e-business strategy were accepted by the ordinary employees giving stimulus to quick growth of the company.

Differentiation is a key competitive advantage. Innovative technologies are tools that allow companies get data information from clients and customers, to provide personalized products plus services and employ one-to-one marketing as the data information gathered from clients accumulates in e-vendor web server. Safaricom Limited could maximize this data information and tailor products or services.

The information help Safaricom Limited differentiate itself within the telecommunication industry in Kenya. Simultaneously, Safaricom Limited to remain proactive and offer detailed information about services, products and provide real-time online customer service. Moreover, organizational and internal processes like order placing, order checking, and payment plans by clients could lead to larger customer support and shopper satisfaction, which helps to realize a healthier image of Safaricom Limited and brand differentiation. The respondents rationalized that some widget applications employed in Safaricom internal processes activities have the prospect to stimulate brand image by giving workers a conducive and favorable working environment to better deal with customer questions and necessities. Safaricom e-vendor platform employees are able to track, follow-up and query about customers' orders placed electronically, enhancing customer service and resulting to an improved brand image and a superior differentiation of the company in the business environment. Hence, the execution of different internet technologies in the internal and external process activities provides differentiation. Differentiation related to company brand image and brand positioning is the most crucial outcome of the adoption of e-business strategy and use of internet communication technologies and has a constructive impact on the company performance. Differentiation accomplished by the execution of e-business strategy can ultimately rise the economic performance of the company.

These internet communication technologies promote the company brand and underpin corporate identity by producing an interface between the company and its clients which, consequently can fortify Safaricom Limited brand's equity. In e-retailing, the company that trades most is not automatically the company that provides lowest prices, but the company that spreads better trust to its customers. Thus, company internal integration process and its external diffusion improve company performance by differentiation.

Enterprise agility is also a competitive advantage. The company internal and its external processes activities are intricate in the degree of company flexibility and agility as this rallies company operative efficiencies and letting Safaricom Limited react quickly in its business environmental. Communiqué processes permits Safaricom to acquire data information regarding new and different business market tendencies with variations in clients' desires, even though the execution of electronic-business strategy in organizational and internal process activities consents elasticity to adapt creation, merchandise growth or business supply procurement chain and to diminish the points of companywide complexity and related bureaucracy. The execution of electronic-business strategy allows Safaricom Limited to sense deviations in customer likings, preferences, inclinations, trends or market pressures, as well as to react faster to these environmental changes by adapting their process activities to the new business environment. This flexibility enables Safaricom Limited to combine new internet technologies into product and service development, sales and marketing and other functional parts of the company.

Furthermore, vendor and merchant companies are going to positively regard Safaricom Limited for replying faster to business market changes and adapting their strategies to the volatile environment. In the end, this upsurges the amount of cash flow and company performance. So, internal integration and external diffusion improve organizational performance through enterprise agility.

Relationship development is yet another competitive advantage. Respondents mentioned that internet technologies embracing helps companies grow, expand and manage fruitful relationships and associations with employees, clients, suppliers, and business partners. This is credited to internet-based technologies that permit companies to progress their quality of communiqué with other business players by assimilating Safaricom operational systems towards business partnership. E-procurement as an example and the usage of ICT in business internal organizational activities infer that both business entities invest in the system and that both business units are pursuing for long-term relationships. These widget systems intensify the success of business operation activities to bolster business partnerships and procurement supply chain amalgamation. In addition, being more transparent and efficient in financial accounting or financial administration practices by exchanging of data information amongst business partnership helps build stronger business relationships. Electronic technologies permit companies access pertinent data information. Business internal and business external data information aids the company to understand its customers more intensely. Companies can custom make the shopping experience, run special offers, predict better the shopping trends, assess clients value and build enduring business relationships.

Thus, the extra efficient business relationship management attained because of e-technologies can aid companies to grow sales revenues and to cut service costs to the business and customer loss so that companies can satisfy their clients better than competition while growing long-term organizational performance. Henceforth, it is proposed in the study that internal integration and external diffusion progresses organizational performance through relationship development.

Finally, partner attraction is also a competitive advantage. Other studies have focused and explained the effect of ICTs to entice new clients and customers, but there is minimal study research analyzing application of internet-based systems and technologies to appeal new business partners, investors or employees. The respondents advised that possible visitors to online web pages and sites are would be customers, stakeholders, shareholders or private business investors. Respondents recommend the use of online web presence and internet technologies to notify and enlighten potential business investors about the company, its services and product. Furthermore, the internet when applied well is a source of founding e-alliances and associations. Even though majority of firms and companies are concerned in charming business partnership, retailers are more focused in this objective.. Therefore, business internal integration and business external diffusion grow the organizational performance through attraction.

4.7 Chapter Summary

Comparing the results with the earlier literature review, there is relevance of the contingency theory that argues that the most effective way to organize is contingent on complexity and changes in the environment. Safaricom Limited environment is turbulent and ever changing therefore strategic managers should first perceive the environment and come up with effective growth strategy which can enable the firm achieve sustainable competitive advantage. This was notable in the study findings and themes that are internal to the organization and are within the organization. The respondents recognized these items regarding e-business strategy that are keenly analyzed in the use of Internet technologies to integrate internal business activities, processes and conducting business transactions which link customers, suppliers, business partners / trading partners, and employees. The use of e-business strategy at Safaricom Kenya is contingent to the complex telecommunication environment. The use ICTs to organize internal company activities are: Safaricom's human capital, Digital organization and supplier integration system control.

The diffusion of innovation theory stipulates that over a span of time, an idea, product or service achieves momentum and spreads across a particular population or social system. This was also notable in the findings of the study relating to external diffusion of Safaricom limited to the extent which the firm integrates its trading partners and transactions through ITs. Through diffusion, the telecommunication industry players are able to make quick decisions in the ever-changing unpredictable business environment. Quick decision making is needed to reduce time to market and ensure quick response to market trends.

This chapter analyzed the data collected in the field and inferences given. The respondents' outstanding themes internal to the organization that affect application of e-business strategy at Safaricom Kenya and the degree ICTs are unified with business internal company process activities are: Safaricom's human capital, Digital organization and supplier integration system control. The internal integration of business activities, processes and business transactions that link clients and employees are significant in adoption of E-business strategy. External diffusion refers to the extent to which the firms internal systems integrate to its trading partners and transactions with them through ICTs. These include Electronic integration with vendors, merchants and their clients or customers, Timely decisions needed to quickly respond to changing market trends.

Additionally, active clients service and online support, enables clients regionally access to data information about offerings at real time. The vendors and merchants benefit from this seamless exchange of information powering the e-vendor platform and can thus optimize decision-making for logistics and warehousing structures at regional level that ensure that product and service delivery for customers remains agile and responsive in regard to the unique needs of each region earlier mentioned. Safaricom's competitive advantage lead to further enhancement in its organizational performance. The elements of Competitive advantage that come about with the adoption of e-business include differentiation, Enterprise agility, Relationship development and partner attraction.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings from chapter four and also gives the conclusions and recommendations of the study based on the objective of the study: To find out the effects of e-business strategy on competitive advantage of Safaricom Limited.

5.2 Summary

Focusing on the objective, the study was able to establish that there are two aspects of e-business strategy that include both internal integration and external diffusion factors of e-business strategy that lead to competitive advantage at Safaricom Kenya limited. The effect on performance in terms of intra- and inter-organizational business processes is significantly driven by e-business strategy. E-business strategy impacts performance indirectly in different ways, for example, in the development of collaborative relationships, knowledge management processes or the innovation of processes, products or services. It has been found that e-business leads to changes in different business aspects such as corporate strategy, management and marketing.

The study analyzed the impact of e-business strategy from the two dimensions: internal integration and external diffusion. This gave rise to competitive advantage on financial terms and other non-financial competitive advantages that can be achieved by e-business strategy. These include differentiation, enterprise agility, relationship development and partner attraction that grow company performance.

The internal integration are factors that are internal to the organization and are within the organization. Among the factors internal to the firm that affected the e-business strategy at Safaricom Kenya was: Safaricom's human capital, Digital organization and supplier integration system control. Human capital at Safaricom Kenya considered as a internet-based technologies.

The external diffusion refers to the extent to which the firm integrates its trading partners and transactions with them through ICTs. are factors which are found in the outside environment. From this research study Safaricom Kenya respondents considered the need to quick decision making a factor for e-business strategy. Electronic integration with clients or customers significantly improves the firm's response time. The telecommunication industry generally requires quick decision making in the ever-changing unpredictable business environment. Being a market leader in the telecommunication industry in Kenya, the competitors keep coming up with new products and services at a very high rate. Hence the e-business strategy is vital as the industry is highly turbulent and competitive and an ever-changing environment.

5.3 Conclusion

The e-business strategy in Safaricom Kenya was influenced by some dimensions which were both internal that include Firms human capital, digital organization and supplier integration system control and external factors quick decision making, Electronic integration with vendors, Active customer support. Basing on the findings of this study the conclusion was made that the changing business environment propelled Safaricom move to adopt an e-business strategy and remain the market leader with a competitive advantage.

Being a digital services organization, the vendors and merchants would be integrated to the e-vendor platform much easily and have a robust platform for online business in the county and regionally. Their strength on 4G⁺ network coverage technologies and smart devices in the subscribers hands would also play a big role in their e-business strategy if it was to be a successful e-vendor platform. Safaricom Kenya had also been in the business in Kenya since 1997. Considering the age of the firm Safaricom Kenya was a better place in adopting the e-business strategy for the purposes of meeting changing customer needs and preferences at the regional level. Basing on the findings of this study there was availability of human capital at Safaricom enough to handle the e-business strategy. This therefore in the long run sees the e-business strategy as a success.

The study also concluded that external diffusion determined the application of the e-business strategy at Safaricom Kenya Limited .The need to quick decision making in the industry was a factor which needed to be addressed and the easiest way to go about it was to avoid bureaucracy and allow insights from Electronic control systems to guide timely decisions so that they can meet the instantaneously needs and changing preferences of their customers .On the other hand Electronic integration with vendors is key in the telecommunication industry in Kenya, This empowered information sharing instantly between Safaricom Limited, Vendor and the clients. The logistic partners benefit by getting precise information on the product that need to be supplied to vendors' customer in a convenient timely manner. This strengthens the firms network reach to all the grass root level where digital customers can be served conveniently within the region.

The study concluded that the active customer support of vendor customers in the telecommunication environment was an external diffusion factor that determined Safaricom's need to adopt the e-business strategy .The telecommunication industry in Kenya is highly turbulent and competitive. Based on this Safaricom had to make a move which could make them operate with a competitive advantage meeting all their customers' needs and at the same time achieve growth.

5.4 Recommendations

There is need for firms to ensure that they have the right strategies so that they are able to achieve competitive advantage. The strategy they pick on should be customer centric, market driven, suitable to specific markets, technologically updated and futuristic in nature if they have to achieve the ultimate firm's growth under the conditions of efficiency and reduced costs of operations. When choosing the e-business strategy for the firm the firm has to consider the internal and the external elements so that at the end it settles on an e-business strategy which works perfectly for the firm. This then gives rise to competitive advantages on financial terms and other non-financial competitive advantages that ensure survival in a changing business environment.

5.5 Limitation of the Study

The volume of data collected makes analysis and interpretation time consuming. The research is also limited to Safaricom as a case study which is a limitation in itself. This meant that the materials collected during the survey were only from Safaricom staff and only relevant within the Safaricom's context.

5.6 Suggestions for Further Studies

A similar study could be carried out on the other players in the telecommunication industry with a main focus of studying the elements of e-business strategy that they are using. A study could also be done in a different context e.g. the banking or the manufacturing industry. Further a research could be carried out to unearth the factors that affect the whole e-business strategy as a whole.

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APPENDICES

APPENDIX I: University Letter of Introduction

APPENDIX II: Interview Guide

Introduction: This study aims to explore effects of e-business strategy on competitive advantage of Safaricom limited in Kenya. Your responses are accepted in strict confidence and shall only be used for the purposes of the study. The result of the study may be availed to your organization on request.

PART A: BACKGROUND INFORMATION

1. What is your designation in the company?

.....

2. What is your highest level of education?

.....

3. What is your work experience in years?

.....

4. How many years have you worked with the company in your current position?

.....

PART B: E-BUSINESS STRATEGY

6. Is the company fit and ready for e-business strategy?

.....

.....

7. What challenges has your organization faced in the e-business strategy (during the first 6 months, after the six months)?

I.

II.

III.

IV.

8. The challenge mentioned above, what do you think caused it?

I.

II.

III.

IV.

9. How was this challenge resolved and what principal guided the resolution?

.....

.....

10. How would you describe the level of organization of the vendor(s) and merchant(s) to the contractual e-business strategy agreement?

.....
.....

PART C: COMPETITIVE ADVANTAGE

11. E-business strategy has gained superior performance?

.....
.....

12. Describe the effectiveness of e-business strategy with the strategic partners of your organization.

.....
.....

13. What are the value addition of e-business strategy in a stable macro- economic environment?

.....
.....

14. What is the readiness and timing of e-business strategy?

.....
.....

15. How has e-business strategy helped Safaricom limited transform lives?

Thank You for Your Participation