THE IMPACT OF GLOBALIZATION ON COMPETITIVE ADVANTAGE OF THE AIRLINE INDUSTRY: ANALYSIS OF KENYA AIRWAYS

BY

RUGENDO SUSAN NKATHA

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DECLARATION

This research project is my own original work and to the best of my knowledge it has not been submitted for any academic award within any other institution.

…………………………………… 02nd December, 2022 …………………………………..

Signature Date

SUSAN RUGENDO

D61/85794/2016

This research project is submitted for examination with my approval as the university supervisor

…………………………………… **02, December, 2022**

Signature Date

DR. KENNEDY OGOLLAH

DEPARTMENT OF BUSINESS ADMINISTRATION

FACULTY OF BUSINESS AND MANAGEMENT SCIENCES

UNIVERSITY OF NAIROBI

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DEDICATION

I bestow this work to my parents and siblings Esther, Winnie and Paul who have been my support pillar throughout the research process.

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ABBREVIATIONS AND ACRONYMS

AA	- American Airlines
BA	- British Airways
CA	- Competitive Advantage
EU	- European Union
IATA	- International Air Transport Authority
ICAO	- International Civil Aviation Organization
KAA	- Kenya Airports Authority
KATA	- Kenya Association of Travel Agencies
KATO	- Kenya Association of Tour Operators
KCAA	- Kenya Civil Aviation Authority
KQ	- Kenya Airways
PPP	- Public -Private Partnership
RBV	- Resource Based View
SMT	- Service Marketing Theory

ABSTRACT

Notably, globalization creates intensive competition for companies, necessitating survival thorough strategies such as innovation and market expansion, thus the need to gain a competitive edge. The past few years, competition in the Kenyan airline industry has become stiff resulting from increased new market players. This research sought to determine globalization effects on Kenya Airways' competitive advantage. The study focused on how strategic alliances, joint ventures and multidomestic strategy influence the competitive advantage of Kenya Airways. The service marketing and the resource-based view theories guided the research which used a descriptive design. The study's population comprised the departmental head and operational managers from Kenya Airways. Questionnaires were used in data collection and the analysis involved quantitative techniques. An 88% response rate was obtained. The correlation results revealed the existence of a strong positive correlation between strategic alliances, joint ventures and multidomestic strategy and competitive advantage among airline firms. The findings ascertained that globalization was responsible for at least 63.7% of the variations in the airline's competitive advantage. Thus, conclusions point to the need for airways firms to adopt globalization strategies as the strategies will improve the firms' overall performance of airline firms and facilitate the realization of long-term organizational goals. The study also concludes that joint ventures have a strong and positive outcome on the airline's performance. The research also concludes that strategic alliances have a strong and positive result on the airline's competitive advantage. It was lastly, concluded that multi-domestic has an insignificant influence on the firm's competitive position. Before embarking on partnerships and alliances, the study recommends that the airline considers its areas of strengths and weakness to ensure that the partnerships complement the firm's objectives. The study also calls for airline firms to issue intellectual property rights to foreign firms. The study also recommends that airline firms explore foreign direct investment to a certain degree to ease market entry and improve niche market acquisition.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Oman (1996), states globalization as growth in economic activities cutting across boundaries both at national and regional levels. Globalization is viewed as a process which incorporates people globally into a single world society (Albrow,1999). Marginson and Considine (2000) highlights that globalization enhances people mobility and ideas across the globe in relation to money and global markets. As a result, it impacts growth in the world systems in terms of communication, transportation, economic life and finance. For organizations to have a competitive edge amongst their peers in the industry, they need to identify sustainable global strategies that will give them competitive advantages. The concept of globalization relates to the practices that involve enhancements of the cultural and other social inter-connection (Adam, 2019). In the business world, the idea of globalization is a fundamental issue among the firms that strive to be profitable, thus the need to have a competitive advantage.

The competitive advantage (CA) of an organization is explained as the firm's leverage over its competitors (Porter,1985). Thompson (1997) explains it as the edge that a firm has over its peers, creating a unique and sustainable niche within the market. Additionally, Porter outlines that competitive firms are characterized by adopting strategies that make them cost leaders, differentiate their products and services and have a focus on a specific market. Organizations achieve competitive advantage by operating uniquely as compared to their competitors in the same industry to gain higher performance (Alderighi, 2019).

The Service Marketing Theory (SMT) and the Resource- Based View (RBV) theories guided the study. SMT market- based theory relates to the availability of services to meet the exact consumer's needs. The theory alludes the essence of understanding customers' needs and ensure provision of the services to meet the needs (Iatrou & Alamdari 2005). The theory further promotes the art of globalization strategies. The Resource- Based View theory (RBV) dons that resources are heterogeneous and immobile. Garg (2016) argues that the theory emphasizes on use of available resources in the organization and capabilities and does not explore the firm's external environment to gain competitive advantage.

1.1.1 Impact of Globalization

Global opportunities and global threats are considered as two primary impacts of globalization on organizations. Mahmutović et al. (2017) alludes that the company's ability to acquire resources from anywhere and use cheap labor in executing different business activities, is a positive effect of globalization. Furthermore, globalization factors such as political changes, technological advancements, competition, market development and international business climate have impacted companies' business development (Ristovska & Ristovska 2014). In their study, they noted that political changes such as decrease in trade barriers and market liberalization has enhanced globalization through increased trade between countries and facilitated towards access of new markets, resources, knowledge and technologies.

Thoumrungroje and Tansuhaj (2007), suggests that globalization has impacted organizations through advances in transportation. A report by Boeing (2019), indicated that airline passenger traffic would grow for the next 20 years by an annual rate of 4.6%. Additionally, Oktal et al. (2006) noted that globalization has impacted the airline industry as air transport is viewed as a significant, fast and most reliable means of transport. Consequently, globalization can also have negative impact on organizations. A report by World Economic Forum (2016), postulates economic, geopolitical, technological, societal and environmental risks as some of the risks arising from globalization that may affect the organization. Notably, globalization creates intensive competition for companies, necessitating survival thorough strategies such as innovation and market expansion, thus the need to gain a competitive edge (Ristovska & Ristovska, 2014).

1.1.2 Competitive Advantage

This is a result of an organization attaining a better footing over its competitors with regards to gaining customers, being at a better position to survive its rivals in the market and being able to defend itself against any other competitive forces in the market (Iatrou & Alamdari 2005). Competitive advantage can be achieved by developing a superior quality product preferred by the customers or providing superior services as compared to what other firms within the same industry are offering to the same market segment (Brueckner, 2016).

Competitive advantage can also be related to costs of products or service delivery and differentiation of products or services to customers (Porter,1985). Ohmae (1982) elaborates that customers influence the success of the firm thorough their decision to procure. Furthermore, the organizational structure and management decisions of a corporate influence the product cost. Ultimately, differentiation of goods or services by competitors significantly influence the firm's CA. The competitive advantages are also connected with the geographical location of the firm that should be considered being strategic in terms of reaching the target market as compared to competitors in the same market segment (Garg, 2016).

1.1.3 Airline Industry

Roeder (1991) in their study highlights that in the late 1930's, airline companies started to design airplanes characterized by a higher capacity and had more range and safety which pioneered international passenger travel. With the industry growth, regulatory bodies such as International Air Transport Association (IATA) have been established to act as a link between the establishments like as the International Civil Aviation Organization (ICAO) and national governments. Farah et al. (2018) suggest that the airline industry is extremely competitive, characterized by globalization and the demand by customers for delivery of quality service that equates their value for money.

Internationally, the airline industry has impacted the global economy. In their study Button (2008) notes that the industry accounts for 1% of the GDP's of the European Union (EU) and the United States of America. This results from the contribution on the industry by sectors such as tourism and hi-technology. Additionally, Button suggests that the airline industry moves 40% of the world's trade by value. Kotze (2017), noted that globalization has impacted the airline industry as it contributes towards social and economic growth through global trade, market connectivity and expansion of the tourism industry.

Regionally, 80% of all Africa's air transportation is operated by airlines that are not African (Kairu, 2014). IATA (2016) identified Ethiopian Airlines, Kenya Airways, Royal Air Moroc, Air Mauritius, South Africa Airways, Egypt Air, Air Seychelles and Air Mauritius as the leading carriers. This is based on their capacity and connectivity both regionally and in the international market. The impact of globalization has been felt by the African airlines through market penetration by well-established airlines from Europe and Asian countries hence increasing competition (Farah et al., 2018). Subsequently, globalization has made most African countries to open up their skies. The conference held by UN Economic Commission for Africa (2001) dubbed the Yamoussoukro Declaration in 1998 aimed at liberalizing the African open skies, minimizing the trade barriers and enabling African airlines to compete on the global market. According to Oxford Economic Forecasting (2015), improvement in the region's air transport infrastructure would result in economic growth, poverty alleviation and better livelihoods.

The Kenya Airport Authority (KAA) reported a growth of more than 9% between 2005 and 2011 in terms of cargo and passenger transport (Al Amin & Maina, 2020). The industry is majorly dominated by full- service carriers from the Middle East and Europe which are well known and better equipped than local carriers (Kamau & Kavale, 2015). In a bid to reduce increasing operating costs, local airlines are adopting marketing strategies such as advertising and good customer service (Mogaka ,2018). In addition, Farah et al. (2018) affirms increased efforts to form strategic alliances with other airlines to expand the market base.

1.1.4 Kenya Airways

In 1977, after the collapse of the East African Community, Kenya Airways (KQ) was set up (Gichira, 2007). Globally, it is informally recognized as KQ which is an IATA designator code. Gichira further highlights that Kenya Airways Group has subsidiaries namely; Ken Cargo Airlines International Limited, Air Cargo Handing Limited and Kenya Airfreight Handling Limited. Additionally, KQ owns low-cost carrier Jambojet and has a 41.2% stake in Tanzania's Precision Air. KQ became the first African flag carrier in 1996 when it was privatized (Ng'ang'a, 2012). Currently, the airline is operated in under a Public-Private Partnership (PPP), with the government claiming ownership of 48.9% of the stakes; 38.1% being owned by a consortium of banks who are KQ lenders; KLM Royal Dutch airlines owning 7.8% and 5.2% held by private entities.

KQ prides itself for being in operations for more than 40 years, both regionally and globally flying 59 routes (Mogaka,2018). Mogaka further states that in order to enhance sufficient passenger travel, KQ acquired its first four Boeing 737-300 aircrafts in 1997 and Boeing 777 in 2009. This resulted to an increase of passenger traffic by more than 4.6 million in 2016 (KQ,2017). However, high operational costs and competition from other airlines forced KQ to reduce the number of aircraft fleets. KQ is registered with the Sky team alliance and African Airline Association (Ng'ang'a, 2012). In order to survive the effects of globalization on the airline industry, KQ formed a strategic alliance with the Royal Dutch Airline, KLM. Button (2008) states that as stiff competition and increased industry players, have necessitated airlines to adopt strategies that will increase their competitiveness in the competitive and global airline sector.

1.2 Research Problem

Enlarged number of market players in addition to knowledge on global standards have resulted in increased competition among airline firms in the last few years. Additionally, factors such as relaxation of open skies policies, decline in trade barriers and increased competition resulting from globalization and liberalization of global markets have led to increased air traffic and hence more capacity for air transport. Airline companies therefore have to adjust their operations in line with the customer needs and adapt business models that offer a competitive advantage (Yimga, 2020). An analysis of several studies done globally and locally demonstrate that there are few studies seeking to ascertain if CA and globalization in the airline industry are related.

Globally, Button (2008) sought to identify the effects globalization had on air transport internationally with a concentration on past trends and future perspectives. Kuz and Miskinis (2021) investigated the effect of globalization on European air market's operational and financial performance. Locally, scholars such as Mogaka (2018) sought to identify how Kenya Airways has been affected by globalization. Similarly, Gichira (2007) looked into globalization and Kenya Airways performance. Farah et al. (2018), researched on competitive strategies and their impact on commercial airlines' performance. These studies were not addressed specifically on the impact globalization has on competitive advantage affecting airline carriers, motivating the current exploration. This research was guided by the questions: What are the effects of globalization on Kenya Airways and how does globalization affect Kenya Airways' competitive advantage?

1.3 Research Objective

The research sought to assess the impact of globalization on competitive advantage within the airline industry, with a specific focus on the national carrier; KQ.

1.4 Value of the Study

This study will inform scholars on the effects of globalization in the industry as a source of reference. The study sought after the effect of globalization on airlines' competitiveness and expects that scholars will use the findings as a basis to assess other factors that influence performance in the sector. On a practical level, this study assessed the extent to which Kenya Airways has adopted modern globalization strategies.

This will enable them to identify critical and sustainable strategies that can enhance the airlines' competitive position over its rivals. The findings will also benefit other airlines thorough insights provided on how to survive the impact of globalization. Subsequently, the research expects the government to gain from the findings as they can use the data collected in setting up policies that relate taxation and regulation of operations at the airports by the civil aviation agencies. Industry bodies and regulators such as ICAO and IATA, will gain by being able to use the data collected in setting the policies that protect the interest of the industry stakeholders. Local industry regulators such as the Kenya Association of Tour Operators (KATO) and the Kenya Association of Travel Agents (KATA) act as an intermediary between the operators, travel agencies and the airline carriers. The study is beneficial to them as they will be able to come up with policies that are favorable to the members and also negotiate with the airlines in terms for service delivery within the industry.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The second chapter reviewed literature, showing a collection from other scholars. The section began by presenting the theoretical foundations before divulging into an empirical review. Lastly, the chapter summarized the knowledge gaps.

2.2 Theoretical Foundation

A theory is explained to be a statement supported by certain evidence used to emphasize and explain a phenomenon. Theoretical frameworks therefore guided the researcher on the specific study variables laying a foundation for analyzing data and selection of an appropriate study design. The present study was guided by the service marketing theory (SMT) and the resource- based view Theory (RBV).

2.2.1 Service Marketing Theory (SMT)

SMT advocates on the importance of knowledge and comprehension of the customer needs and provision of good service by the service marketers. The theory is associated with Lovelock and Wirtz (2007), who posited that marketers in the service industry face the challenge of services being intangible, heterogenous, inseparable and perishable, thus affecting effective marketing. The theory therefore highlights how an organization can focus on these factors to remain a float in the market.

Assael (1985) suggests that intangibility of services make it difficult to position services, as communication to customers on the ideas and benefits is deemed vague. Furthermore, intangibility of services makes it difficult for organizations to patent thus unable to give the firm sustainable competitive advantage due to imitation by competitors. Bateson and Hoffman (1977), explained that services are inseparable when the quality of the service may not be controlled before actual service delivery. In their study, Chase and Steward (1994) noted that services are inseparable such that an error made by a customer can ultimately affect service delivery. Additionally, perishability of services makes it difficult to store or save thus affecting the firm' ability to harmonize demand and supply of the services offered (Kurtz & Clow, 1998). Subsequently, labor intensive services are difficult to standardize outcomes of the service delivered (Langeard et al. 1981). The inconsistency results from the fact that the employees tend to interact differently with individual customers ultimately affecting the output service provided. Airlines should seek to know the impact of globalization and adapt strategies that gave them competitive advantages in a non- replicable position. In terms of new market entry, the theory is relevant as it enabled the marketers to analyze and comprehend the customers' needs, purchasing pattern, taste and preferences and culture in order to sell the service customized for the market.

2.2.2 Resource Based View Theory (RBV)

The RBV theory helps in mapping competitiveness of the organization with respect to the specific resources of the organization. In their study, Wernerfelt (1984) postulates that the theory helps the firm to comprehend its competitive advantage. The theory suggests that an organization has resources and capabilities that it can use towards meeting its goals.

The competitive advantages of the organizations are not only generated through the internally owned resources but can also be gained through the external rationale network through the attributes of globalization (Duncan, 1998). The theory assumes that resources are heterogeneous and immobile. Heterogeneity means that the firm's skills, resources and capabilities must vary from one organization to another. Immobility of resources on the other hand means that competing firms cannot easily replicate resources.

2.3 Impact of Globalization on Competitive Advantage

Globalization has caused new realities in international business affecting how organizations operate and shift our cultures. Porter (1985), postulates that globalization forces organizations to reassess the strategies they employ towards realizing their main objectives, and in essence becoming competitive. It has caused challenges such as intense competition and high operating costs on companies operating globally (Gichira, 2007).

2.3.1 Effects of Globalization

Economically, globalization enables countries to exploit their comparative advantage and enhances division of labor (Button,2008). This is achieved through trade, capital flows, foreign direct investment and migration. Increased economic activities increase a country's revenue and eventually consumption in terms of demand for mobility and access. Furthermore, globalization stimulates technology and labor transfer that result to entrepreneurial activities (Button, 2008).

New technology development enhances the flow of goods, ideas and people that leads to efficiency in the organizations. Globalization affects both the technological and institutional environments of the organizations. The airline industry through air transportation has contributed immensely towards globalization as it enhances social and economic integration. Economically, air transport has facilitated in growth of certain industries such as tourism as a result of mobility and accessibility. In addition, the industry has contributed towards economic growth through trade as countries are able to import and export goods and services. Technology advancements have made airlines to be creative and innovative so as gain a competitive edge in their country of operation. Gichira (2007), noted that in order to deal with the effects of globalization, airlines seem to be adopting collaborative approaches such as strategic alliances.

2.3.2 Determinants of Competitive Advantage

Porter (1980) highlights a framework of five forces that help organizations to analyze the industry attractiveness, profitability and intensity of competition. These include; the competitors, threat posed by new entrants, suppliers and buyers purchasing power and accessibility of substitute products or services. Determinants of firms’ competitive advantage are subject to the interaction between management, technological and resource-based capabilities (Ma, 2004).

Lugasi and Kariuki (2018) postulates that organizational structure, culture, resources and innovations determine the firms' competitive advantage. The structure of an organization outlines the hierarchy in terms of job description and roles. Organizational culture is the relationship amongst employees in a company. Firms innovate to define or seek new positions within their industry. Furthermore, the firms' resources enable organizations to improve their effectiveness and efficiency globally through strategies.

2.3.3 Response to globalization

Globalization makes organizations susceptible to their competitors. Johanson and Vahlne (1977) suggests that organizations entering in foreign markets need internationalization modes. International modes are structures used to penetrate a new market and may include partnerships in terms of networks, strategic alliances, joint ventures, licensing and franchising (Waime,2010).Porter and Fuller (1986) state that partnerships can be either formal or informal. Formal partnerships are strategic while informal partnerships are tactical. Tactical partnerships aim to secure marketing benefits while strategic partnerships involve partners incorporating their assets and may contain contractual agreements such as licensing and franchising. Organizations need to recognize their strengths and gaps relating to their competency and seal them fast (Doz & Hamel, 1998). Strategic alliances improve the organization's; competitive positioning by sharing of risks in R&D, offer superior value addition to customers through the combined competencies and lower transaction costs. In order to deal with the effects of globalization within the industry, airlines have adopted a collaborative approach instead of a competitive strategy (Gichira, 2007).

2.4 Empirical Review

From a development perspective, the concept of globalization has led to the flow of investment coupled with the outflow and inflow of the manpower which promotes the spread of innovation and technology, enhancing competitive advantage on the growth of the industry. Several scholars both internationally and locally have researched on the factors impacting airlines' performance. This section will review globalization by reviewing literature on the impacts of multi-domestic strategy, strategic alliances and joint ventures on airline firms' performance.

2.4.1 Multi-domestic Strategy and Airlines Competitive Advantage

Internationally, Button (2018) investigated the influence of globalization on air transport globally. The analysis sought after the past trends and future perspectives to identify the expected impact. From their findings, they highlighted that over the years, globalization has had impact on the economies of nations as it facilitates with division of labor as well as exploitation of comparative advantage by nations. Tulung (2017) carried out a conceptual literature review with the aim of finding out how resource availability determines a firm's market entry strategy choice. The study asserted that multi-domestic strategies result in reduced level of competition since the companies all operate on a local level, thus adopting products and policies that are localized to specific regions. This study recognized multi-national entry strategies as smoother ways to enter into new markets.

Bhattacharya and David (2018)'s empirical explored on the impact of internal benchmarking on operational outcome of international transport and logistics firms. Questionnaires, interviews and reports formed the data sources. The study determined that adoption of proposed performance criteria improve a businesses' capacity to improve performance through the adoption of selected 'best practices' derived from internal benchmarking. The study found multinational strategies to enhance companies' ability to derive and benchmark these best practices. In their study, Hu and Zhang (2021) evaluated Covid-19 pandemic effects on multinational firms' operations, noting significant reduction in performance since the pandemic began. The study determined that firms with highly decentralized international operations had better chances of survival since the pandemic was met with different reactions from different countries. Multi-national strategies in this study showed more agility and resilience.

Farah, Munga and Mbebe (2018) investigated the influence of globalization strategies and their influence on competitiveness within the aviation industry. The study determined that airline companies' performance could be improved through strategic alliances with multi-national firms as a means of reducing market entry and regulation related costs. This would increase Kenyan carriers' competitive advantage over Ethiopian and Middle-Eastern carriers. Conclusion were that there are more positive impacts of globalization on the development of KQ as compared to the negative effects.

2.4.2 Strategic Alliances and Airlines Competitive Advantage

Kuz and Miskinis (2021) researched on the dependent airlines' performance indicators and independent globalization variables nexus using a nonexperimental quantitative research design method. Findings indicated that globalization affects airline performance differently with a notable positive effect on operational performance. Strategic alliance is a global strategy used by airlines to gain competitive edge within the industry of operation.

Yu, Xu and Dong (2019) sought after the influence of the type of alliance type on performance of public equity markets. The study carried out a literature review towards this end, determining those vertical symmetric alliances produce larger gains than any other type of strategic alliance. The study recommended airline firms strike more vertical symmetric alliances whereby firms from different industries unite to share different kinds of resources.

Seo (2020) carried out a literature review investigating the influence of competition on global airline alliances' performance. The review revealed that the relationship is positive and significant, signified by increased passenger traffic, revenues and load factors. The study also revealed that strategic alliances expand route network and enable firms to circumvent legal barriers and regulations.

Ngugi (2016) explored the supply chain value generated by airline firms through international logistics networks. The study determined that international logistics provided companies with seamless connections between departments, created standards and uniformity in procurement, had high control tools and rules for global procurement, and enhanced firm operational flexibility. Mwaniki (2014) researched on companies' CA and how they implement strategy. Results highlighted the need for identification and adoption of effective strategies as well as an analysis of environmental factors affecting the firm by the management.

2.4.3 Joint Ventures and Airlines Competitive Advantage

Farah et al. (2018) researched on competitive strategies and their influence on airlines' performance. The research indicates that the airline's functionality is affected by cost leadership strategy positively as well as market focus, product differentiation and innovation strategies. Baxter (2019) investigated the Trans-Atlantic AirTravel Market in a case study of the transatlantic joint venture. Airlines were able to access to new markets due to transatlantic air travel market, attracting more customers due to increased operational efficiency. The venture enhanced competitive position of participating parties by extending travel destinations and increasing the frequncy of flight within customers' network, thus creating value to both the partners and customers.

Semercioğlu and Dördüncü (2020) investigated the process of internationalization in Turkey in an exploratory research which adopted qualitative mothods. The company reported that joint ventures are cost leadership strategies that enabled growth in the airline industry through the collective result of economies of scale. The companies that emerged were larger and had the capability and flexibity to reduce operating costs, resulting in higher revenue at sustained quality of customer service delivery. Serrano and Kazda (2020) investigated the way forward for airline firms post Covid-19. The study identified joint ventures as a key cost optimization and reduction strategy which had the potential to enhance airline's capability to meet customer expectations, amid reduced core business activities and non-air travel related income. Further, the study determined that joint ventures could become the main driver for success in the air travel industry.

Ustaömer, Durmazb and Zheng (2015) investigated joint ventures' impact on competitiveness of airline firms. The study specifically investigated cases of joint ventures of American airlines (AAs), Iberia (IB) joint business and British airways (BA). Paired sample t-tests revealed that BA and IB's business airfare were not significantly affected while AA reported significant business airfare after the joint venture. Thendu (2020) research on airline firms registered under IATA and sought to find out the influence that alliances have. The review showed that joint ventures improved the firms' purchasing power, pricing on code sharing routes, enhances knowledge sharing, has significant customer benefits, reduces control barriers on entry, and reduces level of competition. The main effect of joint ventures was reduced competition which reduced unnecessary marketing costs, hence higher returns on investment among the airlines.

2.5 Summary of the Literature Review

The reviewed literature agreed that airlines are affected by both competitive advantage and globalization. The researcher noted that most studies solely explore the impact of either globalization or specific aspects of competitive advantage within the airline industry. Another gap was that most of the studies explored internationalization effects on the performance of foreign multinationals. Other studies focused on specific strategies and did not explore how other strategies may affect performance. This research sought after the correlation between globalization and competitive advantage. It will specifically examine how joint ventures, strategic alliances and multi-domestic strategies affect the airline's operations.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlights the study's research methodology. It identified and explained the main procedures employed to collect, classify, analyze and process data used in realizing the study's objectives. It begins with the design section, explains the design adopted, target population, sample design used and methods of data collection and analysis process.

3.2 Research Design

Descriptive studies as those which describe qualities connected with the target population (Cooper & Schindler 2010). Kothari (2004) avers that adopting a descriptive survey design involves data accumulation through interviews or questionnaires. Cooper and Schindler (2010) are assertive that descriptive design can be used in explaining a respondents' opinions, habits and attitudes. The study, which sought after the respondent's views thus used a descriptive cross-sectional design.

3.3 Population of the Study

A study population is defined as objects, a complete group of individuals or cases with similar traits that a researcher is interested in (Mugenda & Mugenda, 2003). The research focused on drawing research data from a population of 150 employees drawn from senior departmental heads and operational managers who are in the middle management level and lower management level at Kenya Airways.

The research target population was drawn across the major departments of the airline to ensure inclusivity of all the key personnel. It was assumed they have relevant knowledge on the various globalization strategies being implemented within the institution and how they have impacted the airline's competitive position.

Table 3.1 Population Targeted

Function	**Target Population**	**Percentage**
Department heads (Middle level management)	47	31.33
Operational managers (Lower management level)	103	68.67
TOTAL	**150**	**100**

3.4 Sampling design and sample size

Kothari (2004) postulates a sample as a representative of the populations that should be used in research. A stratified sampling approach was used to come up with a total of 40 respondents which represent 26.67% of the targeted population. Mugenda and Mugenda (2003), accepts use of 10 -50% of a sample size in descriptive research.

Table 3.2 Sample Distribution

Function	Target Population	Sample
Department heads (Middle level management)	47	13
Operational managers (Lower management level)	103	27
TOTAL	**150**	**40**

3.5 Data Collection

Data collection comprises of the various approaches and techniques that are applied in sourcing of information that is relevant to the research (Mugenda & Mugenda, 2003). Data collected was from primary as well as secondary sources. Secondary data was sourced from the company's website and media communication. The study ensured necessary approvals were obtained prior to data collection. Additionally, peer review journals were sourced in assessment of the empirical literature review section. Collection of primary data was inform of questionnaires that were structured, which were distributed to the departmental heads and operational managers selected based on the critical role they play in regards to the strategic decision making.

3.6 Data Analysis

Descriptive statistical methods that include standard deviation and means were used in data analysis. Descriptive statistics were created in form of summarized standard deviation, mean and percentages reports formulated by the Statistical Package for Social Sciences (SPSS). To examine the extent of the impact of independent variables on the CA which is the dependent variable, tests on regression and correlation were undertaken where tables and charts were produced. The research used the regression model illustrated below;

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon}$$

Where;

Y = The dependent variable (competitive advantage of Kenya Airways)

α = Intercept of the regression model

$\beta_{1\text{-}3}$= Coefficient of the independent variables

$\mathbf{X_1}$ – strategic alliance

$\mathbf{X_2}$ – joint venture

$\mathbf{X_3}$ – multi-domestic strategy

$\boldsymbol{\varepsilon}$ = Term of error

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

Findings of the study are highlighted in the chapter. Results are further discussed as outlined under the empirical review section. The response rate, respondents' profile and results of the descriptive and inferential analysis conducted are provided in the chapter. It concludes with a discussion of the results from the literature reviewed as presented.

4.2 Response Rate

Data was sourced from 40 departmental and operational managers from Kenya Airways. Google forms were deployed to assist I data collection due to travel and in-person meeting restrictions. A response rate of 88% (n=35) of the study population was received despite challenges. This response was deemed suitable for quantitative analysis since it was above 60% which is prescribed as an appropriate sample.

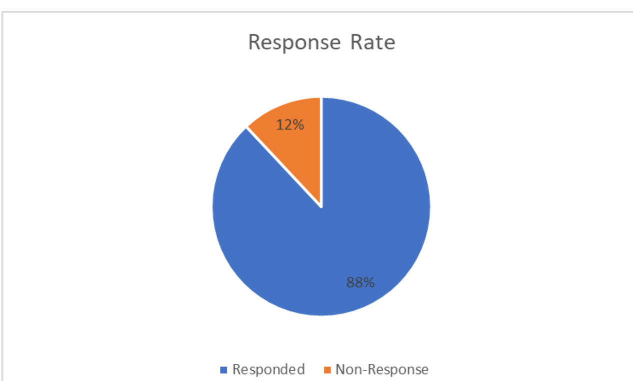

Figure 4.1 Response Rate

Source: Research Data (2021)

4.2.1 Background Information

Respondent's period of time they have served at the airline and the number of staff within their departments was explored under background information. The findings are presented in this section. The results of the background information were presented using tables and charts with frequencies and percentages adopted as the main form of descriptive results.

4.2.1.1 Length of time Working in the Airline

Figure 4.2 highlights 52% of respondents have been at KQ for more than 11 years, 34% for 6-10 years, while 14% had joined within the last five years. The responses reported that officials interviewed have varying experience which can be vital to presenting varied opinions and knowledge on the globalization and competitive advantage of Kenya Airways.

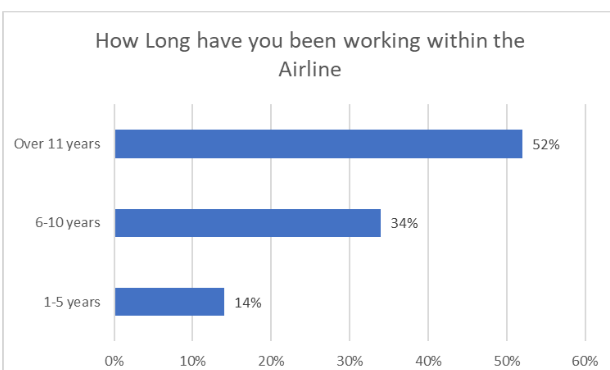

Figure 4.2 Length of working Experience

Source: Research Data (2021)

4.2.1.2 Number of Employees

The survey further interrogated participants on the number of employees working within their departments. 89% (n=31) of the senior employees noted that they have 21-50 employees with only 11% having 10-20 employees under their authority as shown in figure 4.3. The results showed there is adequacy in the human resource capacity within the organizations which can be important to achieving competitive advantage.

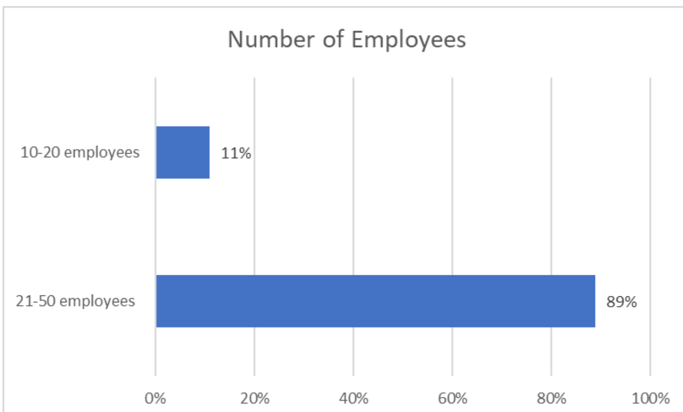

Figure 4.3 Number of Employees

Source: Research Data (2021)

4.3 Descriptive Analysis

Structured questionnaires were used to collect of research findings. A summary of responses was illustrated by a descriptive analysis. The examination was based on study's variables as identified on the regression model.

4.3.1 Competitive Advantage

Dependent variable of the research reviewed CA of Kenya Airways resulting from the globalization efforts as illustrated in Table 4.1.

Table 4.1 Competitive Advantage

	N	Mean	Std. Deviation
Globalization has led to penetration of new markets by the airline	35	4.6857	.52979
Globalization has led to quality assurance to facilitate with operational efficiency of the airline	35	4.4286	.65465
Globalization has led to acquisition of new aircrafts by the airline	35	4.4286	.77784
Globalization has led to an increase in the cost-sustainability measures within the airline	35	4.4286	.77784
Globalization has led to significant improvement in product development within the sector	35	4.4000	.81168
Globalization has led the airline gaining access to new technologies that have given it a strategic edge	35	4.4571	.74134

Source: Research Data (2021)

Table 4.1, shows a strong agreement that globalization had eased penetration into new markets with minimal variation in responses (mean = 4.685, dev = .529). The study agreed strongly that globalization has led to quality assurance to facilitate with operational efficiency of the airline as noted by mean of 4.429 with a deviation of .655. The responses in Table 4.1 showed agreed that globalization had increased access to new technologies which improved the firms' strategic edge as demonstrated by mean of 4.457. The findings showed that globalization has led to significant improvement in product development within the sector. A mean of 4.400 and moderate deviation of .812 was obtained as shown in Table 4.1.

4.3.2 Joint Ventures

The study first independent variable was joint ventures and conclusions are as presented below;

Table 4.2 Joint Ventures

	N	Mean	Std. Deviation
The airline has maintained a shared control within the aviation industry with strategic partners	35	4.0571	.83817
The airline has formulated joint profit sharing with other regional carriers to expand into new markets	35	3.9714	1.09774

The airline has demonstrated accumulated adequate resources and capability to help it achieve strategic goals through joint ventures	35	4.2857	.66737
The airline is involved in joint ventures with regional aviation firms to enhance their target marketing of specific niche within the industry	35	4.3429	.76477

Source: Research Data (2021)

Table 4.2, outlines an agreement (mean = 4.343, dev = .765) that the airline is involved in joint ventures with regional aviation firms to enhance their target marketing of specific niche within the industry. In Table 4.2, the results indicate a strong agreement among respondents that the airline has demonstrated accumulated adequate resources and capability to help it achieve strategic goals through joint ventures (mean = 4.286). The participants agreed that the airline has formulated joint profit sharing with other regional carriers to expand into new markets as indicated by mean of 3.971 as indicated in the results in Table 4.2

4.3.3 Strategic Alliances

The second globalization practice analyzed was strategic alliances and their impact in the airline.

Table 4.3 Strategic Alliances

	N	Mean	Std. Deviation
The airline is constantly engaged in new agency alliances to drive entry into new global markets	35	4.2857	.92582
The airline actively engages in brand marketing alliances to create more recognition within the global market	35	4.2857	.92582
The airline continuously improves innovative alliances to drive outreach and customer retention within the global market	35	4.2571	.78000
The airline has embraced business processing outsourcing of various functions to improve market expansion activities	35	4.4286	.73907
The airline has fostered local alliances that have been critical to significant improvement in the level of operations	35	3.9429	1.05560
Through strategic alliances the airlines assets and strengths can be easily transferred and applied abroad	35	4.2286	1.00252

Source: Research Data (2021)

Table 4.3 reports that participants indicated strong agreement that the airline has embraced business processing outsourcing of various functions to improve market expansion activities (mean = 4.429, dev = .739). The findings in Table 4.3 revealed strong agreement that airline continuously improves innovative alliances to drive outreach and customer retention within the global market as denoted by mean of 4.257. There was agreement that the airline has fostered local alliances that have been critical to significant improvement in the level of operations as revealed by mean of 3.943 as Table 4.3 presents. Strategic alliances the airlines assets and strengths can be easily transferred and applied abroad according to the 4.229 mean. The deviation of 1.002 was, however strong as indicated in Table 4.3.

4.3.4 Multidomestic Strategy

The study considered a multidomestic strategy as the third globalization practices utilized within the airline.

Table 4.4 Multidomestic Strategy

	N	Mean	Std. Deviation
The airline has developed local marketing strategies that have enhanced its revenues in the local market in comparison to competitors	35	4.2286	.80753

The airline perceived localness gives it a competitive advantage over foreign firms in the market	35	4.2857	.78857
The airline cultural knowledge of your market is a unique competitive advantage against foreign firms	35	4.1714	1.04278
The airline regional associations have been effective in promoting your firm's interests against the effects of foreign competition	35	4.2571	.95001
The airline has exported its services in foreign markets as a strategy to accessing those new global markets	35	4.4286	.81478
The airline has set up foreign operations through direct investments in another country	35	4.0571	1.10992

Source: Research Data (2021)

There was strong agreement that the airline has developed local marketing strategies which resulted in increased revenue generation in the local market (mean = 4.228, dev = .808) as indicated in Table 4.4. It was also determined that regional airline associations effectively promoted the firm's interests against those of foreign players (mean = 4.257, dev = .950) as shown in Table 4.4. further, it was ascertained that the airline's cultural knowledge of the marketplace is a unique source of CA (mean, 4.171). There was also agreement that the airline has set up foreign operations through direct investments in another country as noted by mean of 4.057 and a strong dispersion of 1.109 as presented in Table 4.4.

4.4 Correlation Analysis

The Spearman rank correlation analysis was employed in reviewing the link amongst the independent variables and the airline's CA.

Table 4.5 Correlation Results

			Competitive Advantage
Spearman's rho	Competitive Advantage	Correlation Coefficient	1.000
		Sig. (1-tailed)	.
		N	35
	Joint Venture	Correlation Coefficient	.660**
		Sig. (1-tailed)	.000
		N	35
	Strategic Alliance	Correlation Coefficient	.827**
		Sig. (1-tailed)	.000
		N	35

	Multidomestic Strategy	Correlation Coefficient	.711**
		Sig. (1-tailed)	.000
		N	35

**. Correlation is significant at the 0.01 level (1-tailed).

Source: Research Data (2021)

Table 4.5 shows a strong positive correlation amid strategic alliances and competitive advantage of airlines (r = .827, sig = .000<.05). There was also a substantial and strong positive effect of multidomestic strategy on competitive advantage of airlines (r = .711, sig = .000<.05). The analysis further revealed a strong positive correlation between competitive advantage and joint ventures of the airline (r = .660, sig = .000<.05).

4.5 Regression Analysis

To determine the impact of globalization practices on airlines' competitive advantage, a regression analysis was performed as shown in Table 4.6.

Table 4.6 Regression Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.798[a]	.637	.601	1.952	2.288

a. Predictors: (Constant), Multidomestic Strategy, Joint Venture, Strategic Alliance

b. Dependent Variable: Competitive Advantage

Source: Research Data (2021)

Table 4.6 presents a coefficient of determination in the model to be R^2 = .637. These findings showed globalization practices (multidomestic strategy, joint venture, strategic alliance) can explain up to 63.7% of the variations KQ's competitive advantage.

Table 4.7 ANOVA Summary

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	206.881	3	68.960	18.103	.000[b]
	Residual	118.090	31	3.809		
	Total	324.971	34			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Multidomestic Strategy, Joint Venture, Strategic Alliance

Source: Research Data (2021)

The ANOVA analysis in Table 4.7 is concerned with establishing whether there is any statistical significance in the conducted regression analysis. The ANOVA tests resulted in a F-calculated = 18.103 and Sig = .000<.05. This showed a significant correlation between globalization and CA.

Table 4.8 Regression Coefficients Summary

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	12.060	2.131		5.658	.000
	Joint Venture	.169	.069	.149	2.485	.006
	Strategic Alliance	.496	.162	.707	3.067	.004
	Multidomestic Strategy	-.026	.161	-.037	-.159	.875

a. Dependent Variable: Competitive Advantage

Source: Research Data (2021)

The expected outcome of the regression equation adopted in the research is stated as;

$$\mathbf{Y=12.060 + .169X_1 + .496X_2 + -.026X_3 + 2.131}$$

The findings in Table 4.8 outline that the coefficient of the equation $\beta_0 = 12.06$ which was statistically significant (Sig =.000<.05). Overall, the research findings showed that there is a substantial and positive impact of globalization the competitive advantage of Kenya Airways. These results agree with Button (2018) who revealed that globalization expands the economies of scale of firm and facilitates efficiency.

Kuz and Miskinis (2021) also found out that globalization has significantly led to better operational performance within airlines. The findings are in consensus with the assertions of Mogaka (2018) who showed that globalization has significantly led to better performance in Kenya Airways. These findings conform to the Resource Based View theory that showed heterogeneity in resources is key to achieving better competitiveness within firms. As such the study showed that globalization strategies have been central to enhancing KQ's competitive advantage.

4.6 Discussion of Findings

Table 4.8 findings, the first research objective on joint venture resulted in a coefficient for joint venture $\beta 1 = .169$ was statistically significant (Sig $=.006<.05$) implying there is a positive and strong impact of joint venture on the competitive advantage of the airline. Changing joint venture practice by one unit will yield a .169 change in Kenya Airways' competitive advantage. Farah et al. (2018), noted better cost-leadership, focus and differentiation within airlines can be key to improving their overall performance. Mwaniki (2014) study showed that application of joint ventures can help airlines in operating within new environments. The findings in Table 4.8 are also consistent with Farah et al. (2018) study on airlines that showed improved differentiation, market focus and cross-border venture significantly improved the competitive advantage of the firms. Baxter (2019) qualitative survey of a joint venture showed that synergistic benefits such as access to new markets led to better evolution on the airlines which supported better competitive edge.

Semercioğlu and Dördüncü (2020) study similarly showed that larger firms culminating from joint ventures enjoyed better efficiency as result of improved capabilities and flexibilities. Serrano and Kazda (2020) in their examination opined that joint ventures can be critical to airlines achieving better cost efficiency and improving their core business. The findings are not in line with Ustaömer, Durmazb and Zheng (2015) who showed there existed no significant relationship between joint ventures and competitiveness of airline firms. The findings of the second objective on Table 4.8 revealed strategic alliance resulted in a coefficient for joint venture $\beta 2 = .496$ was statistically significant (Sig $=.004<.05$) implying strategic alliance improve Kenya Airways' competitive advantage significantly. Further, changing strategic alliances by a yield would yield a .496 change in the airline's competitive advantage. These findings are in line with Iatrou and Alamdari (2005) study that revealed strategic alliances have been central to global expansion in airlines and driving better operational outcome through the various collaboration.

Gichira (2007) study showed that utilization can help drive better competition within local airline business. Ngugi (2016) survey showed that alliances were vital to driving operational flexibility of airline firms through better logistics networks. Consistent with our results Kuz and Miskinis (2021) research found that improved strategic alliances have been vital to fostering the competitiveness of global airlines. Yu, Xu and Dong (2019) found out that vertical symmetric alliances were critical to enhanced resource sharing which can improve the value of alliance airlines. Seo (2020) study noted a good interaction between strategic alliances incorporated by companies and perfomanceof international airlines.

The results on the third objective on multidomestic strategy resulted in a coefficient for joint venture β3 = -.026 was not statistically significant (Sig =.875>.05) as indicated in Table 4.8 implying that multidomestic strategies do not significantly impact airlines' competitive advantage. The examination is not in agreement with Button (2018) study that revealed improved globalization has resulted in better economies of scale and competitive edge of the airline. Tulung (2017) showed that multi-domestic strategy have contributed to reduced competition thus leading to expansion in localized air travel networks.

The results on Table 4.8 on the multidomestic strategy were also inconsistent with Hu and Zhang (2021) revealed that firms that have a decentralized operation achieve better survival rate which is key to their performance. Eluka, Ndubuisi-Okolo and Anekwe (2016) showed that multinational strategies can help drive better synergy within airline firms. Mogaka (2018) noted that increased globalization efforts were critical to expanded performance within Kenya Airways. Farah, Munga and Mbebe (2018) concluded that competitive advantage of regional carriers can be achieved from strategic alliances, domestic route expansion and reduced market entry.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

Recommendations, summary and conclusions of are reported under this chapter. The chapter primarily focuses on findings from the descriptive, correlation and regression tests. The study conclusions were presented as per the results of the regression tests, while the recommendations are suggested from the findings. Lastly, the limitations and suggestions for more analysis are discussed.

5.2 Summary

This descriptive research sought to inspect the effect of globalization on airlines' competitive advantages. The research investigated the national carrier, Kenya Airways. 35 responses were received, an 88% rate of response. From this population, 52% had more than 11 years' experience and 34% had been employed for 6-10 years. Only 14% had experience of not more than five years. This shows significant collective experience among the respondents and shows possession of adequate knowledge on performance metrics within the airline industry. Further, the responses ascertained that most of the respondents were senior employees, working with subordinates under them. The study showed agreement that globalization had resulted in increased ability of airline firms to penetrate into new markets.

Further, the respondents were in agreement that globalization had increased airlines' adoption of cost-sustainability measures and increased access to new technologies, aircraft and operations that give the firm a competitive edge over other players. Respondents were also in agreement that globalization had facilitated significant improvements in product development within the sector. The correlation tests revealed strong positive correlation between strategic alliances, joint ventures, multidomestic strategy and competitive advantage among airline firms. Responses showed agreement that joint ventures had a great impact on operations of the airline. Responses showed that joint ventures improved target marketing of specific niches within the industry. The study showed that joint ventures had facilitated accumulation of resources which was key to meeting strategic goals. Further, through maintaining a shared control, the airline was able to share resources which improved expansion into new markets.

The respondents agreed that the organization has ventured into strategic alliances in recognition of the impact of strategic alliances on market penetration. The findings confirmed that strategic alliances made by the airline had resulted to entry into new global markets, improved brand recognition, facilitated the acquisition of strategic assets and information that is essential for smooth operations. Further, the respondents agreed that strategic alliances provided the airline with strengths that are easily transferrable and can be applied in multiple markets around the world.

Regarding the multi-domestic strategy, responses showed that the airline had embraced the market localization strategy which had resulted in increased revenues from the local operating scene. Regional associations fostered by the multi-domestic strategy promoted the company's interests ahead of the interests of foreign competitors. The respondents also held the opinion that the localization strategy adopted by the firm had resulted in the acquisition of cultural knowledge which offers a unique source of competitive advantage which has enabled the firm to hold a unique position within the local market.

5.3 Conclusions

The effect of globalization on airlines' competitiveness was investigated by the study and a conclusive evidence found that globalization strategies significantly impact airlines' performance. The findings ascertained that globalization was responsible for at least 63.7% of the variations in KQ's competitive advantage, implying the adoption of globalization strategies will improve the airline's global competitive position and facilitate the realization of long-term organizational goals. It was determined that increasing joint venture practices by one unit would result in a .169 improvement in the firm's competitive advantage. This assertation shows that increasing inter-firm associations through strategic partnering improves knowledge sharing, enhances market focus and improves market entry and penetration.

The study concludes that strategic pooling of resources, finances and manpower reduces operating costs and reduces the impact of risks since risks and profits are shared by two or more partners. The research also concludes that strategic alliances have strong positive effects on the airline's competitive position. Changing a single unit of strategic alliances was determined to result in a .496 change in the firm's competitive advantage. The study asserts that pursuing a set of agreed objectives improves expansion into new markets, product and service development, and is a source of competitive advantage. Conclusions also suggest that strategic alliances also facilitate the realization of core organizational goals.

Regarding the third objective, conclusions are that multi-domestic strategies have insignificant effects on the carrier's competitive position. Changing a unit of multi-domestic strategy would result in a .0256 change in the firm's competitive position, implying that the firm had failed to establish a concrete means of marketing itself to specific nationalities, and had failed to penetrate into niche markets.

5.4 Recommendations

One of the recommendations of the study, is the need of the airline to explore strategic partnerships and joint ventures to gain access to resources and knowledge that would be costly to obtain exclusively. The study also recommends that the airline considers its areas of strengths and weakness to ensure that the partnerships complement the firm's objectives.

The firm should also involve industry experts to carry out an extensive assessment of the competitor's strategy, resources and standards. The research commends that airline firms explore foreign direct investment to a certain degree to ease market entry and improve niche market acquisition. With regards to joint ventures, the study suggests that the airline should partner with strategic businesses. The study commended that the airline should focus on its core objectives and outsource non-core functions through joint ventures.

5.5 Limitations of the Study

The research study focused on airlines, making its findings and conclusions non-applicable to firms that are not within the industry. Challenges experienced during the duration of the study include difficulty in accessing respondents since the respondents work in airline firms which limits access to its employees. The researcher sought permission from relevant authorities and assured respondents of anonymity to ease their worries. This was key to ensuring that the respondents provide objective responses.

The study further only limited itself to three globalization strategies while many other strategies may impact the airlines' performance. The research only focused on a quantitative assessment of the competitive advantage. There is need for a more in-depth qualitative study to be conducted assessing the competitiveness of the airline in the face of the Covid pandemic and intense competition from global airlines.

5.6 Areas for Further Research

The study suggests that similar research should be conducted in the other carriers operating in the country to establish a clearer impact of globalization on performance of domestic airline firms. More studies should also be carried out on other forms of internationalization to determine their influence on airline firms' performance. The study also focused only a single carrier; a more robust comparative analysis can be undertaken reviewing how globalization strategies have affected the performance of regional carriers, to provide more robust results that can be applied in enhancing policy and practical solutions in the airline industry.

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APPENDICES

Appendix I: University of Nairobi Introduction Letter

UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES & SOCIAL SCIENCES
FACULTY OF BUSINESS AND MAMANAGEMENT SCIENCES

Telephone: 4184160-5 Ext 215
Telegrams: "Varsity" Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, KENYA

21 October 2021

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

INTRODUCTORY LETTER FOR RESEARCH
SUSAN NKATHA RUGENDO – REGISTRATION NO.D61/85794/2016

This is to confirm that the above named is a bona fide student in the Master of Business Administration (MBA) option degree program in this University. She is conducting research on ***"The Impact of Globalization on Competitive Advantage in the Airline Industry: A Case Study of Kenya Airways".***

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence.**

Your co-operation will be highly appreciated.

Thank you.

UNIVERSITY OF NAIROBI
21 OCT 2021
SCHOOL OF BUSINESS

PROF. JACKSON MAALU
DEAN, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES

JM/jo

Appendix II: Questionnaire

SECTION A: General Information

1. **How long have you been working with the airline?**

Less than 1 year ( ) 1 - 5 years ( )

6-10 years ( ) Over 10 years ( )

2. **What number of employees are there in your department?**

Less than 10 ( ) 10-20 employees ( )

21-50 employees ( ) Over 51 employees ( )

SECTION B: Impact of globalization on competitive advantage.

This subsection is involved in accessing the link between globalization and competitive advantage. Kindly indicate the extent to which you agree with the following statements by ticking (√) appropriately on a scale of 1-5.

Key:1-Strongly Disagree, 2-Disagree, 3-Moderately agree, 4-Agree, 5-Strongly Agree

No.	Competitive Advantage	1	2	3	4	5
1)	Globalization has led to penetration of new markets by the airline					
2)	Globalization has led to quality assurance to facilitate with operational efficiency of the airline					

3)	Globalization has led to acquisition of new aircrafts by the airline					
4)	Globalization has led to an increase in the cost-sustainability measures within the airline					
5)	Globalization has led to significant improvement in product development within the sector					
6)	Globalization has led the airline gaining access to new technologies that have given it a strategic edge					

Kindly indicate the extent to which you agree with the following statements by ticking (√) appropriately on a scale of 1-5.

Key:1-Strongly Disagree, 2-Disagree, 3-Moderately agree, 4-Agree, 5-Strongly Agree

No	**Joint Ventures**	**5**	**4**	**3**	**2**	**1**
1)	The airline has maintained a shared control within the aviation industry with strategic partners					
2)	The airline has formulated joint profit sharing with other regional carriers to expand into new markets					
3)	The airline has demonstrated accumulated adequate resources and capability to help it achieve strategic goals through joint ventures					

4)	The airline is involved in joint ventures with regional aviation firms to enhance their target marketing of specific niche within the industry					

Kindly indicate the extent to which you agree with the following statements by ticking (√) appropriately on a scale of 1-5.

Key:1-Strongly Disagree, 2-Disagree, 3-Moderately agree, 4-Agree, 5-Strongly Agree

No	**Strategic Alliances**	**5**	**4**	**3**	**2**	**1**
1)	The airline is constantly engaged in new agency alliances to drive entry into new global markets					
2)	The airline actively engages in brand marketing alliances to create more recognition within the global market					
3)	The airline continuously improves innovative alliances to drive outreach and customer retention within the global market					
4)	The airline has embraced business processing outsourcing of various functions to improve market expansion activities					
5)	The airline has fostered local alliances that have been critical to significant improvement in the level of operations					

6)	Through strategic alliances the airlines assets and strengths can be easily transferred and applied abroad.					

Kindly indicate the extent to which you agree with the following statements by ticking (√) appropriately on a scale of 1-5.

Key:1-Strongly Disagree, 2-Disagree, 3-Moderately agree, 4-Agree, 5-Strongly Agree

No	**Multidomestic strategy**	**5**	**4**	**3**	**2**	**1**
1)	The airline has developed local marketing strategies that have enhanced its revenues in the local market in comparison to competitors					
2)	The airline perceived localness gives it a competitive advantage over foreign firms in the market					
3)	The airline cultural knowledge of your market is a unique competitive advantage against foreign firms					
4)	The airline regional associations have been effective in promoting your firm's interests against the effects of foreign competition					
5)	The airline has exported its services in foreign markets as a strategy to accessing those new global markets					

6)	The airline has set up foreign operations through direct investments in another country					

THANK YOU FOR YOUR TIME AND COOPERATION!

Appendix III: NACOSTI Research License

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