STRATEGIC MANAGEMENT PRACTICES AND MOBILE MONEY TRANSFER SERVICES IN THE TELEPHONY INDUSTRY IN KENYA

BY

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NOVEMBER, 2013
DECLARATION

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

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

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ABSTRACT
Through the use of strategic management, firms are presently reengineering the way in which they conduct their business and market their products and services. However, in spite of the crucial role played by strategic management in the success of businesses, the role of strategic management in the success of the local MMT sector has not been clearly delineated. The study sought to establish the role of strategic management practices in the mobile money transfer services in the telephony industry in Kenya. In order to satisfy the objective of the study, a descriptive survey research design was adopted and data was collected from strategy personnel from the relevant cross-functional departments of the five MMT players in Kenya. The findings revealed that most MMT players considered strategic management to be very important when analyzing and understanding the competition. Moreover, product intelligence techniques and practices were very highly effective in creating a competitive advantage for the company in the MMT industry. It was also established that new market intelligence was a very important strategy used to boost MMT service competitive advantage. The study therefore recommends that management and the cross-functional strategy teams within the target firms need to pay a lot of attention to strategic management for their firms to be competitive. Additionally the industry regulator, the Communications Commission of Kenya and the Central Bank of Kenya, will use the study findings to implement relevant policy framework to guide market intelligence and product intelligence in the MMT sector in Kenya.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

It is now over two decades since mobile telephony was invented and many things have changed in the telecom markets, locally and globally. In most western countries, mobile phone ownership has reached saturation levels, implying that the revenues from traditional voice communication are no longer growing. This then necessitates business executives in the telecom sector to find new revenue generation streams to keep the business financials sound. As a result, they have continuously reworked on their market place strategies to introduce value-added services (VASs) in addition to the traditional voice calls, often based on new technologies, with the understanding that the most noteworthy strategic business initiatives for service-oriented businesses like telecoms are often found through the processes of a company's value configuration. Raphael and Christoph (2001) note that value configuration is a series of steps that analyze how business processes function to create values and aid in finding strategic advantages inside the corporate product activity matrix.

In the effort to gain competitive in the current market, organisations are faced with the task to review their resource base and dynamic capabilities. The resource-based view proponents argue that simultaneously valuable, rare, inimitable and non-substitutable resources can be a source of superior performance, and may enable the firm to achieve sustained competitive advantage. Teece et al. (1997) define dynamic capabilities as ‘the
ability to integrate, build, and reconfigure internal and external competencies to address rapidly-changing environments. Organizations must be able to identify the opportunities and threats in their environment, seize the opportunities and maintain competitiveness in light of the changing business environment. This study recognises the need for organisations not only to analyse and utilise their resource base but also to analyse and reconfigure to match the changing environmental conditions.

With the introduction of mobile money transfer (MMT) in Kenya, the local telecom sector has moved in a completely new direction, with telecom operators embracing provision of other financial services on the cell phone. The service has been configured in such a way as to enable subscribers to use their mobile phones to carry out transactions to pay for goods and services, pay bills, send to and receive funds, withdraw cash for own use, top up own airtime account or top up someone else's account and manage their own accounts. The implication of this has been that local telecom operators not only compete amongst themselves for traditional voice and data revenue, but also with both bank and non-bank financial institutions (NBFIs) in the financial services sector.

In response to these progressively dynamic developments and turbulent business environment, business executives in the telecom industry are faced with the need to attain organizational capabilities for continuous product innovation by looking at various strategic options. Strategy development, implementation and monitoring then become imperative to address the challenge of improving service quality, increasing productivity and competitive advantage (Kamakura et al., 2003). This study seeks to enrich the
discussion on strategic management in the MMT industry as well as contribute to the existing literature on their associations.

1.1.1 Concept of Strategic Management

According to Porter (1980), the essence of strategy formulation is coping with competition, which then depends on five basic forces, namely: the threat of potential entrants, intensity of rivalry among industry competitors, bargaining power of suppliers, threat of substitutes, and bargaining power of buyers. Business strategies, therefore, are concerned with fundamental questions as to what kind or kinds of business the company is to pursue and how it is to pursue them. It is also concerned with deciding on what kinds of products or services should be provided, the geographic coverage of the company, what its channels of distribution should be, how its product development would be undertaken, and how its markets will be captured, developed and maintained. Wheelen and Hunger (2008) have defined strategy as the comprehensive master plan that states how a corporation will achieve its mission and objectives. Thus, a strategy enables the corporation to maximize its competitive advantage while minimizing its competitive disadvantage, and is so doing, a typical business firm may consider three types of strategy: corporate, business, and functional.

On the other hand, strategic management involves the identification of the purpose of the organization and the plans and action to achieve that purpose (Lynch, 2009), the essence of which revolves around trying to define the actual business, future direction, business culture and leadership styles and the overall attitude to strategic change. Thus, the field of strategic management can be said to be dealing with the major intended and emergent
initiatives taken by general managers on behalf of the owners, involving utilization of resources directed at enhancing performance. Strategic management can, therefore, be considered in two levels: corporate level strategy and business level strategy. While corporate-level strategies address the entire strategic scope of the enterprise, business-level strategies focus on only one rather than a portfolio of businesses. According to Pearce II and Robinson Jr. (2009), the three core areas of strategic management are strategic analysis and strategic development, strategic implementation and strategic evaluation.

1.1.2 Strategic Management Practices

Strategic Management is a concept that concerns making decisions and taking corrective actions to achieve long term targets and goals of an organization. The importance of strategic management in a firm can be answered by analyzing relationship between strategic management and organizational performance. Strategic management does give positive influence, especially in its profitability to the large firms (David, 1997).

Successful organizations recognize the importance of strategy as a tool in management and realize that their survival is dependent on how well they adopt new strategies or enhance existing strategies in an attempt to respond to the changes brought by the environment. While the quality of strategy is important, we cannot omit the importance of effectively executing the strategy. Aosa (2011) noted that large manufacturing companies in Kenya have adopted strategic management but there were variations in the practices. Foreign companies were more involved and committed to strategic
management than the local ones. The local companies (especially family ones) exhibited heavy financial orientation in their plans (cash flow projections and extended budgeting).

1.1.3 Mobile Money Transfer Service

According to Lachaal and Zhang (2012), mobile money is used to loosely refer to money stored using the Subscriber Identity Module (SIM) as an identifier as opposed to an account number in the conventional banking business. It can also be defined based on its functionality by observing that it includes all the various initiatives (long distance remittance, micro-payments, and informal air-time) aimed at bringing financial services to the unbanked, as well as convenience for the banked, using mobile telephony technology. The term has also various synonyms such as ‘mobile wallet’, ‘mobile financial service’ and ‘mobile payment’ and can be defined as a term that describes the services that support/enable electronic money transaction such as account access, money transfer, and mobile commerce over a mobile phone.

Therefore, mobile money is the provision of financial services through a mobile device. This definition encompasses a range of services, including payments (such as peer-to-peer transfers), finance (such as insurance products), and banking (such as account balance inquiries). In practice, a variety of means can be used such as sending text messages to transfer value or accessing bank account details via the mobile internet. Special contactless technologies are available that allow phones to transfer money to contactless cash registers. Mobile money can also be considered a subsector of a wider industry, branchless banking. According to Ernest and Young (2011), mobile financial services and mobile commerce are not new concepts in the telecom industry with mobile
network operators (MNOs) exploring the concept of mobile payments in as early as 2000 but with little success.

MMT services allow customers to use their phone like a bank account and a debit card. These customers credit their accounts at a local authorized agent and can then transfer the money to another person’s phone or use for different transactions such as making loan repayment, paying bills or redeeming it as cash. According to Alleman (2010), several benefits accrue with the combination of cellular and financial services: it enhances commerce; it allows for microfinance, it allows ease of remittances, it offers security that cash does not and, possibly, it could serve as a replacement for debit and credit cards. It will provide banking services for the unbanked.

1.1.4 Strategic Management and Money Transfer

The African Mobile Money Transfer (MMT) market for Person-to-Person payments is more advanced than its equivalent in the developed world, largely because of the sheer numbers of low income, unbanked and migrant workers and their need to use MMT regularly, combined with the straightforward approach of SMS (Short Message Service) and USSD (Unstructured Supplementary Services Data) offering real time connection (Momanyi 2011). However, Mobile Network Operators (MNOs) need to align strategies to the changing landscape because increased competition in the maturing Mobile Money Transfer market may coincide with the erosion of prices and margins on voice calls, the need to invest in the infrastructure to handle 3rd and subsequent generations of mobile technology, and the need for supporting a wide range of data applications and not just money transfer.
Further, regulators will be insisting on more open approaches to service provision, meaning that early entrants in Mobile Money Transfer (MMT) still have opportunities to gain number of users but need to move fast because this advantage will erode. Banks will also be taking their usual strong position as the number of unbanked consumers converts to banked, via Mobile Money. The way forward in the Mobile Money Transfer market, therefore, involves partnership between Mobile Network Operators and Financial Organisations like Banks, Money Transfer Operators and Card Acquisition Operators, using platforms and hubs that can be used domestically and internationally where required.

1.1.5 The Kenyan Telephony Industry

According to Blom et al. (2009), a latent demand for MMT in Kenya is driven by the flow of rural-to-urban migration. They further state that because of the uneven structure of the Kenyan economy, it is common for a member of a rural household to seek employment in the city, but the migrants retain a strong attachment to their rural homes while residing in town.

Poor alternatives for making domestic money transfers, particularly in the absence of technology-enabled or retail-based alternatives with a broad network of service points, also has driven MMT growth in Kenya. Generally, the state of the mobile phone infrastructure in Kenya, particularly at the retail level, is represented by a vibrant and dynamic small scale sector that provides services at a commission, the MMT agents. Customers using the MMT in Kenya have been growing as can be seen in Figure. 1.1.
The service is largely supported by the agent network, which is the direct link between the ordinary customer and the MMT providers. It is the point at which a customer can register for free and also undertake the most basic transactions of depositing funds as well as withdrawing. Momanyi (2011) has documented some of the challenges facing these agents including effective capacity and system stability.

1.2 Research Problem

The core of strategic management ensures that an organization gains competitive advantage at the marketplace by focusing on customer needs, continuously improving product and service quality and measuring improvements. Empirical evidence suggests that improving the service quality is crucial to achieving a strategic advantage, realizing that a good service is necessary, but not sufficient to compete in today’s competitive marketplace (Barnes, 1993).
Raphael and Christoph (2001) note that the most noteworthy strategic initiatives for service-oriented businesses, like MMT providers, are often found through the processes of a company's value configuration. Through the use of strategic management, firms are presently reengineering the way in which they conduct their business and market their products and services. However, in spite of the crucial role played by strategic management in the success of businesses, the role of strategic management in the success of the local MMT sector has not been clearly delineated.

The telecommunications industry in Kenya is pyramidal in nature with the industry regulator, the Communications Commission of Kenya (CCK), at the top. The next layer is dominated by the large service providers, namely: Orange Kenya (Orange Money), Safaricom (M-PESA), BhartiAirtel (ZAP), Essar Limited (YU Cash), and a fringe of other relatively smaller players (including Tangaza). The bottom layer is represented by agents of these large scale service providers, like the M-PESA agent network at the bottom layer of Safaricom Ltd.

Studies carried out by Cua et al. (2001) and Kaynak (2003) found that there is an underlined importance of strategic management practices in gaining a competitive edge at the marketplace. In research conducted by Murray (2007) of Small and Medium sized Enterprises (SME’s), it was found that no two organizations can have the same strategy implementation, but there are a number of great strategy models that organizations can use. Locally, Mas and Ngw’eno (2009) studied the keys to MMT’s success and concluded that branding, channel management and pricing were the main determinants. Also, Blom et al. (2009) studied designing of mobile money services in Kenya and concluded that implementation of the right mixed strategies has been the main factor for
the success of M-PESA. Also, Jack and Suri (2010) examined the adoption and impact of mobile money in Kenya using panel data. They note that strategies cutting across various customer demographics had encouraged the successful adoption of MMT services.

Few writers have written about strategic management to solve strategy problems in MMT, presenting a research gap that this study seeks to fill. Although Kenya’s telecommunications industry is relatively young, it is very competitive and highly capital intensive market. There is, thus, a need to have sound strategies to ensure business continuity for the MMT providers. This, then, leads to the research question: what is the role of strategic management practices in the success on mobile money transfer services in the telephony industry in Kenya?

1.3 Research Objective

The objective of the study was to establish the role of strategic management practices in the mobile money transfer services the telephony industry in Kenya.

1.4 Value of the Study

Coming at a time when competition in the local MMT industry has become stiffer, this study is timely, relevant and of importance to the industry players. The said competition has been witnessed in the reduction of prices across board with some MMT providers, notably Airtel’s ZAP, having zero-rated the service.

To date, few studies have been undertaken to identify the role of strategic management in the success of MMT service, especially in the local telecommunications set up, and thus underscoring the significance of this study. Further, the management and the cross-
functional strategy teams within the target firms will benefit from this study as it will examine the role of strategic management in the success of MMT service in the local sector and ultimately affect their competitiveness.

The study will assist the senior management in determining strategies for effective MMT businesses. Also, the study will assist in highlighting the challenges to effective strategic management in the sector. In anticipation, the study results will generate discussions among board members and result in implementation of relevant strategic infrastructure for MMT services in the target firms.

Additionally, apart from the target firms using the results of this research to improve on product innovation and differentiation and strategic marketing, other MMT providers and business entities can also use this paper as reference material in pursuit of strategically proficient practices in their organizations. The industry regulators, the Communications Commission of Kenya and the Central Bank of Kenya, will use the study findings to implement relevant policy framework and institutional competencies to foster growth in the sector.

Lastly, other researchers can also use the study recommendations to expound on areas not yet addressed in the theme of strategic management in mobile money transfer. The article will give them a reference on the subject matter and similar studies may thus be replicated in other countries or at some other point in time, as confirmatory studies.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter covers the literature and concept of strategic management in the MMT industry. Consequently, relevant literature related to the aspect of strategic management in the MMT industry is reviewed including research papers, journal articles and theses together with other works relevant to the subject of study. Official documents and reports on the subject will also be considered in this chapter.

2.2 Theoretical Foundation

The biggest question in the field of strategic management is to address how firms achieve and sustain competitive advantage. Studies by Barney (1991) addresses resource based view (RBV) as emphasizing the firm’s resources as the fundamental determinants of competitive advantage and performance. This model assumes that firms within an industry (or within a strategic group) may be heterogeneous with respect to the bundle of resources that they control. Second, it assumes that resource heterogeneity may persist over time because the resources used to implement firms’ strategies are not perfectly mobile across firms (i.e., some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate). The heterogeneity is considered a necessary condition for a resource bundle to contribute to a competitive advantage.

However, Teece et al (1997) in their study came up with the term dynamic capabilities which refer to the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environment. It reflects an organization’s ability to achieve new and innovative forms of competitive advantage given path
dependencies and market positions. This implies that together with the resource base of a firm, there is need to be able to reinvent and handle appropriately the changing environmental conditions if competitive advantage is to be achieved and maintained. Dynamic capabilities enable a firm to constantly renew its operational capabilities and therefore achieve long-term competitive advantage.

2.3 The Concept of Strategy
Wheelen and Hunger (2008) have defined strategy as the comprehensive master plan that states how a corporation will achieve its mission and objectives. A strategy enables the firm to exploit its competitive advantage while lessening its competitive disadvantage. The typical business firm usually considers three types of strategy: corporate, business, and functional. Corporate strategy describes a company’s overall direction in terms of its general attitude toward growth and the management of its various businesses and product lines.

Corporate strategies typically fit within the main categories of stability, growth, and downsizing. Business strategy, on the other hand, occurs at the business unit or product level and emphasizes improvement of the competitive position of a firm’s products or services in the specific industry or market segment served by that business unit.

Functional strategies, on their part, emphasize the approach taken by a functional area to achieve corporate and business unit objectives and strategies by make the most of resource throughput. The functional strategies support the overall strategies of the business (Stevenson, 2007). However, businesses use all three types of strategy concurrently. An organization’s strategies have a major impact on what the organization
does and how it does it since strategies are the roadmaps for reaching the destinations, by providing the focus for decision making. In whole, Mintzberg et al. (1996) argue that a strategy to an organization is, amongst other things, a plan of how the organization can achieve its goals and objectives, implying a commitment of current resources to future undertakings. Miles & Darroch (2004) contend that strategy is ingrained in competitive advantage.

2.4 Strategic Management Practices

Strategy management may be regarded as the identification of the intention of the organization and the plans and actions to achieve that intention (Lynch, 2009). Johnson et al. (2006) posit that the soul of strategic management revolves around defining the nature of the business, the fundamental direction for the future, organizational culture and leadership styles and the general mind-set to strategy change management. It also looks at customers portfolio, height of competition and competitive advantage, how to be innovative and creative to improve business processes and how and where to add value within the business model.

The aim of strategic management is, thus, to decide on organizational goals, the means of achieving those goals, and ensuring that the organization is sustainably positioned in order to pursue these goals. Moreover, the strategies developed provide a base for managerial decision making. Strategic management can help shape the future of an organization and as such all the organization stakeholders should be involved in the process. It is the winning plan an organization has in place to remain competitive and as such it must be geared to the success of the organization.
Strategic management practice is seen as a ‘process of steps applied to holistically manage the firm competitively’ (Coultler, 2005). It is a continuous process that changes as the organization goals and objectives evolve. These processes involve activities that transform the static plan into a system that provides strategic performance feedback to decision making hence enabling the plans to evolve and grow as requirements and other circumstances change.

As described by Wheelan and Hunger (2008), strategic management practices involve 4 steps which include, environmental scanning, strategy formulation, strategy implementation and last but not least evaluation and control. Each of these steps is crucial and has to be considered keenly if the organization is to achieve its ultimate goal.

2.4.1 Environmental Scanning
Environmental scanning is a process of carefully examining an organisation's internal and external environment for detecting early signs of opportunities and threats that could affect current and future plans. Kroon (1995) defines environmental scanning as the study and interpretation of the political, economic, social and technological events and trends which influence a business, an industry or even a total market.

The purpose of environmental scanning is basically to determine the key strategic factors; both external and internal that will determine the future of an organisation. Several approaches have been advanced on how to conduct and environmental scanning. The most common being PESTEL analysis and SWOT analysis. SWOT analysis is a method used to evaluate an organisation’s Strength, Weaknesses, Opportunities and Threats. According to Hitt et al., (2000), the main objective of conducting a SWOT analysis is to determine how to position the firm so as to take advantage of opportunities while
simultaneously avoiding or minimising the environmental threats. PESTEL analysis on the other hand looks at the macro-environment and includes Political, Economic, Social, Technological, Environmental and Legal factors.

A careful analysis of the environment should give clear guidance on how the strategic management process should proceed. The two analyses should yield valuable insights into what strategies a firm should adopt and how to manage them to achieve competitive advantage in the business environment. Proper analysis will ensure a firm attains strategy fit, which expresses the degree to which an organization is matching its resources and capabilities with the opportunities in the external environment, to appraise the company’s actual resources and capabilities to execute and support the strategy (Haines, 2004).

2.4.2 Strategy Formulation
According to Porter (1979), the essence of strategy formulation is coping with competition while the state of competition in an industry depends on five basic forces, namely: the threat of potential entrants, intensity of rivalry among industry competitors, bargaining power of suppliers, threat of substitutes, and bargaining power of buyers. Strategic analysis and development may play a role in how the future organization strategy is determined, since its tools and techniques are employed in strategic management. At this point, the intended strategy is converted into action by the organization through communication, providing agreed objectives and coordinating resources by involving people. An environmental scanning during analysis is important to understand the operating environment of the organization (Lynch, 2009), including scanning the customers, suppliers, competitors and the regulations in place for the particular industry (Pearce & Robinson, 2009).
Literature documents two broad explanations of strategy development. One is associated with the idea of intended strategy: that strategies are as a result of care consideration mainly associated with the decision by the executive management and the second is that of emergent strategy: that strategies do not develop on the basis of a grand plan but rather tend to emerge over time (Johnson et al., 2006).

**2.4.3 Strategy Implementation**
The most important reason of strategy implementation is to deliver the mission and objectives of the organization. Indeed, Hrebiniak (2005) posits that many of today's top executives are far better at developing strategy than executing it and overcoming the political and organizational obstacles that stand in their way. In general, strategy implementation involves four basic elements namely: identification of the general strategic objectives, formulation of specific plans, resource allocation and budgeting and monitoring and control procedures (Pearce & Robinson, 2009).

Further, strategy change management is also an important aspect of strategy implementation, with the areas of practices comprising all the professional change agents that are involved, specialists in the field of change, facilitators of change and consultants both individuals and firms (Burnes, 2004). Further, according to Lynch (2009), strategy implementation addresses the aspects: activities needed to be undertaken in order to achieve the agreed objectives, timelines for the implementation and progress monitoring and controlling.

**2.4.4 Strategy Evaluation and Control**
Strategy evaluation and control form the final stage of strategic management. It is a process through which organization’s planned activities and actual performances are
monitored to confirm whether they have achieved the desired results. Coulter (2005) indicates that strategy evaluation involves examining how the strategy has been implemented as well as the outcomes of the strategy.

Strategy control on the other hand as given by Pearce and Robinson (2005) is concerned with tracking strategy during implementation, detecting problems or changes and making necessary adjustments. This process is meant to help in responding the ever changing environmental conditions to ensure that the entire implementation process responds effectively to the changes. The fundamental strategy evaluation and control activities include reviewing internal and external factors that are based on current strategies, measuring performance and taking corrective measures.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction
This chapter presents an overview of the research methodology of the study by describing the various research tools that were used in gathering information, procedures that was adopted in conducting the research, and the techniques which were used in analysis of data collected. The chapter therefore presents the research design, study population, sampling design and data collection and analysis tools.

3.2 Research Design
This study adopted a descriptive survey research design, usually used for studying specific subjects as a prototype to more advanced quantitative investigations, for subsequent formulation of types and generalizations (Doby, 1967). Hopkins (2000) suggests that descriptive studies is part of a quantitative research design, whose aim is to determine the relationship between an independent variable and a dependent or outcome variable in a population, establishing the associations and causality between variables.

This design was preferred because it ensures complete description of the situation under study, making sure that there is minimum bias in the collection of data and to reduce errors in interpreting the data collected. For this research, the combination will involve a survey of the strategy personnel from relevant cross-functional departments from M-PESA, YU Cash, Orange Money, ZAP and Tangaza.

3.3 Data Collection
The study used primary data. The main instrument for collection of data for the study was questionnaires. Both structured and unstructured questions were be used to collect data from
respondents. The advantage of use of structured questionnaires is that they are easy to analyze since they are in immediate usable form and they are easier to administer because each item is followed by alternative answer.

Mugenda and Mugenda (2003) maintains that questionnaires give respondent freedom to express their views, opinion and a lot make suggestions. Thus, the researcher will adopt self-administered questionnaires. The questionnaires were designed and distributed to the respondents. The questionnaires were left with the respondents to fill them at their convenient time and collected later as agreed between the researcher and the respondent.

3.4 Study Population

The target population for this study included all the strategy personnel from relevant cross-functional departments from the five MMT players earlier mentioned. This included the mobile money department and Strategy department in each of the company under study.

Purposive sampling was then be used to obtain 6 employees from each company for the survey as out of the many employees, only a few are relevant to the study objective forming the agenda of this research. This approach was chosen primarily because there was a limited number of people that have expertise in the area being researched.

3.5 Data Analysis

Data from the completed questionnaires was checked for completeness and consistency. Data analysis involved editing, cleaning, transformation and tabulation. It was then coded. Analysis was be done using descriptive statistics such as mean, frequencies,
standard deviation and percentages using the computer software known as Statistical Package for Social Sciences (SPSS).

The results were presented using tables and charts. Report and findings presentation was done in tables and charts with explanations on all the parameters used. In analysis and interpretation of the information collected, the researcher first determined whether the information was relevant and consistent to the research objectives.
CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter covers data analysis, findings and discussions of the research. Data was collected from management employees of five the tea factories in Bomet County. Out the 33 questionnaires distributed, 24 were completed and returned representing a response rate of 72.73% which was considered satisfactory for subsequent analysis. The data was analyzed using descriptive statistics tools. The analysis and study findings were then summarized into mean scores, standard deviations, percentages and frequencies. These were subsequently presented in tables, graphs and charts.

4.2.0 Age of Respondents

The study sought to establish the age of the respondents that worked within the relevant cross-functional departments of the five MMT players in Kenya. From the research findings, it was established that 69.09 percent were more than 50 years, 31.82 percent were between 31 to 50 years and 9.09 percent were less than 30 years as shown in figure 4.1. This implied that most employees were old as they had more than 50 years.
The respondents were asked to indicate their gender. From the research findings, it was established that 72.73 percent were male while 27.27 percent were female as shown in figure 4.2. This suggested that most employees were male.

The respondents were asked to indicate their level of education. From the study, it was established that 68.18 percent of them had postgraduate degrees, 27.27 percent had undergraduate degrees and 4.55 percent had diploma certificates as shown in figure 4.3.
This showed that most employees were academically qualified as they had postgraduate degree qualifications.

**Figure 4.3: Level of Education of Respondents**

4.2.3: Respondents’ Level of Management

The researcher wanted to establish the level of management of the respondents. From the research findings, it was established that 68.18 percent were at top level management, 22.73 percent were at middle level management and 9.09 percent were from lower level management as shown in figure 4.4. This implied that most respondents were from the top level management.

**Figure 4.4: Respondents’ Level of management**
4.2.4: Level to Which Reporting Is Done

The study sought to establish the level to which reporting was done. From the research findings, it was established that 63.64 percent reported to the board while 18.18 percent reported to the executive directors. It was noted that 4.55 percent reported to other levels which were not included in the questionnaire as shown in figure 4.5. This implied that strategic management reporting was mostly done to the board level.

Figure 4.5: Level to which reporting is done

4.2.5: Respondents’ Duration of Service

The respondents were asked to indicate the duration they had worked in their organizations. From the study, it was established that 54.55 percent of them had worked 7-10 years followed by 22.73 percent of them who had worked for more than 10 years. It was noted that only 9.09 percent had worked for less than two years as shown in figure 4.6. This suggested that most strategy personnel had worked 7-10 years which can be considered as a long duration.
4.3. Importance of Strategic Management

The study sought to establish how important Strategic Management was to the MMT players in Kenya. From the research findings, it was established that analyzing and understanding the competition had the highest mean of 4.50 followed by monitoring the business influence in the market with a mean of 4.23. Assessing new technology innovations was the last importance of strategic management with a mean of 3.64 as shown in table 4.1. This suggested that most MMT players in Kenya used strategic management to analyze and understand the competition.
Table 4.1: Importance of Strategic Management

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analyze and understand the competition</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>4.50</td>
<td>.740</td>
</tr>
<tr>
<td>Monitor the business influence in the market</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>4.23</td>
<td>.752</td>
</tr>
<tr>
<td>Select market need</td>
<td>22</td>
<td>2</td>
<td>5</td>
<td>4.14</td>
<td>.889</td>
</tr>
<tr>
<td>Identify economic trends</td>
<td>22</td>
<td>2</td>
<td>5</td>
<td>3.91</td>
<td>.868</td>
</tr>
<tr>
<td>Assess new technology innovations</td>
<td>22</td>
<td>2</td>
<td>4</td>
<td>3.64</td>
<td>.581</td>
</tr>
<tr>
<td>Valid N (list wise)</td>
<td>22</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.3.1: Function directly involved with Strategic Management

The respondents were asked to indicate the function of their organizations that was directly involved with strategic management. From the research findings, it was established that 81.82 percent were directly involved strategic management at board level while 18.18 percent directly involved strategic management at director/business unit level. It was noted that none of them directly involved strategic management at employee level or team leader level as shown in figure 4.7. This implied that most organizations directly involved strategic management at board level.
4.4. Intensity of Competition in the MMT Industry

The study sought to establish how intense the competition in the MMT industry was. According to the research findings 86.36 percent indicated the intensity of competition was very high while 13.64 percent indicated the intensity of competition was high as shown in figure 4.8. This showed that the intensity of competition in the MMT industry was regarded as very high.

Figure 4.8: Intensity of Competition in the MMT Industry
4.4.1: Threats/Opportunities Considered In Aligning MMT Services To Improve Competitiveness

The study sought to establish how frequent potential threats/opportunities were considered in aligning MMT services to improve its competitiveness in the market. From the research findings, it was established that customer demand/wishes had the highest mean of 4.64 followed by potential substitutes with a mean of 4.50. New competitors was the last frequently considered threat/opportunity with a mean of 3.55 as shown in table 4.2. This suggested that most MMT players considered customer demands very frequently in aligning MMT services to improve competitiveness.

Table 4.2: Threats/opportunities considered in aligning MMT services to improve competitiveness

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers demand/ wishes</td>
<td>22</td>
<td>4</td>
<td>5</td>
<td>4.64</td>
<td>.492</td>
</tr>
<tr>
<td>Potential substitutes</td>
<td>22</td>
<td>4</td>
<td>5</td>
<td>4.50</td>
<td>.512</td>
</tr>
<tr>
<td>The action/ reaction of</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>4.27</td>
<td>.767</td>
</tr>
<tr>
<td>competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry competitors</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>3.95</td>
<td>.722</td>
</tr>
<tr>
<td>New competitors</td>
<td>22</td>
<td>2</td>
<td>5</td>
<td>3.55</td>
<td>.858</td>
</tr>
</tbody>
</table>
### Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers demand/ wishes</td>
<td>22</td>
<td>4</td>
<td>5</td>
<td>4.64</td>
<td>.492</td>
</tr>
<tr>
<td>Potential substitutes</td>
<td>22</td>
<td>4</td>
<td>5</td>
<td>4.50</td>
<td>.512</td>
</tr>
<tr>
<td>The action/ reaction of</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>4.27</td>
<td>.767</td>
</tr>
<tr>
<td>competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry competitors</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>3.95</td>
<td>.722</td>
</tr>
<tr>
<td>New competitors</td>
<td>22</td>
<td>2</td>
<td>5</td>
<td>3.55</td>
<td>.858</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>22</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### 4.4.2: MMT Service Competitive Position In The Industry

The respondents were asked to indicate their MMT service competitive position in the industry. According to the research findings 63.64 percent indicated their MMT service competitive position was strong while 27.27 percent indicated it was very strong. It was noted that 9.09 percent had an average competitive position as shown in figure 4.9. This showed that most MMT service providers had a strong competitive position.
4.4.3: Importance of New Market Intelligence as A Strategy To Boost MMT Service Competitive Advantage

The respondents were asked to indicate how important they considered new market intelligence as a strategy to boost their MMT service competitive advantage. According to the research findings 69.09 percent considered it as very important while 22.73 percent considered it was important. It was noted that 18.18 percent had an average consideration on its importance as shown in figure 4.10. This showed that most MMT service providers considered new market intelligence very important as a strategy to boost their MMT service competitive advantage.
4.4.4: Point at Which Company Applies the New Market Intelligence Strategy

The study sought to investigate the point at which MMT service providers applied the new market intelligence strategy. From the research findings, it was established that 86.4 percent considered new market intelligence strategy when modifying their MMT products usage for their subscribers while 54.5 percent considered it when venturing into new markets as shown in table 4.3. This implied that most MMT service providers applied the new market intelligence strategy when modifying their MMT products usage for their subscribers.
Table 4.3: Point at which company applies the new market intelligence strategy

<table>
<thead>
<tr>
<th>Variables</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>When modifying the MMT products usage for its subscriber.</td>
<td>86.4%</td>
</tr>
<tr>
<td>Capture new markets from competitors.</td>
<td>68.2%</td>
</tr>
<tr>
<td>To Venture into new markets (places)</td>
<td>54.5%</td>
</tr>
</tbody>
</table>

4.4.5: Extent of practicing market segmentation as a competitive strategy

The respondents were asked to indicate the extent to which they practiced market segmentation as a competitive strategy for their MMT service. According to the research findings, 95.45 percent practiced market segmentation to a very high extent while 4.55 percent practiced it to a high extent as shown in figure 4.11. This showed that market segmentation was practiced to a very high extent as a competitive strategy for their MMT service.
4.4.6: Effectiveness of market segmentation in creating competitive advantage

The study sought to establish how effective market segmentation was in creating competitive advantage for greater profitability. From the research findings, it was established that 77.27 percent said market segmentation was very effective in creating competitive advantage for greater profitability while 4.55 percent said it was averagely effective as shown in figure 4.12. This showed that market segmentation was very effective in creating competitive advantage for greater profitability.

Figure 4.12: Effectiveness of market segmentation in creating competitive advantage
4.5. Product intelligence techniques and practices used to boost success levels of the MMT service

The study sought to establish the product intelligence techniques and practices used to boost success levels of the MMT service. From the research findings, it was established that customizing products to fit customer needs had the highest mean of 4.45 followed by introducing new products based on customer needs with a mean of 4.32. Customer satisfaction survey was the last product intelligence practice with a mean of 3.41 as shown in table 4.4. This suggested that most MMT players in Kenya very frequently customized products to fit customer needs to boost success levels of the MMT service.

Table 4.4: Product intelligence techniques and practices used to boost success levels of the MMT service

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customizing products to fit customer needs</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>4.45</td>
<td>.596</td>
</tr>
<tr>
<td>Introducing new products based on customer needs (Market pull)</td>
<td>22</td>
<td>2</td>
<td>5</td>
<td>4.32</td>
<td>.716</td>
</tr>
<tr>
<td>Product advertisement through Media (TVs, Radio, Newspapers e.tc.)</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>3.68</td>
<td>.716</td>
</tr>
</tbody>
</table>
4.5.1: Effectiveness of product intelligence techniques and practices in creating a competitive advantage

The study sought to establish how effective product intelligence techniques and practices were in creating a competitive advantage for the company in the industry and its MMT service. From the research findings, it was established that 63.64 percent said product intelligence techniques and practices were very highly effective in creating a competitive advantage for the company in the industry and its MMT service while 36.36 percent said they were highly effective as shown in figure 4.13. This showed that product intelligence techniques and practices were very highly effective in creating a competitive advantage for the company in the industry and its MMT service.

Figure 4.13: Effectiveness of product intelligence techniques and practices in creating a competitive advantage
4.6. Technology intelligence strategic management tools used to boost profitability levels for the MMT Service.

The study sought to establish the technology intelligence strategic management tools used to boost profitability levels for the MMT Service. From the research findings, it was established that technological innovation had the highest mean of 4.77 followed by product integration with new technology with a mean of 4.59. Interconnection/integration with telecoms and customer care centers was the last technology intelligence strategic management tool with a mean of 3.86 as shown in table 4.5. This suggested that most MMT players in Kenya used technological innovation as their technology intelligence strategic management tool to boost profitability levels for their MMT Service.

Table 4.5: Technology intelligence strategic management tools used to boost profitability levels for the MMT Service.

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technological innovation</td>
<td>22</td>
<td>4</td>
<td>5</td>
<td>4.77</td>
<td>.429</td>
</tr>
<tr>
<td>Product integration with new technology</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>4.59</td>
<td>.666</td>
</tr>
<tr>
<td>High class communication systems between departments.</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>4.23</td>
<td>.752</td>
</tr>
<tr>
<td>Interconnection/integration with telecoms and customer care centers</td>
<td>22</td>
<td>3</td>
<td>5</td>
<td>3.86</td>
<td>.468</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>22</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.6.1: Technologies used to advance MMT service

The study sought to investigate the technologies used to advance MMT service. From the research findings, it was established that 100 percent of the MMT players in Kenya used company websites and extranets as their major technologies to advance MMT service while 81.8 percent used Short Messaging Service as shown in table 4.6. This implied that all MMT players in Kenya used both company websites and extranets as their major technologies to advance MMT service.

Table 4.6: Technologies used to advance MMT service

<table>
<thead>
<tr>
<th>Variables</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company websites</td>
<td>86.4%</td>
</tr>
<tr>
<td>Extranets</td>
<td>68.2%</td>
</tr>
<tr>
<td>Short Messaging Service</td>
<td>54.5%</td>
</tr>
</tbody>
</table>
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction
This study focused on role of strategic management practices in the mobile money transfer services the telephony industry in Kenya. The researcher managed to accomplish the objective and this section presents the summary of the findings, conclusion, recommendations and suggestions for further research.

5.2 Summary
The study was to establish the role of strategic management practices in the mobile money transfer services in the telephony industry in Kenya. Generally, most strategy personnel were over 50 years of age and had postgraduate degree qualifications who had worked for 7-10 years. Most MMT players in Kenya used strategic management to analyze and understand the competition which had the highest mean of 4.50. De Chernatony (2003) asserts that competent agents are key in developing well-informed advice and port strategies that are sensitive to the various needs of multiple stakeholders and partners, reflect the strategic direction of the department and position in the organization for success.

The objective of the study to establish the role of strategic management practices in the mobile money transfer services in the telephony industry in Kenya was compounded by the findings that most MMT players considered strategic management to be very important. Strategic management is very important when analyzing and understanding the competition. Miles & Darroch (2004) contend that strategy is ingrained in competitive
advantage. Most of the MMT players considered customer demands in aligning MMT services to improve competitiveness. New market intelligence was very important strategy used to boost MMT service competitive advantage. Moreover, product intelligence techniques and practices were very highly effective in creating a competitive advantage for the company in the industry and its MMT service. It was noted that most MMT players in Kenya used technological innovation to boost profitability levels for the MMT Service. Company websites and extranets were the major technologies that were used to advance MMT service.

5.3 Conclusion

From the study findings it can be concluded that strategic management is important in the MMT industry. It was considered to be very important when MMT players wanted to analyze and understand the competition. This was evident from the way respondents replied to questions and the analysis arising thereof.

This study established that new market intelligence was a very important strategy used to boost MMT service competitive advantage. Market segmentation was very effective in creating competitive advantage for greater profitability. Moreover, product intelligence techniques and practices were very highly effective in creating a competitive advantage for the company.

5.4 Limitations of the Study

This study was successfully undertaken but not without a few limitations. One such limitation was that some of the respondents were not able to return filled questionnaires.
However, the response rate obtained has been deemed to be representative enough of the entire population.

The time period covered by the study and the resources available to the researcher were also limited. However, the researcher made effort to ensure follow up is done and respondents made aware of the timeline to be able to give their responses in good time.

5.5 Recommendation
This study recommends that the MMT players in Kenya should pay a lot of attention to strategic management for them to be competitive. Moreover, new market intelligence should be enhanced to boost MMT service competitive advantage.

Currently new market intelligence is considered as a very important strategy used to boost MMT service competitive advantage. Product intelligence techniques and practices should also be enhanced in order to have an effective in creating a competitive advantage.

The Kenyan telephony market is composed of many different customer groups and types. This study recommends that organizations should highly embrace market segmentation in an effort to cater for all the customer groups. Organizations need to undertake market study in order to better understand their customers. Products and services then need to be designed that best fits each customer group.

Technology was found to be a key driving force in the telephony industry. Organizations should as such embrace technological growth and innovation in their product and service offerings to ensure they gain competitive advantage. There is need to keep up with the technological growth at all times.
5.6 Suggestion for Further Research
Arising from the study, the following directions for future research in Strategic Management were recommended: First, this study focused on the general mobile money transfer services in the telephony industry in Kenya. Therefore, generalisations could not adequately be extended to specific telephony firms as they have varying market power.

Based on this fact among others, it is therefore recommended that a narrow based study covering a specific telephony firm be done to establish the role of strategic management practices in the mobile money transfer services. Similar surveys to this can also be replicated in a few years to come to assess if the role of strategic management practices in the mobile money transfer services has changed as the telephony industry continues to change.

5.7 Implication of the Study on Theory, Policy and Practice
The management and the cross-functional strategy teams within the target firms need to pay a lot of attention to strategic management for their firms to be competitive. This study recommends that new market intelligence should be enhanced to boost MMT service competitive advantage. Currently new market intelligence is considered as a very important strategy used to boost MMT service competitive advantage. Product intelligence techniques and practices should also be enhanced in order to be effective in creating a competitive advantage for their firms.
Additionally apart from the target firms using this research to improve on market intelligence and product intelligence, other business entities can also use these findings as reference material in pursuit of strategically proficient practices in their organizations. The industry regulator, the Communications Commission of Kenya and the Central Bank of Kenya, will use the study findings to implement relevant policy framework to guide
REFERENCES

Airtel website, www.africa.airtel.com/kenya


CCK website, www.cck.go.ke


Orange Kenya website, [www.orange.co.ke/](http://www.orange.co.ke/)


Safaricom website, www.safaricom.co.ke.


APPENDIX I: LETTER OF INTRODUCTION

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

DATE: 19/8/2013

TO WHOM IT MAY CONCERN

The bearer of this letter, [Name], Registration No. [Registration No.], is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

[Signature]

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS
Appendix II: General Questionnaire

Introduction

This questionnaire is designed to generate information on strategic Management(SM) practice and Mobile Money Transfer Services (MMT) in the Telephony industry in Kenya in order to examine the role of strategic management in the success of MMT service in the local sector which ultimately affect competitiveness. All information volunteered will strictly remain confidential. Respondent identity will not be divulged.

SECTION A

Demographic Profile of the Respondent.

For Questions 2, 3, 4, 5, 6, 7 & 8, kindly indicate your response in the “Brackets’”

<table>
<thead>
<tr>
<th></th>
<th>Name of company…………………………………….</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Age: i) Below 30 years [ ] ii) 31-50 years [ ] iii) More than 50 years [ ]</td>
</tr>
<tr>
<td>3.</td>
<td>Gender: i) Male [ ] ii) Female [ ]</td>
</tr>
<tr>
<td>4.</td>
<td>Education level: i) Diploma [ ] ii) Undergraduate degree [ ] iii) Postgraduate degree[ ]</td>
</tr>
<tr>
<td>5.</td>
<td>What is your level of management in the organization? i) Lower level management[ ] ii) Middle level management [ ] iii)Top level</td>
</tr>
</tbody>
</table>

49
management [ ]

6. To which level in the organization do you report to?
   i) Division Manager [ ]  
   ii) Executive Director [ ]  
   iii) Board [ ]  
   iv) Others (Specify) …………

7. For how long have you worked in the organization?
   i) Below 2 years [ ]  
   ii) 3-6 years [ ]  
   iii) 7-10 years [ ]  
   iv) More than 10 years [ ]

SECTION B

General understanding and role of Strategic Management

8. Please indicate how important Strategic Management is to your organization
   (1 = Not important, 2 = Less important, 3 = Average, 4 = Important, 5 = Very important)

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Monitor the business influence in the market</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Analyze and understand the competition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Identify economic trends</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iv. Assess new technology innovations.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>v. Select markets needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
9. Which unit or function of the organization is directly involved with SM in your organization?

i. Employee level     [  ]
ii. Team leader level   [  ]
iii. Director/Business unit level    [  ]
iv. Board level                  [  ]

**Market for MMT**

10. How is the intensity of MMT competition in your market/industry?

i) Very low [  ]       ii) Low [  ]       iii) Average [  ]       iv) High[  ]       v) Very High[  ]

11. Please indicate how frequent the following potential threats/opportunities are considered in aligning MMT services to improve its competitiveness in the market.

(1 = Not frequent, 2 = Less frequent, 3 = Average, 4 = Frequent, 5 = Very frequent)

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<tbody>
<tr>
<td>i. Industry competitors</td>
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<tr>
<td>ii. Potential substitutes</td>
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<td>iii. New competitors</td>
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<td>iv. The action/reaction of competitors</td>
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<td>v. Customers demand/wishes</td>
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</table>
12. What is your MMT service competitive position in the industry?
   i) Very weak [ ]  ii) Weak [ ]  iii) Moderate [ ]  iv) Strong [ ]  v) Very Strong [ ]

13. a) How important does your company consider new market intelligence as a strategy to boost its MMT service competitive advantage?
   i) Not important [ ]  ii) Less important [ ]  iii) Average [ ]  iv) Important [ ]  v) Very important [ ]

b) At what point does your company apply the new market intelligence strategy?
   I. To Venture into new markets (places) [ ]
   II. Capture new markets from competitors. [ ]
   III. When modifying the MMT products usage for its subscriber. [ ]

14. a) To what extent does your company practice market segmentation as a competitive strategy for its MMT service?
   i) Very low extent [ ]  ii) Low extent [ ]  iii) Average [ ]  iv) High extent [ ]  v) Very high extent [ ]

b) How effective is market segmentation in creating competitive advantage for greater profitability?
   i) Noteffective [ ]  ii) Less effective [ ]  iii) Moderate effective [ ]
   iv) Highly effective [ ]  v) Very highly effective [ ]
**MMT Service Intelligence**

15 a) Please indicate how frequent your company uses each of the following to boost success levels of the MMT in the market. (1 = Not frequent at all, 2 = Less frequent, 3 = Average, 4 = Frequent, 5 = Very frequent)

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<tbody>
<tr>
<td>i. Customizing products to fit customer needs</td>
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<td>ii. Customer satisfaction surveys</td>
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<td>iii. Introducing new products based on customer needs (Market pull)</td>
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<td>iv. Product advertisement through Media (TVs, Radio, Newspapers e.tc.)</td>
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</table>

b) How effective are the above intelligence techniques and practices in creating a competitive advantage for the company in the industry and its MMT service?

i) Not effective at all [ ]  ii) Minimal effective [ ]  iii) Moderately effective [ ]

iv) Highly effective [ ]  v) Very highly effective [ ]

**Advancement of MMT in Technology.**

16. Please indicate the extent to which your company uses each of the following technology intelligence as a SM tool to boost profitability levels for the MMT Service.  
(1=Very low extent, 2= Low extent, 3= Average, 4= High extent, 5= Very high extent)
17. Kindly indicate which of the following technologies are used in your company to advance MMT

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<tbody>
<tr>
<td>i. Technological innovation</td>
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<td>ii. Product integration with new technology</td>
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<td>iii. Interconnection/integration with telecoms and customer care centers</td>
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<td>iv. High class communication systems between departments.</td>
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1. Company websites - [ ]
2. Extranets [ ]
3. Short Messaging Service [ ]

Thank you for your time
Appendix III: List of Mobile Money Providers

Safaricom LTD

Airtel Kenya

Orange Telecoms

Essar

Tangaza

Source: CCK website (2013)