

**FOREIGN MARKET EXPANSION STRATEGY AND LOW COST CARRIER
AIRLINES. A CASE OF JAMBOJET LIMITED**

BY

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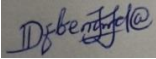
**A Research Project Submitted in Partial Fulfillment of the Requirements for the Award of
Degree of Master of Business Administration, Faculty of Business and Management
Sciences, University of Nairobi**

DECLARATION

I Bernard Ombasa Omweri hereby declare that this MBA research project titled “Foreign market expansion strategies and low-cost carrier airlines in Kenya: case study of Jambo jet” is my original work and has not been submitted to any other college, institution or university other than the University of Nairobi for academic credit.

Bernard Ombasa Omweri.

D61/35284/2019

Signed 

Date ...14th November 2022.....

SUPERVISOR’S APPROVAL

This research project prepared by Benard Ombasa Omweri titled “Foreign market expansion strategies and low-cost carrier airlines in Kenya: case study of Jambo jet” has been handed in for assessment with my endorsement as the appointed University Supervisor.



Signed:

Date: **14TH NOVEMBER 2022.**

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DEDICATION

This research project is dedicated to my family, who have given me the educational foundation, friends and colleagues who have given me the motivational challenge to scale the academic walls throughout my study period.

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ABBREVIATIONS

AFI:	Africa and Indian Ocean Region
AGA:	Aerodrome and Ground Aids.
AIR:	Airworthiness of Aircraft
ASBU:	Aviation Sector Block Upgrade
GDP:	Gross Domestic Product
GSIE:	Global Safety Information Exchange
ICT:	Information Communication Technology
ICAO:	International Civil Aviation Organization.
JMA:	Jambo Jet
LCC	Low-Cost Carrier Airline
LHLC	Long-Haul Low-Cost Airline
SARPs:	Standards and Recommended Practices
OPS:	Aircraft Operations

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

With the globalization of modern businesses, operation of any enterprise in the local arena is no longer sufficient for substantial and sustainable growth (Verbeke, 2013). Verbeke (2013) further asserts that the inevitability of international venture in the business ground has kept businesses in pursuit for foreign markets which has become more lucrative for business expansion in the increasingly reachable global village. With the liberalization of the airline transport industry through bi-lateral and multi-lateral agreements amongst countries, domestic airlines have faced intense competition from regional and multinational airlines operating their routes (Parkin, 2017). Simultaneously, a rapid change in demand for air transport over the past two decades with passengers increasingly travelling to new international destinations has amplified the need for local airlines to seize the opportunity for international expansion (Schroeder, 2013). From the demand side perspective, passengers prefer itineraries offered by smaller airlines as their flight plans are customarily on hub-to-hub inter-stop (Hanington, 2015). This offers a variety of destinations to be flown for the passenger on same scheduled flight. From the airline economic perspective, airlines exploit better the economies of density from their hub airport through boarding passengers of various destinations on a single aircraft (Sternberg, 2009).

Anchored on Porter's Competitive advantage theory, this study points out that the ideology of creating a competitive advantage for a country's organizations sharing markets with organizations in different countries improve their national competitiveness by developing successful international strategies (Belassi, 2017). Support by a country's government happens through designing a favorable environment through legislation and international expansion. At the same time, Belassi (2017) asserts that the government supports the local organization expansion through regulation of foreign companies' entry to the country. Consideration of the extent to which the government supports the international expansion of Jambojet is key to the determination of the extent to which it would expand internationally.

Heckscher-Ohlin factor proportions theory explains international trade as a result of a country's surplus resources and its comparative advantage through innovation (Sharan, 2010). The theory predicts the pattern of expansion of an organization in trade based on the characteristics of the trade environment of the country with more emphasis on expansion through surplus of produces.

With most destinations flown by JamboJet airline and with increase in the number of fleet, it is inevitable that growth takes place through international expansion. This therefore leads to the need to establish the expansion of JamboJet as a result of the increase in level of resourcefulness through increase in number of fleet and exhaustion of local expansion strategies available.

In Kenya, Internationalization strategies have been employed by different airlines although none has used alliances, codeshares, and joint ventures with other international airlines. The natural growth of JamboJet as a LCC airlines depend on its shrewdness to creatively adapt to the ever-changing air transport market environment. As a matter of fact, international expansion is a sure way to magnify the scope of its operation and advance growth strategy. Limitations such as stronger regional airlines operating in domestic markets, competition in domestic markets, the lack of acquiescence to control the operations space at local level may greatly hinder the airline from growth. Arising from COVID19, many local Low-cost carrier airlines need to re-evaluate the prominence of international expansion as a strategy for sustainable growth of the airline.

1.1.1 Foreign Market Expansion Strategy

Foreign market expansion strategy is an expansion approach to businesses outside the local business environment aimed at achieving faster growth, more profits, capitalize on economies of scale, growth of brand and occupation of larger market share (Cardosi, 2018). Airlines employ this strategy to achieve higher growth as compared to its past achievements through broadening its scope of business operation.

Motives for the expansion strategy by airlines are usually for survival irrespective of the risks and hurdles coming in its way (Burnes, 2016). Nevertheless, this venture upshots with challenges not limited to airport facilities operation in international countries, ramp operations, passenger flight operations, passenger flight operations, foreign market currencies amongst others. Amongst these challenges include the differences in governing laws and regulations for the foreign countries governing laws and regulations in as far as employee relations and airline business is concerned. Intent and interpretation for various laws which may generate ambiguity must be dealt with early.

International market expansion for airline business aids the airline make foreign market entry and expansion of services into unexplored markets through export of goods and services with the intention of enhancing sales and profits, lowering risks of just operating within the local market,

building brand and recognition and lengthening the life cycle of the organization (Agusdinata, 2016).

1.1.2 Low-Cost Carrier Airlines

Airlines are frequently grouped into variable categories subject to the scope of their operation. These categories primarily fall into the three broad kinds; legacy airlines, low-cost carriers (LCCs) and the ultra-low cost carriers (ULCCs) (Drennan, 2016). The categories are basically classified based on the size of aircraft and fleet operated and the modes of operation.

Legacy airlines are the mega-brands for instance Kenya Airways Limited and Delta airline that have been in existence since the dawn of commercial aviation. Their aircraft are furnished with urbane merchandises to cater for both domestic and international traveler. They operate in multiple hubs across the globe (Parkin, 2017). Low cost carriers (LCCs) as the name suggest are airlines with their cost of operation reduced to minimum. They tout low fares and friendly services as they grow into national largest domestic airlines in terms of number of passengers. JamboJet limited is an example of low cost carrier. Ultra low cost carrier (ULCCs) on the other hand are airlines that offer the lowest ticket price possible. Their extreme caution in reduction of cost of operation allows them to offer the lowest airfares. They mostly fly to popular leisure destinations few times over intervals of time for instance a week.

Low cost carrier airlines operate with high emphasis on operational cost reduction intended to provide lower fares to passengers and thus less comfort (Huttunen, 2014). To make up for the loss in revenue through reduced fares, the airline may make up for the loss in revenue through extra charges such as carry-on baggage.

There are different types of business arrangements for airlines around the world. These arrangements permit airlines to run fleet as one or a combination of the different airline models mentioned depending on the nature of aircraft they have. These models can be full-service carriers which involve offering a range of on-board services entailing baggage and passenger handling, or a combination of different modes of operation.

1.1.3 JamboJet Limited

JamboJet is a Kenyan low-cost carrier that traces its background to 1st April 2014 with its hub in Jomo Kenyatta International Airport in Nairobi. It is a subsidiary of Kenya Airways limited. It

flies seven domestic destinations in Kenya and inaugurated its debut international flight to Democratic Republic of Congo in Goma in September 2021. The airline has a fleet of six Bombardier Dash 8-Q400 aircraft. In 2019, JamboJet set a regional record for the low-cost carriers of handling over a million passengers in less than two years (Hondius, 2020).

Since its formation, JamboJet has steadily grown to many local destinations including Jomo Kenyatta international airport, Moi international airport, Kisumu international airport, Eldoret international airport and Malindi international airport. The airline has witnessed a steady growth that has seen it capable of handling many flights across various destinations. It is the desire of JamboJet to double the number of passengers by the year 2025, and this prospectively could only happen through opening up more destinations both locally and internationally.

1.2 Research Problem

The world business playing field has turned to a global village where local venture is no longer sufficient for substantial growth (Verbeke, 2013). In a highly competitive air transport industry, the expansion of low-cost carrier airlines to international destinations is a definite strategy to ensure recurrent growth in addition to providing a competitive advantage (Hanington, 2015). Expansion of a local airline to international destinations would open up a myriad of opportunities for growth in fleet and passengers (Donaldson, 2017). On the other hand, Crigler (2015) emphasizes that the advancement of this international growth strategy requires an understanding of barriers to entry into foreign markets, domestic competition and global driving power amongst others critical factors.

Despite many low-cost carriers seeing continual progression for growth in the airline business over the years, multiple low-cost carriers from around the world have gone into receivership (Frankel, 2008). The major cause for the bankruptcy has been weak strategies that reduce passenger and good carriage below the sustainable limit. In view of many low-cost carrier airlines' that quest for expansion to international destinations and seizing better opportunity for growth, several scholarly articles have been done (Hammersley, 2018).

A study by Mandla (2015) investigated the influence of international expansion of low-cost carriers to the adjacent regions for air traffic operating in Oliver Tambo International airport. Although this study focused on more established low-cost carriers with more fleet and longer years

in operation than JamboJet, it revealed an increase in the airline profitability with minimal increase in operational costs. The fleet that flew to international destinations were as a result of combination of flights from multinational destinations then to the regional hubs. This lowered the cost of operation and increased the number of passengers per flight for the low-cost carrier airline. The case is not the same for JamboJet which does not solely rely on passengers from international destinations but those flying locally within the borders.

Lewis (2017) did a study on analysis of limitations of growth of local and regional airlines in sustainable profitability. The study revealed that local airlines would be limited in profitability due to perpetual size of local market whereas operational cost was continuously growing. The overwhelming cost of inflation coupled by intense local competition drove many airlines into closure. This study however may not apply to JamboJet as it still has more destinations to venture into even in the Kenyan airspace, but looks into more lucrative international ventures.

As noted from these research works it is apparent that the above-mentioned airlines had more to gain than lose from expansion of their hubs to international destinations. Scarceness of researched work on the growth of Kenyan low-cost carriers to international destinations has failed to illustrate how Jambojet Kenya can increase profitability through international ventures. With only one international destination of Jambojet being Goma in Democratic Republic of Congo, a lot is still to be learned concerning the level of growth it would achieve if it opens up more destinations internationally. There is a clear indication of the need for published work to aid in information-based decision-making by the JamboJet management in as far as international growth is concerned.

It is based on such facts that this study seeks to ascertain how growth of international destinations may contribute to JamboJet operations. This then leads to the question; how would growth of international destinations influence the performance of JamboJet Kenya?

1.3 Objective of the study

The objective of this study was to determine the foreign market expansion strategy and low-cost carrier airlines: case of JamboJet limited.

1.4 Value of the study

It is projected that the findings and recommendations of this study will be of use to JamboJet Limited in conducting its operations in its quest to capture international destinations.

The regulators and policy makers will benefit from this research in formulation of policies about low-cost carriers that may want to venture internationally. The study is anticipated to expose legal ambiguities that low-cost carriers are likely to bump into in their pursuit to venture internationally.

It is also anticipated that the outcomes of this research will deliver pertinent information to airline project financiers, strategic managers and airline affiliates amongst other airline staff and stakeholders through making informed judgments on international expansion matters. The findings of this study will augment their capability to make profit-driven decisions based on proven facts.

The research additionally aims at providing a charter for mounting desirable practices for cultivating the success of new set-ups that may be commenced by JamboJet locally or internationally, backing to the body of knowledge and being part of current literature that will be studied as a reference for forthcoming resolutions.

The study will equally add to the body of knowledge for impending academics who may wish to use the research as a reference to conduct other similar studies and for general public knowledge devotions.

It is believed that the researcher will come up with conclusions and recommendations that would enhance the outcomes of JamboJet in its mission.

1.5 Chapter Summary

Chapter one provides a review of background of the study on foreign market expansion strategies by JamboJet. It illustrates the concept of low-cost carrier, research problem, objectives of the study and the value of the study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents an empirical review of appropriate literature associated with the objective of the topic of study. The existing researches done by other researchers are looked at in this section together with relevant scholarly articles to find any similarities and gaps that need to be reflected upon in this study to achieve the objective. The researcher anticipates to review the literature grounded on themes drawn from the study variables: vertical integration, diversification, mergers and acquisition and strategic alliance formation and how they affect JamboJet venture into international destinations.

2.2 Theoretical Foundation

The two theories determined for this study are the Porter's Competitive Advantage theory and Hecksher-Ohlin Factor Proportions Theory. They all look at different areas that influence the level of involvement of JamboJet in its international expansion.

2.2.1 Porter's Competitive Advantage Theory

Developed by Porter in 1985, the National Competitive Advantage theory uses the ideology of creating a competitive advantage for a country's organizations sharing markets with organizations in different countries. The theory clarifies that organizations from different countries strive to improve their national competitiveness by developing successful international strategies. As indicated by Porter, a nation's competitive advantage is controlled by the ability of its organizations to compete efficiently with organizations from other countries. The government's role is designing favorable policies on subsidizations, education and capital markets, that influence domestic and international demand and on supporting individuals and related industries international expansion (Honerk, 2013).

This theory supports the current frame-work put in place by the Kenyan aviation environment to support investment and growth of local airlines (Belassi, 2017). The vibrant environment has strengthened development of local airlines and collaborations as seen in the case of the aviation industry in Kenya. Porter's competitive advantage theory relates to this study in the characteristic support by the Kenyan aviation environment to promote the prosperity of JamboJet in its exertion to incorporate international business expansion to its growth strategy (Drennan, 2016). It thrives

on the business environment set by the national government through bilateral and multilateral agreements with regional countries that JamboJet strives to put up its international hubs. The different involvements in terms of control of market take foot even more seriously with enormous competitions from other airlines within the region such as Crested airline, Rwanda air and Ethiopian airline (Drennan, 2016). For non-rival airlines, the antagonism occurs with less friction as the actions of the parties do not directly affect the others. The consideration of the level of engagement of JamboJet within the region therefore, becomes a key consideration in deciding to what extent it would be able to expand internationally within East Africa and beyond.

2.2.2 Heckscher-Ohlin Factor Proportions Theory

Developed by Heckscher in 1993, the Heckscher–Ohlin factor proportions theory explains international trade as a result of a country's surplus resources and its comparative advantage through innovation. Surplus in resources and innovation makes a country look into ways of venturing internationally to expand its market base when local market becomes small. Heckscher-Ohlin theory recognizes that countries with a surplus of labor and scarcity of capital will export labor and import capital from nations with plentiful of capital. At the same time, countries with surplus of capital and scarcity of labor will import labor and export capital intensive products.

The theory will support the current trade relations between Kenya and other countries within the region that JamboJet intends to fly. H-O theory predicts the pattern of trade between Kenya and other countries based on the characteristics of the country's trade environment. The H-O theory states that innovative countries will carry out its innovation in trade in a manner that gives it an edge over other players within the same field (Sharan, 2010). The resource advantage in a particular country gives it the competitive advantage. This theory illustrates that if JamboJet enters trade liberalization through expansion to the international hubs, its mode of business operation will have to change to a more efficient one if it is to compete with other aviation players within the region. Through innovation, JamboJet is compelled to develop strategies that attract passengers travelling across the countries within the region.

2.3 Foreign Market Expansion Strategy and low-Cost carrier airlines

Foreign market expansion of a business takes place when a fast-growing business takes its operations into lucrative international markets (Hammersley, 2018). Fraser (2013) complements that international expansion takes place when a fast-growing business takes its operations globally by establishing its presence in new destinations (Hanington, 2015). Foreign market expansion in air transport means increased demand or opportunity for the movement of people and goods between international destinations (Susan, 2011). The aspect of international trade liberalizes trade creating interaction between domestic and international markets through air transport (Hollenbeck, 2015).

Desire to keep up with competition in the airline industry drives airlines to venture internationally to keep up with or outdo the competitors (Amoah, 2014). This gives rise to new passengers and improves drivers to competitiveness for the airline. At the same time, it offers new challenges to passenger flight operations, maintenance operations, airport facility operations in foreign countries, ramp operations among others (Youker, 2016). Expansion to international destinations involves training and development of new staffing, financial reporting for new currencies. Differences in governing laws and regulations for different countries of operation leads to complexity in interpretation and harmonization of operations within the airline for staff and passengers (Belassi, 2017). This may lead to ambiguity of law interpretation and intent that must be dealt with prior to commencement of operations (Hondius, 2020).

Several strategies are used by airlines to ease their international operations. These include formation of alliances, business mergers and acquisition, formation of collaborative buyer-supplier partnership, outsourcing agreements, technical collaboration among others (Hollenbeck, 2015). They involve contractual treaties not limited to contractual agreements, franchising, cross-licensing agreements and ownership links which include equity holding and joint ventures (Lewis, 2017).

The success of international venture is hinge on key factors applicable to each stage of the involvement. These stages involve conceptualization, formation, design and post formation phases (Gulai, 2015). In the conceptualization phase, the airline needs to decide which

countries are best ventured on based on market survey. The formation should be accompanied by proper litigation and interpretation (Belassi, 2017).

Foreign market expansion strategy is a tactic used by airlines to expand their markets to international destinations when expansion means within their parent countries become limited or impossible (Brooks, 2021). These expansion strategies give rise to new markets and quicker access to bigger volumes of passenger numbers. International expansion results in even bigger competition from international players, resulting in a more sophisticated strategy by airlines to cope with the competition (Hanington, 2015). As a result, airlines develop a global mindset of business approach. International expansion leads airlines to complex operational environments resulting in the need for much larger scale and scope of operation (Burnes, 2016).

As a matter of fact, in many international markets, the manifestation of well entrenched international airlines, cost structures, restrictive international laws, and foreign market customer preference which may vary significantly from the preference of home market customer preference (Thompson, 2016). These increase the tenacity of the airline leading to improvement of competitive strategy and general improvement of airline international tactics. Hamilton (2017) observes that the intensely competitive international arena in the airline industry aids airlines to identify their competency and skill gaps and endeavor to fill them promptly. More often, the ways to fill these skill and competency gaps fast is through development of capabilities, insights and infrastructure rapidly comparable to and exceeding that of competitive airlines. The process of development should be faster if competitive advantage is to be achieved (Thomas, 2019).

Well-chosen strategies make it possible to bypass slow and costly exertions and speedily acquire new opportunities. These strategies include formation of alliances which enable airlines to adopt best practices linking to global standards gained from partner members of the alliances (Cardosi, 2018). Airline alliance create room for broader skill range leading to exploitation of many business opportunities and allows airlines to pursue broader business openings. These openings aid airlines to gain competitive edge over other airlines that operate solo. Cardosi (2018) moreover emphasizes that strategic alliances from international

destinations tend to lower the cost of operation due to complementary competences and assets which promote productive growth amongst the partners (Hollenbeck, 2015).

In as much as doing due diligence ahead of time is essentially crucial prior to airlines venturing in international destinations, a lot of qualms are only realized once an airline business is plunged into deep waters (Herald, 2010). This is due to the uniqueness of every business in the way it meets and experiences customers from the conceptualization of the business. Without the right preparation, any expectations of progression within an unfamiliar foreign market may result in undreamed-of hitch that may discourage an airline from making headway (Lewis, 2017). Some of the challenges airlines experience may strengthen it through innovative tactics employed to deal with the challenges or completely dampen the spirit to advance (Hondius, 2020).

Acquisition of labor and talent is a paramount part of international expansion for any low cost carrier (Marco, 2010). Skilled labor delivers a foundational knowledge base, swaying the chances of success to the airline's favor within the foreign grounds. Devoid of knowledge and experience in the midst of the labor force denies the airline an opportunity to have employees act as an anchor for success within that new locale (Thomas, 2019). The growth process might run out of momentum if innovation and ingenuity of the employees is lacking. This is particularly true in any mergers or acquisitions undertaking. Staff recruitment on ground in foreign land may also be a disheartening task (Hollenbeck, 2015). It comprises of a unique onboarding process that airline might find problematic to execute as most part of it is carried out remotely. Staff hiring activities intensifies the overall human resource responsibilities particularly with respect to creation of trust and new relationships with new employees (Marco, 2010). Recruitment in foreign soil makes it cumbersome for human resource to gauge whether they are hiring good fit staff.

Compliance and tax laws is another challenge of foreign market expansion for the low-cost carrier airline (Murch, 2014). Business operation in multiple countries implies dealing with multiple sets of business protocols and regulations. Trade tariffs operational fees and taxes are amongst the barriers that require articulate eye and experienced personnel to function accommodatingly with (Miles, 2015). Low cost carrier airlines additionally need to be well familiar with any specific standard and recommended practices regarding the foreign market procedures (Davidson, 2012). The expansion process can be halted if any failure to comply with necessary regulations occurs

and possibly create a detrimental supplementary cost for the business. This therefore implies that appropriate research and the accurate due diligence has to be taken on (Brooks, 2021).

Resemblances in services offered by other low-cost carrier can create ferocious competition between airlines' products and business models (James, 2013). If airlines are expanding into foreign markets, there is always the challenge of other airlines flying the same routes in a competitive package (Alkatheeri, 2018). If so, the challenge for low-cost carriers is to differentiate their services enough to remain competitive or even gain an edge service.

Language barrier can be a major challenge to low-cost carriers particularly during the initial stages of the foreign market entry (Agusdinata, 2016). In international business engagements, it's imperative to make concerns on languages spoken in the foreign countries. It is important to be keen on the product messaging and if it translate well into another language. Consideration should be made to mitigate any language barrier and other alternative solutions such as consulting native speaker and resident of each country and hiring an interpreter (Schein, 2014).

In the same way each country has unique makeup of language, each has its own specific culture too (Schroeder, 2013). Culture entails traditions, foods, arts, holidays, and social norms followed by a particular assembly of people. It's significant and inspirational to acquire cultures of other countries for fun but when these differences cut across businesses, real challenge sets in (Schroeder, 2013). When managing groups in offices abroad, selling airline services to an international potential client, it's necessary to conduct business successfully. One example of a cultural difference between the United States and Spain is the hours of a typical workday (Lordan, 2014). In the United States, working hours are 9 a.m. to 5 p.m., often extending earlier or later. In Spain, conversely, working hours are classically 9 a.m. to 1:30 p.m. and 4:30 to 8 p.m. (Lewis, 2017). The midway break within the working period gives way for a siesta, which is a lunch time rest taken in majority of European and Mediterranean nations.

A separate challenge of foreign market expansion is supervision of staff residing in different parts of the world (Cardosi, 2018). Struggles to operate as a team can be awkward to account for barriers in language, time zones, differences in culture and uneven reliance, access and level of technology. Building and maintenance of a robust working connection with the global team to facilitate simultaneous check-ins and other activities requiring synchronized sequences may be challenging.

Foreign market expansion is also faced with the challenge of Currency Exchange and external Inflation Rates (Thomas, 2019). The value of a dollar in an international destination may not always equal the same figure in other countries' currency, nor does the worth of currency constantly become the same for similar amount of goods or services in different countries (Prins, 2014). It is important for airlines to familiarize with currency exchange rates between their country and those they intend to fly.

Corazon (2013) conducted research on limitation of international competition to the growth of LCC airlines. The study revealed that various strategies adopted by the LCC to tackle competition played the crucial role to its growth. Most of these strategies revolved around pricing, alliance between competing airlines and routes of flight to be operate by the airline. In addition, with the liberalization of air transport industry, and with the creeping of the wave of globalization, world airline markets opened. Competition in the airline industry became stiffer through restructuring and cutting of operational costs for more efficiency. With many airlines' entry into the competitive markets, many airlines including the low-cost carriers are faced with the need to be innovative and open up more hubs in the international destinations to sustain their survival.

As attractive as making initial steps into foreign markets is, many unforeseen challenges come about which low-cost carriers do not anticipate (Hanington, 2015). The challenges if unexpected may seem insurmountable at times. These challenges are best tackled through a high level of preparedness and tenacity which may be the stepping stones to success in later dates. In as much as an airline may be prepared, it is important to seek out countries with strong programs put in place to support foreign investors with smooth transition into foreign soil business environment (Husein, 2017).

Challenges with acquisition of human resource can best be mitigated by bringing a group of employees from home country who have been in the organization for long with adequate knowledge about the airline business dynamics (Youker, 2016). These employees should lead the new recruits towards the airline's way of business as they also learn the new culture and business language from the native employees.

Tax compliance and foreign market business regulations can be a headache even when only one international destination is being dealt with (Miles, 2015). Dealing with trade tariffs, taxes and fees for multiple international destinations can be a major obstacle for any low-cost carrier. Nevertheless, so long as the airline takes unhurried approach through making sure they involve professional tactical methodologies in following the processes they should be able to seamlessly become compliant (Rodrigues, 2020).

Rushing into international expansion without a plan may lead airlines to dealing with unexpected competitors (Crayg, 2006). This may potentially lead to having more or less than optimum employees, aircraft or any product that the airline may offer for transport. Performing due diligence and having a solidified plan makes the airline relaxed to evade unforeseen surprises (Thackray, 2017).

With the ever-changing business trends, new technology evolves every time (Rodrigues, 2020). Market trends change quicker than many airlines can keep up with. By remaining open to new ideas and perspectives of doing business, low-cost carriers are able to connect with customers in foreign nations together with the business stakeholders. Nonetheless, airlines should be careful to only consider implementing those ideas that suit their business model and discard those ideas that may not be appropriate to them (Schein, 2014).

Language and linguistic capability may act as barrier to communication. Regional colloquialisms and expression may easily be misinterpreted or considered offensive (Lordan, 2014). Challenges resulting from language barrier can best be mitigated by hiring employees from the local destination. These employees should be familiar with the language and business tactics in their country and should be able to bridge the gap of the airline language limitations with its customers (Lordan, 2014).

The challenges resulting from strained relationship with the airline team in international destinations to synchronize the flight schedules can be overcome by facilitating regular check-ins, if possible, using video conferencing platforms so as to interrelate in real time (Thomas, 2019). Research by Gallup (2015) revealed that employees who have regular interactions with their managers are three times more likely to be engaged at work than employees who don't. When distance divides teams, as it has for many during the corona virus (COVID-19) pandemic, communication is key to certifying everyone feels valued and engaged (Thomas, 2019).

On the other hand, foreign market expansion may not always be a sure strategy for expansion of airlines as the international expansion arena manifests in varying ways to different airlines (Huttunen, 2014). To some airlines, international expansion may lead to overstretching of the airline operational capital beyond its capability to sustain its new operational cost. Sustaining the new establishments lead to bankruptcy and even closure of primary local ventures. An example is the Air Pegasus which commenced its operations in April 2015 and as a result of rapid expansion of its operation, suspended its operations in 2016. Hollenbeck (2015) emphasizes that slow and steady expansion may be sustainable if airline only utilizes its surplus resources for this exercise.

2.4 Empirical Studies and Research Gaps

Various studies have been conducted to analyze the foreign market expansion strategies for low-cost airlines across the world. Hannah (2014) did research on expansion of low-cost carrier airline as a strategy for growth. The study indicated that LCC airlines need to expand their scope of operation beyond their borders to realize sustainable profits over a long period of time. The study however indicated that the expansion needs to happen steadily in a tactical manner to avoid de-hubing which takes place when unsustainable expansion occurs. The study pointed out that prior to globalization and liberalizations of the modern economies, many airlines were state-owned and operated as flag carriers for their domestic nations. The national carriers were shielded from competition from other non-state airlines and profitability for airlines was assured. For the international flights, landing rights were approved through bilateral and multilateral agreements between countries. This guaranteed nil threat from new entrants into airline business as consideration to bilateral and multilateral agreement was given to air carriers. Allocation of inconvenient arrival and departure times, airport charges and poor connections of multi-destination flights were amongst the barriers of entry.

Corazon (2013) conducted research on limitation of international competition to the growth of LCC airlines. The study revealed that various strategies adopted by the LCC to tackle competition played the crucial role to its growth. Most of these strategies revolved around pricing, alliance between competing airlines and routes of flight to be operate by the airline. In addition, with the liberalization of air transport industry, and with the creeping of the wave of globalization, world airline markets opened. Competition in the airline industry became stiffer through restructuring

and cutting of operational costs for more efficiency. With many airlines' entry into the competitive markets, many airlines including the low-cost carriers are faced with the need to be innovative and open up more hubs in the international destinations to sustain their survival.

Tiga (2013) in his study on strategic response of airlines to changing operational conditions characterized by turbulent competitive environment noted that airlines have to adapt to these conditions or face extinction. Tiga (2013) further mentioned Lufthansa Airline as an example of an airline that failed to cope with the stiff competition through lack of change of strategy. This led to its close of business.

Brad (2018) noted that although airline business is global in its nature, the bilateral agreements used to protect many low-cost carriers in the third quarter of the 20th century. With the fall of multilateral agreements leading to open sky policy in the air transport in light of competition, low-cost carrier airlines have been majorly disadvantaged. With multinational airlines expanding their operations to many destinations around the world, the low-cost carriers are forced to draw plans to counter the competition.

Hamilton (2012) pointed out that low-cost carrier airlines that fail to embrace foreign market expansion face international isolation and miss to take gain from the competitive advantage that comes with opening business hubs internationally. Airlines are in constant pursuit of expansion of networks and air routes, but inability to increase customer volumes which is associated with international markets keep airlines from reaching their potential. Consequently, airlines that stand without expansion to international destinations are barred with these shortcomings and are dwarfed from growth. Holloway (2013) in his research on the benefits of formation of alliances with international airlines revealed that cooperation amongst organizations from the same sector in different economies is commonly prohibited by governments in countries with effective antitrust laws. Nonetheless, airlines are relieved from this law, and can still form strategic alliances. This makes airlines' deregulation in the United States of America in 1978 and privatization in the European airline service industry in 1986 granted freedom to airlines in the set-up of aviation routes and airfares (Latrou, 2013). This freedom has been protracted to airlines in other countries through alliances. Participation in international alliances brought about by international expansion, therefore, turn out to be a outstanding and mutual tactic for low-cost airlines to sidestep regulatory boundaries while augmentation international relations and meeting the needs of passengers trailing all-in-one air transport.

Nevertheless, few studies have focused on the expansion of low-cost carriers with respect to international expansion. Emphasis has been on building the customer point of view and intensifying the local market gains. Besides, Buhari (2017) raises an alarm that the results of many researches are from a western continents' viewpoint. Such researches scrutinize cases of leading low-cost airlines that are well reputable such as AirAsia, Easyjet and Ryanair and abandoned smaller airlines such as JamboJet Limited and their associated challenges. The studies may have prospective annual statistics on growth of low-cost carrier airlines, but the question remains whether the smaller airlines within Africa and particularly Kenya are part of these statistics.

Table 2.1: Summary of Empirical Studies and Research Gaps

Study	Methodology	Key Results/ Findings	Research Gaps	Focus of current study
Limitation of international competition to the growth of National airlines (Corazon, 2013)	Descriptive research design	Competition led to domination by foreign well-established airlines. This competition led to better services by the airlines.	Focused on national airlines leaving a gap on Low-Cost airlines	Focuses on how LCC are expanded to international destinations
Profitability through foreign market expansion strategies for low-cost airlines (Hannah; 2014)	Descriptive research design	Strategies involved venturing destinations untraveled by other airlines	The study focused on private airlines leaving gap on airlines affiliated to state	Focuses on expansion and growth through foreign market expansion
Formation of international alliance as a strategy for international growth of low-cost carrier airlines (Holloway, 2013)	Descriptive research design	Formation of alliance led to lower cost of operation and marketing	The study left a gap for airlines not venturing internationally with formation of alliances.	Focuses on JamboJet expansion with no particular emphasis to formation of alliances with other airlines
The performance of Local airline based on international expansion (2015)	Descriptive research design	The success of international expansion is directly proportional to the airline performance	The study only focused on local airlines but not specific to low-cost carrier	Focuses on low-cost carrier airline

Source: Researcher (2022)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents research methodology applied to conduct the study. It illustrates the method used for research in data collection, analysis, and presentation. The areas covered in this chapter are; research design, data collection, target population, operationalization of study variables and data analysis.

3.2 Research Design

Case study research design was adopted for this study. Case study research design is an in-depth comprehensive and detailed examination of a particular case within a real-world that encompasses a unique context (Shuttleworth 2008). Both quantitative and qualitative research designs was included in this study. Information involving international expansion that influences the operations of Jambo Jet was analyzed.

3.3 Data Collection

Carroll (2011) defines data collection instruments as the tools used to measure the variables in the research questions. Through the data collection instrument, the research questions can be answered by the respondents. The researcher used an interview guide designed to fit the items of inquiry from the respondents. Data collection was on basis of the application of an interview guide which was used to secure and administer information from various senior managers at Jambo Jet. The senior managers were the Chief Executive Officer, Marketing Director, Chief Managing Director, Chief People Officer, Regional Sales Manager, and The Jambo Jet section heads as informants.

Table 3.1 Operationalization of Study Variables

Variable	Operational indicators	Measurement	Measurement scale	Data collection tool	Data analysis
Challenges faced by Jambo Jet in international market expansion	-Workforce -Tax regulations -Language barriers -Currency and exchange	Qualitative description of respondents	Ordinal	Interview guide	Content analysis
Strategies for coping with the challenges of Jambo Jet in international expansion	-Planning and diligence -Innovation -Use of technology -Transformation	Qualitative description of respondents	Ordinal	Interview guide	Content analysis
Successful foreign market expansion	-Number of passengers -Customer satisfaction -Profitability -Quality of Service	Qualitative description of respondents	Ordinal	Interview guide	Content analysis

Source: Researcher (2022)

3.4 Data Analysis

The examination of data by use of scientific and analytical logic reasoning instituted data analysis. Content analysis was used to analyze the primary data found. Content analysis is a logical qualitative description of the composition of items of study. It is a process that entails coherent analysis of the information collected to come up with conclusions and recommendations based on study variables (Orodho, 2002). Once the responses were acquired from the respondents, the responses were classified in accordance with the questions to determine the views. Conclusions were then made based on the response.

CHAPTER FOUR: DATA ANALYSIS AND RESULTS

4.1 Introduction

The basis of this report was to assess the strategies to be adopted by Jambo Jet to cope with the challenges of foreign market expansion. Results from the study was presented in order of the research objectives. Data collection was done using interview guide administered to the senior managers who were the Chief Information Officer, Chief Executive Officer, Non-Executive Director, Chief Financial Officer, Fleet Development Manager, and The Jambo Jet Limited section heads as informants.

4.2 Response Rate

All the respondents targeted participated in answering the interview guide questions. The researcher arranged for a private and separate session with the Chief Executive Officer, Chief Information Officer, Non-Executive Director, Chief Financial Officer and the Fleet Development Manager of Jambo Jet Limited for the interview.

4.3 Demographic Characteristics of the Respondents

The study sought to establish the background information of respondents. This included gender and level of education.

4.3.1 Distribution of Respondents in Accordance to Gender

Table 4.1 Distribution of Respondents by Gender

Gender	Frequency	Percent
Male	4	80
Female	1	20

Source: Researcher (2022)

The information in table 4.1 shows that one of the respondents (20%) was female while 4 (80%) were male. This indicates that the top management is represented more with males than females. This could be due to the organization's long history of male domination that saw more males in the employment than the females, as it has been in the aviation industry.

4.3.2 Distribution of Respondents In Line with Level of Education

Table 4.2 Distribution of Respondents by Level of Education

Education Level	Frequency	Percent
University Degree	3	60
Master's Degree	2	40
PhD	0	0
Total	5	100

Source: Researcher (2022)

The analysis in table 4.2 shows that most of the respondents interviewed were educated up to a minimum of university degree level with 3(60%) holding university degree and 2(40%) holding master's level. Furthermore, all the respondents had several postgraduate certificates in diverse

fields. This indicated that the respondents were competent enough to discern the interview guide questions.

4.3.3 Distribution of Respondents by length of service to Jambo Jet

Table 4.3 Distribution of Respondents by Length of Service

Years	Frequency	Percent
Less than a year	1	20
1-2 years	1	20
3-4 years	2	40
Above 5 years	1	20
Total	5	100

Source: Researcher (2022)

The analysis in table 4.3 shows a variation in length of service for the respondents. Majority however have worked for longer than 3 years and there seemed to have enough knowledge during the length of service on the operations of Jambo Jet from the respondents.

4.4 Discussion of Results

The respondents were interrogated about the foreign market expansion strategies Jambo Jet is implementing or looking forward to apply. They recounted that Jambo Jet Limited is motivated to expand internationally with the sole purpose of making more profits and presenting itself to the international business arena with the aim of advancing its operations. The respondents alluded to the fact that Jambo jet had understood the modern trend in the airline industry where increased dominance of LCC airlines have emerged to increasingly command nearly 25% of the global air

passenger market. They also observed the rapid growth of Jambo jet within the local Kenyan market that had seen it leverage on its affiliation with Kenya Airways limited. Although Jambo Jet had greatly been aided through riding on Kenya Airways legacy in its establishment in the local Kenyan market, the circumstances vowed to be different in the international amphitheater. The business environs would need bilateral and multilateral agreements amongst different nationalities that Jambo Jet intended to fly and this would need Jambo Jet to single handedly institute its own legacy.

The respondents unequivocally pronounced that the involvement of Jambo Jet Limited internationally was viewed as a customer focused strategy with the aim of the airline providing customers with comprehensive access to an extensive global travel network. Moreover, the respondents stated that it was a strategy by the airline to collaborate to open up international hubs, and increase profitability through the exploitation of the rich customer base within East Africa and beyond. Upon opening up the international exploration, Jambo Jet adopted the business policy and procedures acceptable not only within Kenya but coherent to the international business policy. The respondents described different strategies that would see Jambo Jet open up international business environment amongst them being; licensing, low-cost business model, codeshare agreement, share of airport lounges, franchising and strategic alliances among others.

4.4.1 Licensing

The respondents reported that licensing is one of the most important strategies that has been used and would be used by Jambo Jet to venture internationally. Through licensing, Jambo Jet would expand its brand franchise within East Africa and beyond in a way that would profit the organization. The licensing agreement would mold the international image of Jambo Jet in a manner that grows its markets quickly and to increase its dominance in the same repute. The respondents observed that the licensing

agreements with international destinations would give way to other approaches such as mergers, formation of alliances with other airlines, franchising among others. They asserted that the licensing agreement when venturing internationally would also contain provisions to make adjustment on the agreements made, suspend or terminate contracts made together with the repercussions of these decisions. They stated that through licensing, Jambo Jet would be able to trust its partners in joint dealings with the awareness of litigation in the event relations became unscrupulous.

4.4.2 Low cost business model

The respondents pronounced that low-cost carrier business had emerged as a dominant force in the global airline industry. This business model is characterized by cheaper tickets compared to the Full Service Carriers (FSCs) airlines. The respondents noted that this business model attracted customers from several standpoints with a choice of flights to different destinations oddly not accessed by larger airlines. This happened due to the infrastructural layout of many small airports for instance small runways or limited spaces which could comfortably accommodate the LCC airline aircrafts at low costs of operation. They recounted that Jambo Jet adopting this business model was seen as a conventional wisdom for deriving a competitive advantage over other low cost carriers within the region through simplified, cheaper services and products, and lowered input costs. This would later translate to lower cost of travel for the customer hence bigger customer base. Furthermore, the respondents alluded to the many flights per day operated by LCCs due to the less turnaround time and shorter routes than the Full Service Carriers.

4.4.3 Codeshare Agreement

The respondents stated that Jambo Jet was looking into having a code share agreement with the LCC airlines within the routes it intends to fly. They asserted that collaboration with other LCC in the region would make collaborative publishing and marketing of their combined flights under the same airline designator or flight number as part of their regular flight schedule or program. With this arrangement, a flight is typically operated by one airline which is the administrative carrier whereas all co-operating airlines sell tickets for that flight using their sole designator and flight number. Jambo Jet has not had any code sharing partnership with any airline since commencing LCC operations and this would be a new venture. The respondents proclaimed that this kind of arrangement would enable Jambo Jet sell tickets to destinations not yet being flown but which are flown by member airlines in the code share arrangement. Moreover, since Jambo Jet has already made maiden foreign destination flight to Goma, the respondents illustrated that the necessity to capitalize more on codeshare agreements will be heightened for the access of the multiple destinations in Africa. The code share agreement with other airlines will enable Jambo Jet maintain its customers who are able to access multiple destinations including those not flown by Jambo Jet.

4.4.4 Share of Airport Lounges

The respondents alluded to the comfort offered by other LCC lounges in their hubs that may be enjoyed by the Jambo Jet customers in the event of joint ventures. These lounges would offer Jambo Jet passengers comfort beyond those offered to regular passengers at common airport terminals. They include access to more serene atmosphere, better customer service, faster wireless internet access, quieter environment, meeting rooms and other business services that offer comfort to passengers among others. First time flyers may not notice these additional benefits; but for

previous frequent flyers, these privileges attract them to Jambo Jet with the knowledge that they receive more privileges than ordinary passengers.

The respondents proclaimed that these lounges have formerly been used to provide extra-ordinary airport experience by business elites, VIPs and celebrities to circumvent the regular terminal hustle. These lounges have in modern days been accessible to airlines, particularly those that have their hubs in the airports. Affiliation of Jambo Jet with the more established LCC will give their customers a chance to appreciate experiences of these hubs in many international destinations that they are located.

4.4.5 Franchising

The respondents mentioned that Jambo Jet had thought of incorporating the strategy of franchising part of the supporting services to third parties for ease of its international ventures. While licensing would share many similarities to its licensing agreement, it differs from the latter since the franchisor which is Jambo Jet has stronger control over the arrangement than a licensor who has little control over foreign operations. The respondents avowed that in this sort of trade contract, the franchisee would run a contract under Jambo Jet's trade name. In return, Jambo Jet would benefit from such an agreement through royalties and fees. The respondents mentioned that business model would be an articulate entry strategy for Jambo Jet into the already occupied foreign market that would aid in deregulation. This model would improve the brand presence of Jambo Jet to the international market where it is unrecognized. They mentioned that the franchising would begin with the ticketing shops, brand products like T-shirts, caps, water bottles among sale of other products that would aid in marketing the airline. As noted by Frankel (2017) franchising is a business strategy that allows an organization to expand with reduced.

4.4.6 Strategic Alliances

The respondents mentioned that Jambo Jet was looking into formation of strategic alliance with other airlines as a strategy to lower the cost of international ventures. They recognized that strategic alliances are conceivably the most corporate market entry strategies in the airline industry. Unlike franchise agreements, where there is a clear distinction between a franchisor and franchisee, strategic alliances involve undefined relationships among partners (Ahmed, 2010). Nevertheless, most of these relationships consider competition as a major decision-making element. Although the respondents did not single out the airlines Jambo Jet would be looking up to forming alliance with, they mentioned that the most likely airlines would be those that fly same destination it intends to open up its hubs in. Through business alliances, Jambo Jet will offer seamless travel of the passengers across different destinations, increasing their availability while reducing cost of operation.

4.5 Chapter Summary

It was discovered from the study that Jambo Jet expansion to international destinations is a strategy for both long term growth and profitability. The respondents described different strategies that would see Jambo Jet open up international business environment amongst them being; licensing agreement, low-cost business model, codeshare agreement, share of airport lounges, franchising and strategic alliances among others. The respondents that the licensing agreements with international destinations would give way to other approaches such as mergers, formation of alliances with other airlines, franchising among others. The low cost model adopted by Jambo Jet was seen to be an attraction to many customers who opt for cheaper tickets.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings of the study. The objectives were to analyze the nature and strategies to be adopted by Jambo Jet to cope with the challenges of foreign market expansion. It further outlines the conclusions, limitations and recommendations for the study in addition to the policy and practices.

5.2 Summary of the Study

The purpose of the study was to determine the strategies to be adopted by Jambo Jet to cope with the challenges of foreign market expansion. The design of the study employed was a case study with five of the top management personnel of Jambo Jet interviewed. The interviewed staff were; Chief Executive Officer, Chief Information Officer, Non-Executive Director, Chief Financial Officer and the Fleet and Asset Development Director. The study findings revealed that Jambo Jet Limited top management indeed recognized the need for tactical approach in the foreign market expansion if Jambo Jet was to realize a sustainable growth. These tactical approaches were not limited to indications of chances of success in specified objectives based on rational reassurances of prospective directions Jambo Jet is moving. This would facilitate Jambo Jet Limited achieve specific operational alterations to accomplish its strategic goals.

The main considerations in this paramount international venture by Jambo Jet was infiltration of potential regional market that could be deal-breaker but had been impermeable as a result of lack of strategies in place, dissuasion by competitors, lack of market presence and expenses in the venture among others. The respondents pointed out various strategies to be employed by Jambo Jet in its international venture. These strategies included; pursuit of proper licensing, continuation of the low-cost business model, code share agreement, share of airport lounges, franchising and

formation of strategic alliances. At the same time, the respondents pointed out various challenges that Jambo Jet will likely encounter in this international exploit. These include predatory behavior by competitor airlines, cumbersome trade agreements and aggressive competition from other LCC operating the routes it intends to fly.

According to Husein (2017), growth and continuity form with the sole purpose of pursuit of international expansion of any business. In this study, Jambo Jet intends to undertake this exploit with the intention of remaining in business, increasing profitability and exhibiting dominance in the LCC airline business through transformation from local to international LCC airline. These are tactics to that will benefit the airline in strengthening its longevity in growth and profitability.

5.3 Conclusion of the study

The study concludes that foreign market expansion plays a substantial role in growth of a local business to foreign nationalities. It gives opportunity for business transactions involving exchange of foreign currencies this enhancing business dealings. Furthermore, as a result of international trade involving exporting and importing, in many occasions the pricing are fixed and this becomes advantageous to businesses due to use of letters of credit.

Licensing being one of the fore most strategies to be used by Jambo Jet is a fundamental tool for setting the right environment for business operation. Through proper licensing, Jambo Jet would be able to trust its partners in joint dealings with the awareness of litigation in the event relations became unscrupulous. The study recounted that Jambo Jet adopting low-cost business model in the international venture would be a conventional wisdom for deriving a competitive advantage over other low cost carriers within the region through simplified, cheaper services and products, and lowered input costs. This would later translate to lower cost of travel for the customer hence bigger

customer base. The study concludes likewise that code share agreement would enable Jambo Jet sell tickets to destinations not yet being flown but which are flown by member airlines in the code share arrangement. The code share agreement with other airlines will enable Jambo Jet maintain its customers who are able to access multiple destinations including those not flown by Jambo Jet. The research likewise mentioned that franchising would boost the operations of Jambo Jet internationally through allowing delegation of some of its activities to competent enterprises. Formation of strategic alliances would open up Jambo Jet to many hubs which would offer seamless travel of the passengers across different destinations, increasing their availability while reducing cost of operation. The study concludes that foreign market expansion would lead to more profitability of Jambo Jet.

5.4 Recommendations of the study

Findings of this study are coherent with those of aforementioned researches and literature on foreign market expansion strategies and low cost carrier airlines. In view of the analyses from the respondents, the researcher revealed that in as much as the international expansion is the desire of every airline in its growth tactics, the airlines have to develop best practices to cope with the challenges that will always hinder or stop this growth. This is observed through the airline developing tactical approach in determination of all elements of the growth articulately prior to setting foot in international destination. Such practices are those that eliminate the business blind spots and black spots that are unforeseen and may put the airline in jeopardy if not observed prior to the ventures.

5.5 Implication of the study

The findings and recommendations of this study will be of use to Jambo Jet Limited in conducting its operations in quest to capture international destinations.

The regulators and policy makers in the airline industry will benefit from this research in formulation of policies about low-cost carriers that may want to venture internationally. The study has exposed many legal ambiguities that low-cost carriers are likely to bump into in their pursuit to venture internationally.

The outcomes of this research have delivered pertinent information to airline project financiers, strategic managers and airline affiliates amongst other airline staff and stakeholders through providing information aiding in making informed judgments on international expansion matters. The findings of this study will augment their capability to make profit-driven decisions based on proven facts.

The research has additionally provided a charter for mounting desirable practices for cultivating the success of new set-ups that may be commenced by Jambo Jet locally or internationally, backing to the body of knowledge and being part of current literature that will be studied as a reference for forthcoming resolutions.

The study has equally added to the body of knowledge for impending academics who may wish to use the research as a reference to conduct other similar studies and for general public knowledge devotions.

5.6 Limitations of the study

Even though it was assumed that the information to be given by the respondents was true, trust worthy and valid, it was difficult for some respondents to interpret the interview questions. This could have resulted to inaccurate answers to the questions that may have lowered the accuracy of the study. The researcher questioned the respondents further to overcome any such chances. Similarly, the research was limited to specific application of theories even though they did not exhaust all variables. However, maximum efforts were used to apply as much of the theories as possible for best field work. The restricted movement to offices caused by covid-19 pandemic

also affect the level of interaction with the respondents who were weary of meetings. This study however endeavored to adhere to all protocols for the timeframe in order to stay safe without breaking any covid-19 government measures while optimizing the exercise in the field for best results.

5.7 Suggestions for further studies

This study investigated the foreign market expansion strategy and low-cost carrier airline, case of Jambo Jet Limited. Further researches need to be carried out on the foreign market expansion strategy for other airlines other than low cost carriers. The study should moreover be extended to other business fields other than airlines since foreign market expansion is a common concept to all businesses.

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APPENDICES

APPENDIX I: LETTER OF TRANSMITTAL

Mr. Benard Ombasa Omweri,
P. O. Box 1249 00100,
Nairobi.
Date 4th July 2022

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: DATA COLLECTION

I am Mr. Benard Ombasa Omweri, a student at The University of Nairobi, pursuing a Degree of Master of Business Administration, registration number: Reg No: D61/35284/2019.

It is a requirement of the course that I collect data from the field with which a research project report will be prepared for presentation. My research topic is FOREIGN MARKET EXPANSION STRATEGIES AND SUCCESS FOR LOW COST CARRIER AIRLINES IN KENYA: CASE OF JAMBOJET KENYA

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All the data collected is related to the research topic mentioned and it is purely for academic purposes. Information gathered will be treated with utmost confidentiality.

Your cordial cooperation and sincerity will be highly appreciated.

Yours faithfully,

Benard Ombasa Omweri.

APPENDIX II: INTERVIEW GUIDE

The aim of this interview guide is to gather research information on foreign market expansion strategies for low-cost carrier airlines in Kenya: case of Jambo jet

SECTION A: General Profile

1. Which department of Jambo jet do you belong to?
2. What is your position/rank in the organization?
3. How long have you worked for Jambo jet?
4. What is your level of education?
5. How long have you worked in your current position?

SECTION B: Challenges of foreign market expansion for Jambo Jet

1. When did the idea of foreign market expansion of Jambo jet come about? Why did Jambo Jet decide on this idea?
2. What kind of business challenges would Jambo Jet be involved in in its flight venture to international destinations based on the following parameters?

International competition,

hub set-up and

product market share

3. How does Jambo Jet relate with other regional airlines in the foreign destinations? Is it able to engage in alliance or sharing of flight handlers to minimize cost of operation? If not, how will you cope with the high cost of opening new hubs?

4. Are there managerial challenges that may hinder Jambo jet venture into international market? If yes, briefly explain some of the common challenges that arise? how does Jambo Jet handle such challenges on various matters within the management without hampering the relationship?
5. How does Jambo Jet cope with differences such as social, cultural and economic dissimilarities amongst different countries within its hubs?

SECTION C: Strategies for coping with the challenges of international market expansion for Jambo Jet

1. What strategies does Jambo Jet have in place to cope with challenges involved in international venture?
2. What are the major strengths of Jambo Jet airline that have made it possible to achieve milestones over the last 5 years? How have these strengths aided the airline over that period? Over the same period of time, what are some of the failures/unachieved goals and objectives for Jambo Jet in its growth to more destinations including local expansion?
3. Do you think there are some limitations Jambo Jet is not likely to overcome in its international ventures? If yes, what are some of these limitations
4. What tactic does Jambo Jet Limited intend employ to cope with these limitations faced in its international venture? How effective will these tactics be?
5. Will there be any local lost opportunities that Jambo Jet will have as a result of venturing internationally? If yes, what are some of these lost opportunities?
6. Are there any new ways of business Jambo Jet learnt from its flight to Goma (Democratic Republic of Congo)? If yes, what are some of these new ways and how is Jambo Jet going to use these new ways to strengthen its further expansion?

7. Are there some strategies employed by Jambo Jet that did not work in its flight to Goma? If yes, how differently is Jambo Jet planning to strategize in its further expansion?
8. Did Jambo Jet Limited have its profitability increased as a result of international venture to Goma?
9. What are the projected other destinations that Jambo Jet intends to explore over the next 5 years?

APPENDIX III: BUDGET

EXPENSES	COST (Ksh.)
Travel	45000
Communication	10000
Printing papers	10000
Laptop	50000
Printer	8000
Government authorization fee	2000
Wages to research team	20000
Binding equipment/materials	5000
Other expenses & contingency	10000
TOTAL	160000

APPENDIX IV: WORK PLAN

DATES	ACTIVITY
1 st January 2022– 7 th May 2022	1. Development of Research Proposal Formulating the report with assistance of the university lecturer
10 th May – 30 th May 2022	2. Submission of the of the Research Proposal to the Supervisor
August 2022	3. Defend the Research Report
30 th Sept 2022- 15 th Sept 2022	4. Apply for the research permit from National council of Science and technology in order to go to the field and do piloting of the questionnaire and collect data.
15 th Sept 2022 – 30 th Sept 2022	5. Data collection, Data Analysis and Report Distribution of questionnaires, interview the Respondents, data recordings and data analysis.
Oct 2022	6. Submission of Final Research Project and defend.
December 2022	Graduation

APPENDIX IV: PLAGIARISM REPORT



14TH NOVEMBER 2022.

FOREIGN MARKET EXPANSION STRATEGY AND LOW COST CARRIER AIRLINES. A CASE OF JAMBOJET LIMITED

ORIGINALITY REPORT

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