COMPETITIVE STRATEGIES, MARKET ORIENTATION AND PERFORMANCE OF TELKOM KENYA LIMITED COMPANY

BY

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DECLARATION

Student Declaration

I declare that this research project is my original work and has not been submitted to any other college, institution, or university other than Moi University for academic purposes.

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DEDICATION

This project is dedicated to my entire family for their continued support all through my studies by offering an enabling environment and general support towards the success of my study. Specifically, I dedicate this thesis to my husband Martin and our daughters Joy, Favor and Sifa.

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ABSTRACT

The performance of the telecommunication companies has been soaring over the years as it's evident in recent report from the Communication Authority. However, Telkom Limited has been reporting a slower growth than its competitors with limited margins of rising market share that raises eyebrows, yet they are the oldest broom in the telecommunications industry in Kenya. The general purpose of this study is therefore to determine the moderating effect of Market Orientation on the relationship between competitive strategies and organizational performance in Telkom Kenya, Nairobi County. The specific objectives of the study are to; establish the effect of a market-focus strategy, cost leadership Strategy, Differentiation Strategy and strategic alliance on organizational performance and lastly establish the moderating effect of market orientation on competitive strategies and organizational performance. The study was guided by Market-based view theory as the main theory and resource-based view theory and the dynamic capabilities as supplementary theory. The study was guided by explanatory research design. The target population comprised 300 employees of Telkom Kenya Limited in Nairobi County. A final sample of 171 respondents was obtained using simple random sampling method. The study used both descriptive statistics and inferential to analyze the data. The study employed Hierarchical regression model. The regression results indicated that market-focus strategy ($\beta = 0.173, \rho <.05$), cost leadership Strategy ($\beta = 0.274, \rho <.05$), Differentiation Strategy ($\beta = 0.258, \rho <.05$), strategic alliance ($\beta = 0.232, \rho <.05$) had a positive and significant relationship with organization performance.The results further confirmed that market orientation had a moderating effect on market focus strategy ($\beta = -0.778, \rho <.05$), low cost strategy ($\beta = -0.0581, \rho <.05$), differentiation strategy ($\beta = -0.068, \rho <.05$), and on strategic alliance ($\beta = -0.088, \rho <.05$) and organization performance. The study concluded that the competitive strategies are key determinants of Telkom Kenya Limited performance and that market orientation moderates that relationship. The study's conclusions have implications for managers and regulators. The study recommends that Telecommunication companies in Kenya should evaluate their strategy to differentiate themselves from other players in the service industry market with effective differentiation strategies in order to improve their current strategies while aiming to improve organizational performance and competitive advantage. Future research should investigate the moderating role of market orientation on the relationship between competitive strategies and organization performance of other competitors as well as other or firms in other sectors.

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DEFINITION OF TERMS

Competitive strategy: According to Thompson *et al.,* (2016), a competitive strategy refers to how an organization is able to compete in a particular industry. A competitive strategy is about how a company can earn a competitive advantage in a different competitive way.

Cost Leadership Strategy: is a business strategy where a company aims to become the low-cost producer or provider in its industry. The primary objective of a cost leadership strategy is to offer products or services at a lower cost than competitors while maintaining a reasonable level of quality (Ali and Anwar, 2021).

Differentiation Strategy: A differentiation strategy is a business approach in which a company seeks to distinguish its products or services from those of its competitors by offering unique and high-quality features or attributes that are valued by customers. (Johnson, Scholes and Whittington, 2018).

Market Focus Strategy: is a business approach in which a company concentrates its resources, efforts, and offerings on serving a specific, well-defined segment or niche within a larger market. Porter (2005) pointed out that the focus strategy is of two types; cost focus and differentiation focus.

Market Orientation: is a business philosophy and approach that places a strong emphasis on identifying and meeting the needs and wants of customers as a primary focus of the organization. (Udriyah, *et al.,* 2019).

Organizational Performance: refers to the extent to which an organization, such as a business, non-profit, or government agency, achieves its objectives and goals efficiently and effectively. It is a measure of how well an organization uses its resources, including human resources, financial capital, technology, and processes, to deliver desired outcomes and results (Sumbul, 2022).

Strategic Alliances: It involves the exchange of organizations and the sharing of resources and the power to consolidate or distribute goods or services. (Kale, Singh and Perlmutter, 2010). Strategic alliances are organized and used to share organizational resources, especially information-based resources, to build the most important skills, which are rare, transferable and unchangeable

Strategy: Quinn (2016) defines a strategy as a pattern or process that integrates key organizational goals, policies and action sequences into a coherent whole. The purpose of the strategy is to provide direction to the organization that allows it to achieve its goals while responding to environmental opportunities and threats (Pearce and Robinson, 2019).

ACRONYMS AND ABBREVIATIONS

CA:	Communications Authority
CCK:	Communication Commission of Kenya
KBV:	Knowledge Based View
KP and TC:	Kenya Posts and Telecommunications Corporation
MBV:	Market Based View
NACOSTI:	National Commission for Science, Technology and Innovation
RBV:	Resource Based View
SACCOs:	Savings and Credit Cooperative Organizations

CHAPTER ONE

INTRODUCTION

1.0 Overview

This chapter provides a background for the research highlights the problem statement and discusses the general and specific research objectives. It also provides the research hypothesis the significant.

1.1 Background of the Study

The concept of organizational performance is based on the idea that an organization is a voluntary organization of productive assets, which includes human, material, and financial resources, for the purpose of achieving a shared purpose (Carton, 2018). Organizational performance includes the actual outcome or organizational outcomes as measured against the intended outcomes (or objectives and objectives). According to Richard, Devinney, Yip and Johnson (2019) organizational performance includes three specific categories of organizational outcomes, financial performance as profit, asset return and return on investment, product management performance as a sale, management share and shareholder return on investment. of shareholder compensation and additional economic value.

Organizational performance to analyze prescribed indicators or levels of efficiency, efficiency, and environmental accountability such as productivity, cycle time, compliance and waste minimization. Performance also refers to metrics about how a particular application is handled, or an action to do something successfully; to do; by using information that is remarkable just by having it. It is the result of all the activities and strategies of the organization (Venkatraman and Ramanujam, 2019). And it is the degree to which a person fulfils expectations about how he or she should behave or work in a particular situation, context, situation or profession. Oakland (2016) stated that performance is what people do relate to institutional roles. Organizational performance is therefore the ability of an organization to achieve its goal through good governance, strong governance and continued commitment to achieving results (McAdam, 2016).

The Balanced Scorecard Approach can be used to measure the performance of organizations. It links organizational strategy with organizational performance. It identifies financial performance, customer performance, performance of internal business processes and learning and performance as indicators of organizational performance (Karabulut, 2015).

Although the concept of organizational performance is easily regarded as simple and consistent, it is not simply a matter of human perception and evaluation. It is a related concept defined by another reference that uses a complex set of time-based indicators and the cause associated with future fulfilment. Above all, performance is about the ability to produce future results (Lebas and Euske, 2017).

According to Porter (1985), a competitive strategy is to seek a better position to compete in the industry, the basic platform on which competition takes place. He goes on to say that the Competive Strategy aims to establish a profitable and sustainable position against the forces that determine industry competition. The competitive strategy is about how a company can earn a competitive advantage in a different competitive way. Thompson and Strickland (1989) defines competition as the act of fighting against other powers for the sake of gaining power or gaining a prize or a goal.

Competition mainly refers to the existence of firms that sell the same products or spend on the same group of customers. Competitive advantage can also be defined as the significant advantage an organization has over its competitors, allowing the organization to add more value than its competitors in the same market (Thompson and Stickland, 1989). Hill and Jones (2016) stated that a company has a competitive advantage where its profit margin is higher than its industry average and a continuous competitive profit when it is able to maintain a high profitability over a period of years. According to Hill and Jones (2001), in most organizations, efficiency is measured by productivity of workers.

A study conducted in the USA by Onditi (2018) on Strategic Competitiveness Strategies has concluded that three common strategies have a positive impact on the performance of business firms and that firms that use common strategies have a positive impact on the performance of business firms and that the results of each standard strategy in another because of differences in industry structures and competitiveness.

Market orientation refers to the extent to which organizations receive and share information about market changes, customer expectations and needs, competitors' actions, and the development of new technologies, to create new products or better services. for competitors (Calantone *et al.*, 2017). Bennett (2016) states that a commitment to learning requires the support of senior management, training programs, and the pay of those who translate their learning into higher performance.

According to Stanley Slater and John Narver (1994), Market structure is an externally focused business culture that makes creating a high number of consumers a priority. That value comes from the effective use of key skills that can be developed in any work environment. They also say the business is focused on a market where its culture is committed to a systematic and complete commitment to the continuous building of high customer value. Specifically, this includes collecting and linking information to customers, competitors, and other key market influencers (such as regulators and suppliers) for use in building that value. The three main components of a market structure are: - customer orientation, competitor focus, and diverse communication.

Solomon (2019) of Nigeria in his study of Link between Competitive Strategies and Organizational Performance in Beverage Industry found that in order for organizations to remain competitive and fit for an aggressive economy where there is often strong competition, they need to be able to find and create alternatives. Skills that should go hand in hand with competitive strategies that help to improve the overall performance of the organization while thereby leading to greater competitive advantage over competitors.

Wekesa Robert Munyasia (2014), conducted research in the sugar industry in Kenya and concluded that the low cost strategy plays a key role in determining the organisation's performance as lower product prices attract more customers which is why more sales prices lead to better order performance. Evans Vidija Sagwa1 (2016) in his study of Deposit Taking SACCOs, supported the suggestion that general strategies have a strong predictor effect on the performance of fixed strategic organizations with far greater impact. Doreen Naliaka Baraza (2012) stidied the Effects of Competitive Strategies on Performance of Manufacturing Firms in Kenya and fond that overall competitive strategies have a significant impact on performance despite the individual impact of individual competitive strategy measures (cost leadership, segmentation and focus strategies). He suggested that future research could be done to complement his research but instead compare the performance of manufacturing companies with other economic sectors to determine whether the findings would be similar. Zipporah (2018) conducted a study on the relationship between competing strategies and organizational performance of petroleum companies in Kenya and concluded that cost reduction significantly affects organizational performance, fragmentation significantly affects organizational performance and focus strategy has a negative impact on organizational performance. Njiru (2015) researched the effects of competing strategies on limited transparent communication in Kenya and concluded that in the results of competitive strategies on the performance of express connections Kenya Limited, accepted strategies contributed to the firm's performance to a large extent for the company to become a low-cost service provider among its competitors; they prefer to focus on a select group of customers, a range of services, and location and the company opens up a sustainable cost advantage over competitors and uses those low costs as the basis for low-cost competitors ’pricing and large market share.

Another study by Evans (2016) on Jesus' Effects of Competitiveness in Deposit Activity Taking SACCOs in Nairobi County, Kenya concluded that the competitive strategy adopted in the organization affects the performance of the organization. The results of the study supported the suggestion that general strategies have a strong predictor effect on the performance of director of technical service; with a focus strategy that has the greatest impact. Therefore, a focus strategy can help DTS identify high performance that is statistically significant compared to DTS that pursues segregation or cost strategies.

Companies that provide services and products tailored to the needs and needs of their customers focus on selling faster and more professionally than their competitors in a better position to create a sustainable competitive advantage. Globalization, technological advancement, consumer demand volatility, and short product life cycles have led to radical environmental change and have sought a more strategic vision for those in charge and leading organizations (Kim and Mauborgne, 2018). Opoku and Essien (2020), referring to Kohli dan Jaworski, stated: “The market structure is defined as a whole body of market intelligence that is relevant to current and future customer needs, the distribution of intelligence across the department and the organization's broader response to it” . Therefore, the construction of the market structure proposed in this definition includes the creation of intelligence, the distribution of intelligence and the response”.

Ayu Kurnia Putr (2016) conducted a study on the effect of market marketing and competitive strategies on the marketing performance of the furniture industry in western java, Indonesia found that competitive strategies play a significant role in improving the performance of product marketing furniture in West Java, Indonesia. He went on to say that market marketing plays a role in improving the marketing performance of products. He says the results are consistent with Friesen (2013) who has shown that market structure has a positive relationship with related market share, overall performance and success of new products. These results are also consistent with Zaman *et al.,* (2012).

A study conducted in Pakistan by Sher Zaman Khan (2016) found that market position (MO) has positive relationships. with the company’s ability or success in delivering its product in achieving competitive advantages and higher performance compared to competitors. Market Orientation (MO) helps organizations analyze their external environment which helps to understand consumer preferences, competitors' strategies and changes in the overall market environment.

A study conducted in Malaysia by Haim and Narentheren (2014) on Market Orientation Practices and Effects on Organizational Performance concluded that competitive competence and customer standing is a good and important predictor of organizational performance when assessing BSC performance indicators in Industrial context of Malaysian hotels. He further stated that his research was consistent with a number of previous findings (Kirca *et al.,* 2005; Ramayah *et al.,* 2011; Singh, 2009). In addition, his research found that customer orientation affects slightly higher performance than competitor status.

Wanjiru (2016) in his study of market trends and business performance in Kenyan SMEs found that market estimates are; innovation, new product development and marketing as a whole have a positive impact on corporate performance and the fact that all three phases of market structure were positively related to performance and low inflation analysis showed that each increase would lead to increased performance.

Omolo (2018) in his study of the impact of market stagnation on business performance: from two independent healthcare institutions in Kenya, found that market stance improves customer satisfaction, employee performance and financial performance and concluded that market stance has a positive impact on business performance. in the Kenyan health sector.

Paul *et al.,* 2019 researched the Influence of Competitive Strategies on Firm Performance in the Telecommunication Industry Telkom Kenya case in Nakuru East Sub County and concluded that there was a link solid and good between competitive strategies and strong performance. Recommend presidential presentation; the role of competitive strategies and the impact of government equity on providing competitive advantages to Telkom Kenya as an organization.

Currently, there are four major telecommunications companies operating in Kenya since the release of the telecommunications sector: Safaricom Limited, Airtel Limited, Telkom Kenya and Equitel Limited. Each of these companies competed for the largest market share. Until 2004, Telkom Kenya as Kenya's oldest telecommunications provider enjoyed independent telecommunications services, international services, and the Internet backbone, controlling 100% market share in these sectors. However, this is not the case, according to data from the Communication Authority of Kenya (Communication Authority of Kenya, 2020 and 2021), which has been operating more slowly than its peers in the market despite limited margins of market share. a catch that raises eyebrows, yet they are the oldest broom in the telecommunications industry in Kenya. Currently, Safaricom Limited is ranked highest in terms of performance followed by Airtel Kenya limited, Telkom Kenya and Equitel. Tables 1,2,3 and 4 below show the performance of Mobile Phone Operators in 2020/2021 proving that Telkom (K) Limited's performance is unpredictable.

Although some of the studies conducted focus on the interaction between competing strategies and organizational performance or marketing and organizational performance, this study will focus on marketing tendencies as president which is why research on the measuring effect of marketing strategies on organizational performance and performance.

Also, studies conducted on competitive strategies are noted to pay attention to other situations outside of Kenya and especially the telecommunications business. For example, Murage's (2011) study focused on competitive strategies in the petroleum industry, Gathoga's (2001) research focused on commercial banking competition strategies in Kenya and Karanja (2002) studied competitive strategies within real estate companies. Porter's standard model view, but no previous competing strategies (Focus Strategy, Cost Leadership Strategy, Differentiation Strategy and Strategic Alliance) research conducted in the telecommunications industry in Nairobi County, Kenya.

1.1.1 Telkom Kenya Limited

Telkom Kenya Limited was established in 1999 under the company's act (Cap 486), with operations commencing on July 1 of the same year. It is a state-owned company, with Kenya's government holding up to 100 percent of its shares. To be eligible to trade as a telecommunications company, a trading license was required from the then Communication Commission of Kenya (CCK) to provide telecommunications services in accordance with the Kenya Communications Act of 1998 (Kamau, 2018). The Kenyan government sold France Telecom Group (FTG) a 51% stake in the corporation in 2007 through a strategic partnership (Nyambu, 2013). In June 2016, British private equity firm Helios Investment Partners acquired 60% of Telkom Kenya from French (Orange) Telkom SA. (2021, Helios). The Kenyan telco was partially acquired by Helios Investment Partners through Jamuhuri Holdings Limited (JHL), an SPV owned by Helios Investors III, L.P. (a fund advised by Helios Investment Partners LLP). Telkom Kenya Limited's efficacy is significantly inferior to its rivals. Telkom Kenya Limited had 3,190,661 subscribers as of July 2020, compared to Safaricom plc's 35,607,302 and Airtel's 14,682,291 (Nyawira, 2020). Data from [CA] (2019) indicates that Telkom Kenya Limited's T-Kash conducted 104,833 mobile money transactions valued at Ksh. 197,106,156, while its major competitor Safaricom PLC (M-Pesa) had 575,660,251 mobile money transactions valued at Ksh. 1,575,729,101,317 from July 2018 to September 2018.

Telkom Kenya, being a crucial player in the Kenyan telecommunications sector, has experienced poor performance. According to the Communication Authority of Kenya's fourth quarter sector statistics report for the 2015 fiscal year, Telkom Kenya Limited's total number of fixed lines decreased from 202,961 to 87,774. This decrease represents a 56,3 percent decline in comparison to the previous fiscal year. This has resulted in the poor performance of the company as a whole, and it is for this reason that Safaricom continues to lead Telkom by a vast margin, with a market share of 67% compared to Telkom's less than 15%.

The company has implemented a variety of strategic management practices to improve performance. The company has adopted new communication technologies including fiber connectivity and connectivity via undersea cables. In an effort to improve performance, the company has lowered its prices, formed alliances, innovated and reengineered its products and services. It has implemented and established a culture of learning. Additionally, the company has altered its organizational structure, strategic focus, employee size and composition, and management philosophy. Despite these changes, the company's performance remains low and far below expectations.

Telkom Kenya therefore, is positioning itself to provide and integrate a full spectrum of services and solutions in the fixed telephony, mobile, internet and broadband sectors hence a preferred end-to-end solutions provider in the market.

1.2 Problem Statement

The main goal of most organization is profit maximization (Niresh and Velnampy, 2014). This involves the capacity to make benefits from all the business operations of an organization, firm or company profit is also used as an index for performance measuring of a business (Ogbadu, 2009; Muya and Gathogo, 2016). This increases the corporate success and longevity and, in the process, attracts investors and the business is likely to survive for a long run (Farah and Nina, 2016). Despite strategic reorganization, which includes rebranding, Telcom Kenya Limited, has performed lower than its main competitors in the market, in reference to data from (CA, 2019). The underlying question is what is the effect of competitive strategies at Telcom Kenya on its profitability. There is a significant difference in the profitability and the market share between Telcom Kenya and the industry main competitor, Safaricom plc.

With a market share of over 65%, Safaricom has established itself as the leading mobile network operator in Kenya (Mbiti and Weil, 2015). With a market share of approximately 9%, Telkom Kenya is the second largest operator in Kenya (Kithamba, 2014). The remaining market share is controlled by Airtel Kenya as well as a number of smaller carriers. The supremacy that Safaricom possesses can be ascribed to a variety of reasons, such as the widespread recognition of its brand, the extensive network coverage it provides, and the innovative goods and services it offers (Regragui, 2022). In recent years, Telkom Kenya has been increasing its market share thanks to the company's emphasis on providing broadband and phone services at reasonable prices. Because of the intense level of competition in the Kenyan mobile industry, service providers are continuously introducing new deals and discounts in an effort to win new consumers and keep the ones they already have (Oteri, Kibet, and Ndung'u, 2015).

Currently in Kenya's telecommunications industry which has four major telecommunication companies; Safaricom KPL, Airtel, Telkom and Equitel, there is strong competition with a variety of factors such as political conditions, new competitors, social change, technological advancement and global trade that hinders its growth (Kamau, 2015). It is clear that players in the market right now are looking for and implementing new and advanced competitive strategies to help them care for and retain their customers and increase market share.

The aim of competitive strategy is to achieve sustainable competitive advantage (Coyne, 1986; Stalk and Lachenauer, 2004). The results obtained in previous research are far from conclusive. Some authors (Dess and Devis, 1984; Hall, 1980;

Hambrick1983; Kim and Lim, 1988) found many of the most profitable firms having either low cost or differentiated position which supports Porter's position. However, others have checked that Porter's generic strategies do not represent ways to achieve a higher performance well (Dawes and Sharp, 1996; Parker and Helms, 1992) and that hybrid strategies are the ones entailing improved performance (Gopalakrishna and Subramanian, 2001; Spanos, Zaralis and Lioukas, 2004).

Ndambuki, *et al.*, (2017) in their study on the effects of business strategies on market share growth in the telecommunications industry in Kenya found that compared to the 2011/12 Fiscal Year payments. For the 2012/13 financial year Safaricom, Airtel mobile operators recorded an increase in subscribers. In the 2012/13 financial year, Safaricom had a 5.7% increase in subscribers, with Airtel a 6.2% increase. On the other hand, Telkom Kenya is the only mobile company to record negative growth at this time recording at 31.7% (Kenya Communications Commission, 2013).

Increased competition exerts pressure on firms to be proactive and to formulate successful strategies that facilitate proactive response to anticipated and actual changes in the environment (Malburg, 2000). According to the Government of Kenya economic survey (2000) implementation of structural adjustment programme and subsequent market liberalization opened the Kenyan telecommunication market, leaving businesses at the mercy of market forces. As a result, telecommunication firms face increased competition and declining profits and even losses.

The communication firms in Kenya has deployed a number of competitive strategies overtime including; cost leadership, product differentiation, internalization, market focus strategies and corporate growth strategies. Various researchers (Wanjere, 2014, Kombo, 2007; Muturi, 2000; Thiga, 2000) have studied the effects of competitive strategies on organization performance. The studies by Tehrani (2003), Kaya (2004), Yamin and et al. (2009), Johnson (2002) and Ariyawardana (2003) reflect the situation in developed economies like US and Europe. These areas have a different economic reality from Kenya which is a developing economy and therefore the earlier study findings cannot be generalized to the Kenyan firms.

Studies on competitive strategies have also been conducted by a number of scholars in Kenya. For instance, Warucu (2001) looked at competitive strategies employed by commercial banks. Kiptugen (2003) carried out a research on strategic responses to a changing competitive environment in the case study of Kenya Commercial Bank. Mbwayo (2005) focused on the strategies applied by commercial banks in Kenya in anti-money laundering compliance programme. Gathoga, (2001) in his study focused on competitive strategies used by commercial banks in Kenya. Kimotho, (2012) did a study on the impact of competitive strategies on the financial performance of CFC Stanbic Bank Limited. Murage, (2011) assesed on competitive strategies in the petroleum industry. Waiganjo (2013) studied on effect of competitive strategies on the relationship between strategic human resource management and firm performance of Kenya’s corporate organizations.

The aim of competitive strategy is to achieve sustainable competitive advantage (Coyne, 1986; Stalk and Lachenauer, 2004).

The results obtained in previous research are far from conclusive. Some authors (Dess and Devis, 1984; Hall, 1980; Hambrick1983; Kim and Lim, 1988) found many of the most profitable firms having either low cost or differentiated position which supports Porter’s position.

The market orientation strategy involves identifying customer needs and using them as a basis to create products.

Why market orientation is important

Improved product quality

Market-oriented brands typically create higher-quality products and services in response to customer needs. These products and services might carry a higher cost for customers, but they're purchasing items or services that directly address their concerns and provide what competitors might lack.

Improved brand image

A brand's image is how the customer views it. A brand image can determine market success and the number of new customers purchasing from the company. By focusing strictly on customer needs, the company can help reinforce a brand image of customer service, community and dedication to improvement.

Evolving customer needs

Market orientation often leaves little time for the company to react to rapidly shifting customer needs. When a company focuses on meeting current needs, innovation in the market can cause a shift that the company can't meet.

Whereas the cited studies focused on competitive strategies and how they are implemented in various organizations. This study therefore sought to fill this knowledge gap by addressing the moderating effect of market orientation on competitive strategies and organizational performance in Telkom Kenya Limited.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to determine the moderating effect of market orientation on competitive strategies and organizational performance at Telkom Kenya.

1.3.2 Specific Objectives

i. To establish the effect of market focus strategy on performance of Telkom Kenya (LTD).
ii. To analyse the effect of low-cost Strategy on performance of Telkom Kenya (LTD).
iii. To examined the effect of differentiation Strategy on performance of Telkom Kenya (LTD).
iv. To assess the effect of strategic alliances on performance of Telkom Kenya (LTD).
v. To determine the moderating effect of market orientation on the relationship between:
    a) Markets focus strategy and organizational performance of Telkom Kenya (LTD).
    b) Low-cost Strategy and organizational performance of Telkom Kenya (LTD).
    c) Differentiation and organizational performance of Telkom Kenya (LTD).
    d) Strategic alliances and organizational performance of Telkom Kenya (LTD).

1.4 Research Hypotheses

H_{01}: Market focus strategy has no significant effect on the performance of Telkom Kenya (LTD).

H_{02}: Low-cost strategy has no significant effect on the performance of Telkom Kenya (LTD).

H_{03}: Differentiation Strategy has no significant effect on the performance of Telkom Kenya (LTD).

H_{04}: Strategic alliance has no significant effect on the performance of Telkom Kenya (LTD).

H_{05}: market orientation does not moderate the relationship between:

a) Market focuses strategy and performance of Telkom Kenya (LTD).

b) Low Cost Strategy and organizational performance of Telkom Kenya (LTD).

c) Differentiation and organizational performance of Telkom Kenya (LTD).

d) Strategic alliances and organizational performance of Telkom Kenya (LTD).

1.5 Significance of the Study

This research is important for academics and institutions of higher learning as it contributed to the information body about market trends and organizational performance that can be used for indicators. This study also contribute to research on the impact of competitive strategies on the organization's performance in the telecommunications industry by making proposals for areas to be studied further.

Research may help policy making and regulation of the telecommunications industry. The study explore key competitive strategies in the telecommunications industry in Kenya and this will assist policy and decision-making in regulating the sector to improve the performance of the industry while protecting consumer information.

This study may be of great value to Telkom Kenya limited management given their role as strategic initiatives in the organization. The study recommendations on the potential imposition of senior management in the organization to improve the performance of Telkom Kenya Limited in the implementation of competitive strategies.

1.6 The Scope of the Study

The study examined the moderating effect of market orientation on competitive strategies and organizational performance with main focus on Telkom (K) ltd Nairobi County, Kenya. The target population comprised of employees within 21 branches of Telkom Kenya Limited in Nairobi County. The study targeted a population of 300 and a sample of 171 respondents from Telkom Kenya Limited in Nairobi County. The study limited itself to four competitive strategies namely: market focus strategy, low Cost Strategy, differentiation Strategy, strategic alliances and their effects on organizational performance. The study was guided by three theories: Resource based view, Market based view and dynamic capabilities theories. The study was carried out from July 2022.

CHAPTER TWO

LITERATURE REVIEW

2.0 Overview

This chapter provides an in-depth analysis of the previous literature on the moderating effect of market orientation on the relationship between competitive strategies and performance of Telkom Kenya. Therefore, this chapter is organized into a conceptual review, a theoretical review, an empirical review, research gaps, and a conceptual framework.

2.1 Concept of Organizational Performance

Porter (2018) argued that high performance could be achieved in a competitive industry by pursuing a common strategy, which he described as the development of total cost leadership, segregation, or a focus on industry competition. If a company does not follow one of these strategies, it will get stuck in the middle and will face lower performance compared to firms pursuing a common strategy.

The concept of organizational performance is based on the idea that a company may be a voluntary organization of productive contributions, which includes human, material, and financial resources, for the purpose of achieving a shared purpose. Suppliers will only commit to the organization as long as they are satisfied with the value of the transaction, in relation to other consumables (Arena, Azzone and Bengo, 2018). According to Hagedoorn *et al.*, (2018), organizational performance is the level at which an organization achieves its goals, the level at which the organization acquires the necessary resources, the level at which the organization maintains internal harmony, and the level at which the organization satisfies participants. However, Prashantham and Yip, 2019 highlighted the amount of difficulty that is reflected in the performance rating of an organization. Firstly, future performance may be a reflection of past performance, secondly, organizational performance may be delayed over time due to accountability mechanisms, and thirdly, the differences that exist between short-term and long-term effects on organizational performance. There is evidence to suggest that a co-operative organization will improve its organizational performance (Nielsen, 2017). According to Lebans and Euske (2016) strong performance is a set of financial and non-financial indicators that provide information on the achievement of goals and objectives. In this study, organizational performance was measured using a three-factor scale: profit, return on assets (ROA), and sales growth. In addition, the available literature suggests the use of these indicators to measure changes in organizational knowledge, skills, and learning. Shrader (2016) embraced sales growth; Goerzen and Beamish (2015), ROA; and Dussauge, Garrette, and Mitchell, (2017), increasing market share. Therefore, the average of the three indicators which are visible variables are used to measure solid performance. Richard *et al.*, (2009) argued that corporate performance comprises three specific components of a company's outcomes: financial performance (profit, asset return, investment return) product market performance (sales, market share) and shareholder return (total share return, value added value).

Organizational performance comes from the ideas of efficiency and effectiveness. The business organization must produce the right products and services and must produce them using very little input if it is to have a strong organizational performance (Upadhaya, Munir and Blount, 2014). Organizational performance is determined by how the organization manages its internal resources and adapts to its external environment and also reflects the achievement of its strategic and growth goals (Hult, Hurley and Knight, 2014). It is therefore associated with the overall success of the organization as a result of new and better efforts made for profit and growth (Agarwal, Erramilli and Dev, 2013).

Performance is a continuous and flexible process involving managers and supervisors acting as partners within a framework that sets out the best way to work together to achieve the desired results (Armstrong, 2010). Performance is the ultimate result of activities; includes the actual results of the strategic management process. The strategic management approach is appropriate in terms of its ability to improve organizational performance (Wheelen and Hunger, 2010).

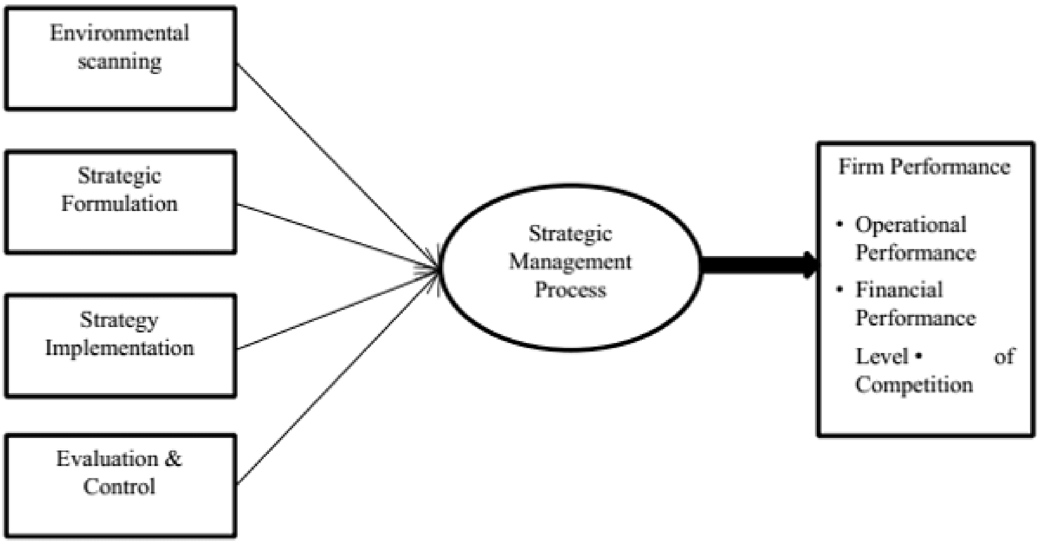

Figure 2.1: Strategic Management Process
Source: James U. Monday1 Grace O. Akinola1 Patrick Ologbenla1,2 Oluwatobilola K. Aladeraji1 2015 Department of Management and Accounting, Obafemi Awolowo University, Ile-Ife, Nigeria

Profiroiu (2001) defines performance in a public sector involves the existence of relationships between objectives, methods and outcomes so that performance is the result of simultaneous implementation, efficiency and efficiency budgeting″. The contents of this definition are also found in the work of author Matei, (2006) and are illustrated in the following diagram:

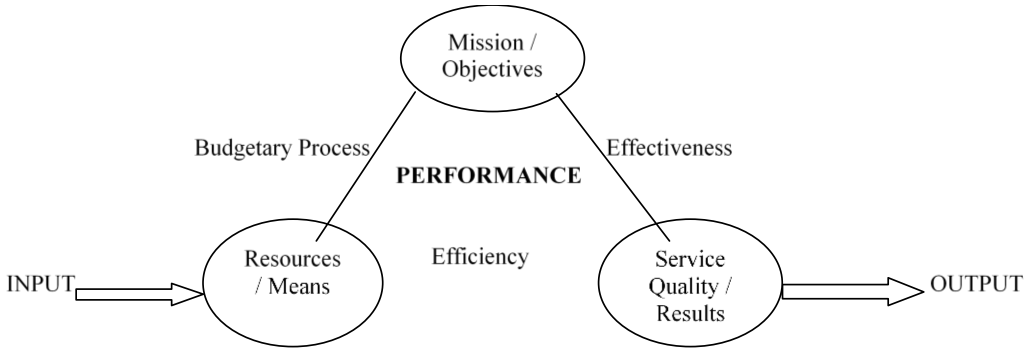

Figure 2.2: Definition of Performance
Source: Matei, L., Management public [Public Management] – Second Edition, Economic Publishing House, Bucharest, 2006, page 192

2.2 Concept of Competitive Strategies

The competitive strategy embodies all those years and the strategies the company has in place to attract consumers, withstand competitive pressures and improve its market environment (Thompson and Strickland, 2017). This includes striving to become a fully-fledged producer, that is, a low-cost leadership strategy, which seeks to differentiate the product of the person who offers it from that of its competitors, that is, a strategy to differentiate and focus on a small market segment, namely; focus or niche strategy (Arasa and Githinji, 2014).

Porter (1985) writes that when power goes out, no organization gains significant returns on investment and when power is healthy, most companies make a profit. The structure of these five forces varies from industry to industry and that the organization needs a different strategy for every different industry. He also points out that common strategies include low cost, division, focus and integration strategies. These are the most common types of strategies for all organizations. This model is an influential tool for systematically diagnosing major competitive pressures in the market and assessing how strong and valuable each one is.

According to Lawrence (2021), the relative position of a company within its industry determines whether profits are above or below the sector average. The basic premise of excessive profits over time is the sustainable competitive advantage. Although a company may have a lot of strengths and weaknesses, compared to its competitors, there are two basic types of competitive advantage a company can have: low cost or division. Two basic types of competitive advantage combined with the range of activities a company seeks to achieve, lead to three common strategies for achieving excessive performance in the industry: cost leadership, segregation and focus. He also said that competitive strategies try to change the company's performance compared to its competitors in a more efficient way and shape the actions and decisions of management and employees in an integrated, corporate system.

How companies compete among themselves and their choice of competitive strategies from a global perspective are all the most important questions raised during the industry analysis and definition of ethical organizations. Understanding organizational behavior serves as an incentive to improve competitive processes (Ormanidhi and String, 2010) to achieve improved performance and continuous competitive advantage. Despite the rapid growth, the communications industry is facing various challenges from external and internal aspects of the business environment that affect organizational performance.

Despite many previous studies on competitive strategies, there have been limited results. For example, Hambrick (2013) and Kim and Lim (2016) found that firms that adopted cost leadership and segregation strategies were more profitable thus confirming Porter's findings. In contrast, Dawes and Sharp (2015); A study by Parker and Helm's (2016) concluded that Porter's competitive strategies did not affect the performance of firms.

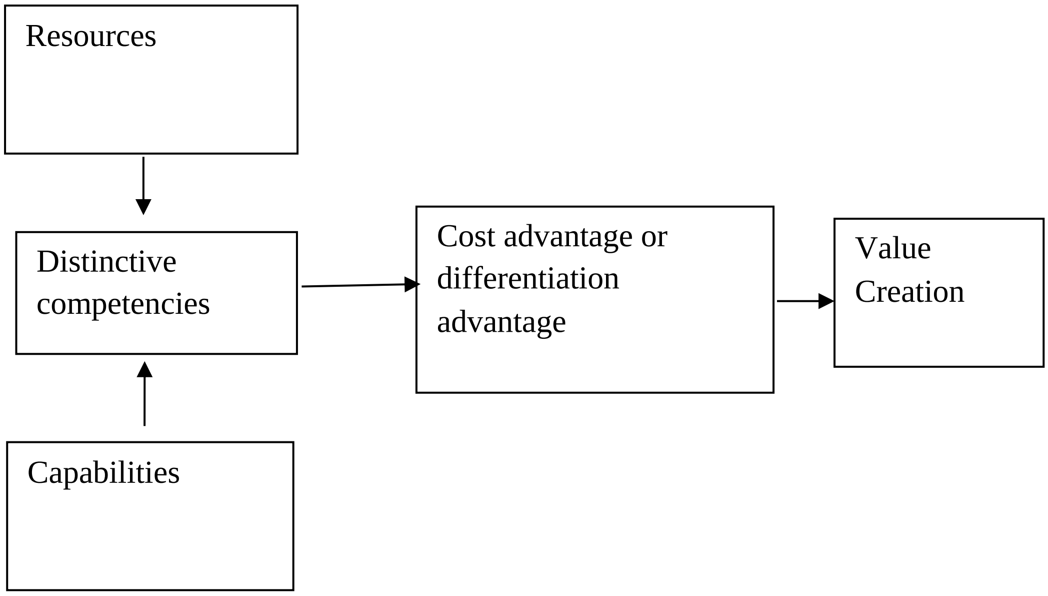

Figure 2.3: A Model of Competitive Advantage
Source: Porter, M.E. Competitive Advantage (2004).

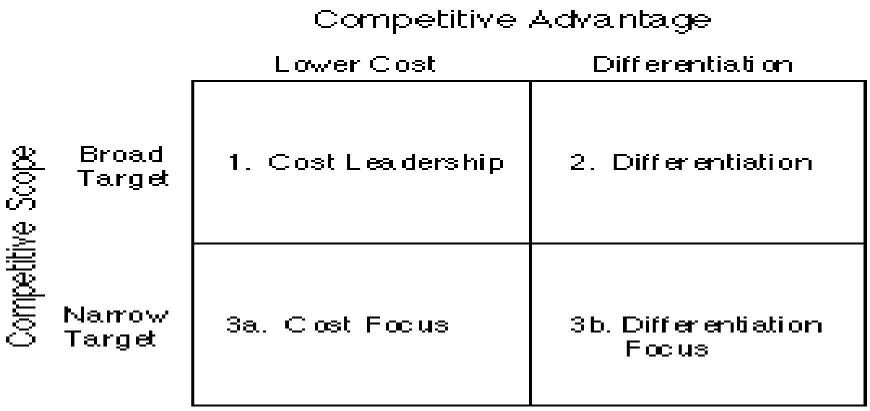

Figure 2.4: Porter Generic Competitive Strategy
Source: Porter generic competitive strategy (1997).

2.2.1 Concept of Market Focus Strategy

Under a focus strategy a business focuses its effort on one particular segment of the market; it seeks differentiation or cost advantage in its target segment under a narrow competitive scope and aims to become well known for providing products/services for that segment. They form a competitive advantage by catering for the specific needs and wants of their niche market. Once a firm has decided which market segment they will aim their products at; Porter said they have the option to pursue a cost leadership strategy or a differentiation strategy to suit that segment. A focus strategy is known as a narrow scope strategy because the business is focusing on a narrow (specific) segment of the market. Porter (2005) mentioned that the focus strategy has two variants; cost focus and differentiation focus. This strategy aims to focus on a few markets as opposed to targeting the entire market as by descending into a small segment, organizations can address existing problems arising from the customer satisfaction system. It is therefore important for organizations to choose which market they will face and at what time to avoid getting stuck in the institution.

Kombo (2010) studied automotive industry found that firms had to make major changes in their various strategies in order to survive in a competitive environment. Firms introduce new strategies in product development, differentiate their products, differentiate and direct their customers more and improve customer service. Karanja (2012) notes in a study of real estate agents in Kenya that an increase in the number of players has led to an increase in competition. Firms tend to target specific levels of clients especially those that remain medium and higher in specific target areas. Focusing strategies are assigned to help the company direct a certain area of the industry. Unlike low leadership and segmentation strategies designed to target the broader or wider industrial market, focus strategies are targeted at a particular niche and are usually small. These niches can be a specific group of consumers, a small part of a given product line, a local or regional market, or a niche with a unique, special and popular taste. The basic premise of the concept is to focus on strong performance in a wide range of ways (less expensive or divisive firms) that can work with it, higher value, and higher profitability, produced when other widely supported firms are not available. work exclusively or perform their duties with a well-established firm. If a niche or segment has unique and enduring features, then the company can develop its own set of entry barriers in the same way as large firms established in the wider market. (Karanja, 2012).

The basic premise of competitive advantage is lower costs than competitors working for that segment of the market or the ability to offer niche members something different from their competitors. The main focus is on choosing a market place where buyers have different options. A niche is defined by geographical diversity, special needs in the use of resources based on specific physical characteristics or by special attributes that attract members of a particular social class (Miller and Dess 2019). A low focus strategy depends on having a consumer segment with its needs that are less expensive than other markets based on income levels. In the focus strategy, the public university has targeted a specific segment of the market. A public university may choose to focus on a selected customer group, services and product list, location, or service line. Focus is also based on taking a small amount of competition within the industry (Kimotho, 2012).

Focus aims to increase market share through niche markets or markets that do not attract, or steal, large competitors. These areas come from many factors including location, customer characteristics, and services as well as specifications for products or requirements. Brooks' Successful Strategy (2020), relies on a segment of the sector large enough to have the potential for positive growth but not significant for some of its major competitors. Market entry or market development can be an important strategy to focus on. Medium-sized public universities use strategies that focus on their focus but only in relation to segregation or general low cost strategies.

2.2.2 Concept of Cost Leadership Strategy

Cost leadership strategy refers to the organization's ability to produce low-cost products compared to various other competitors. Organizations are able to produce high quality products and offer the right customers at the lowest possible cost to their competitors as low costs can attract customers and thus result in higher returns on profits. This strategy is important for the company as it benefits from less expensive products in the industry. It requires experience, investment in manufacturing facilities, savings and careful monitoring of operating costs. The available literature contains some discussions as to why the relationship between performance and performance depends on choosing a company strategy.

Organizations that pursue a cost-effective leadership strategy will benefit greatly from the application of the measure in terms of the growing management skills associated with the monitoring of lenders. According to Jensen (2010), lending monitoring also limits potential management behavior by reducing the resources available for optimal spending. Therefore, Jensen (2010) suggested that debt management function is critical to successful companies (Jermias, 2011).

Another low-cost strategy option is to sell at a normal retail market price and therefore to use increased profits based on a reduction in production costs. However, in order to achieve the required competitive advantage as a low cost provider, the organization must use methods, both technical and complex to prevent competitors and competitors from being copied. Porter (2008) goes on to point out that cost-benefit sources vary and always depend on the structure of the industry or external environment which may include the pursuit of scale economy, proprietary technology, special access to resources etc.

The low cost strategy is often developed with the effectiveness of the whole organization, so firms use the cost leadership strategy to maintain a strong competitive position and maintain their long-term profit margin; they should place a premium on operational efficiency in all workplaces (Porter, 1998). Companies that use low cost strategy are able to obtain a larger market share compared to being less expensive manufacturers and service providers in their industry or markets. Therefore, firms that use low cost strategy may earn more than they can afford because of their ability to lower prices to match or below their competitors and continue to make a profit. By pursuing lower costs, companies not only perform better, but also become more effective pricing leaders, undermining competitors 'growth in the industry through its success in price competition and lower competitors' profits, then the company can offer lower prices, higher quality, or both (Spulber, 2009).

By establishing more efficient organizational processes, more careful monitoring of purchasing costs, more efficient use of computer and communication technology, higher cost cuts, and efficiency, the firm can achieve lower costs. In some cases, cost reductions can be achieved by outsourcing manufacturing operations and services where external suppliers offer more affordable alternatives. With the same level of quality but low cost, a less expensive firm can undermine the price of competing firms. The reason for using a cost leadership strategy to make a profit by reducing economic costs among your competitors (Barney, 2014). This strategy highlights efficiency by producing appropriate and established products or services, at the same time, with a level of economy and experience curve, the company strives to achieve a competitive advantage among its competitors.

Basically, a company has two major ways to maintain this cost benefit or by controlling the cost drivers, which means that the firm can make a profit in terms of operating costs that reveal a deeper portion of total costs; or by redesigning the value chain, in other words, by adopting a more diverse and more efficient means of producing, promoting, distributing and designing a product, a firm can reap the benefits of cost (Porter, 1998). According to (Palepu and Healy, 2008), a company can produce a low profit margin by taking a low cost strategy. The low cost strategy helps firms produce a quality, high-volume product or service at a very competitive price to customers. By emphasizing low cost strategy in particular to create high financial performance for emerging economies competing firms, as firms can earn limited profits due to their low cost of recruitment and production. Moreover, from a customer perspective, the low cost strategy captures the most attractive (low cost) issue in the emerging economy, providing a product or service to people with a low income level (Caroline, 2018). If a company is able to acquire and maintain total cost leadership, it will be an over-the-counter player in its industry as long as it can control prices at or near the industry level. With prices equal to or lower than its competitors, the position of cost-effective leaders translates into higher returns.

Lestor (2021) argues that one of the most important aspects of low cost is the efficiency of the company's input per unit output. Depending on the method, the efficiency of the company can be divided into cost, or asset parsimony. Cost-effectiveness measures the rate at which certain cots per unit output are lower while asset equity measures the same concept but focuses on assets. These two categories capture the organization’s cost leadership.

2.2.3 The Concept of the Differentiation Strategy

Differentiation is a strategy used by firms to create and develop a strong market environment and also known as segregation. The company regularly introduces a few different types of assets under a comparative product group and comprises several products of the same category to use this method effectively. (Pearce and Robinson, 2011).

Differentiation involves the provision of products or services that are considered to be unique across the industry (Porter, 1998). So the company designs to attract customers with the unique sensitivity of a particular product brand that helps build customer loyalty. This trust helps the company to charge premium prices for its products (Pearce and Robinson, 2016). To create competitive advantage over segregation, a company must seek different responsible and time-consuming resources so that the competitor is the same (Thompson and Strickland, 2013). Other indicators of hotel divisions are; variety of services, quality of services provided and the use of modern equipment in service delivery.

The differentiation strategy offers products or services that offer different advantages than those that compete with and are highly valued by consumers. (Johnson, Scholes and Whittington, 2018. There are a variety of differentiation strategies to choose from, be it, product classification, service division, staff division, channel division, and image division. (Kotler and Keller, 2014). Discovery of new technologies, strategies, and quality of products among other factors is also considered important for the high performance of firms.

According to Thompson, Strickland, and Gamble (2011), companies can take differences in many angles e.g., Multiple Features (e.g. Microsoft Windows, Microsoft office); wide selection and single purchase (eg Home Depot, Amazon.com), advanced service, availability of storage components, engineering and performance design, prominence and diversity, quality production, technical leadership etc. An immersive segregation strategy often produces great kindness and honesty taken in an effort to provide for the unique needs of their clients. This makes it difficult for a competitor looking at the same market. Organizations like Ferrari make cars for sports fans. The cars are custom-made and customized as per customer, assembled, hand-crafted, and accelerated and directed to high-end buyers who are willing to pay the car tax.

Pearce and Robinson (2015) despite the fact that differentiation strategies are based on providing consumers with something unique or different, which makes the strategic position of a company, product or service different from its competitor. The high price is created because the product is high quality, technically superior in some way, comes with high service, or has a special appeal in some way considered. In fact, segregation creates a competitive advantage by making customers more loyal - and less valuable to a particular company's product / service. Additionally, consumers are less likely to search for other products once they are satisfied. Hernant, Mikael and Thomas (2017). Other classification strategies used by organizations to promote sales performance come from the interaction of various marketing combinations. These include: supply of quality products, wide selection, variety, strategic position, after-sales service, quality service, convenient location, parking, attractive design and layout, attractive design, sales incentives, easy working hours, branding / adding value and store Carpenter and Moore (2016). The economic value of product diversity can enable a company to increase revenue, reduce threats and take advantage of opportunities.

According to Lorentz, the Häkkinen and Hilmola (2016) differentiation strategy aims to create competitive advantage by providing unique products characterized by key features such as quality, innovation and customer service. The difference can be based on the product itself or on the delivery system. The differences may be in branding, image, technology, features, and customer service and distribution network. This enables the company to increase profits by protecting it from competing products, industrial competitions and the threat of new entrants due to the reliability of the product it orders (Gachambi, 2007). According to Pearce and Robinson (2007), this is a business strategy that aims to create a competitive advantage for a company in that its product or service differs from other competing products on the basis of non-cost-related features and features. price. The difference will be hard to make and difficult to copy or copy. The business is focused on achieving high performance in an important area of customer profit with a large market value. The company develops those capabilities that will contribute to the targeted division. Strong leadership that requires quality leadership should produce products with excellent components that are carefully integrated and tested and quality differences are successfully resolved.

Mwanzia (2015) investigated the effect of a differentiation strategy on the export of tea companies in Kenya. The study used a descriptive design model with various categories and targeted population including seventy-two (72) tea exporting companies operating in Kenya registered with the Tea Directorate, in 2014. By selecting and emailing. Sixty-two (62) of the 72 respondents translated into 86.1%. The second data was obtained from the market segment of tea export companies between 2010 and 2014. Descriptive and non-descriptive statistics were used 21 in data analysis and results presented in tables and graphs. The study found that the acceptance of classification strategies ranged from 66.6% to 77.8% with the highest strategy of having the number of products added while the lowest is the price. Among the value-added strategies, product features (quality) are the most widely used strategy while certification is the least used strategy. The impact of the market share of the firm was 11.6%.

According to Porter (2012) firms able to use a differentiation strategy have the following internal strengths; access to the best scientific research, a highly skilled and intelligent product development team, an intelligent sales team with the ability to effectively communicate the imaginary power of a product, a reputation for quality business and innovation.

Few studies have focused on and investigated the link between organizational strategy and organizational performance. However, in a few studies most of them are done in developed nations. Okwach (2012) conducted a study to determine the benefits of conducting cost leadership, segregation, and multiple strategies and found that there was no significant difference between the performance of firms that only pursue a strategy of segregation and cost leadership. However, those who pursued a multidisciplinary strategy (low cost combined with segregation received many performance-related benefits. A study by Prajogo and Sohal (2013) showed that Total Quality Management's performance was positively correlated with the classification strategy.

2.2.4 Concept of Strategic Alliances

Today strategic alliances are growing rapidly day by day and in order for organizations to gain competitive advantage, they need to consolidate their assets and adhere to a co-operative policy called strategic alliance. The strategic alliance is considered to be the most important tool for resource sharing, learning, and thus enhancing the competitive advantage of a competitive business world. Strategic alliances are seen as approaches for creating an all the more intense and successful mode for contending in a globalized world (Gichuhi, 2011). Managing a competitive federation and creating value for competitive advantage is critical to strategic alliances (Ireland, Hitt, and Vaidyanath, 2012). It involves the exchange of organizations and the sharing of resources and the power to consolidate or distribute goods or services. (Kale, Singh and Perlmutter, 2010).

Strategic alliances may be driven by both strong and natural factors such as product market uncertainty, changing trade and foreign investment barriers, technological instability, market volatility and rapidly changing rate (Varadarajan and Cunningham, 1995). Typically, an organization's environment consists of players and forces outside the company, which affect the company's attitudes, actions and outcomes (Kotler et al. 2011).

Globalization and international markets uncertainties and challenges have made strategic alliances a strategic need that can no longer be considered an option (Parise and Henderson 2017). Strategic alliances are organized and used to share organizational resources, especially information-based resources, to build the most important skills, which are rare, transferable and unchangeable. Co-operatives create an aggregate amount that exceeds the amount created by each company. Firms combine some of their resources and skills with strategic alliances to create competitive advantages. The competitive gains created by the co-operative strategy are known as co-operative profits and are followed by a joint venture with participating firms. The motivations for joining unions include access to specific markets or distribution channels, the acquisition of new technologies, the economy and scale, and the development of new productive skills (Varadarajan and Cunningham, 2021) and learning. Drucker (2016) identified non-proprietary, but co-operative relationships as a major change in business culture and the way business is conducted in the global economy. Increasingly firms have turned to corporate relationships in recent times as a way to create more customer numbers. Strategic alliances become important factors in keeping profit in today's highly competitive market environment. The different types of co-operatives include joint ventures, relationships, procurement relationships, joint marketing and promotions, joint sales and distribution, joint production sharing, project collaborations, technical approvals, research and development companies and outsourcing service partnerships. Profit from a competitive advantage may not be possible for an individual organization as it does not have all the necessary resources and the ability to be an entrepreneur and innovate in a strong competitive market.

The relationship between the organizations creates an opportunity to share the resources and skills of the firm while working with partners to develop additional resources and skills as a function of new competitive advantages (Kuratku, Ireland, and Hornsby, 2020). The contracts also incorporate technologies and skills that would take a lot of time and money for each company to develop. For example, the partnership between Google and Huawei has enabled the development of a smart and low-end smart phone for Huawei phone running on Android (Google) software.

2.2.5 Concept of Balance Score Card

The Balanced Score-Card was developed in the USA in the early 1990s by Kaplan and Norton (2017). It is one of the most recommended management structures. In 1992, BSC was introduced in the Harvard Business Review article as a tool to measure business performance Kaplan and Norton 1992 pg. 2. Used by senior management to help formulate organizational strategy and how to measure their performance.

Kaplan and Norton (2017) has criticized existing methods of evaluating business performance as being too small and looking backwards instead of looking forward. From this first point, they created a method they named the “Balanced Score Card”. This is a strategy aimed at making the business strategy more measurable and targeted. Additionally, it forces business executives to think about what the strategy and vision are really about and what actions lead to the realization of strategic and visionary ideas. Creating a balanced scorecard starts with designing work ideas. In general, the function of the balanced scorecard is done on the four ideas originally proposed by Kaplan and Norton (2017), financial perspective, customer perspective, internal process vision and learning and growth perspective. Other ideas that can be used in the literature are linked, inter alia, to human resources, the environment, subcontractors and social impacts. The ideas used here are the four that were originally suggested by Kaplan and Norton. After choosing the ideas, you need to think about what the most common goals are associated with these ideas. The aim is to find practical ways to achieve these goals. And these practical methods are then transformed into (better) numerical steps. One potential problem is that this process results in a large number of 17 steps. Another potential problem with this is that the steps are always loose and their relationship with each other is not understood (Malmi *et al.,* 2016).

The rated rating card usually includes ratings from eight to 26, and it is important to keep the ideas in check, so that there are the same number of ratings for each idea. Some of the steps should look back and some should move forward in the future. It is also important to find a balance in financial and non-financial measures (Malmi *et al.,* 2016). It is also important to note that it is not enough to create steps. It is also necessary to collect data, and update data and steps. Steps are useless over time if they can be used to evaluate business actions and, if necessary, to adjust procedures in accordance with the steps. In order to take full advantage of the measures, they must also be continuously developed and their integrity, suitability and internal relationships must be assessed. If the measures measure the wrongs or distort the image of the organization, it is wise to adjust the steps to suit the reality and theirs (Malmi *et al.,* 2016).

The Balance Score Card as mentioned earlier contains four dimensions namely; Customer vision, internal business process vision, Innovation and learning perspective and financial vision. For the first three dimensions, allow the tool to provide leading performance measurements while the final size provides a performance measure. This Customer Vision reflects the organisation's ability to provide quality goods and services, efficient delivery, and overall customer service 18 and satisfaction. As a result, many organizations today have a goal, customer-focused and measuring how an organization operates from the perspective of its customers has become a priority for senior management (Kaplan and Norton, 2017). The BSC requires management to translate their general purpose statement about customer service into specific steps that reflect key features for customers. In a public organization model, the main operator of the operation differs from the firm in the trading environment; that is, customer and stakeholder interests are at the forefront of financial outcomes.

In general, most civil society organizations have a different, perhaps larger, administrative and focus responsibility than private companies. This is according to the Procurement Executives Association, 2019. The concept of business processes is primarily an analysis of the internal processes of an organization. Internal business processes are the means by which corporate performance expectations are met. Customer-based measures are important, but should be translated into measure of what an organization has to do internally to meet the expectations of its customers. This vision focuses on the internal business outcomes that lead to financial success and satisfied customers.

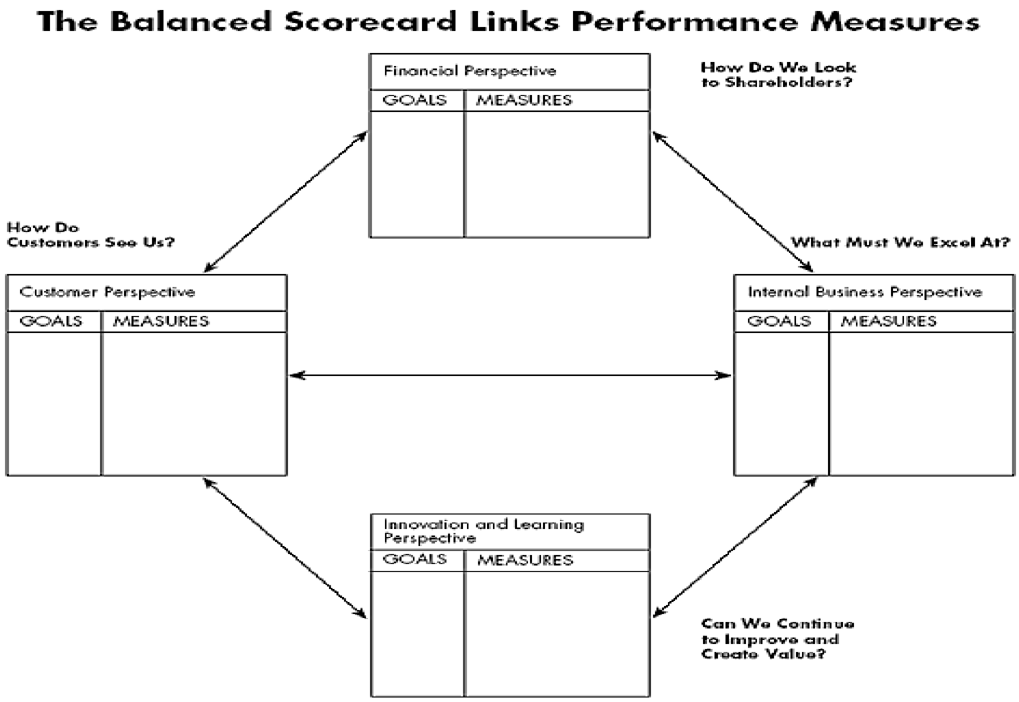

Figure 2.5: Perspectives of balanced scorecard
The balanced scorecard (source: Kaplan and Norton, 1996)

2.2.6 Concept of Market Orientation

Market orientation is a business philosophy that places a premium on identifying the needs and desires of consumers and meeting them with products and services. (Udriyah, *et al.*, 2019). Recent researchers emphasize that firms should pursue a market position as it enables firms to gain long-term competitive advantage (Fakhreddin, *et al.,* 2021; Hernández-Linares, *et al.*, 2021; Alhakimi, and Mahmoud, 2020; Ho, *et al.*, 2021 ; Hernández-Linares, *et al.*, 2021; Alhakimi, and Mahmoud, 2020; Ho, *et al.*, 2018). In addition, Market orientation is seen as an organizational strength, unique and valuable resources that can be easily replicated, emphasizing the importance of prioritizing customer needs in strategic action (Mostafiz, *et al.*, 2021; Polat and Mutlu, 2012). At its core, market orientation refers to a company's ability to research and identify the needs of existing and potential customers, and then work to meet those needs effectively (Slater, and Narver, 1995; Day, 1994; Kohli, and Jaworski, 2016). In simple terms, the structure of the market recognizes the need to establish a personal relationship with the customer (Slater and Narver, 1998). In this framework, market structure refers to an organization’s ability to act quickly by introducing new products and services to respond to needed market changes (Ali, *et al.,* 2017; Adis and Jubilee, 2010). As a result, it is logical that market marketing activities will contribute to the establishment of a company (Ali, *et al.*, 2017).

Market orientation has long been recognized as an important driver of performance, leading a business to its long-term success (Cano *et al.,* 2014). A firm with a strong market has the potential to create stable competitive advantages, and as a result, the market structure has a corresponding effect on performance (Baker and Sinkula, 1999; Charles *et al.*, 2012; Deng and Dart, 1994; Mac and Evangelista, 2016). Any business, which aims to run a unique business environment, should focus on continuous competitive profit that can only be achieved by creating a stable and high value for its customers, meeting customer satisfaction beyond expectations (Narver and Slater, 1990).

Brik *et al.,* 2011; examined the impact of market position on business performance finds that market orientation is one of the key factors in improving business performance (Charles *et al.,* 2012; Jyoti and Sharma, 2012; Hilman and Kaliappen, 2014; Lee *et al.,* 2015; Buli, 2017) .Although the impact of market structure especially on marketing performance has not yet been found in the literature.

Notably, Lee, *et al.,* (2015) provided the first ideas of market styles that have been identified as key to strong performance. Several other studies, however, have been conducted following the work of Narver, and Slater, (1990) and Kohli, and Jaworski, (1990), who established a link between business operations and market structure. The structure of the market is defined by Kohli, and Jaworski, (1990) as “a generation of comprehensive market intelligence tailored to current and future customer needs, the distribution of intelligence across departments, and the response of the entire organization”. Market orientation, on the other hand, was considered a form of organizational culture by Narver, and Slater, (1990). They describe the market structure as “an organizational culture that effectively and efficiently codes needed to build a high number of customers and, as a result, maintain high business performance”. In this regard, Kohli and Jaworski (1990) describe the market structure as a three-dimensional process that combines "generation of intelligence, distribution of intelligence, and accountability of the whole business". According to additional researchers, for example, Narver, and Slater, (1990), the market orientation has three dimensions: "competitive direction, customer direction, and internal communication functionality". However, both market trends have the same goal, which means that customers are always focused on speculation of market conditions and definitions of rigid behavior (Acosta, *et al.,* 2018; Shehu and Mahmood, 2014; Vieira, 2010).

Many market-based studies have concluded that market-based culture is an important predictor of improved business performance because it places higher value on customer needs, while market-focused business strives to improve customer satisfaction, thus increasing efficiency (Ali, *et al*.., 2017; Olabode, *et al.,* 2018; Morgan, *et al.,* 2019). As a result, marketing literature has taken MO as an integral part of organizational culture (Morgan, *et al.,* 2019; Raju *et al.,* 2011). In fact, many market structure studies have examined market orientation using these three dimensions (Olabode, *et al.,* 2018; Ali, *et al.,* 2017; Wilson, *et al.,* 2014; Julian, et al .., 2014; Aziz and Omar, 2013; Augusto and Coelho, 2019; Appiah-Adu and Ranchhod, 1998). Many researchers have found a link between organizational performance and market trends in large companies, especially in developed countries (Alhakimi, and Mahmoud, 2020; Ali, *et al.,* 2017;

Raju *et al.,* 2011; Mahmoud, 2011). As a result, learning about the effects of market conditions on SMEs is scarce (Ali, *et al., 2017*; Islam, *et al.,* 2011). Additionally, Herath, and Mahmood, (2018) challenged the addition of a mediator to the relationship between strategic position and robust performance. In addition, research has shown that MO improves organizational performance (Lekmat, *et al.,* 2018; Sisay, *et al.,* 2017; Joensuu-Salo, *et al.,* 2018; Suliyanto, and Rahab, 2012; Chen, *et al* ., 2015).

Similarly, as a market-focused company differentiates and strives to meet customer needs, desires, and preferences better than competitors, the level of solid performance increases. (Print, and Almehmeti, 2017). Similarly, in order to address changing consumer preferences and expectations, several businesses have adopted a market-based philosophy, widely regarded as one of the major advances in marketing literature (Suliyanto and Rahab, 2012). As a result, each organization pursues market formation as a strategy to develop marketing skills to meet and exceed customer expectations while better competitors (Ali *et al.,* 2017; Li, *et al.,* 2009; Chin, *et al.,* 2020)). In addition, several previous studies have shown a link between market volatility and product innovation (Zelbst, *et al.,* 2010; Lam, *et al.,* 2018). According to their findings, Mohr-Jackson 2019) and Day, (2018) established a link between market structure and product development because they both respond to customer needs, engage customer engagement, and ultimately aim to achieve customer satisfaction. Indeed, product innovation gives businesses a set of tools to help them focus on the market (Litton, 2021). In addition, Day, (2004) states that "a market-focused firm improves market process and customer sensitivity". Therefore, the integration of skills is an important factor in the construction of a factory; as a result, product implementation plans contribute to energy development, and at its core the concept of organization as an integrated set of processes is more than one set of performance units. As a result, marketing and product design have similar benefits (Herman, *et al.*, 2018; Wang, *et al.*, 2012).

Market orientation is a term that has been extensively investigated in the past and is known as an integral part of the modern marketing decision-making process (Aimin, 2015; Blankson *et al.*, 2013; Mahmoud 2016; Powers *et al.*, 2020). In addition, it has been shown strongly that marketing processes improve the financial performance of an organization. Organizational processes of strong market conditions indicate a deep involvement in identifying new opportunities and growth opportunities (Hussain *et al.*, 2021; Reijonen *et al.*, 2014). Based on Bodlaj (2010), market-focused delivery provides better business performance. According to Wijesekara et al (2016), the market structure of the firm was an important factor contributing to strong performance. The structure of the market has been shown to have a significant impact on strong performance in various sectors. (Hinson *et al.*, 2017; Mahmoud, 2016; Migliori *et al.*, 2019; Presutti and Odorici, 2019). The relationship between market structure and strong performance, on the other hand, has produced mixed results. There is a positive correlation between market orientation and strong performance, according to many powerful studies (Amin *et al.*, 2016; Beneke *et al.*, 2016; Fatach and Nursyamsiah, 2019; Jaiyeoba, 2014; Joensuu-Salo *et al.*, 2018; Kharabsheh *et al.*, 2017; Mahrous and Genedy, 2019; Mamun *et al.*, 2018; Powers *et al.*, 2015; Ingoma *et al.*, 2015; Tsai and Wang, 2017; Tseng and Liao, 2015; Webster et. al., 2015; Tsai and Wang, 2017; Tseng and Liao, 2015; Webster et al .., 2014; Yadav *et al.*, 2019). Market orientation, in terms of marketing strategies, often revolves around culture, principles and other internal behaviors that focus on meeting the needs of customers who are generally well-researched. While this obviously has its advantages, it can also be costly for organizations as it often puts organizations on foot, always responding to customer needs rather than predicting or designing new products and services. Many markets move forward in a market-oriented way as customers are able to access more information about what they want to buy (Narver and Slater, 1990).

Market orientation is the implementation of the marketing concept. Market orientation demonstrates the ability of managers to stay connected to a business environment with a focus on customers (and or competitors) (Al-Ansaari *et al.,* 2015). The concept of marketing power is based on a resource-based perspective (RBV), where important, rare and costly imitation tools, policy processes and skills exploitation are the foundation of high performance (Sørensen and Madsen, 2012). The ultimate goal of RBV is to ensure that a company can generate competitive profit and high performance if it is able to develop and deploy critical customer-creating services (Clulow, Barry, and Gerstman, 2007). The ability to market the market as a tool demonstrates the company's ability to collect and manage resources that are converted into customer-driven exits (Mamun, Mohiuddin, Fazal, and Ahmad, (2018).

Market orientation ideas include decision making, market intelligence, ethical-based behavior, strategic approach, and customer standing. Although advertisers and advertising teams often fail to predict the marketing strategies they engage in, they are not always able to predict the organization's marketing. A focused organization (and later its marketing) focuses on five key categories, divided into the following target groups: Product structure, product styles, marketing styles, social styles, and market structure. , and perhaps more importantly, the way the organization takes its primary contribution to the market and empowers its marketing teams. (Jaworski and Kohli 2009).

Hunt and Morgan (1995) state that Marketing Orientation (MO) represents a "planning framework", which may be "traditionally based on the organization" (page 11). It is argued that MO can lead to the achievement of sustainable competition, by adding the concept of marketing itself and providing relevant information for strategic selection. In this process, the MO is expected to bring relevant information about customers and competitors and contribute to the selection of a strategy that leads to competitive advantage. However, in this process, the company needs a resource base to achieve its trading goals set in the MO.

2.3 Theoretical Review

Experts in the field of strategy are particularly concerned about defining different dynamics of performance (Rumelt, Schendel, and Teece, 2010). This section discussed important and relevant theories related to market orientation, competitive strategies and organizational performance.

2.3.1 The Market-Based View

Market-based View theory originated with Mason and Bain (1950) who link industry formation to firm success in the so-called Structure-Conduct-Performance-Paradigma. They argue that the key factors in organizational success are barriers to entry, the number of players in the market and the flexibility of demand. Porter (1980) went on to develop this idea in his book ‘Competitive Profit’, which is one of the basic books of management science today. In his work, Porter presented a framework for the so-called 'five powers', which determined the competition between the industry, and the 'three common strategies' that organizations could take to succeed. In his ‘five-force’ framework, Porter asserts that the four largest drivers in the industry building are determined by attraction, as well as in-industry competition.

Porter's five forces work in any market, domestic or global. The power influences the prices, costs and required investment and return on investment of the company (RoI). Consumer negotiation influence the price a company can charge for a product or service. Consumer negotiation power affects the cost of raw materials and other raw materials and that is why it determines production costs. The threat to new entrants depends on the investment required to reach the market, e.g. the aviation industry has very high entry barriers due to its large size, while opening a restaurant has lower entry barriers. The threat of replacement depends on how easily the products in the industry can be changed and the chances of the industry's products becoming obsolete due to technological innovation. These forces determine the intensity of competition within the industry and therefore, the attractiveness of the industry. In an industry where these forces are strong, and tensions are high, it is more difficult for organizations to operate than when they are weak. The strength of these forces can vary between industry and time.

Market-Based View (MBV) states that industry segments and outsourcing are important aspects of organizational performance. The source value of an organization's core value is focused on a competitive environment that reflects its final outcome and key position, a key position is a special system of organizations that are different from their competitors and therefore organizational performance is determined only by the structure and competitive aspects of the business. (Schendel, 2010). It gives the organization a platform to position itself in a competitive manner with other external factors that may affect the functioning of the organization.

Market-based perspectives include a school of strategic theory and ideas developed in the economic sector of industrial think tanks organizations (Hockinsson *et al*, 1991; Mintzberg *et al.* 1998; Porter, 1980). In strategic design, firms tend to explore the external environment based on a five-dimensional power model (Porter, 1985). According to Porter (1980), industry attractiveness is determined by the five strengths of these; the threat of new entrants, the threat of changing products, the ability to negotiate with consumers, the negotiating power of suppliers and the intensity of competition between established firms in the industry. The stronger the combined forces, the stronger the competition and the less attractive the industry. Porter (1985) argues that a company must strive to occupy a profitable and sustainable position within the industry in order to protect itself from industrial competition. However, every company can contribute to each of the five strengths through a competitive strategy in their favor (Porter, 1996). Similarly, the strength of each of these five forces can vary across industries and change over time as the industry grows and not all five forces are equally important in different industries (Porter, 1998). From a Market-Based View, a company's market power sources can define its related performance. According to Grant (1991), three energy sources are often highlighted as Monopoly, entry barriers and negotiation power. When a firm enjoys a dominant position, it has a strong market situation and as a result performs better (Peteraff, 1993). High barriers to entry of new firms in the industry lead to reduced competition as well as better performance. Higher communication power in the industry compared to suppliers and customers can also lead to better performance (Grant, 1991). However, some scholars have criticized Porter's five-force model as saying that it provides a limited perspective on environmental analysis. Bensako *et al.,* (2007) argues that the five-pronged approach ignores changes in company strategies and changes in consumer revenue and preferences. The government's influence on the industry was also not taken into account by the model and Bensako *et al.,* (2017) argued that the government as a regulator could affect the profitability of the industry but not the porter model.

Bain (2020) argues that industry trends and the external market environment are key factors in a company's growth. The Market-Based (MBV) concept of the firm focuses on the link between the strategies of the organizations and their external environment. According to Grant (1991) its first basic assumption is that appropriate resources are distributed equally among firms in the industry. The second thought refers to the mobility of these resources, which are in the leading MBV (Barney, 1991). Therefore, for a company to grow, it must rely on its ability to exploit imperfections in the marketplace where it sells its goods or services. This means that the organization must identify a position in the industry where the company can better defend itself against competitive forces or influence them in its yields. In MBV, competitive advantage can be achieved by performing decent work at a lower cost than its competitors or in a unique way that is valuable to customers (Porter, 2008).

Thus, the MBV suggests that research-oriented competing strategies (market focus, differentiation, cost-effective and strategic alliance) can be run separately or in combination and have long-term goals to create a secure position in the industry and perform better than internally competing actors that industry is why the organization is so efficient.

This theory links independent variables Market Focus Strategy, Low Cost Strategy and Differentiation Strategy to organizational performance. It also supports organization performance.

2.3.2 The Resource Based View

Resource-based View theory suggests that resources that are valuable (improving organizations effectiveness and effectiveness), rare (resources held by few or no other competitor, difficult to replicate/imitate (involve legally protected intellectual property such as trademark, patents etc.), and Organized to Capture value(having in place the organizational systems, processes and structure to capitalize on the potential of the resources and capabilities of the firm to provide competitiveness).

Strong skills generate profits for a company’s strategy based on its unique capabilities (Barney, 1991), such as market structure and customer relationships, according to Resource Based View (RBV). This approach has emphasized the importance of unique and unique resources, as well as the company's ability, such as relying on technology and confidential information, to achieve competitive edge (Khana *et al.,* 2020; Tsai and Wang, 2017). From RBV's point of view, market processes are rare, important, and resources difficult to replicate. In addition, it was known as the company's internal ability, and helped to generate long-term profits (Joensuu-Salo *et al.,* 2018; Zhou *et al.,* 2008). According to RBV, market structure is an important organizational skill and strategic asset that has helped organizations improve their business performance (Al Marzooqi and Abdulla, 2020; Kiessling *et al.,* 2016).

Experts registering for the RBV argue that only the most important and useful resources and skills should be considered as sources of competitive advantage. Scholars have used terms such as key skills (Barney, 1991; Prahalad and Hamel, 1994); different skills (Papp and Luftman, 1995) and strategic assets (Amit and Shoemaker, 1993; Mancides and Williamson, 1996) to demonstrate the most valuable resources and capabilities that provide a company with potential competitive advantage.

By creating strategic alliances, organizations expect to acquire resources that leads to positive performance. This theory therefore links Strategic Alliance to Organization Performance.

2.3.3 Dynamic Capabilities Theory

The Dynamic Capabilities Theory, which is a core idea in strategic management, plays an essential part in gaining an understanding of the connection that exists between competitive strategies, market orientation, and the success of a company (Teece, Pisano and Shuen, 1997). According to this school of thought, a company's capacity to innovate, adapt, and reorganize its internal resources and capabilities in response to an ever-changing external environment is one of the most important factors in establishing and maintaining a competitive edge. The Dynamic Capabilities Theory offers a conceptual framework for understanding, in the context of competitive strategies, market orientation, and performance, how businesses can flourish in competitive marketplaces and improve their overall performance (Andreeva and Chayka, 2006).

The Dynamic Capabilities Theory places a strong emphasis on the value of strategic flexibility. Companies that are more able to adapt their competitive strategies in response to shifts in the market environment are those that have dynamic capabilities (Teece, 2009). Because of their flexibility to adapt, they are able to seize new opportunities and confront growing risks, which eventually leads to a higher market position and enhanced performance.

The idea of market orientation, which entails an in-depth grasp of client requirements as well as changes in the market, is strongly associated with the Dynamic Capabilities Theory. Businesses that demonstrate a strong market orientation are in a better position to build and perfect their dynamic capabilities (Helfat *et al.,* 2009). They have the ability to synchronize the reconfiguration of their resources with the ever-changing requirements of the market, which will result in an improvement of both their performance and their competitiveness.

In addition to this, the theory emphasizes the significance of lifelong education as well as creative endeavors. A company's dynamic capabilities include the ability to generate new knowledge, incorporate that knowledge into the organization, and put it to use to improve business performance. This is consistent with the idea that companies that are driven by the market have a stronger market orientation, which places them in a better position to learn from the market and innovate, which can lead to a competitive advantage and higher performance.

Last but not least, the dynamic interplay between competitive strategies, market orientation, and dynamic capabilities highlights the necessity of a comprehensive and adaptable approach to the formulation of strategy. Companies are required to continually assess and modify their competitive strategies in light of the feedback and insights garnered from the market. Their ability to do so effectively is enabled by dynamic capabilities, which in turn enhances their competitiveness and, as a consequence, their performance in dynamic and competitive marketplaces.

This theory therefore links the moderator (Market Orientation) to competitive strategies and organization performance.

2.4 Empirical Literature Review

2.4.1 Market Focus Strategy and organizational performance

The basis for focusing on competitive advantage can be lower costs than competitors working for that segment of the market or the ability to offer niche members something different from their competitors. The main focus is on choosing a market place where buyers have different preferences. A niche is defined by geographical diversity, special needs in product use or special features that attract members, (Stone, 1995).

According to Michael porter (1985), organizations can have competitive advantage by identifying market place. When an organization decides to focus on a specific group of customers, a local market or product line is called a business niche. An organization that identifies that market will have a competitive advantage. Market growth may not necessarily mean an increase in profits but an increase in market share, and in the long run these stock markets will lead to an increase in profits. Uchegbulman *et al.*, (2015) examined the competitive strategies and performance of SMEs in Nigeria. It was established that product features and customer value were related; product customization and sales growth, high value products in addition to good quality products affect Return on Investment.

Odune (2018) conducted a market-based research and performance of communications companies in Port Harcourt. The study used a cross-sectional structure and a simple random strategy was used to select the sample size. The study used secondary data to collect its own data and descriptive statistics and spear-related relationships were used for data analysis and hypothesis testing. The study found that there is a positive relationship between market-focused strategy and organizational performance in telecommunications companies in Port Harcourt. Research has recommended that firms that choose to use market-focused strategies should focus on a small portion and at that stage try to maximize costs or differences.

Mbithi, Muturi and Rambo (2015) conducted research by investigating the effect of market development strategies on the efficiency of the sugar industry. The research focused on two things: developing a new market and growing the market geographically. The researcher used a model in which the indicators of a market development strategy were set back in performance measurements. Findings have shown that the results that extend to new regions and developing new markets do not lead to growing profits. An increase in market share will ultimately have a positive impact on profits. Innovation, promotions, various packages enable organizations to enter new markets. He concluded that research contributes significantly to current marketing strategies by examining how the two aspects of marketing strategies are related differently when measuring performance in the sugar industry. However, managers should use other Michael porter strategies when determining the performance of the sugar industry.

A market focus strategy is based on having a consumer segment with its own needs that cost less to satisfy than other markets. On the other hand, a mind-set strategy based on segmentation depends on the presence of a consumer segment looking for different product features. In the market focus strategy, the company is focused on a specific market segment (Porter, 2007). The company may choose to focus on a selected customer group, product range, location, or line of service (Martin, 1999). For example, some service companies focus exclusively on customer service (Stone, 1995). It also focuses on embracing the competitive environment within the industry. Focus aims to increase market share through niche markets or markets that do not attract, or steal, large competitors. These factors come from many factors including location, consumer characteristics, and product specifications or requirements.

Dulo (2016) clarifies that the focus strategy is different from differentiation and cost leadership strategies as it aims to provide services or products to a specific market group. Once again it emerges that there may be a good relationship between a well-established strategy and a competitive firm as it aims to provide opportunities for entrepreneurs to create and exploit any market gap by coming up with new products or products that customers can find. hard to do without. Achoki (2013) recommends using a highly focused strategy to maximize competitive advantage. Njoroge (2006) stated that a focused strategy is aimed at reducing the market share and focusing on a specific category of products or consumers. Focusing enables firms to focus on their operations in a particular market and thus be able to reap the benefits of competition.

Mahdi *et al.,* (2015) noted that successful firms are able to integrate a variety of product development skills into a small market that they know very well. Some of the risk companies that use their focus strategies should be aware that they include simulations and changes in targeted categories.

An effective focus strategy (Porter, 2007), relies on a segment of the industry large enough to have the potential for positive growth but not significant for other major competitors. Market entry or market development can be an important strategy to focus on. Large and medium-sized firms use strategies that focus on their focus but only on segregation or general low cost strategies.

2.4.2 Low Cost Strategy and Organizational Performance

Under the low cost strategy, a company seeks or intends to position itself as the lowest cost producer in the industry (Porter, 2007). This is reflected in the large-scale production that brings economic benefits to the economy. Other ways to lower costs include, increased power consumption, cost control, efficient distribution efficiency, network establishment and high technology implementation.

According to Folan and Browne (2015), organizational performance is the process of evaluating a company's success against the previously stated goals and objectives. Includes actual results or outcomes compared to the desired results as documented in the organization's programs. Market performance assesses the performance of a firm or product in a market place (Arnold, 2014). Market performance is intended to assess the firm's success in achieving competitive advantage over competitors as noted by market share. Best (2009) argues that market-based measures can be addressed in three phases namely; market position, market profit and market position. Market structure uses market performance metrics which are external measurements of market performance. Marketing profits on the other hand try to associate profits with specific marketing strategies followed by the organization. The current study uses market-based action measures that include market sharing and customer engagement that is most effective in the highly competitive insurance industry. Success indicators are used to demonstrate the effectiveness of shareholders' money being used to generate sales.

According to a study by Kaliappen and Hilman Haim (2013) in Malaysia on how to improve organizational performance using strategic alignment of cost leadership strategies and competitor position. The researcher used the study design of 54 hotels using a low cost strategy. The results showed that low cost strategy had a significant impact on organizational performance. Increased employment could be by increasing market share and profits and reducing customer complaints. The study closes the gap by highlighting the importance of directing low cost strategy and familiarity with competitors in the hotel industry. This can also be borrowed by the sugar industry. However, managers should also adopt other competitive strategies such as product classification and focus to increase efficiency in terms of increasing profits and extending market share. Organizations use low cost strategies as a tool to negotiate with suppliers. This is usually done with the intention of reducing production costs. Altuntas (2014) conducted research on finding the relationship between individual strengths, competitiveness and organizational performance in the restaurant business. The researcher used a list of questions without sampling a restaurant in Istanbul Turkey. The results showed that competitive strategies, especially cost-effective leadership strategy are key to supplier negotiation capacity. Product segregation especially the brand image attracts consumers and can be used as a source of competitive advantage. The researcher also says that human resources are the key to performance. Research contributes to how to inform low cost strategy, product classification and human resources by telling how they can be used to improve organizational performance. However, the researcher did not look at the effect of a focus niche (Market niche) that could increase organizational performance. Focus is very important because it increases the total sales value after the introduction of new markets. Strategies can also be researched in the sugar industry. Agricultural businesses use competitive strategies to increase organizational performance.

Navulur and Kofand (2015) examined the impact of competitive strategies on competitive advantage in organizational performance in India. Using a different research design; distributed questionnaires to 53 farmers. The results showed that the competitive strategy had a positive impact on the performance of the organization. The findings revealed that low cost strategy has a greater impact on the performance of agribusiness rather than focus on product diversification. This means that organizations that invest heavily in reducing production and distribution costs are more likely to increase their performance, including increased profits. The research contributes to the emphasis on the need for the organization to invest in common strategies to increase efficiency. However, common techniques can also be used in the sugar industry.

A study by Tanwar (2013) shows that with cost leadership, a company can identify and use all sources of revenue for the purpose of becoming the lowest cost producer in the industry. The basis of this strategy is efficiency. By combining effective processes across the organization and in all relevant activities, a company is able to reduce costs and offer lower prices than its competitors.

A study by Marques *et al.*, (2000), which examines 12 major firms in the Portuguese glass industry, concluded that companies with the highest potential for equity were pursuing a cost-effective leadership strategy based on productivity and cost-effective production strategy.

Bull and Omundi (2017) explored SMES competition strategies in the Nairobi Central Business District find that SMES needs to implement and invest in low cost strategies and in particular build relationships with service providers, providers and other additional facilities as it will enable them to gain competitive advantage.

According to Price Waterhouse Coopers (2016), examples of cost-cutting strategies a company can use to manage and control its costs include, abandoning non-essential activities that have no cost benefits; outsourcing certain activities, for example salary processing; intensive research and development of innovation and continuous improvement; automated processes or the use of technology for optimal performance; simplifying efficiency processes and direct integration to reduce costs. These strategies may have high initial efficiency but if used effectively, the benefits will outweigh the costs (Gildemeister *et al.*, 2013). Competitive strategies increase organizational performance by increasing profits, increasing market share and reducing customer complaints.

Similarly, in a related study, Nazir, Jariko and June (2013) conducted research on factors affecting sugarcane production in Pakistan. The results showed that high production costs, low production prices and delays in payment to farmers had a significant impact on the poor performance of the sugar industry in Pakistan. On the other hand, related research was done on the performance of sugar factories. Chidoko and Chimwai (2011) researched the economic challenges of sugarcane production in the lowlands of Zimbabwe. It pointed out that there are many challenges affecting sugarcane production including delays in payments, poor governance and illegal infrastructure.

Arasa and Gathinji (2014) examined the relationship between competitive strategies such as cost leadership, product differentiation and focus on organizational performance between firms in the telecommunications industry in Kenya. When using the survey design design of 63 communication staff members, the findings showed that cost leadership and product classification are the main strategies used by organizations. The study offers the argument that an organization must have low production costs and that employees are committed to low cost strategies in order to be competitively competitive. However, the organization should adopt more competitive strategies to integrate and focus so that new markets can be used over time and expand market segments as local markets.

A low cost strategy is a way to reduce or control production costs, which are used by various organizations to improve their performance. Nyauncho and Nyagara (2015) examined the effect of low cost strategy on the operation of liquefied petroleum gas in companies in Eldoret, Kenya. The researcher used a research project of 175 people with 10 station managers, 40 Heads of Departments, 20 chiefs and 105 staff members. The results showed that there was a positive correlation between cost leadership strategies and organizational performance. The findings showed that general strategies enable the company to lower commodity prices after reducing production costs in terms of sales value, profitability and increased service delivery, reduced operating costs and losses.

A low cost strategy is a very important strategy for improving organizational performance but other common strategies can be a source of increased efficiency. When these three strategies are combined they can improve the performance of the organization. (Cost leadership, product division and focus) Competitive strategies play a major role in organizational performance. Atikiya, Mukulu and Waiganjo (2015) conducted a study by investigating the impact of low cost strategy on the operation of manufacturing factories in Kenya, using research questions for research projects and target population of 131 firms from key sub-sectors located in Nairobi. . They found that there was a positive relationship between cost leadership and organizational performance (manufacturing firms). However, research emphasizes low cost strategy but does not look at other strategies (focus and product classification) that can also contribute to better performance when used together. There is a close relationship between low cost strategy and quality management and financial performance of an organization. Kurt and Zehir (2016) conducted research by investigating the relationship between low cost strategy, total quality management applications and firm financial performance. The researchers applied the research design using 142 executive respondents of large firms. The results showed that low cost is in line with the company's financial performance. However, the researcher looked down on some common strategies that are in the process of improving organizational performance. These are the strategies; cost leadership, product classification and focus. The researcher also did not look at the Birjandi, Jahromi and Somaye sugar industries. (2014) conducted a study in Tehran on the impact of low cost strategy on Return on Asset and future performance on the company's Tehran Security Exchange (TSE). The use of 45 firms on the Tehran Security Exchange in the discovery of a survey design design showed that firms using cost-effective strategies had a positive relationship between sales rates and higher costs and increased sales. This means that the problems that sugar companies face in Africa are the same. Unless these problems are resolved, production will continue to be very low. Kabura (2014) conducted a study examining the impact of liberation and competitive strategies adopted by sugar milling companies in Kenya. The descriptive design of the category survey was used in 9 sugar processing factories in Kenya and a census was used by 3-5 executives across the company. The findings revealed that there has been a slight adoption of competitive strategies that include cost leadership, focus and product classification. Research contributes to the adoption of competitive strategies and innovation through the use of information technology in production. However, the manager should look for ways to convince organizational executives and stakeholders to use all the usual integration and focus strategies that will in time increase market share and reduce consumer complaints. Low cost strategy is that an organization uses lower production costs compared to other organizations in the same industry. This strategy gives the organization a competitive edge over competitors in the industry. Money. (2015) considers low cost strategy to be the way an organization produces products and services at low cost and at the same time distribute those products at low cost. Organizations that use different strategies to increase their performance often achieve some of the goals. Wachiye conducted research by examining the strategic responses of various companies in the Kenyan sugar industry especially the sugar company Mumias and how companies are preparing for the implementation of the COMESA Free Trade Agreement. The descriptive research design of 11 companies in Kenya was used. The results showed that the major challenges in the sugar industry were high cost of farm inputs, economic instability of farmers 'farms, poor management of farmers' facilities and a lack of diversification. Research contributes to research by suggesting that strategic responses are very important in reducing production costs

(Kinyuira (2014) conducted a study in Murang'a, Kenya The researcher examined the impact of Michael Porter's Generic Competitive strategy on Murang'a County SACCOs on performance. Research has contributed to understanding General strategies and SACCOs that follow standard strategies that achieve higher performance. This means that performance can be improved by rising profits, rising market share and reducing consumer complaints. of cost and product classification to be competitively competitive compared to their competitors.

According to Porter (2007), competitive strategies are actually long-term plans for the firm as it seeks to build sustainable competitive advantage over its competitors in the industry. The pursuit of competitive strategies is aimed at building a defensive position in the industry and generating high returns on investment. They touch on the details of a successful competitive management game program and gaining a competitive edge over competitors (Akan *et al.,* 2016). Competitive strategies followed by firms include low cost strategy, segregation strategy, focused cost strategy and targeted segregation strategy. The dividing line between

Many findings support the theory that cost leadership as part of Michael porter's general strategy positively affects organizational performance. Based on Wachiye's (2012) findings while examining the reaction of various companies in Kenya's sugar industry; he concluded that it was because of the high cost of farm installation that companies were making less profit. A study by Kalliapen and Hilman (2013) conducted in Malaysia using 54 hotels on organizational performance improvement and strategic cost planning strategies showed that there was a significant positive impact on organizational performance. The low cost strategy has a significant positive impact on the performance of the telecommunications industry in Kenya. This is evidenced by a study by Arasa and Gathinji (2014) research, which was about the relationship between competing strategies in organizational performance in the communications industry. Kabura (2020) researched the impact of liberation and competitive strategies adopted by sugar companies in Kenya and found that there is a positive effect of low cost strategy on supplier negotiation capacity.

There is agreement that the low cost strategy has a positive impact on the performance of the sugar industry in Kenya. The findings of Wekesa (2014) have shown that in terms of research the impact of competitive strategies on how they affect the performance of the sugar industry in Kenya. Navulur and. Kofand (2015) argues that strategies affect the functioning of an agricultural business organization. The findings highlighted the positive impact of low cost strategy on agribusiness. Nyauncho and Nyagara. (2015) confirmed by research conducted on general strategies have a positive impact on organizational performance. The study was conducted on liquidified petroleum gas in Eldoret, Kenya. Atikiya, Elder and Waiganjo. (2015) have shown that low cost strategy has a positive impact on Kenyan manufacturing firms. Kurt and Zehir (2016) have shown low cost has a positive impact on financial performance.

2.4.3 Differentiation Strategy and Organizational Performance

The split strategy involves the development of capabilities that can give a company a different performance advantage over other competitors. The classification strategy is when an organization tries to gain competitive advantage by increasing the estimated value of their products or services compared to the estimated value of other companies' products or services. In order to implement these strategies effectively, organizations need to have an accurate view of the current competitive environment to convince customers about the features of sustainable products (Pondeville, Swaen and de Rongé, 2013).

Some organizations use competitive strategies, especially product classification but there is no significant increase in performance. This means they are stuck in the middle.

Mohammed and Aliqah. (2012) conducted research by investigating the relationship between the separation strategy and organizational performance on the Amanan stock exchange in Jordan companies. The researcher used 33 industrial companies on the Amanam stock exchange, using a research design. The results showed that, the division strategy did not have a significant impact on the performance of those companies. The study offers to suggest the introduction of different sizes of product separation strategies to improve performance. However different managers of different organizations have to use common strategies to maximize performance. For example, a cost and focus leadership strategy stems from being part of a product division. The researcher focused on stock trading alone and did not look to other organizations such as the sugar industry to reach a conclusion. The effectiveness of an organization is largely dependent on the strategies it adopts. For example, Michael porter's competitive strategy has three strategies: cost leadership, focus and product classification.

Stanislaw Lenka and Komar (2013) conducted research in the Czech Republic on the decisions of a successful divorce strategy. The researcher used the research design of 114 businesses that use the classification strategy as a strategic framework. The findings revealed that the success of a business depends largely on the level of strategic planning. The study is influential in recommending that managers should develop strategies from a global perspective. However, the researcher has never been outspoken about how segregation affects organizational success. The researcher looked at the strategy of segregation and ignored some of Michael porter's common strategies: focus and cost leadership. It did not look at the sugar industry which is why it should be considered.

Product segregation as one of Michael porter's most common strategies has a major impact on organizational performance.

According to a study by Febrianti and Dora (2013), it investigated the impact or improvement of product segmentation and customer relationship management in order to improve innovation and efforts to establish a batik image affecting marketing performance in Indonesia. The researcher used the descriptive research method. using a sample size of 200 small businesses in Cirebon east of Java. Findings have shown that product classification has a very positive effect on market performance. The study concluded that the study was instrumental in encouraging managers to embrace product diversity if they wanted to achieve a set goal in terms of performance. However, he said there was a need to look at some of Michael porter's general strategies, cost leadership and focus on organizational performance. In some industries, product diversity has little effect on organizational performance.

Aykan and AKsoylu (2013) conducted a study by investigating the effects of competitive strategies and strategic management strategies on the estimated performance of volume and quality of medium and large business in Kayseri Turkey. The researcher recruited 229 accounting managers through a multidisciplinary research project. Findings have shown that the relationship between product classification and perceived performance is low. He concluded that the research had contributed to the development of alternative therapies that could help the organization to see high performance. He also pointed out that there is a need to look at some of the common Michael porter strategies that also decide to work. They include focus and cost leadership. Michael porter's competitive strategy, product classification has an impact on organizational performance. Zehira, Canb and Karabogac (2015) argue that since the turn of the millennium, due to global trade speed, competition momentum has increased and as a result firms are more focused on building and implementing business models that will provide them with competition. more than other industry players

A study by Shawifu and Muhammed (2013) investigated the impact of product segregation on the performance of oil companies in Ghana. The study was conducted using a separate research project and a sample size of 15 oil companies in Ghana, of which 14 were privately owned and one was state-owned. Managers, H.O.D and directors were the most targeted and the only ones who filled out the questionnaire. Research results have shown that there is a positive relationship between product differentiation and the benefits of. The researcher concluded that the study was instrumental in motivating the organization to continue to differentiate multiple products in order to increase organizational performance. At the same time, he said it would encourage organizations to raise awareness about the product with a view to increasing efficiency. He also said that there is a need for management to implement some of Michael porter's most common strategies: low cost and focus strategies to maximize profits, reduce consumer complaints, increase sales and market share. Product segregation can be used as a source of good performance; increased sales, increased market share, reduced complaints and increased profits.

Dirisu, Oluwole and Ibidunni (2016) evaluated product segregation as a tool for competitive advantage and good corporate performance at Unilever Nigeria (PLC). The design of the study used in the survey. The researcher targeted local consumers because they could compare with the products of their competitors. They also direct the staff of Unilever Company Nigeria. The sample was 323 respondents from schools, banks and shopping malls. Research results have shown a positive correlation between high quality products and organizational sales growth. It also pointed out that there is a strong relationship between new products, innovation and customer satisfaction. He concluded that there is a positive relationship between product design and sales growth. From the results, it means that product segregation has a strong impact on organizational performance because sales have increased, customers are satisfied after consuming the products. He also said executives should use other common Michael porter strategies such as focusing on cost leadership strategies to maximize organizational performance. Different products may be charged higher prices than non-differentiated products.

Estenban. Brens (2014) conducted research in Latin America and determined the impact of differentiation strategies on emerging markets. The study was conducted using surveys and interviews using a sample size of 66 countries based on agribusiness based in eight Latin American countries. The results showed that the separation strategy had a positive impact on the functioning of the organization. He concluded that organizations need to develop a strategy to differentiate products in order to be more efficient. He also said that managers of various organizations should use some of Michael porter's common strategies as a source of competitive advantage and a tool to increase efficiency. Product segregation can be used by small and medium enterprises as a tool to increase their efficiency.

Sukesti, Nurhayati and Karim. (2014) analyzed the impact of product classification and regulation on small and medium enterprises in Semarang Indonesia. The study was conducted using the study design design and a questionnaire was distributed to 100 respondents. The results show that product diversification has a positive impact on the performance of small and medium enterprises and government regulations. He also said that managers should use some of Michael porter's common strategies (focus and cost leadership that lead to high performance. When products are diversified, they attract customers.

Cemal zahir (2015) determined the role of product differentiation strategy and innovation in practice in Turkey. The research design was used in a study aimed at 199 middle and senior executives in 331 medium and large companies operating in the manufacturing industry operating in Turkey. Research has shown that product classification and innovation have a mediating effect on organizational performance. Research has shown that product fragmentation and innovation are the keys to organizational performance. However, managers of other industries such as the sugar industry can use them to make them more efficient. Managers should also use other common Michael porter strategies (focus and cost leadership) to be able to see better performance such as rising sales, increasing market share, reducing customer complaints. Almost every organization uses Michael porter's competitive strategy to improve performance. Others use product divisions to compete.

Koya (2015) examined the impact of Generic competitive strategies on the performance of small and medium enterprises in Turkey. The research design was applied to 70 small and medium-sized enterprises taken from the Turkish machinery and equipment industry. Research has shown that product diversification has the potential to improve the performance of small and medium enterprises. Research encourages the use of product segregation to work better for small and medium enterprises. However, managers are encouraged to use other common Michael porter strategies such as cost and focus leadership. When the three most common strategies are used together, an organization will have better performance than one strategy. A combination of Michael porter's general strategies (cost leadership, product division and focus) can give the organization a better performance.

Pulaj, Kume and Cipi. (2015) determined the relationship between competitive strategies and organizational performance in construction companies in Albania. A simple random method was used to select 110 company samples. Research has shown that cost leadership and product classification have an impact on organizational performance especially in a construction company. However, managers should not only emphasize these two strategies (cost leadership and product classification) but also use new markets and over time performance will improve. These techniques can also be used by other industries such as the sugar industry When products are categorized, which means they have different characteristics than competitors' products including color, size, quality, which will influence how consumers perceive them. This will make consumers buy themselves or prices increase and consumers will not complain about the satisfaction they get.

Marjani and Keshavarzi (2015) examined the impact of differentiation on competitive advantage in Tehran (Iraq) The researcher used a descriptive research design with a targeted number of 95 respondents collected from experts and supervisors of exotic perfumes. Findings have shown that that dividing strategy has a positive effect on gaining competitive advantage in the niche market. Research has suggested that managers should attend courses that will make them aware of customer needs. However, managers should use other common Michael porter techniques such as cost leadership, product classification and focus to see efficiency. If the three strategies are put together the organization will have more opportunities to compete in the industry than its key competitors. Global markets can be used as an entry point where Michael porter's competitive strategies are widely used to diversify and focus products.

Kingoo (2015) investigated the effect of a product segregation strategy on the distribution of the tea industry market in Kenya. The study was conducted using a separate experimental project using a total of 72 people who export tea to Kenya. The findings indicated that the classification of products in the price of products with a date was higher than the price. It has found that product features are a widely accepted strategy. Research suggests that tea companies in Kenya should embrace the difference that will make them more competitive in the global market. However, managers should adopt other Michael porter strategies such as focus and cost leadership that can serve as a competitive advantage when they enter the global market. Product segregation makes customers satisfied and more loyal to the organization because of product features. It also makes customers curious and wants to test the product. This leads to an increase in market share.

Kireru, Ombui and Omwenga (2016) developed the impact of product differentiation strategies on gaining competitive advantage in commercial banks in Kenya. A descriptive research design was implemented and 100 respondents included managers, staff working at Equity bank headquarters (Nairobi) were selected. Findings have shown that the largest supplier of high profits received by Equity bank is associated with providing customers with products in a way that they are satisfied. Research has suggested continuous product segregation in order to further increase organizational performance. Recommends the following products: ATM, training, consultation, lending services, Agency bank and wallet transfer services. However, managers should use other common Michael porter strategies such as focus and low cost strategies that will lead to increased performance.

Abonda (2017) also highlights features such as packaging the same service or products with different types targeted to specific markets, branding the company to be very different from that and its products different from other competitors, emphasizing quality improvement and to come up with high quality products that enhance the competitive advantage of the company. Bukirwa and Kising'u (2017) state that in terms of statistics, the division strategy has a significant impact on the competitive advantage of organizations.

Manufacturing industries operate in a profitable market but face the challenge of high competition locally and globally and this creates the need for adoption of appropriate segregation processes (Bordes, 2009). Many firms have had their market share dwindling or failing to grow due to segregation challenges and lack of strategies to improve diversification (Baines and Langfield-Smith, 2013). In a divisive strategy, some studies have refuted the myth that there is a positive effect on a divisive strategy and organizational performance.

Mohammed and Alqah (2012) conducted a study on the effect of product classification on stock trading performance. The findings revealed that there was no good relationship between the two. The separation strategy has a positive impact on the functioning of the organization. Separation strategy has an impact on market performance. From a study by Fabrianti and Dora (2013) have shown that classification strategies have a positive impact on marketing performance. A study by Shawifu. and Muhammad. (2013) also showed that product classification has an appositive effect on organizational performance.

Dirisu, Oluwole. and Ibidunni (2013) have shown that product classification can be used as a competitive and profitable tool in an organization like Unilever companies. A study conducted at the Nigeria Unilever Company showed a positive effect of product segregation on company performance in terms of increased sales. The success of a business depends on a number of strategies. The findings of Stanislau Lenka and Komar (2013) have shown that the separation strategy has a positive effect on business performance. Aykan. and Aksoylu (2013) findings have shown that it has a positive effect on the division of labor into medium and large business operations at Kayseri.

Garlic. Sekesti, Nurhayati and Karim (2014) while analyzing the impact of product segregation, government regulations affect the performance of Semarang Indonesia, the findings of which have a positive effect on segregation strategy on organizational performance. Cemal zahir (2015) while determining the role of product division and innovation in small and medium enterprises in the manufacturing industry in Turkey. The findings revealed that there is a positive relationship between segmentation strategies and innovation in small and medium enterprise operations. Although Kaya (2015) examined the impact of common strategies on the performance of small and medium enterprises in Turkey, the findings showed a positive effect on product divergence in the performance of small and medium enterprises in Turkey. Pulaj, Kume and Cipi. (2015) when determining the relationship between competitive strategies and organizational performance in construction companies in Albania. The findings indicated that there was a positive relationship between product segregation and construction firms in Albania. Kashavarzi (2015) examined the impact of a differentiating strategy on achieving competitive advantage in Tehran (Iraq). The findings showed that the size of the segmentation strategy had a positive impact on the market niche gain. Kingoo (2015) investigated the effect of a segregation strategy on the market of tea factory companies in Kenya. The findings showed that there is a positive impact of the segregation strategy on the operation of the tea industry in Kenya. Kireru, Ombui. and Bride (2016) established the impact of product differentiation strategies on gaining competitive advantage in commercial banks in Kenya. The findings indicated that there was a positive impact on product segregation in commercial banks.

2.4.4 Strategic Alliances and Organizational Performance

Competitively profit-making bid has made strategic alliances expand in the current business world, this is happening through organizations that combine their assets. Successful co-operatives are the foundation of this success and improved organizational performance (Nyakango, 2013). Mike Nevin, (2014) went on to say that strategic alliances were no longer something outside of marketing, business planning and marketing; they have become an essential element in creating a vibrant business growth and delivering world-class products and services to the most sought-after set of global customers.

One important reason for participating in strategic alliances is to improve organizational performance. Among other performance indicators, many authors emphasize the importance of profitability as a key indicator of performance and competitiveness (Stojcic and Vojvodic, 2012). Many manufacturing companies in the Netherlands that have formed strategic alliances are experiencing better organizational performance compared to those that have failed to implement any type of partnership (Collins, 2014).

Ketchen and Palmer, (2013) conducted research on the effectiveness of strategic alliances in the textile industry. He used a long-term research project while interviewing 300 executives in various regions with textile industries. The results showed that textile companies that worked with the strategies performed better compared to companies that did not take any kind of strategic alliance. The results of this study found that strategic collaboration led to increased organizational performance.

According to Wang et al. (2018) Coalition is an option to increase market power, increase political power, increase research, production and marketing or other activities, and provide better product and services. Co-operatives play an important role in sustainable survival, providing access to critical resources that enable them to gain and maintain competitive advantages in a turbulent economic environment (Cobeña *et al.,* 2017). According to Keith (2020), co-operatives' letters have shifted their focus to co-operative business communications. In addition, the new aspect of the alliance is focused on collections and other types of organizations among small firms such as MFIs to influence the economic process through the benefits of allied-based production. It is clearly argued that the success of the European trade sector is predicted in a system that integrates risk across all public and private institutions (Gundolf, Jaouen and Gast, 2018). Islam, Hossain and Mia (2018) recognizes that small firms such as small financial institutions do not have to take full responsibility for developing new technologies, finding new markets or training skilled workers to provide quality products and services. This can be achieved through the formation of strategic alliances. Research has confirmed that co-operative firms tend to innovate and produce better financial performance (Bawe, and Zahra, 2019; Degener, Maurer and Bort, 2018; Hagedoorn, Lokshin, and Zobel, 2018).On the other hand, some research have shown that diversity in alliance is yet important because it helps the firms to have a wider scope of alliance as well as access to diverse resources. For instance, Chung, Kim and Kang (2019) note that if alliances cover similar technologies and there is redundancy in the alliance portfolio, performance may be negatively affected, and more cessations observed. In addition, as the complexity of managing a heterogeneous portfolio of alliances increases, coordination among alliances and effective allocation of resources becomes challenging (Das and Teng, 2019; de Man and Luvison, 2019). Management of conflicting demands of multiple and heterogeneous partners as well as monitoring and controlling of the performance of a large-scope portfolio may make alliance activity less effective (Chung, Kim and Kang, 2019).

According to O'Dwyer and Gilmore (2018), strategic alliance is a purposive relationship between two or more independent firms that involves the exchange, sharing, or co-development of resources or capabilities to achieve mutually relevant benefits. It involves integrating the firm capabilities with another firm as partners in order to create synergy for better performance. Further, Burgelman (2020) defined strategic alliance as a strategic coalition which needs a good partner to conduct a developing partnership, where organizational resources and capabilities are equitably shared and new ones are acquired and developed.

Similarly, Yuan, *et al*,. (2018), describe strategic alliances as collaborative efforts between two or more firms which pool their resources in an attempt to realize mutually compatible goals that they could not achieve easily alone. Strategic alliance brings about a cooperation among partners looking to share their resources soon mutually improve their performance either through learning and knowledge sharing, or through creating opportunities to create competiveness. Furthermore, strategic alliance has to contribute to the successful implementation of the strategic plan; therefore, the alliance must be strategic in nature. The relationship has got to be supported by executive leadership and formed by lower management at the highest step macro level. While the subsequent doesn’t represent a comprehensive definition for a strategic alliance, at this stage, one might define a strategic alliance as a relationship between organizations for the purposes of achieving successful implementation of a strategic plan (Gundolf, Jaouen and Gast, 2018).

According to some researchers, the success of any single alliance depends on some key factors that are relevant at each stage of alliance evolution (Degener, Maurer and Bort, 2018). These include (a) the formation phase, wherein a firm deciding to initiate an alliance selects an appropriate partner, (b) the design phase, wherein a firm (and its partner) set up appropriate governance to oversee the alliance, and (c) the post formation phase, wherein a firm manages the alliance on an ongoing basis to realize value (Haghighi and Jalali, 2018; Xia, *et al.*, 2018). Keith (2020) investigated how to make alliance count through creating innovation for spearheading growth in the company. The results of the study indicated that strategic alliances facilitate the growth of companies though gained access to foreign market and increase organization performance through experience and knowledge. The author concluded that the basic conditions in entering the strategic alliance, methods of forming alliances, types of alliances and elements of alliances.

Ko, et al. (2020) carried out a research on the effects of strategic alliance emphasis and marketing efficiency on firm value under different technological environments. The research was based on data from 337 alliances from 1994 to 2014. Of these alliances, 177 involved computer equipment companies and 160 involved food companies. The results showed that market efficiency create no value in a high-tech industry and that there exists a negative effect of market efficiency on firm value in low-tech industry. In addition, the type of strategic alliance does not have statistical influence on firm value.

Kim (2016) conducted a study on the effect of strategic alliance types such as joint venture, techn ical alliance, joint technical development and joint marketing on firm productivity in South Korea. The study employed a two -stage-least squares method and found that joint ventures positively affect firm performance and that the formation of international intra-industry alliances has a positive impact on firm performance.

Hung and Lin (2015) conducted a study to investigate how competitive priorities relate to organization performance, with the inclusion of strategic alliances; its mediating effect is examined for MFIs in Taiwan. The study used SEM as data analysis tool. The study results showed that quality and flexibility priorities can improve organization performance. Cost priority can influence the management of strategic alliances. Strategic alliances directly influence firm performance. Through the full mediating effect of strategic alliances, cost priority enables a positive impact on organization performance.

Muthoka and Oduor (2014) investigated the effects of Strategic Alliances on Organizational Performance: Supermarkets and their Alliances in Kenya. The study employed a multiple regression model to analyze data and the study findings showed that strategic alliances positively and significantly affect supermarket performance. The study results indicated that technological strategic alliances have no significant impact on the levels of performance of a firm. They also indicated that there was a weak, negative effect on production strategic alliances and performance, for the supermarkets while for supermarket alliances there was a large, positive effect on the two variables. There was a strong, positive effect on marketing strategic alliances and performance for the supermarkets. In general, the results indicated that strategic alliances had a strong relationship with supermarket performance.

Similarly, Muange and Maru (2015) conducted research within the purpose of determining the effect of strategic contracts on robust performance and the effect of solid size estimates on retail organizations in Nairobi County in Kenya. Research findings have shown that joint marketing agreements, suppliers' associations, manufacturing co-operatives, and technology development co-operatives have a significant impact and positive impact on the organization's performance. Therefore, their findings also showed that collaborative marketing, procurement supplier, joint production, and technology development agreements in particular improve organizational performance. In addition, the authors conclude that strategic collaboration helps firms improve productivity, productivity efficiency, and profitability. It also helps within product availability for end users. Lastly, it also enables firms to participate more in community-based corporate projects and improve the quality of life of the communities around them. For strategic alliances to be successful there must be a degree of cooperation between the coalition partners.

According to Albers (2019), co-op is a collaborative work of different partners within a given setting and involves actors, work and performance. In these partnerships, there are relationships where individuals, groups and organizations share by sharing relevant skills and resources, or using these for mutual benefit. Therefore, we can view co-operation as a prerequisite for a co-operative plan that includes a pre-existing situation that requires the involvement of two or more parties in exchange based on or sharing of related resources or skills.

Degener, Maurer and Bort (2018) argue that working with other organizations through the federation, may encourage the transfer of knowledge, leading to the creation of resources that may be difficult to integrate and develop. Partnerships result in many factory benefits including the division of cost for the latest product development and services between co-operatives, reduced lead times and as a contribution to the critical skills of various involved partners (Burkhardt, 2018). It is therefore necessary to fully evaluate potential partners, as the selection of partners may affect the profitability firms can receive from the federation (Degener, Maurer and Bort, 2018).

Wang et al. (2018) argue that the success of a coalition is largely influenced by the choice of intelligent partners. In order to achieve a successful strategic alliance, partners must choose a strategy that ‘suits’ their motivation that can lead to the desired results.

The main focus is on the word "fit" which means that according to Baaij and Reinmoeller (2018) it means that our allied colleagues in the federation have chosen the best type of alliance that directs their motives.

Burgelman (2020) also described strategy equity as a way to ensure a winning strategy that aligns with the core motivations of partners in a coalition. In addition, de Man and Luvison (2019) emphasized that building a good strategic balance may be a requirement of any coalition success. At the same time, Gundolf et al. (2018) noted that allied partners should both have ambitious ambitions that will drive the coalition to meet the organizational goals aimed at such partnerships.

2.4.5 Moderating Variable - Market Orientation and Organizational Performance

Moderate variability refers to variations "affecting the environment (e.g., magnitude and / or Memon *et al.,* 2019 © 2019 Journal of Applied Structural Equation Modelling directional orientation) of antecedent effect on effect" (Aguinis, Edwards, and Bradley, 2017).

Market orientation values (customer, competitors, and intermediate performance) which are positively related to customer satisfaction, effective response to competitors' actions and improving long-term profitability (Attia, 2013).

Statistically, equity is when the relationship between independent variables and dependent variables changes according to the value of presidential variables (Dawson, 2014). Additionally, variable dynamics are important to assess whether the two variables have the same relevance across all groups. Overall, the benchmark model speaks of “when” or “who” variables strongly define or cause outcome variables (Frazier *et al.*, 2004).

In most cases, the moderator could be a preliminary (independent variable) tested in previous studies or a contextual element that is found to be relevant across all research fields. Froese, Peltokorpi, Varma, and Hitotsuyanagi Hansel (2018) provide a good example of such a way in which authors point to incomplete preliminary findings as a basis for examining the statistical effects of employee statistics between rewards based on achievement and job satisfaction. In addition, dynamic moderation can also be explored for the purpose of new theoretical knowledge (Andersson *et al.*, 2014). For example, Hauff, Richter, and Tressin (2015) filled the research gap by investigating how national culture measures the impact of different occupational traits on job satisfaction. In any case, strong theoretical support is needed to justify the inclusion of measurement variables in the existing or experimental model.

Market orientation is a philosophy of marketing strategy that promotes the organisation's ability to deliver both internal and external customers with high quality goods and services (Crick 2019). MO is a method used to develop a company rating model to integrate external variables that affect a company. In doing so, the company can identify and respond to the needs of its customers and provide the goods and services that best suit those needs, thus providing the MO with the key tool in creating a sustainable competitive environment (Narver and Slater 1990; Pandey and Khare 2015). General literature on customer/market stance provides confidence in customer value in generating value for both business and customers (Kirca, Jayachandran, and Bearden 2005). According to a statement by Salimi et al. (2019), Market Orientation is a change that affects market performance.

According to Purwanto et al. (2021), Purwanto *et al.*, (2019), Salimi *et al.*, (2019), explained that Market Orientation is prudent behavior in order to achieve the required objectives in line with expected conditions. Research findings According to Purwanto *et al*,. (2019), Salimi et al. (2019) show that Market Orientation has a positive impact on marketing performance.

A study by Nguyen et al. (2015), Purwanto et al. (2021), Purwanto *et al.,* (2021), Purwanto et al. (2019), Salimi et al. (2019) also shows the same thing that Market Orientation has an effect on marketing performance.

Market trends reflect the positive impact of business performance on SMEs and are supported by the results of Šályová, Táborecká, Nedelová, and Jaroslav (2015); and Buli (2017). It has been shown strongly that marketing processes improve the financial outcome of an organization. Organizational processes of strong market conditions indicate a deep involvement in the identification of new opportunities and growth opportunities (Hussain *et al.*, 2021; Reijonen *et al.*, 2014). As a result, firm-marketed firms are more likely to have strong customer engagement, provide greater customer base, and achieve long-term success (Fan *et al.,* 2016; Habib *et al.,* 2020). Based on Bodlaj (2010), market-focused offers better business performance. According to Wijesekara *et al.,* (2016), the market orientation of the firm was a significant factor contributing to strong performance. Market orientation has been shown to have a significant impact on robust performance in various disciplines. (Hinson *et al.,* 2017; Mahmoud, 2016; Migliori *et al.,* 2019; Presutti and Odor ici, 2019). The relationship between market oreintation and strong performance, on the other hand, has produced mixed results. There is a good correlation between market dynamics and strong performance, according to many powerful studies (Amin *et al.,* 2016; Beneke *et al.,* 2016; Fatach and Nursyamsiah, 2019; Jaiyeoba, 2014; Joensuu-Salo *et al.,* 2018;; Kharabsheh *et al.,* 2017; Mahrous and Genedy, 2019; Mamun *et al.,* 2018; Powers *et al.,* 2015; Ingoma *et al.,* 2015; Tsai and Wang, 2017; Tseng and Liao, 2015; Webster *et al.*, 2015; Tsai and Wang, 2017; Tseng and Liao, 2015; Webster *et al.*, 2014; Yadav *et al.*, 2019).

Similarly, there have been a few studies that have shown an association between market oreintation, innovation, and corporate performance (Hurley and Hult, 1998; Jaworski, Kohli, and Sahay, 2000; Slater and Narver, 1998). Another study conducted by SMEs in Indonesia shows that there is no significant relationship between market orientation and marketing performance and better re-branding of local product, increasing market performance (Winarso, 2020).

Previous research has shown a positive relationship between Market orientation and the performance of the Organization and further confirmed the importance of market orientation in determining strong performance (Ahmad, 2011; Chao and Spillan, 2010; Eris and Ozmen, 2012; Hoq and Chauhan, 2011; Sullivan and Butler, 2009). In addition, market oreintation enable businesses to experience the shocks of changing and complex business environment while taking advantage of new business opportunities (Buli, 2017).

Many market-focused studies have concluded that market-based culture is an important predictor of improved business performance because it places higher value on customer needs, while market-focused business strives to improve customer satisfaction, thereby increasing effective performance (Ali, *et al.*, 2017; Olabode, *et al.,* 2018; Morgan, *et al.,* 2019). As a result, marketing literature has taken MO as an integral part of the organization's culture (Morgan, *et al.,* 2019; Raju *et al.*, 2011).

Researchers view market orientation as a business philosophy that focuses on collecting information from customers and competitors and collaborating on shared efforts to produce a number of customers and the business as a whole (Julian, Mohamad, Ahmed, and Sefnedi, 2014). The dynamic nature of the business environment calls for a level of market standing for the customer, competitors, and level of interaction across all business units (Ladan *et al.,* 2014). It is therefore important to note that an organization is unlikely to survive if it does not support a market-based culture in its business activities (Attia, 2013).

Previous research by Harris and Ogbonna (1999) focused on looking at the relationship between market structure and organizational performance. The research sample used is 1000 different industry units and is subject to conditions for large and medium enterprises. Market position is measured using the tools of Narver and Slater (1990). Although the performance indicators are: consumer satisfaction, sales growth, market share, competitive profit and sales value. The results showed that there was an important relationship between market structure and organizational performance.

Asgar *et al.,* (2013) conducted a study of the relationship between market trends and business performance in small and medium enterprises. The results show that there is a positive and significant relationship between market orientation and business performance. This result is in line with the findings of Baker and Sinkula (2009). Asikhia (Asikhia, 2010) stated that customer familiarity as one of the major market staples has a significant impact on business performance. There are variables in the balance between customer management relationships and business operations namely management information systems and management attitudes.

Apiah-Adu (2011) examined market trends and performance in transformational economies (Ghana). The researcher asserts that although management manuals are full of solid lessons about market structure, the evidence-based study to date suggests that most studies are based on industrialized countries. The author goes on to say that in spite of the fact that the business environment in many developing countries is changing rapidly, thus contributing to the transformation of organizations from established to promoting development, dynamic research involving market marketing in developing countries remains relatively insignificant. The results indicate that although the market structure does not appear to have a complete effect on sales growth or return on investment, the competitive environment controls the interaction of market performance.

Motivational studies and business experiences show that market-oriented behaviors such as culture and efforts to understand customer needs cannot interfere with export performance; contradicts the results of research that states that market structure and business performance have a significant positive effect (Huhtala, Sihvonen, Frösén, Jaakkola, and Tikkanen, 2014). The process of creating a high customer value is directly related to the competitive advantage and business performance (Buli, 2017).

According to the Applied Sciences magazine, 15 (2) 205-312, 2015 by Turki Abdulla Alanzi 'on the intermediate effect of Internal Market Orientation (IMO) on new product development (NPD) in the telecommunications industry, IMO was evaluated as a mediator between all performance indicators for group work and NPD cycle. The results suggested that IMO work to mediate between all sizes and cycles of NPD. The results suggested that IMO work to mediate between all sizes and duration of the NPD cycle. In particular the IMO is fully integrated between the donation and support balance and the NPD cycle time and the slight mediation between communication, coordination, effort and integration and the NPD cycle time.

Muslim Amin (2016) in his study on 'market orientation (MO) as a mediator of mediation in the relationship between business performance (EO) and SME performance 'states that MO may play a key role in promoting strong performance (Baker and - Sinkula, 2009; Li *et al.*, 2008; Matsuno *et al.*, 2002; Real *et al.*, 2012; Wang, 2008). In this case, trade and MO are mutually exclusive; therefore, NBRI trading 7,1 42 Downloaded by King Saud University 20 March 2016 (PT) requires MO to successfully direct its new actions in the market, and MO needs trading to achieve quick responses to market expectations (González -Benito *et al.*, 2009). In addition, Baker and Sinkula (2009) reported that there was a strong relationship between EO performance and MO-mediated SMEs. In this case, Hult et al. (2015) concluded that MO occurs primarily at the business culture level, and that this relationship will contribute to strong performance. His findings show that EO has a significant relationship with MO, and MO has a significant relationship with SME performance. The results of the study found that EO has a significant relationship with MO; Significant relationships between EO and MO show that SMEs in Malaysia use EO features such as speed, risk-taking and innovation to meet MO objectives. Market knowledge and indicators to explore new market opportunities will improve (Atuahene-Gima, 2005; Chen *et al.*, 2012; Fernández-Mesa and Alegre, 2015).

Boso research has found a market orientation that responds quickly to popular market needs in order to create and deliver customer value and align with social networking obligations to maximize sales growth and profitability (Boso, Story, and Cadogan, 2013). Utilizing market marketing capabilities to utilize marketing resources, customer communication, use price information, customer service, information sharing, increase market share and improve business performance (Yousaf, Sahar, Majid, and Rafiq, 2018).

In terms of international performance, some authors have considered the market orientation of SMEs to fall into the export category (Fernandes, Ferreira, Lobo, and

Raposo, 2020). Significantly, understanding market trends is helpful when strong SME performance can be improved.

According to Raduwan Idar, Yuslina Yusoff and Rosli Mahmood in their study of Effect of Market Orientation as Mediator of Strategic Planning Practices and Performance Relationship SMEs from Malaysia, SME strategic planning strategies aimed at maximizing profits competition should improve Market Orientation to improve business performance. This proves that market-focused ones work better than non-market-focused ones.

A study by Siti Hajar Mohamad1, Haslinda Musa1, Norfaridatul Akmaliah Othman1, Juhaini Jabar1, and Izaidin Abdul Majid1 (2015) on 'Analyzing the Mediation Effects of CRM Market Management Practices and Organizational Performance concluded that Market Stability is unlikely to have an impact. organizational performance is direct, and can only be achieved through intermediate effect and modification of other variables that are important to human resource and technology resources in the business (Mahmoud, 2011). Similarly, Zhu and Nakata (2007) have found that technical technology interacts with market trends in order to have a positive impact on market performance.

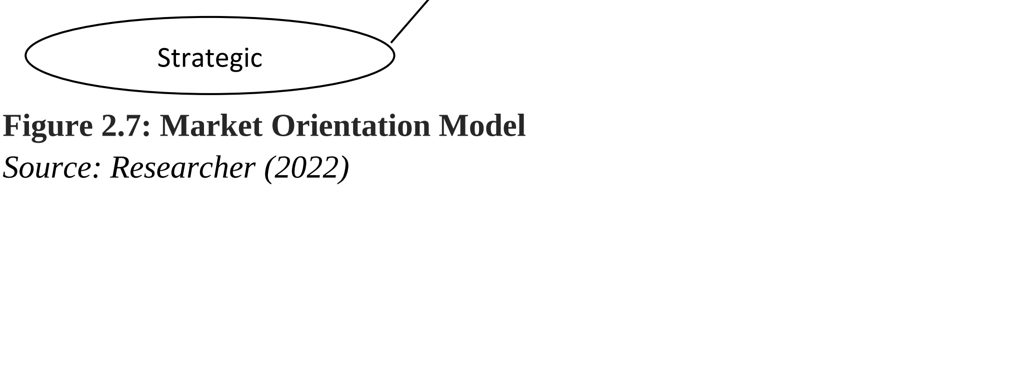

Figure 2.7: Market Orientation Model
Source: Researcher (2022)

2.5 Research Gap

In general, according to the above books, one can conclude that there is still a need for further studies. This research therefore, can add information to close the gap in the research area especially, Telkom Kenya Limited, Nairobi Kenya. From the literature review of the study, the market orientation influences the performance of the organization. However, little information on organizational performance that cites market orientation as a moderator has been provided and especially in the communications industry specifically Telkom Kenya Limited. At the same time, most of the research done on the competitive strategies and performance of the organization captures only three competitive strategies compared to the four that the researcher used in the study. The researcher therefore took advantage of two aspects of her research: 1) Used market orientation as a moderator and 2) used four competitive strategies as independent variables and organizational performance as dependent variable. The researcher therefore conducted a study on the moderating effect of market orientation on competitive strategies and organizational performance in the telecommunications industry, a case of Telkom (K) Ltd of Nairobi County.

2.6 Conceptual Framework

The framework below shows the relationship between the independent variables (Market focus strategy, low cost strategy, differentiation and strategic alliances), the dependent variable (organization performance as measured by profitability, sales and market share, productivity, customer service/satisfaction and reduction in operational cost) and the market orientation which is the moderator in the study.

<u>Independent Variables</u> **<u>Dependent Variable</u>**

Competitive Strategies **Moderating Variable** **Organization Performance**

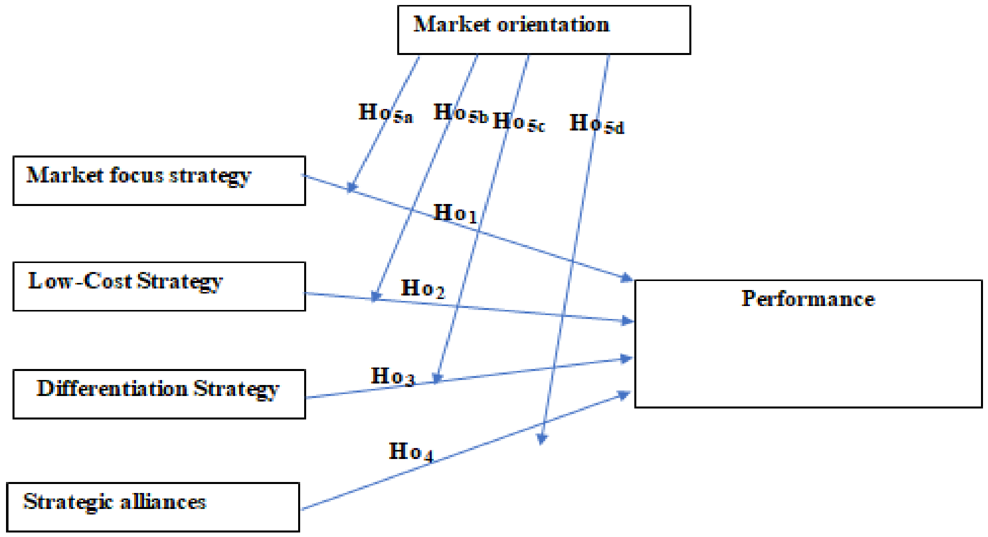

Figure 2.8: Conceptual Framework
Source: Researcher (2022)

Table 2.1: Summary of Empirical Review and Gaps in Knowledge Identified

Authors	Topic	Methodology	Findings	Knowledge Gaps
Mbithi, Muturi and Rambo (2015)	Effect of Market Development Strategy on Performance in Sugar Industry in Kenya	The study applied ordinary least regression to determine the relationship between the study variables.	Findings showed that increase in market share will ultimately have a positive impact on profits	The reviewed study was done in Sugar industry in Kenya with focus on the effect of Market Development Strategy on Performance. The current study was done in Kenya, with the main objective being the determination of the moderating effect of market orientation on the relationship between competitive strategies and organization performance. The current study also utilized the hierarchical model
Achoki (2013)	Competitive Strategies Adopted by Bank of India, Kenya	The findings were analysed by use of content analysis	The study showed that the bank used and emphasized on the application of focus/ market niche strategy to a large extend.	The study was done on the Bank of India, Kenya and employed content analysis. Additionally, the study had only one variable. The current study employed the hierarchical model and also had both independent variable and the moderator variable. Lastly the current study was done in the year 2022.
Kaliappen and Hilman Haim (2013)	Innovation strategies and performance: are they truly linked?	Regression was utilized to test the link of innovation strategies and performance.	The results showed that hotels in Malaysia used process innovation and service innovation as their functional-level strategy. Specifically, both process innovation and service innovation strategies positively linked with performance.	The study was conducted in Malaysia with the sole intention of innovation strategies and performance. This study endeavoured to apply the regression model to confirm the effect of innovation strategies on performance. The current study was done in Kenya. Additionally, the choice of variables was different from the current study. The

				current study also employed a moderator variable which was work orientation.
Navulur and Kofand (2015)	Effect of Competitive Strategies on Organization Performance in Relation to Sugar Industry in Kenya.	Desktop analysis methodology was used through meta-analysis	From the reviewed literature through meta-analysis, competitive strategies have a positive impact on performance of an organization.	The study was conducted in Kenya with the intention of confirming the effect of competitive strategies on organizational performance. However the current study will extend this study by including a moderator variable which is work orientation. Additionally, the current study employed hierarchical regression model while the Navulur and Kofand (2015) employed desktop analysis methodology
Kinyuira (2014)	Effects of Porter's Generic Competitive Strategies on the Performance of Savings and Credit Cooperatives (Saccos) in Murang'a County, Kenya.	Data was collected using questionnaires and document analysis then analysed using correlational and regression analysis.	The study found significant positive effects of cost leadership, differentiation and focus strategies on performance of Saccos and concluded that Saccos that pursue generic strategies can achieve superior performance compared to those that do not.	The study was done in Murang'a county, Kenya. The current study was conducted in Nairbi county in the year 2022. Additionally, the current study employed all the four competitive strategy as outlined by porter. As a result, the current study attempted to bridge the conceptual and contextual.
Wahyudi and Subanidja, (2022).	The Effect of Leadership Style Strategy and Innovation Strategy on Competitive Advantages and Implementation of Industry 4.0	The study applied descriptive statistics.	The result show there is a positive and significant influence between the leadership style strategy on innovation strategy, leadership style strategy on competitive advantage, innovation strategy on competitive advantage and leadership style strategy, innovation strategy as well as competitive advantage on Industry 4.0 implementation	The study was conducted by applying descriptive statistics. The current study employed both descriptive and inferential statistics. Additionally, the study employed a number of independent variables.

Aykan and AKsoylu (2013)	Effects of Support Programs on Corporate Strategies of Small and Medium-sized Enterprises	A survey was conducted on 396 small and medium-sized enterprises of Kayseri Organized Industrial Region in Turkey between the years of 2011-2012.	Results revealed significant effects of technology, training and consultancy supports provided to SMEs on product and marketing strategies of these enterprises.	This study was conducted in Turkey considering only one county. The proposed study therefore used hierarchical regression model which is different from what was employed in that study. Additionally, the current study focused on Telkom industry which is different from this study that focused on small and medium enterprises
Kireru, Ombui and Omwenga (2016)	Influence Of Product Differentiation Strategy In Achieving Competitive Advantage In Commercial Banks: A Case Of Equity Bank Limited	Data presentation was done by the use of pie charts, bar charts and graphs, and frequency tables to ease understanding and interpretation of the data.	The study concluded that financial institutions adopt product differentiation strategies to deliver best deposits pack at the best prices to the customers. The study concluded that for long-term profits in the banks is influenced by the continuously giving customers the products to their satisfaction and the creation and optimization of process goes beyond tools and practices	The study was conducted in Kenya with the intention of confirming the Influence Of Product Differentiation Strategy In Achieving Competitive Advantage In Commercial Banks. However the current study will extend this study by including a moderator variable which is work orientation. Additionally, the current study employed hierarchical regression model while the Kireru, Ombui and Omwenga (2016) employed qualitative data

Researcher (2022)

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Overview

This chapter covers the processes and techniques that were used to collect, process, and analyse data. Specifically, the following sub-sections: research design, study area, sample framework, sample and sample size techniques, sampling and sampling processes, research testing, data collection and analysis methods.

3.1 Research Design

Explanatory research design was used in this study. According to Cooper and Schindler, (2000) explanatory research focuses on providing answers to why questions. In answering `why 'questions, research are involved in identifying the underlying causes. The causal definitions provide guidance on why Y (organizational performance) is affected by the X (Competitive Strategies). This design was chosen because it has been used closely for the research purposes of this study and is useful for evaluating research ideas.

3.2 Study Area

The study was conducted at Telkom Kenya LTD Nairobi County, which is one of the capital cities in the republic of Kenya. Nairobi is metropolitan area with many organizations categorised into public, private and informal sectors. Competitive strategy is therefore a key factor in the operationalizing of these key sectors. Nairobi being the capital city of Kenya made it a suitable study area as it harbours the headquarters of the major telecommunication companies in Kenya including Telkom Kenya LTD. The study narrowed down to Telkom Kenya LTD because it is one of the companies in Kenya that has longest experience in terms of service provision in telecommunication industry yet it still lags behind other companies that entered the market long after.

3.3 Target Population

Burns and Grove (2016) states that the population includes all factors that meet certain criteria for inclusion in the study. The target population includes all members of a real or fictional set of human events or objects where the researcher wishes to produce the results of their general research while the accessible population includes all people who can actually be included in the sample (Borg and Gall, 2016, Castilo, 2016). Newing (2019) defines population as a set of sample units or conditions in which the researcher is interested. According to Kothari (2017), population refers to everything in any field of research and is also known as 'universal'. Accessibility refers to the number of people in a study in which researchers can apply their conclusions (Castilo, 2019). In this study the target population included 300 respondents drawn from Telkom Kenya Limited Headquarters in Nairobi County. This makes up 100% of the total workforce. Using the general percentage formula, the breakdown of the target population was achieved where;

x = Total target population

y = departmental total target population

100% = Total percentage target population

t = % departmental total target population

Therefore

$$y/x * 100 = t$$

Therefore, using percentage as the main tool to calculate the target population, the breakdown is as shown in the table below:-

Table 3.1: Target population

Department strata	Target population(y)	Departmental % Target Population(t)
Administrative	75	0.25
Commercial	36	0.12
Technical	189	0.63
Total (x)	**300**	**100%**

Source: Researcher (2022)

3.4 Sampling Frame

According to Martinez-Mesa (2016) a sampling frame is a list of the sampling units that is used in the selection of a sample. He also states that the process through which a sample is extracted from a population is called as sampling. The sampling frame describes the list of all population units from which the sample would be sampled and selected (Cooper and Schindler, 2018). The sampling frame of this study was drawn from a list of Respondents from Telkom Kenya Limited Nairobi, which included the administration, commercial and technical stuff. Simple random sampling was used in the study.

3.4.1 Sampling Techniques and Sample Size

According to. Alvi (2016), a sample can be defined as a group of relatively smaller number of people selected from a population for investigation purpose. According to Denscombe (2011), the sample must be carefully selected to be representative of the population and the researcher needs to ensure that the subdivisions entailed in the analysis are accurately catered for. The population of the study was derived from administration, commercial and technical stuff and stratified random sampling was adopted to arrive at the study sample. Using random sampling technique, a total target population of 300 was used this is because it suites the study.

The sample size of this study was drawn using Yamane (1976) formula for determining the sample size is given by:

n = N / (1 + Ne^2)

Where n= sample size

N = population size,

and **e =** Margin of error **(MoE), e =** 0.05 based on the research condition. In this case the target population is 300. At 5% MoE., the sample size would be:

300 / (1 + 300 (0.05^2) = 300 / 1.75 = 171.4285 ~ 171

3.4.2 Sample Size

The sample design is determined before data is collected as well as lay down the number of items to be included in the sample. The study employed proportionate sampling technique when collecting data from the 171 respondents.

Table 3.2: Sample Size

Department strata	Target population	Sampling	Sample size
Administration	75	171/300 * 75	42
Commercial	36	171/300 * 36	21
Technical	189	171/300* 189	108
Total	**300**		**171**

Source: Researcher, (2022)

3.4.3 Sampling Technique

Kothari (2019), said that sampling is a straightforward process for getting a sample from specific people. Kothari (2019) also said that sampling involves selecting the same demographic features as the baseline population as a representative of the total population in order to consider certain factors and draw conclusions about the entire population. Using the random sampling method, a sample of 171 was used.

3.5 Data Collection Instrument

Schwab (2015) defines a questionnaire as a rating tool that asks people to answer a set of questions or respond to a set of statements. The data used was the bulk where a questionnaire was used to gather the information needed for respondents. The questionnaire consisted of two parts: the first part was demographic information and the second part of the questionnaire contained the type of Likert scale used to obtain information from respondents in terms of objectives. The researcher preferred the questionnaire in this study because it is more cost-effective in terms of time, energy and finances (Greener, 2008). The method was also chosen because it enabled the researcher to obtain more information (Kothari, 2008). The tool verified anonymity of respondents as their identity was not requested.

3.6 Pilot Testing

According to Beck et al. (2018), a pilot study of a small-scale version, or experimental implementation, conducted in preparation for a larger study. Beck et al. (2018) states that the purpose of pilot research is not so much to test research ideas, but rather to evaluate agreements, data collection tools, recruitment techniques, and other aspects of research in preparation for major research. In this study, a questionnaire data collection tool was tested to ensure that it is relevant and effective. According to Cooper and Schindler (2017) and Mugenda. and Mugenda (2003), a sample of at least 10% of the population is generally acceptable to the pilot.

The researcher conducted a pilot study at the Kiambu Telkom Kenya branches to preview the questionnaire. Various Categories of employees were given a list of questions to answer in form of questionnaires. This categories entailed administration, technical and commercial. These respondents did not construct a final sample of the study to avoid bias.

The editing of the questionnaire was kept very simple to encourage meaningful participant engagement. The questions were kept very short in the use of the words and sentences of the questions. The literature in the study was used as a guide for the development of questions in the questionnaire. In addition, some of the questions in the questionnaire were accepted from other sources Habtamu, et al, (2016). The questions used in the questionnaire were multiple-choice and five-point likert-type questions. The type of scales used to measure objects in metal continuous scales (Strongly agree to Strongly disagree)

3.7 Data Collection Procedure

The researcher received a letter of introduction from the University of Moi. Research approval was obtained from the National Council for Scientific and Technological Research. The researcher used the permits to contact employees of at Telkom Kenya Limited in Nairobi County by personally submitting the questionnaires to the respondents and collected the same four days later.

3.8 Validity and Reliability of the Research Instrument

Maxwell (1996) points out that in quantitative research, pilot studies are very important because they make sense of the concepts and theories held by the people being studied. Therefore, a pilot study was conducted to pre-evaluate the questionnaire. The pilot study took place in Kiambu County. The reason why the researcher chose Kiambu County is because, it is a city as big as Nairobi and also close to Nairobi County which is why the characteristics of the respondents are almost the same. After the pilot study, a few changes were made to the research tool to ensure that it captured key indicators from the research objectives set.

3.8.1 Reliability

Reliability as defined by Kothari (2019) is a research tool that includes continuous testing that produces the same results when taking repeated measurements of the same person under the same conditions.

The reliability of the research tools was tested experimentally. Temporary product integration of Pearson (r) was used to determine the optimal stability of the data collection tools. Reliability was measured using Cronbach alpha if its 0.7 and above was considered reliable and vice versa (Sekeran 2018). In the event of a low coefficient being obtained, an analysis of each item was performed to develop weak points in the questionnaire. Creswell (Creswell 2009) considers the reliability of tools to be the standard of non-modification of tools or process demonstrated. The standard test reliability is often expressed as the coefficient of connection, which measures the strength of the correlation between the variables. Such coefficients vary between - 1.00 and + 1.00 and the previous one indicates that there is a fairly complete reliability and this indicates that there is a fairly good reliability.

Table 3.3: reliability test

Item	No of Items	Cronbach alpha
Organization Performance	10	0.846
Market focus strategy	6	0.740
Low cost strategy	6	0.788
Differentiation strategy	6	0.784
Strategic alliance	6	0.829
Market orientation	5	0.834

Researcher (2022)

3.8.2 Validity

Validity involves the extent to which the results obtained from the data analysis represent the event under investigation and can be evaluated by the judgments agreed upon by the expert (Kothari, 2018). A validation measure confirms that the research tool measures what the researcher intends to measure or wants to measure (Polit and Hunger, 2017). According to Mugenda (2014) validity is the precise way the data obtained from a study represents the variability of the study. If such data is a true reflection of the differences, then assumptions based on such data will be true and meaningful. The researcher used the appropriateness of the content of tools that focus on the volume of data collection materials to collect, demonstrate and produce measurable variables (Appelman and Sundar, 2016; Mimi *et al.,* 2015). This type of validation deals with the size of each item in the context measurement tool and the research structure. After the development of the tools selected for major research, each tool was be tested. This is an important step in determining the suitability and reliability of tools (Noble and Smith, 2015). As stated by Miskuska (2017), by using at least 12 tools in 50 people prior to actual research to allow researchers to see potential. The researcher therefore assessed the validity of the tool by conducting a pilot study in which case responses were assessed against the objectives of the study, using a sample of questionnaires that were distributed to respondents not participating in the actual study. The questionnaire was evaluated for potential respondents to make data collection tools objective, relevant, problem-solving and reliable as recommended by John Adams et al. (2007). Issues raised by respondents were addressed and a questionnaire was sorted out. Apart from that, proper acquisition by management was taken to ensure the suitability of the tools. Eventually, an improved version of the questions was printed, reprinted, and sent.

3.9 Measurements of the Variables

The independent variables market focus strategy, low cost strategy, differentiation strategy and strategic alliance strategy were measured using the following estimates;

Market Focus Strategy (Individual attention to customer needs, specific markets, distribution channels to target specific markets, high customer products), Low Cost (low prices, low bet prices, product cuts, product sensitivity), differentiation (product division, service separation and distribution division), and strategic alliance (Joint Ventures, Partners, Horizontal and Vertical Integration).

Organizational performance was measured using the following components; Sales and market share, Profit, Customer Service / Satisfaction, Production and Reduction of operating costs.

3.10 Data Analysis and Presentation

Burns and Grove (2018) define data analysis as a method of minimizing and editing data in order to extract the findings that need to be interpreted by the researcher. According to De Vos (2017) data analysis is an innovative process characterized by the close relationship of the researcher with participants and the data generated. According to Gall and Borg (2017) data analysis and analysis refers to the process of evaluating, cleaning, modifying, and modeling data for the purpose of obtaining useful information, raising conclusions, and supporting decision-making.

Quantitative data was analysed using descriptive statistics and inferential statistics and with the aid of statistical software known as Statistical Package for Social Sciences (SPSS) version 20.

The inferential statistics analysis was used to test research hypothesis (Hoffman,2015). Both correlation and regression analysis were used to assess the relationship between independent variables and dependent variables, given that they are often distributed, error is constant and there is a linear relationship between dependent and independent variables.

Regression statistics was used to determine the significance of the relationship between variables. When there are more than two independent variables, the analysis concerning relationship is known as multiple correlations and the equation describing such relationship as the multiple regression equation (Hair *et al.,* 42 2006). Multiple regression analysis models were used to determine the moderating effect market orientation on competitive strategies and organizational performance in telecommunication industry specifically Telcom Kenya Ltd. Findings on quantitative data were presented using statistical techniques such as tables.

3.11 Model Specification

The collected data was analysed using multiple regression model and hierarchical regression model and the significant of each independent variable was tested at a confidence level of 95%. The multiple regression equation was shown as follows:

$\mathbf{Y} = \boldsymbol{\alpha} + \boldsymbol{\beta}\mathbf{X} + \varepsilon_{\mathbf{i}}$ ……………………………………………….………………….*equation 1*

Where; $\boldsymbol{Y}$ = dependent variable; $\boldsymbol{\alpha}$ = constant term or intercept; $\boldsymbol{\beta}$ = are the coefficients; **X =** are predictor variables; $\boldsymbol{\varepsilon}$ = error term.

3.11.1 Testing for Moderation

The study examined whether market orientation moderates the relationship between competitive strategies and organization performance in telekom in Kenya. Generally, a moderator is a third variable that adjusts the causal relationship between independent and dependent variables (Rose *et al.,* 2004; Baron and Kenny, 1986) The study used the moderated hierarchical regression approach where a moderator variable is computed as a product of two variables i.e. a moderator and independent variable (Aiken and West, 1991). On the other hand, Hayes (2013) noted the conditions that must be fulfilled on moderation as follows:

i. The amount of variance accounted for by the variables with the interaction should be significantly more than the variance accounted for without the interaction.
ii. The coefficient for the interaction terms should be different from zero.
iii. The overall models with and without the interaction should be significant.

Thus, hierarchical regression approach was deemed to be appropriate for the present study since it is possible to track the changes in the coefficient of determination (R2) after an extra predictor variable is introduced to the model at every step (Little *et al.,* 2012). The moderated hierarchical regression equation was estimated and categorized into two models: Model 1 indicated the regression of direct variables and Model 2 showed the interaction regression between the independent variables, moderator and independent variable.

Hierarchical model for market orientation

$OP = \alpha + \beta + \varepsilon$…………… *(i)*

$OP = \alpha + \beta_1 MFS + \beta_2 LCS + \beta_3 DS + \beta_4 SA + \varepsilon$ …………………….. *(ii)*

$OP = \alpha + \beta_1 MFS + \beta_2 LCS + \beta_3 DS + \beta_4 SA + \beta_5 BMFS + MO + \varepsilon$ … *(iii)*

$OP = \alpha + \beta_1 MFS + \beta_2 LCS + \beta_3 DS + \beta_4 SA + \beta_5 BMFS * MO + \varepsilon$ … *(iv)*

$OP = \alpha + \beta_1 MFS + \beta_2 LCS + \beta_3 DS + \beta_4 SA + \beta_5 MFS * MO + \beta_6 LCS * MO + \varepsilon$ ……*(v)*

$OP = \alpha + \beta_1 MFS + \beta_2 LCS + \beta_3 DS + \beta_4 SA + \beta_5 MFS * MO + \beta_6 LCS * MO + \beta_7 DS * MO + \mathcal{E}$……*(vi)*

$OP = \alpha + \beta_1 MFS + \beta_2 LCS + \beta_3 DS + \beta_4 SA + \beta_5 MFS * MO + \beta_6 LCS * MO + \beta_7 DS * MO + \beta_8 SA * MO + \mathcal{E}$……*(vii)*

Where, OP= Organization Performance

α = Constant (Y intercept)

$\beta_1 \ldots \beta_8$= coefficient of independent variables

MFS= Market Focus Strategy

LCS = Low Cost Strategy

DS = Differentiation Strategy

SA= Strategic Alliances

$\mathcal{E}$ = Error Term

M0 = Moderator Variable (Market Orientation)

3.11.2 Statistical Assumptions of the Model

The researcher checked whether the underlying statistical assumptions such as normal distribution were met. Meuleman, *et al.*, (2015) explains how variables are normally distributed; Regression assumes that variables have normal distribution; none normally distributed variables can distort relationships and significance tests.

3.11.2.1 Homoscedasticity

Homoscedasticity means variance of errors is the same across all levels of the IV, when variance of errors differ at different values of the IV, heteroscedacity is indicated. This was tested using white test.

3.11.2.2 Muticollinearity

Multicollinearity test was tested using Variance inflation factor and tolerance, a range of values less than 4 (VIF) and more than 0.2(tolerance) which indicated minimal multicollinearity.

3.11.2.3 Normality

The assumption of normality states that the error terms at every level of the model were normally distributed. This was tested using Normal probability plot.

3.11.2.4 Linearity

The linearity assumption is that the effects of a number of variables (transformed or untransformed) add up and lead to a model with normally and independently, randomly scattered residuals. Using the Multiple linear regression, it is assumed that the relationship between the Independent and dependent variable is linear. To test for this assumption, the study used scatter plots where the DV was plotted against the IVs and the moderator and the study found that this assumption was not violated.

3.12 Ethical Considerations

The researcher purely used the information collected for the purpose of this study and was not forward to any other party. The information from employees was treated with high degree of confidentially without disclosing the respondents' identity and was open minded as possible and opinions were expressed as they were given. The researcher did not modify anything and also was very appreciative of all the literature that was contributed in any way to this research. Anonymity of individuals and organizations participating in this research was ensured. Any type of communication in relation to this research was done with honesty and transparency. Any type of misleading information, as well as representation of primary data findings in a biased way was avoided. Permission to carry out the research was soughted from the Moi University through the chair of postgraduate studies (Appendix I). Moreover, permission from the National Commission for Science, Technology, and Innovation (NACOSTI) to conduct research in Kenya's telecommunication industry.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSIONS

4.0 Overview

This chapter presents the findings of the primary data that was collected through the use of questionnaires. The data collected was then cleaned, coded and entered into the Statistical Package for Social Sciences (SPSS) version 22.0 in preparation for analysis. The analysis was then conducted through testing for reliability of instruments, descriptive analysis, performing diagnostic tests, correlation and regression analysis, investigating the moderating effects, hypothesis testing and discussing the key findings. The study findings were presented using tables as well as figures.

4.1 Data Cleaning, Coding, Check and Removal of Outliers

Outliers are minority of observations in a data set which shows different patterns from most of the observations in the data set (Taha, and Hadi, 2019). Such values which appear exceptionally higher or lower than most data observations. To test for outliers, this study employed several techniques. First, frequency analysis with minimum and maximum values was run. The values were cross-checked to identify any exceptionally high or low values beyond the Likert scale values that might have been erroneously input. As noted by (Donovan and Sanders, 2005) data coding entails the process of transformation of data collected into categories that can be analyzed for meaningful information. Data coding done by assigning codes 1-strongly agree to 5-strongly disagree to each of the construct's data using excel sheet. It was then exported to SPSS software for analysis.

4.2 Response Rate

The study aimed at gathering information from 171 informants that included 42 administrative stuff, 21 commercial staff and 108 technical staff. However, 154 respondents out of the 171 could be reached making up to a response rate of 90.06% which is a good response for generalization and reporting of findings.

Table 4.1: Response rate results

Response rate	Frequency	Percentage
Used Questionnaires	154	90.06
Unreturned Questionnaires	17	9.94
Total	**171**	**100**

Source: Field Data, 2022

A further breakdown of the response rate is as shown in Table 4.2 below.

Table 4.2: Response Rate Summary

Rank	Sample size	Response	Response rate (%)
Administration	42	38	90.48
Commercial	21	16	76.19
Technical	108	100	92.60
Total	**171**	**154**	**90.06%**

Source: Field Data, 2022

4.3 Descriptive Statistics

4.3.1 Organization Performance

Table 4.3: Descriptive Statistics for Organization Performance

Items	Mean	Std. Deviation	Skewness	Kurtosis
The organization has increased Sales and market share.	3.84	.674	-.444	1.719
The organization has increased in Profitability	3.80	.749	-.602	.224
Our customers are very satisfied as a result of quality service delivery	3.88	.621	.012	-1.210
The organization has increased its Productivity	3.88	.553	-.359	-.565
The processes and systems are well known by the employees and are followed at all times	3.88	.516	-.503	.021
All employees have necessary/required skills	3.84	.579	-.268	.481
The organization has the required tools and technology required	4.04	.488	-.978	.895
There is reduction in operational cost	4.06	.420	.156	-.944
The organization is strict on following its Vision and Mission	4.08	.440	.047	-.641
The organization structure is commendable	4.04	.398	-.180	.453

Source: Field Data, 2022

The study sought respondents' opinion on organization performance, on table 4.3 the finding reveals that most of the respondent agreed on the statement that 'the organization is strict on following its vision and mission' and also undecided on whether the organization has an increase in profitability.

The values of skewness were approaching zero which means there was normal distribution from the responses. In addition, kurtosis ranges from 1- 0 also indicated normal distribution.

4.3.2 Market Focus Strategy

Table 4.4: Descriptive Statistics for Market Focus Strategy

Items	Mean	Std. Deviation	Skewness	Kurtosis
The company has specific niche markets to sell its products	4.10	.587	-.600	2.383
The company focuses on mass marketing for its different products	4.17	.700	-.249	-.925
The company offers individual attention to customer needs	4.11	.525	.138	.516
The company produces one product for all markets	4.13	.651	-.138	-.637
The company produces at least one product for each market segment	4.12	.567	.021	.045
The company relies on its distribution channels to target specific markets	4.25	.533	.158	-.276

Source: Field Data, 2022

The study sought respondents' opinion on organization performance, and the finding reveal that most of the respondent agreed on the statement that the company focuses on relies on its distribution channels to target specific markets, and from skewness and kurtosis it was not far from normally distribution curve.

4.3.3 Low Cost Strategy

Table 4.5: Descriptive Statistics for Low Cost Strategy

Items	Mean	Std. Deviation	Skewness	Kurtosis
The company prices its products lower than its rivals	4.27	.669	-.367	-.769
The company buys in bulk to reduce cost	4.22	.679	-.301	-.819
Company is very strict on wastage of materials	4.25	.601	-.158	-.492
The company employs new technology to reduce costs	4.30	.622	-.561	.683
The company outsources some functions which are not core to reduce costs	4.22	.588	-.084	-.369
The company has cut costs on overheads such as human resource to reduce costs	4.21	.532	.167	-.039

Source: Field Data, 2022

The study sought respondents' opinion on organization performance and the finding reveal that most of the respondent agreed on the statement that the company employs new technology to reduce costs. The values of skewness were approaching zero indicating that the data was normal distributed from the responses. In addition, kurtosis ranges from 1- 0 also indicated normal distribution.

4.3.4 Differentiation Strategy

The study sought respondents' opinion on organization performance and the finding reveal that most of the respondent agreed on the statement that the company employs company branding to differentiate itself and products from to customer. The values of skewness were approaching zero which is not far from a normal distribution curve. In addition, kurtosis ranges from 1- 0 also indicated normal distribution.

Table 4.4: Descriptive Statistics for Differentiation Strategy

Items	**Mean**	**Std. Deviation**	**Skewness**	**Kurtosis**
The company packages same product	3.86	.882	-.487	-.365
The company produces products of different quantities for different segments	4.09	.735	-.432	-.143
The company produces different product for different markets	4.13	.721	-.363	-.471
The company uses different technologies to vary product quality for different markets	4.14	.671	-.175	-.765
The company uses different product attributes to market its products	4.11	.609	-.320	.776
The company employs company branding to differentiate itself and products from to customer	4.30	.574	-.118	-.572

Source: Field Data, 2023

4.3.5 Strategic Alliances

The study sought respondents' opinion on organization performance and the finding reveal that most of the respondent agreed on the statement that there's an increase in efficiencies in the organization. The values of skewness were not far from a normal distribution curve. In addition, kurtosis ranges from 1- 0 also indicated normal distribution.

Table 4.5: Descriptive Statistics for Strategic Alliances

Items	Mean	Std. Deviation	Skewness	Kurtosis
Strategic Alliances Increases efficiencies in the organization	4.22	.820	-.748	-.219
Strategic Alliances Increases Increase the speed with which the organization can access the new combinations of knowledge needed to bring new products to market	4.12	.730	-.499	-.012
Strategic Alliances Increases increase customer base for the organization	4.20	.739	-.484	-.523
Strategic Alliances Increases Improve risk management	4.10	.733	-.465	-.081
Strategic Alliances Increases Strengthen organization competitive position by enhancing market power through the resultant synergy	4.05	.685	-.427	.387
Strategic alliance has Increase organization	4.06	.633	-.509	1.241

Source: Field Data, 2022

4.3.6 Market Orientation

The study sought respondents' opinion on organization performance and the finding reveal that most of the respondent strongly agreed on the statement that the company focus on brand loyalty and the respondents were undecided on the increase in product quality.

Table 4.6: Descriptive Statistics for Market Orientation

Items	Mean	Std. Deviation	Skewness	Kurtosis
Increased Product quality	3.86	.825	-.459	-.165
Better customer service	4.05	.726	-.381	-.110
New product development	4.05	.626	.206	.324
Brand loyalty	4.07	.609	-.032	-.256
Our organization carries out market research annually	4.06	.569	.011	.149

Source: Field Data, 2022

4.4 Tests

4.4.1 Reliability Test

To measure the internal consistency of items, the study used Cronbach's Alpha which measured the six variables under study. Table 4.9 below revealed the test results and it was evident that all the six constructs had met the recommended reliability threshold of 0.7. Differentiation strategy had a Cronbach's Alpha coefficient of 0.766. This was followed by low cost strategy with a Cronbach's Alpha value of 0.809. Thereafter, market orientation was next with a Cronbach's Alpha value of 0.814. Market focus strategy had a Cronbach's Alpha value of 0.821. The two variables with the highest scores were: Strategic alliance that recorded a Cronbach's Alpha value of 0.890 followed closely by organization performance construct with a Cronbach's Alpha value of 0.895.

Table 4.7: Reliability Test Results

	No. of Items	Cronbach Alpha Coefficients	Decision rule
OP	10	0.895	Accept
MFS	6	0.821	Accept
CLS	6	0.809	Accept
DS	6	0.766	Accept
SA	6	0.890	Accept
MO	5	0.814	Accept

Source: Field Data, 2022

4.4.2 Validity Test

Table 4.10 below revealed the test results and it was evident that all the six constructs had met the recommended KMO and Bartlett's threshold of 0.5.

Table 4.8: Validity Test

	No. of Items	KMO and Bartlett's Test	Decision rule
OP	10	0.832	Accept
MFS	6	0.710	Accept
CLS	6	0.805	Accept
DS	6	0.828	Accept
SA	6	0.807	Accept
MO	5	0.802	Accept

Source: Field Data, 2022

4.4.3 Multicollinearity Test

To check for multicollinearity between the independent variables, the study utilized the Variance Inflation Factor (VIF) and the Tolerance level. The results as shown in Table 4.11 below indicate that the VIF values are less than 10. Thus, it can be inferred that there was absence of multicollinearity between the independent variables. These results match with those of Oduor *et al* (2021) who asserted that for VIF, a threshold of between 1 and 5 is recommended. In addition, the values for the tolerance level as per the study findings were all greater than 0.10. This implied that there was no presence of multicollinearity between the independent values.

Table 4.9: Multicollinearity Test Results

	Tolerance	VIF
MFS	.323	3.096
LCS	.282	3.549
DS	.372	2.688
SA	.370	2.702
MO	.371	2.699

Source: Field Data, 2022

4.4.4 Normality Test

Normality test was conducted through the use of normal P-P plots to ensure that the data set was distributed normally. The normal P-P plot shown in Figure 4.1 below revealed that the data points fell along the diagonal line in the normal P-P plot. It can thus be inferred that the normality assumption was upheld therefore the data set was ideal for use in the study. These results are similar with those of Engotoit *et al* (2016) who established that normality in a data set is present when the data points are close to the best fit line in the P-P plot.

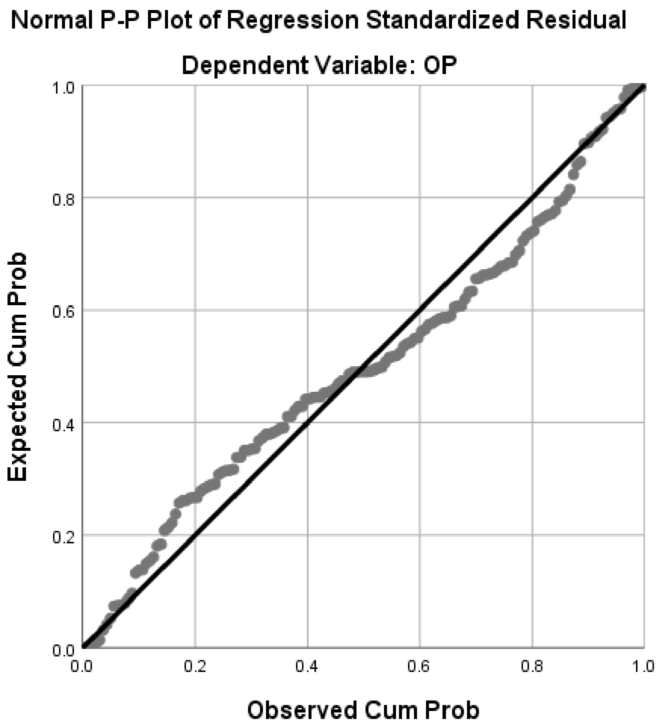

Figure 4.1: Normal P-P Plot Normality test

4.4.5 Heteroscedastic Test

Heteroscedasticity assumption requires that the variance of the errors to be constant. To check this assumption White test is conducted for the model. The model has no problem of heteroscedasticity or the error variance is constant since the p-value is not significant, meaning that p-value is 0.132 which is greater than 0.05. Consequently, the null hypothesis was not rejected the error variance is constant.

4.4.6 Linearity test

Using the Multiple linear regression, it is assumed that the relationship between the competitive strategies and organization performance is linear. To test for this assumption, the study used scatter plots where the DV was plotted against the IVs and the moderator and the study found that this assumption was not violated.

Table 4.10: White test results

White's test for Ho: homoscedasticity			
Source	chi2	df	P
Heteroskedasticity	19.926	14	0.132

Source: Field Data, 2022

4.5 Data Transformation

Data transformation is the process of converting, cleansing, and structuring data into a usable format that can be analysed to support decision making processes, since the data was normally distributed further conversion of data, cleaning and structuring of data was done to enable further analysis this included correlation and regression analysis.

4.6 Correlation Analysis for Linear Relationship between Variables

Pearson’s measures the strength and direction of the linear relationship between variables. Pearson Correlations results in table 4.8 showed that market focus strategy was positively and significantly correlated to organization performance (r=0.517, ρ<0.01). Thus, market focus strategy accounted for 51.7% positive relationship with organization performance. Low cost strategy was the second component to be positively related with organization performance (r=0.388, ρ<0.01) an indication that low cost strategy had 38.8% significant positive relationship with organization performance. Differentiation strategy was also positively and significantly associated with organization performance as shown by (r=0.482, ρ<0.01) implying that differentiation strategy had 48.2% positive relationship with organization performance. Strategic alliance was also positively correlated with organization performance (r=0.582, ρ<0.01). Strategic alliance had 58.2% significant positive relationship with organization performance. Finally, market orientation was positively correlated to organization performance (r=0.579, ρ<0.01). Findings provided enough evidence to suggest that there was linear and positive relationship between market focus strategy, low cost strategy, differentiation strategy, strategic alliances and market orientation with organization performance. This paves way for multiple regression analysis.

Table 4.11: Correlation Analysis Matrix

	OP	MFS	LCS	DS	SA	MO
OP	1					
MFS	.571*	1				
	.000					
LCS	.388*	.368*	1			
	.000	.000				
DS	.482*	.169*	.141	1		
	.000	.036	.080			
SA	.582*	.459*	.265*	.293*	1	
	.000	.000	.001	.000		
MO	.579*	.376*	.294*	.317*	.453*	1

**. Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Source: Field Data, 2022

4.7 Multiple Regression Analysis for Direct Effect between Competitive strategy and organizational performance

4.7.1 Model Summary

The study intended to assess of contribution of the independent variables on dependent variable. The study findings in table 4.14 illustrates the results of direct effect of market focus strategy, low cost strategy, differentiation strategy, strategic alliances and market orientation and organization performance. Findings indicate that 79.1 percent of organization performance can be predicted/explained by joint contribution of market focus strategy, low cost strategy, differentiation strategy and strategic alliance (adjusted $R^2 = 0.784$).

Table 4.12: multiple regression table

	Unstandardized Coefficients		**Standardized Coefficients**		
Items	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	0.066	0.038		1.741	0.084
Market focus strategy	0.173	0.063	0.190	2.731	0.007
Low cost strategy	0.274	0.069	0.288	3.978	0.000
Differentiation strategy	0.258	0.062	0.261	4.138	0.000
Strategic alliance	0.232	0.059	0.249	3.936	0.000

R Square	0.791				
Adjusted R Square	0.784				

Dependent Variable: Organization performance

Source: Field Data, 2022

4.7.2 Hypothesis Testing

Hypothesis 1 (H_{o1}) revealed that market focus strategy has no significant effect on organization performance. Findings showed that market focus strategy had coefficients of estimate which was significant basing on $\beta_1 = 0.173$ (p-value = 0.007 which is less than $\alpha = 0.05$) implying that we reject the null hypothesis and conclude that market focus strategy has positive and significant effect on organization performance. This indicates that increase in market focus strategy leads to an increase in organization performance, i.e. an increase in a given unit of market focus strategy and safety may contribute 0.007 of organization performance.

The findings agreed with that done by Akintokunbo, (2018). A market-focused strategy can elevate organizational performance by aligning the company's efforts with the specific needs and preferences of its target audience. This approach allows for more efficient resource allocation, as it concentrates investments on the most promising market segments, resulting in better returns on investment (Bahador, 2019). Moreover, a keen market focus enables a company to respond promptly to changing market dynamics and customer demands, fostering adaptability and competitiveness. By continuously researching and understanding its customer base, an organization can innovate products and services that better resonate with its market, leading to increased customer satisfaction and long-term loyalty. In summary, a market-focused strategy optimizes resource utilization, enhances agility, and fosters customer-centricity, all of which are crucial elements in boosting organizational performance.

Hypothesis 2 (H_{o2}) stated that strategic alliance has no significant effect on organization performance. Findings showed that strategic alliance had coefficients of estimate which was significant basing on β_2= 0.232 (p-value = 0.000 which is less than α = 0.05) which implies that we reject the null hypothesis and argue strategic alliance had positive and significant effect on organization performance that is in increase in a unit of strategic alliance may contribute 23.2% of organization performance. This implies that to increase organization performance there should be an increase in strategic alliance. The findings were in agreement with that one of Cacciolatti, *et al.*, (2020).

Strategic alliances can significantly enhance organizational performance by leveraging the strengths and resources of multiple entities. These partnerships enable companies to access complementary skills, technologies, or market access that they might not possess independently (Ferreira and Franco, 2020). By pooling resources, organizations can reduce costs, share risks, and expand their market reach, leading to improved financial performance. Additionally, strategic alliances often foster knowledge exchange and collaborative innovation, spurring the development of new products or services that can enhance competitiveness (Nakos, Dimitratos and Elbanna, 2019). Such alliances also enhance a company's ability to adapt to changing market conditions and seize new opportunities, ultimately contributing to increased organizational performance by capitalizing on the synergies created through cooperation.

Hypothesis 3 (H_{o3}) stated that low cost strategy has no significant effect on organization performance. Findings showed that low cost strategy had coefficients of estimate which was significant basing on β_3= 0.274 (p-value = 0.000 which is less than α = 0.05) which indicates that we reject the null hypothesis and infer that low-cost strategy has positive and significant effect on organization performance. This implies that the higher the low-cost strategy the higher the organization performance. Low-cost strategy can contribute 27.4% of organization performance. The findings of this study were in agreement with that done by Chepchirchir, Omillo, and Munyua, (2018).

A low-cost strategy can significantly boost organizational performance by focusing on cost efficiency and affordability, which can translate into various benefits. It allows a company to offer products or services at more competitive prices, attracting a larger customer base and increasing market share (Taouab and Issor, 2019). This increased sales volume can lead to higher revenues and profitability. A low-cost approach encourages effective resource management, reducing wastage and overhead costs. This operational efficiency not only improves the bottom line but also enhances the organization's resilience in the face of economic downturns or market fluctuations. Additionally, lower prices can deter competitors, acting as a barrier to entry, and further solidify the company's market position (Waqas *et al.,* 2019). Overall, a low-cost strategy fosters financial stability, competitiveness, and market penetration, all of which contribute to increased organizational performance.

Hypothesis 4 (H_{o4}) postulated that differentiation strategy has no significant effect on organization performance. Findings showed that differentiation strategy had coefficients of estimate which was significant basing on β_4= 0.258 (p-value = 0.000 which is less than α = 0.05) implying that we reject the null hypothesis and conclude that increase in differentiation strategy, leads to an increase in organization performance i.e. an increase in a given unit of differentiation strategy in communication sector can contribute 25.8% of organization performance. This study was in agreement with that done by Spencer, Joiner and Salmon, (2009).

A differentiation strategy can significantly elevate organizational performance by emphasizing uniqueness and value-added attributes in products or services. By offering distinct features, quality, or branding, a company can command premium prices and generate higher profit margins (Aliqah, 2012). This premium pricing often results in enhanced revenue streams and profitability, bolstering financial performance. Moreover, differentiation can create strong brand loyalty and customer attachment, reducing price sensitivity and increasing customer retention (Kaliappen and Abdullah, 2014). Additionally, a reputation for innovation and superior quality can act as a barrier to entry, deterring competitors. In sum, a differentiation strategy drives revenue growth, brand loyalty, and competitive advantage, all of which contribute to heightened organizational performance.

4.8 Hypothesis testing on moderation

Table 4.13: Moderation test results

	Unstandardized Coefficients		Standardized Coefficients		
Items	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	.315	.048		6.599	.000
MFO	.120	.050	.131	2.384	.018
LCS	.170	.055	.178	3.068	.003
DS	.103	.051	.105	2.038	.043
SA	.105	.049	.113	2.161	.032
MO	.144	.048	.164	3.008	.003
MFOMO	-.778	.158	-.240	-4.918	.000
LCSMO	-.058	.027	-.103	-2.164	.032
DSMO	-.068	.025	-.103	-2.683	.008
SAMO	-.088	.020	-.170	-4.422	.000

R Square	0.863				
Adjusted R Square	0.855				
F	101.858				

Dependent Variable: Organization performance
Source: Field Data, 2022

4.8.1 Moderating effect of Market orientation on relationship between Market focus strategy and organization performance

Hypothesis ($H0_{5a}$) stated that that market orientation does not moderate the relationship between market focus and organization performance. The findings in Table 4.14 revealed that moderating Market orientation has a negative significant effect of on relationship between market focus strategy and organization performance (β= -0.778, ρ =0.000 which is greater than 0.05. (ρ<0.05), thus the hypothesis is rejected and market orientation does moderate the relationship between Market Focus Strategy and

Organization Performance. Figure 4.2 below shows that organization performance is high with low market focus strategy and high market orientation.

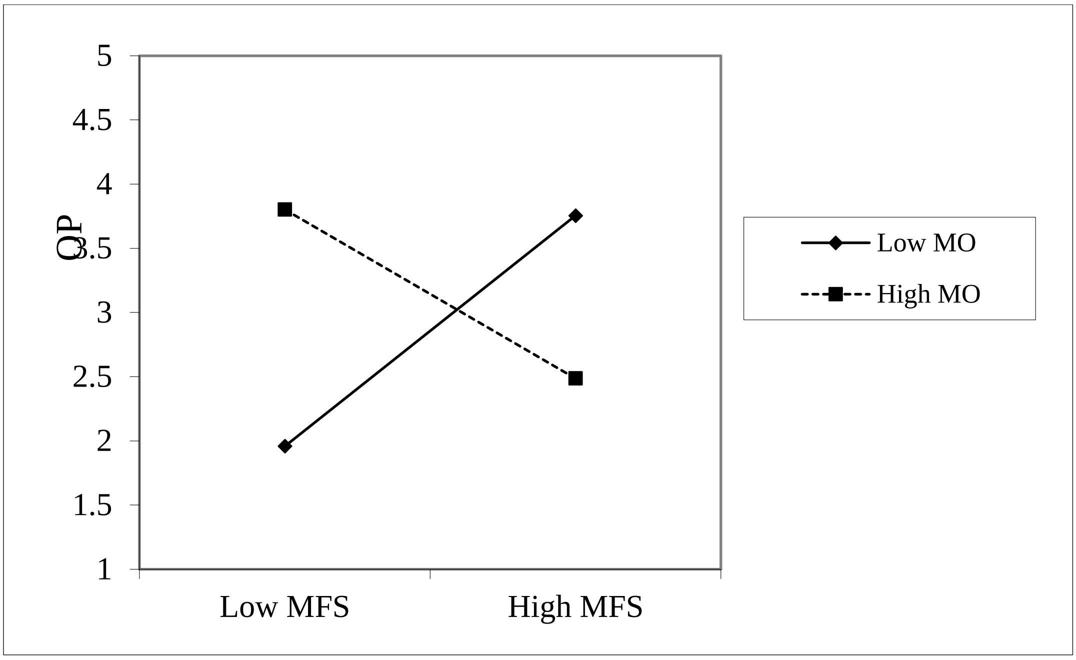

Figure 4.1: Modgraph for Market Focus Strategy

4.8.2 Moderating effect of Market orientation on relationship between Low cost strategy and organization performance

Hypothesis ($H0_{5b}$) stated that that market orientation does not moderate the relationship between low cost strategy and organization performance. The results in Table 4.15, showed that there is a negative and significant moderating effect of Market orientation on relationship between Low cost strategy and organization performance (β= -0.058, ρ<0.05). Thus, the study rejected hypothesis 5b and conclude that under high Market orientation, high cost strategy increases organization performance this is because customers will always need it and demand more. Figure 4.3 below shows that organization performance is high with low cost strategy and high market orientation.

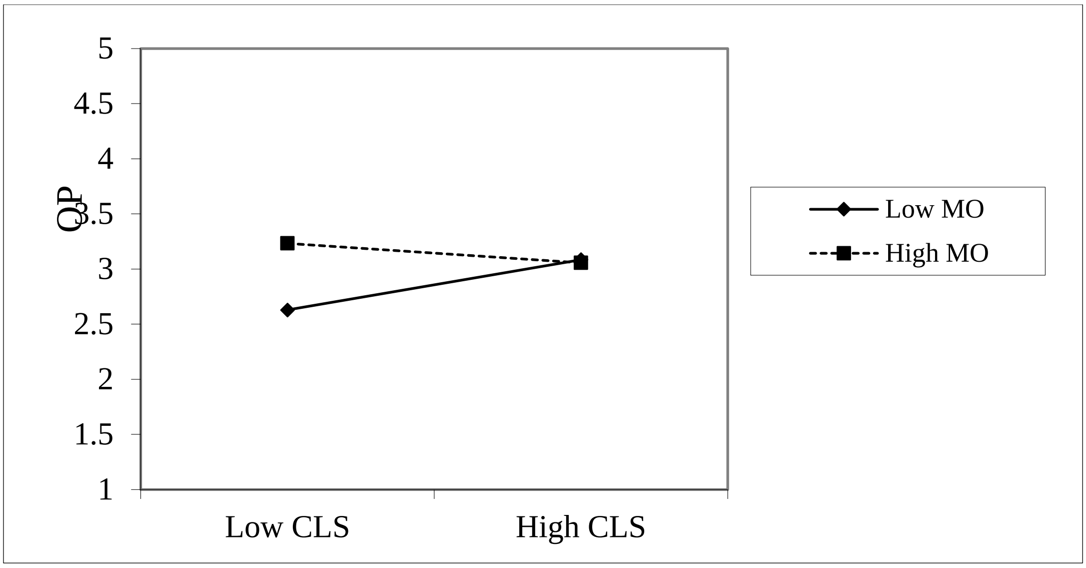

Figure 4.2: Modgraph for Low cost strategy

4.8.3 Moderating effect of Market orientation on relationship between Differentiation strategy and organization performance

Hypothesis ($H0_{5c}$) stated that that market orientation does not moderate the relationship between differentiation strategy and organization performance. The findings in Table 4.14 revealed that there is a negative and significant moderating effect of Market orientation on relationship between differentiation strategy and organization performance (β = -0.068, ρ< 0.05), thus the hypothesis 5c was rejected and conclude that under high Market orientation, low differentiation strategy increase organization performance. Figure 4.4 below shows that organization performance is high with low differentiation strategy and high market orientation.

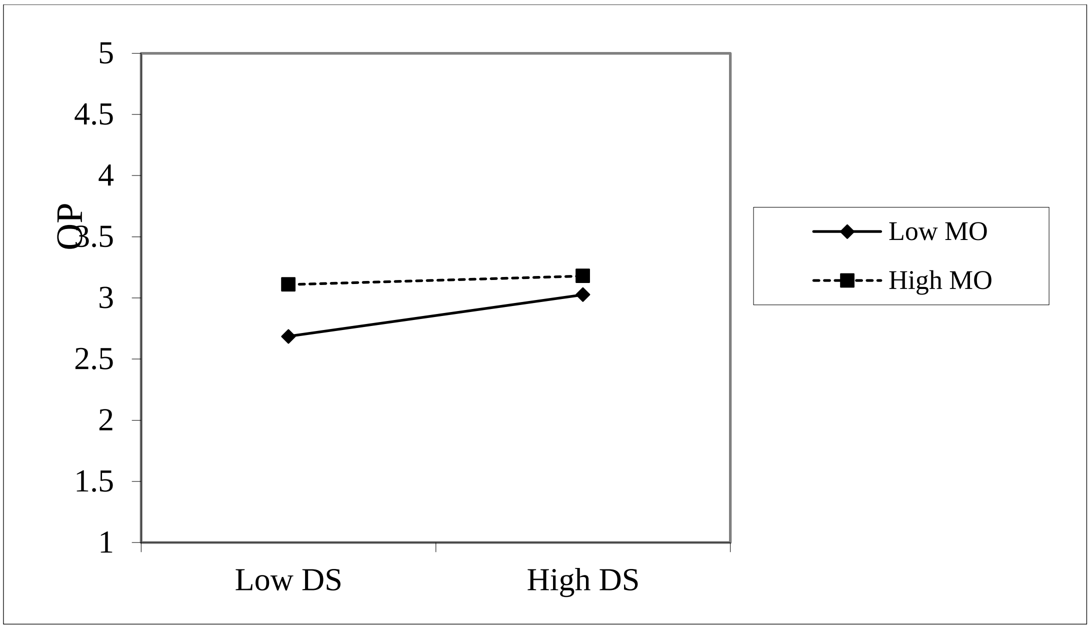

Figure 4.3: Mod graph for Differentiation Strategy

4.8.4 Moderating effect of Market orientation on relationship between Strategic alliance and organization performance

Hypothesis ($H0_{5d}$) stated that that market orientation does not moderate the relationship between strategic alliance and organization performance. The findings in Table 4.15 revealed that there is a negative and significant moderating effect of Market orientation on relationship between strategic alliance and organization performance (β= 0.088 ρ=-0.017, ρ<0.05), thus the study rejected the hypothesis 5d and conclude that under high Market orientation, low strategic alliance increase organization performance.

Figure 4.5 below shows that organization performance is high with low strategic alliance and high market orientation.

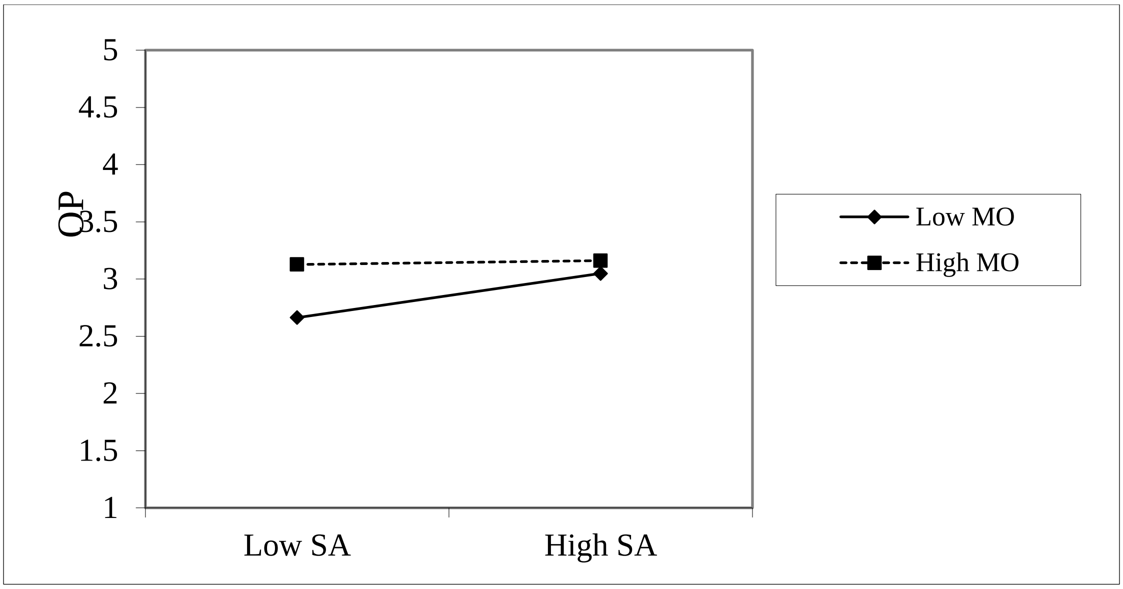

Figure 4.4: Mod graph for Strategic alliance strategy

Table 4.14: Moderating effect of market orientation on the relationship between Competitive strategies and organization performance

Variables	**Model 1 Coefficient**	**Model 2 Coefficient**	**Model 3 Coefficient**	**Model 4 Coefficient**	**Model 5 Coefficient**	**Model 6 Coefficient**
Constant	066(0.38)	.056 (0.036)	.205(0.047)* *	.284(0.052)* *	.271(0.050)* *	.315(0.048)* *
MFS	.173 (0.63)* *	.144 (0.060)* *	.115 (0.057)* *	.128 (0.05)* *	.102 (0.053)* *	.120 (0.050)* *
LCS	.274 (0.069)* *	.200 (0.067) **	.191 (0.063)* *	.176 (0.061)* *	.184 (0.059)* *	.170 (0.055)* *
DS	.258 (0.062)* *	.191 (0.061) **	.155 (0.057)* *	.141 (0.056)* *	.126 (0.054)* *	.103 (0.051)* *
SA	.232 (0.059)* *	.170 (0.057)* *	.147 (0.054)* *	.110 (0.054)* *	.125 (0.051)* *	.105 (0.049)* *
MO		.240 (0.053) **	.176 (0.053)* *	.136 (0.053)* *	.159 (0.051)* *	.144 (0.048)* *
MFSMO			-.724 (0.158)* *	-.600 (0.158)* *	-.871 (0.167)* *	-.778 (0.158)* *
LCSMO				-.091 (0.029)* *	-.084 (0.028)* *	-.058 (0.027)* *
DSMO					-.100 (0.026)* *	-.068 (0.025)* *
SAMO						-.088 (0.020)* *
Model Summary Statistics						
R Square - R^2	0.764	0.791	0.817	0.829	0.845	0.863
Δ in R^2	-	0.027	0.026	0.012	0.016	0.018
F statistic	121.295	113.079	110.377	101.759	99.499	101.858
Significance	0.000	0.000	0.000	0.000	0.000	0.000
***Significant at 0.05 level (2-tailed);**						
MFS: Market Focus Strategy, CLS: Low Cost Strategy, DS: Differentiation Strategy, SA: Strategic Alliance, MO: Market Orientation						

Source: Field Data, 2022

Table 4.15: Summary of hypothesis

Hypothesis		Beta values	P values	Decision
$H0_1$	Market focus strategy has no significant effect on the organization performance.	0.173	0.007	Reject
$H0_2$	Low-cost strategy has no significant effect on the organization performance.	0.274	0.000	Reject
$H0_3$	Differentiation Strategy has no significant effect on the organization performance.	0.258	0.000	Reject
$H0_4$	Strategic alliance has no significant effect on the organization performance.	0.232	0.000	Reject
$H0_5$	Market orientation has no significant effect on organization performance.	0.144	0.003	Reject
$H0_{5a}$	Market orientation has no moderating effect on the relationship between market focus strategy and organizational performance.	-0.778	0.000	Reject
$H0_{5b}$	Market orientation has no moderating effect on the relationship between low Cost Strategy and organizational performance.	-0.058	0.032	Reject
$H0_{5c}$	Market orientation has no moderating effect on the relationship between Differentiation and organizational performance.	-0.068	0.008	Reject
$H0_{5d}$	Market orientation has no moderating effect on the relationship between strategic alliances and organizational performance.	-0.088	0.000	Reject

Source: Field Data, 2022

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Overview

This chapter comprises of summary of findings in line with the specific study objectives, conclusion, recommendations for policy preparation and implementation and areas for further studies.

5.1 Summary of Findings

The research sought to establish moderating effect of market orientation on competitive strategies and organizational performance, a case of Telkom Kenya limited company Nairobi County, Kenya. The study results are summarized according to the specific study objectives in the following sub-sections.

5.1.1 Market Focus Strategy and Organizational Performance

This study found that market focus strategy significantly influences organizational profitability, market share and firm efficiency of Telkom Kenya. Based on this, the study recommends that firms that choose to employ market focus strategies should concentrate on a narrow segment and within that segment attempt to achieve either a cost advantage or differentiation. The findings are in consistent with the findings of (Odune 2018; Muturi *et al.,* 2018; Porter 2007; Achoki 2013) in their study their findings revealed that there is a positive relationship between market-focused strategy and organizational performance in telecommunications companies in Port Harcourt. The findings are also in line with the findings of (Njoroge 2006) he concluded that firms must focus their strategy to aim at reducing the market share and focusing on a specific category of products or consumers. Focusing enables firms to focus on their operations in a particular market and thus be able to reap the benefits of competition.

5.1.2 Cost Leadership Strategy on Organizational Performance

The study found that differentiation strategy significantly influences organizational profitability and market share of Telkom Kenya. Also found that Telkom Kenya broadly embraced cost leadership as a competitive strategy. Another finding was reached based on Pearson's correlation analysis results that cost leadership is closely related to organizational performance. In addition, the regression analysis informed the finding that cost leadership has a positive impact on the operational level of the organization. These results are consistent with Navulur and Kofand (2015) who examined the impact of competitive strategies on competitive advantage in organizational performance in India. Using a different research design; distributed questionnaires to 53 farmers. The results showed that the competitive strategy had a positive impact on the performance of the organization. The findings revealed that low cost strategy has a greater impact on the performance of agribusiness rather than focus on product differentiation. This means that organizations that invest heavily in reducing production and distribution costs are more likely to increase their performance, including increased profits.

5.1.3 Differentiation strategy and Organizational Performance

The research found that differentiation strategy positively affects organization performance. Therefore, Telkom Kenya should ensure the production of quality products and services, product selection based on customer preferences, product selection driven by demand, product diversity style differs from competitors, and products are well positioned for easy customer access and among other things. These results are in line with the findings of Febrianti and Dora (2013), who investigated the impact or improvement of product segmentation and customer relationship management in order to improve innovation and efforts to establish a batik image affecting marketing performance in Indonesia. The researcher used the descriptive research method using a sample size of 200 small businesses in Cirebon east of Java. Findings showed that product classification has a very positive effect on market performance. The study concluded that the study was instrumental in encouraging managers to embrace product diversity if they wanted to achieve a set goal in terms of performance. This is a strong positive link, so the deregulation of products affects the performance of Telkom Kenya.

The study concluded that only product divisions and service divisions affect Telkom Kenya's performance. Physical separation was not statistically significant and therefore was not considered. Product classification includes product selection, product range, product quality and product design so you can convince customers that their products are better than their competitors while the division of services includes sales service, sales promotion, advertising and marketing hours to reverse their rivals.

5.1.4 Strategic Alliance and Organizational Performance

The study found that strategic alliances affect the overall performance of the organization in Telkom Kenya. It recommends that Telkom Kenya should carefully evaluate and select partners before joining the coalition to ensure that the relationship benefits equally to all stakeholders. The findings also recommend that Telkom Kenya should try to join a strategic alliance, which ensures the diversity and growth of their products and services as long as they ensure that their financial capacity is kept low. The study findings are consistent with the findings of Similarly, Yuan, *et al.*, (2018), who describe strategic alliances as collaborative efforts between two or more firms which pool their resources in an attempt to realize mutually compatible goals that they could not achieve easily alone. Strategic alliance brings about a cooperation among partners looking to share their resources soon mutually improve their performance either through learning and knowledge sharing, or through creating opportunities to create competitiveness. Furthermore, strategic alliance has to contribute to the successful implementation of the strategic plan; therefore, the alliance must be strategic in nature. The relationship has got to be supported by executive leadership and formed by lower management at the highest step macro level.

5.1.5 Moderating Effects of Market Orientation on Organizational Performance

The main objective of the study was to examine whether Market orientation moderated the relationship between competitive strategies a and organizational performance of Telkom Kenya Limited. The findings revealed that market orientation had a moderating effect on the relationship between market focus strategy, cost leadership strategy, differentiation strategy and strategic alliances and organization performance of Telkom Kenya Ltd. However, the interaction effect was negative meaning market orientation reduced the positive effect of comp strategies on organ performance of Telkom Kenya Limited. This also revealed that there was conflict between firm's strategies and market orientation particularly in a dynamic business environment. Therefore, the findings of this study suggest the need for Telkom Kenya to have an appropriate balance between market orientation and comp strategies. to enhance its performance.

5.2 Conclusion

The study concluded that the development of competitive strategies is essential for the company to maintain its market share. From the competitive approach adopted by firms in the telecommunications industry, the researcher concluded that differentiation strategies, market focus strategies, low cost and strategic alliances are widely accepted. The findings are consistent with earlier studies by Michael Porter in that competitive strategies affect organization performance.

The study concluded that a market-focused strategy can significantly improve organizational performance by tailoring products, services, and resources to meet the specific needs of target customer segments. This approach enhances customer satisfaction, loyalty, and market share by aligning the organization closely with its customer base. It also fosters adaptability, agility, and innovation by continuously monitoring market trends and competitor activities, allowing the company to stay ahead of the curve. Ultimately, the strategic alignment with market demands enhances competitiveness and contributes to sustained growth and improved financial performance.

Moreover, forming strategic alliances can boost organizational performance by leveraging the strengths and resources of partner entities. These collaborations enable companies to reduce costs, share risks, and expand their market reach, ultimately leading to improved financial performance. Strategic alliances also stimulate knowledge exchange and collaborative innovation, driving the development of new products and services that enhance competitiveness. Moreover, these partnerships enhance adaptability and market responsiveness, enabling organizations to seize new opportunities and navigate market challenges effectively. The synergy created through cooperation in strategic alliances plays a pivotal role in elevating organizational performance by combining complementary capabilities and resources.

Additionally, a low-cost strategy can substantially enhance organizational performance by emphasizing cost efficiency and affordability. By offering products or services at competitive prices, companies can attract a larger customer base, boost market share, and increase revenue. This approach fosters efficient resource management, reducing wastage and overhead expenses, which, in turn, improves profitability and financial stability. Moreover, lower pricing can act as a barrier to entry, deterring potential competitors and solidifying the organization's market position. Overall, a low-cost strategy is a powerful driver of financial success, competitiveness, and market penetration, all of which contribute significantly to improved organizational performance.

In conclusion a differentiation strategy plays a pivotal role in enhancing organizational performance by emphasizing uniqueness and value-added attributes in products or services. By offering distinct features, quality, or branding, companies can command premium prices, leading to higher profit margins and increased revenue. This approach also fosters strong brand loyalty and customer attachment, reducing price sensitivity and promoting customer retention. Moreover, a reputation for innovation and superior quality can serve as a formidable barrier to entry, discouraging potential competitors and solidifying the organization's market position. In essence, a differentiation strategy drives revenue growth, brand loyalty, and competitive advantage, all of which significantly contribute to elevated organizational performance.

The study found that market orientation moderated the relationship between competitive strategies and organization performs of Telkom Kenya. Therefore, the study concluded that the success of a firm depends on balancing market orientation and other strategic orientations. That means identifying the best orientation that fits the competitive strategies.

5.3 Recommendation

5.3.1 Practical Implications

The study has practical implications. First, the evidence provided in this study underscores that the specific resources which competitive strategies bring into the firm may be crucial in certain strategic decisions. Hence, the results shed some light on the relevance of the specific competitive strategies in strategic decision-making including those related to firm performance. The findings of this research contribute to the intellectual discussion on whether the context in which competitive strategies are operationalized provides a better understanding of how the firm can increase its performance. Second, the results is valuable to regulators and telecommunication industry in Kenya, particularly on the alignment of the competitive strategies. The Management should consider checking on whether market orientation is implemented as expected especially in the bureaucratic way of working with the government. Thus, the study extends academic knowledge to the on-going debate on competitive strategies and firm performance. As such, there is a need for telecommunication industry to have competitive strategies that are more reliable in the future of the firm.

5.3.2 Theoretical Implications

The study supported the following theories: market based view, resource based view, and dynamic capabilities theory. The first theory Market-based theory originated with Mason and Bain (1950) who link industry formation to firm success in the so-called Structure-Conduct-Performance-Paradigma. They argue that the key factors in organizational success are barriers to entry, the number of players in the market and the flexibility of demand. In 1980, Michael Porter went on to develop this idea in his book ‘Competitive Profit’, which is one of the basic books of management science today. In his work, Porter presented a framework for the so-called 'five powers', which determined the competition between the industry, and the 'three common strategies' that organizations could take to succeed. In his ‘five-force’ framework, Porter asserts that the four largest drivers in the industry building are determined by attraction, as well as in-industry competition. Thus, the MBV suggests that research-oriented competing strategies (market focus, differentiation, cost-effective and strategic alliance) can be run separately or in combination and have long-term goals to create a secure position in the industry and perform better than internally competing actors. that industry is why the organization is so efficient.

The second theory Resource-based View theory suggests that resources that are valuable (improving organizations effectiveness and effectiveness), rare (resources held by few or no other competitor, difficult to replicate/imitate (involve legally protected intellectual property such as trademark, patents etc), and Organized to Capture value(having in place the organizational systems, processes and structure to capitalize on the potential of the resources and capabilities of the firm to provide competitiveness). This theory is important in research because RBV sees resources as the key to the company's strong performance. When an app displays VRIO features, the app allows the company to gain and maintain a competitive advantage. Organizations should look within the company to find sources of competitive profit rather than looking at the competitive environment in which it operates. Continuous competitive gains can be easily achieved by using internal features instead of external ones compared to organizational input views.

Dynamic capabilities theory posits that a firm's competitive advantage and performance are contingent upon its ability to adapt and renew its resources and routines to meet changing market conditions. In the context of Telkom Kenya Limited, the company's competitive strategies involve its capacity to develop and deploy dynamic capabilities, such as technological innovation, efficient resource allocation, and responsive customer service, in response to the dynamic telecommunications market. Telkom Kenya's strong market orientation emphasizes understanding and meeting customer needs, which, coupled with dynamic capabilities, facilitates the design of tailored offerings and services. This customer-centric approach enhances the firm's competitive positioning and overall performance by increasing customer satisfaction and loyalty, optimizing resource utilization, and fostering innovation, ultimately positioning Telkom Kenya Limited as a formidable player in the telecommunications sector, driving sustained growth and profitability.

5.3.3 Policy Implications

This study has a number of policy implications; by studying market orientation, competitive strategies and firm performance in the Telkom Kenya, useful insights may be due to policy-makers. The findings suggest that Telkom Kenya may come up with policies that embrace market orientation, identifying areas of need and also make sure that the Directors and CEO embrace market orientation. It also recommends Telkom Kenya to use additional resources to develop low cost systems as this was developed to be a viable strategy. It is recommended that Telkom Kenya work to improve the adoption of new distribution channels that have been found to be entrenched, which may reduce its effectiveness in reducing distribution costs. The study also recommended improved use of proprietary technology which was also used in moderation.

The study also recommends that the Communications Authority of Kenya (CAK) find ways to provide a better environment for Telecommunications companies to form strategic alliances that include integration and acquisition. This helps to reduce risk, attract new customers and produce better quality products and services. As a result, these partnerships and mergers promote healthy competition for Telecommunication companies as smaller companies can partner with larger organizations that make them more competitive with their competitors. (under recommendation?)

Telkom Kenya Ltd being a state-owned company, with Kenya's government holding up to nearly 100 percent of its shares, have no autonomy of its functions. The Government controls most of the departments/sections. Due to bureaucratic procedures, this could have led to slow implementation of strategies laid down by the Telkom Kenya Management Furthermore, state managed entities may lack the necessary culture that may effectively and efficiently create the necessary behaviours for the creation of superior value for customers. This may therefore explain the negative effect of market orientation on relationship between competitive strategies organization. performance of Telkom Kenya Limited. As a recommendation therefore, Telkom Kenya need to adopt Market orientation that is; market-oriented behaviours, customers, competitors and inter-functional coordination as well as organization wide responsiveness.

5.4 Areas of Further Research

The study did not end on the effect of market orientation on the competitive strategies and performance of the organization, the Telkom Kenya limited company Nairobi County. There is a need therefore, for more studies to be done to increase the fulfillment of the findings and to establish the roles of Departmental/Sectional Heads in ensuring that appropriate competitive strategies are applied to organizations within the telecommunications sector in Kenya.

Additionally, future research should investigate the moderating role of market orientation on the relationship between competitive strategies and organization performance of other competitors in the sector such as Safaricom limited and compare the results.

Future research should also investigate the moderating role of market orientation on the relationship between competitive strategies and organization performance across other sectors such as Banking Sectors, Insurance and also across other jurisdictions.

Future experts may also investigate other competitive strategies and their impact on organizational performance. The relationship between competitive strategies and organizational performance will help to understand how competing strategies work with different organizations and employees from different domains and whether there is a correlation between applying one or more competitive strategies during the growth of organizations.

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APPENDICES

Appendix I: Telkom Kenya Management Questionnaire

My name is Jane Wairimu Maina, a candidate at Moi University pursuing a Master's Degree in Business Administration. I am conducting a research study concerning "**, COMPETITIVE STRATEGIES, MARKET ORIENTATION AND PERFORMANCE OF TELKOM KENYA LIMITED COMPANY**". I have selected you as my study respondent. Please, take a few minutes to answer the questions in this questionnaire. I assure you that your answers will be kept completely **confidential** and will be used for academic purposes only.

SECTION A: MARKET FOCUS STRATEGY

To what extent does the company focus strategy affect the organizational performance?

Use 1- Strongly Disagree, 2-Disagree, 3-Neutral, 4- agree, 5- Strongly Agree

MARKET FOCUS STRATEGY		**SD**	**D**	**N**	**A**	**SA**
A	The company has specific niche markets to sell its products					
B	The company focuses on mass marketing for its different products					
C	The company offers individual attention to customer needs					
D	The company produces one product for all markets					
E	The company produces at least one product for each market segment					
F	The company relies on its distribution channels to target specific markets					

SECTION B: COST LEADERSHIP STRATEGY

To what extent does your company use the cost leadership strategy to improve its performance? Use 1- Strongly Disagree, 2-Disagree, 3-Neutral, 4- agree, 5-Strongly Agree

COST LEADERSHIP STRATEGY		**SD**	**D**	**N**	**A**	**SA**
A	The company prices its products lower than its rivals					
B	The company buys in bulk to reduce cost					
C	Company is very strict on wastage of materials					
E	The company employs new technology to reduce costs					
H	The company outsources some functions which are not core to reduce costs					
I	The company has cut costs on overheads such as human resource to reduce costs					

SECTION C: DIFFERENTIATION STRATEGY

To what extent does the company differentiation strategy affect the company's performance? Use 1- Strongly Disagree, 2-Disagree, 3-Neutral, 4- agree, 5-Strongly Agree

DIFFERENTIATION STRATEGY		**SD**	**D**	**N**	**A**	**SA**
A	The company packages same product					
B	The company produces products of different quantities for different segments					

C	The company produces different product for different markets					
D	The company uses different technologies to vary product quality for different markets our competitors					
E	The company uses different product attributes to market its products					
F	The company employs company branding to differentiate itself and products from to					

SECTION D: STRATEGIC ALLIANCE

Indicate the extent to which the following factors influence adoption of strategic alliance in your organization and organization performance Use 1- Strongly Disagree, 2-Disagree, 3-Neutral, 4- agree, 5- Strongly Agree

STRATEGIC ALLIANCE		**SD**	**D**	**N**	**A**	**SA**
A	Increasing efficiencies in the organization					
B	Increase the speed with which the organization can access the new combinations of knowledge needed to bring new products to market					
C	increase customer base for the organization					
D	Strategic alliance has Improve risk					

E	Strengthen organization competitive position by enhancing market power through the resultant synergy					
F	Strategic alliance has Increase organization profitability level					

Indicate the extent to which the following factors influence market orientation and organization performance Use 1- Strongly Disagree, 2-Disagree, 3-Neutral, 4-agree, 5- Strongly Agree

MARKET ORIENTATION		**SA**	**A**	**N**	**D**	**SD**
A	Increased Product quality					
B	Better customer service					
C	New product development					
D	Brand loyalty					
E	Our organization carries out market research annually					

SECTION E; ORGANIZATION PERFORMANCE

Likert scale; 1. Strongly Disagree, 2. Disagree, 3. Neutral, 4. Agree, 5. Strongly Agree

ORANIZATION PERFORMANCE		**SA**	**A**	**N**	**D**	**SD**
A	The organization has increased Sales and market share					
B	The organization has increased in Profitability					
C	Our customers are very satisfied as a result of quality service deliver					
D	The organization has increased its Productivity					
E	The processes and systems are well known by the employees and are followed at all times					
F	All employees have necessary/required skills					
G	The organization has the required tools and technology required					
H	There is reduction in operational cost					
I	The organization is strict on following its Vision and Mission					
J	The organization structure is commendable					

Appendix II: SPSS Output

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.874[a]	.764	.758	.05376

a. Predictors: (Constant), SA, MFS, DS, CLS

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.402	4	.350	121.295	.000[b]
	Residual	.433	150	.003		
	Total	1.835	154			

a. Dependent Variable: OP

b. Predictors: (Constant), SA, MFS, DS, CLS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.066	.038		1.741	.084
	MFS	.173	.063	.190	2.731	.007
	LCS	.274	.069	.288	3.978	.000
	DS	.258	.062	.261	4.138	.000
	SA	.232	.059	.249	3.936	.000

a. Dependent Variable: OP

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.890[a]	.791	.784	.05069

a. Predictors: (Constant), MO, MFS, SA, DS, CLS

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.453	5	.291	113.079	.000[b]
	Residual	.383	149	.003		
	Total	1.835	154			

a. Dependent Variable: OP

b. Predictors: (Constant), MO, MFS, SA, DS, CLS

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.056	.036		1.573	.118
	MFS	.144	.060	.158	2.399	.018
	LCS	.200	.067	.209	2.969	.003
	DS	.191	.061	.193	3.155	.002
	SA	.170	.057	.183	2.968	.003
	MO	.240	.054	.273	4.439	.000

a. Dependent Variable: OP

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.904[a]	.817	.810	.04759

a. Predictors: (Constant), MFSMO, CLS, DS, SA, MO, MFS

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.500	6	.250	110.377	.000[b]
	Residual	.335	148	.002		
	Total	1.835	154			

a. Dependent Variable: OP

b. Predictors: (Constant), MFSMO, CLS, DS, SA, MO, MFS

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.205	.047		4.397	.000
	MFS	.115	.057	.125	2.015	.046
	LCS	.191	.063	.201	3.029	.003
	DS	.155	.057	.157	2.701	.008
	SA	.147	.054	.158	2.723	.007
	MO	.176	.053	.200	3.350	.001
	MFSMO	-.724	.158	-.223	-4.582	.000

a. Dependent Variable: OP

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.910[a]	.829	.821	.04622

a. Predictors: (Constant), CLSMO, MFS, MFSMO, DS, SA, MO, CLS

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.521	7	.217	101.759	.000[b]
	Residual	.314	147	.002		
	Total	1.835	154			

a. Dependent Variable: OP

b. Predictors: (Constant), CLSMO, MFS, MFSMO, DS, SA, MO, CLS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.284	.052		5.489	.000
	MFS	.128	.055	.140	2.303	.023
	LCS	.176	.061	.184	2.856	.005
	DS	.141	.056	.142	2.511	.013
	SA	.110	.054	.118	2.051	.042
	MO	.136	.053	.155	2.588	.011
	MFSMO	-.600	.158	-.185	-3.789	.000
	CLSMO	-.091	.029	-.163	-3.156	.002

a. Dependent Variable: OP

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.919[a]	.845	.837	.04414

a. Predictors: (Constant), DSMO, MFS, CLSMO, DS, MFSMO, SA, MO, CLS

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.551	8	.194	99.499	.000[b]
	Residual	.284	146	.002		
	Total	1.835	154			

a. Dependent Variable: OP

b. Predictors: (Constant), DSMO, MFS, CLSMO, DS, MFSMO, SA, MO, CLS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.271	.050		5.465	.000
	MFS	.102	.053	.112	1.916	.057
	CLS	.184	.059	.193	3.128	.002
	DS	.126	.054	.127	2.345	.020
	SA	.125	.051	.134	2.432	.016
	MO	.159	.051	.181	3.143	.002
	MFSMO	-.871	.167	-.268	-5.231	.000
	CLSMO	-.084	.028	-.149	-3.028	.003
	DSMO	-.100	.026	-.152	-3.891	.000

a. Dependent Variable: OP

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.929[a]	.863	.855	.04158

a. Predictors: (Constant), SAMO, DSMO, MFS, CLSMO, DS, MFSMO, SA, MO, CLS

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.585	9	.176	101.858	.000[b]
	Residual	.251	145	.002		
	Total	1.835	154			

a. Dependent Variable: OP

b. Predictors: (Constant), SAMO, DSMO, MFS, CLSMO, DS, MFSMO, SA, MO, CLS

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.315	.048		6.599	.000
	MFS	.120	.050	.131	2.384	.018
	LCS	.170	.055	.178	3.068	.003
	DS	.103	.051	.105	2.038	.043
	SA	.105	.049	.113	2.161	.032
	MO	.144	.048	.164	3.008	.003
	MFSMO	-.778	.158	-.240	-4.918	.000
	CLSMO	-.058	.027	-.103	-2.164	.032
	DSMO	-.068	.025	-.103	-2.683	.008
	SAMO	-.088	.020	-.170	-4.422	.000

a. Dependent Variable: OP

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions (Constant)	MFS	CLS	DS	SA	MO
1	1	5.968	1.000	.00	.00	.00	.00	.00	.00
	2	.011	22.985	.93	.03	.02	.00	.01	.04
	3	.007	29.477	.01	.35	.11	.08	.15	.16
	4	.006	32.891	.04	.01	.00	.12	.32	.74
	5	.005	36.265	.01	.00	.01	.79	.50	.00
	6	.003	41.777	.00	.61	.85	.01	.01	.05

a. Dependent Variable: OP

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.890[a]	.791	.784	.05069	2.046

a. Predictors: (Constant), MO, MFS, SA, DS, CLS

b. Dependent Variable: OP

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	VIF
1	(Constant)	.056	.036		1.573	.118		
	MFS	.144	.060	.158	2.399	.018	.323	3.096
	LCS	.200	.067	.209	2.969	.003	.282	3.549
	DS	.191	.061	.193	3.155	.002	.372	2.688
	SA	.170	.057	.183	2.968	.003	.370	2.702
	MO	.240	.054	.273	4.439	.000	.371	2.699

a. Dependent Variable: OP

Correlations[c]

		OP	MFS	CLS	DS	SA	MO
OP	Pearson Correlation	1					
	Sig. (2-tailed)						
MFS	Pearson Correlation	.571**	1				
	Sig. (2-tailed)	.000					
LCS	Pearson Correlation	.388**	.368**	1			
	Sig. (2-tailed)	.000	.000				
DS	Pearson Correlation	.482**	.169*	.141	1		
	Sig. (2-tailed)	.000	.036	.080			
SA	Pearson Correlation	.582**	.459**	.265**	.293**	1	
	Sig. (2-tailed)	.000	.000	.001	.000		
MO	Pearson Correlation	.579**	.376**	.294**	.317**	.453**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

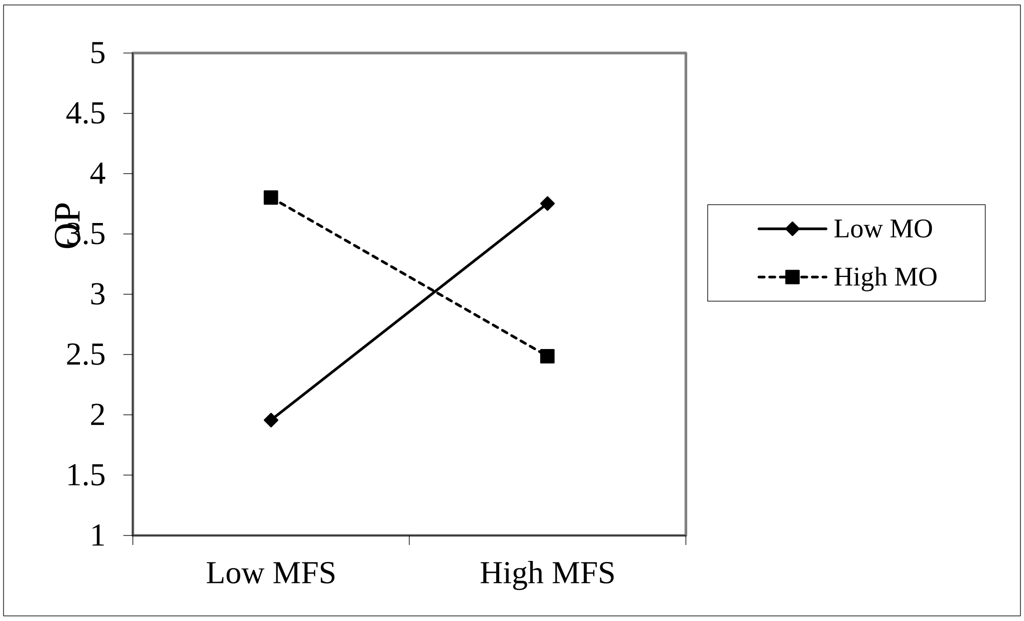
c. Listwise N=155

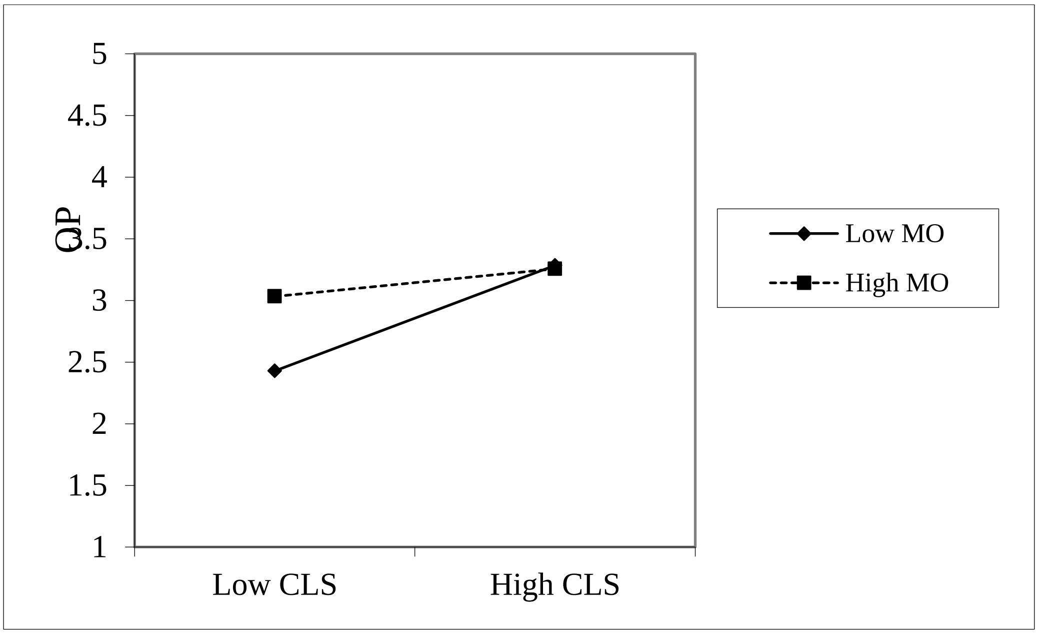
White Test for Heteroskedasticity[a,b,c]

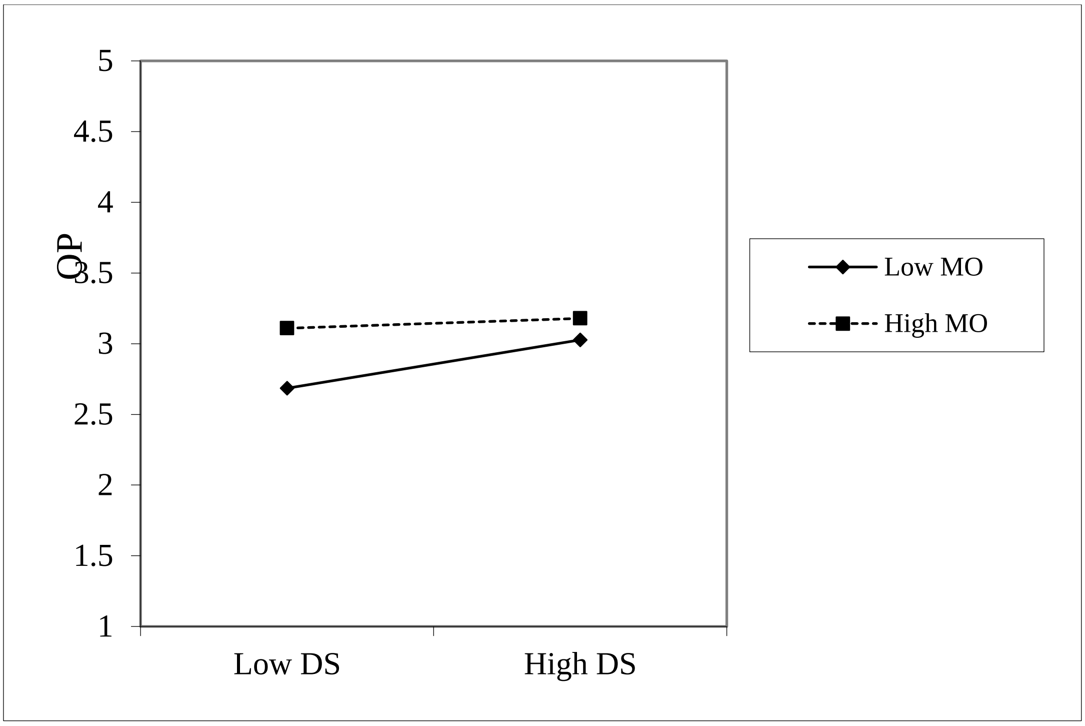
Chi-Square	df	Sig.
19.926	14	.132

a. Dependent variable: OP

b. Tests the null hypothesis that the variance of the errors does not depend on the values of the independent variables.



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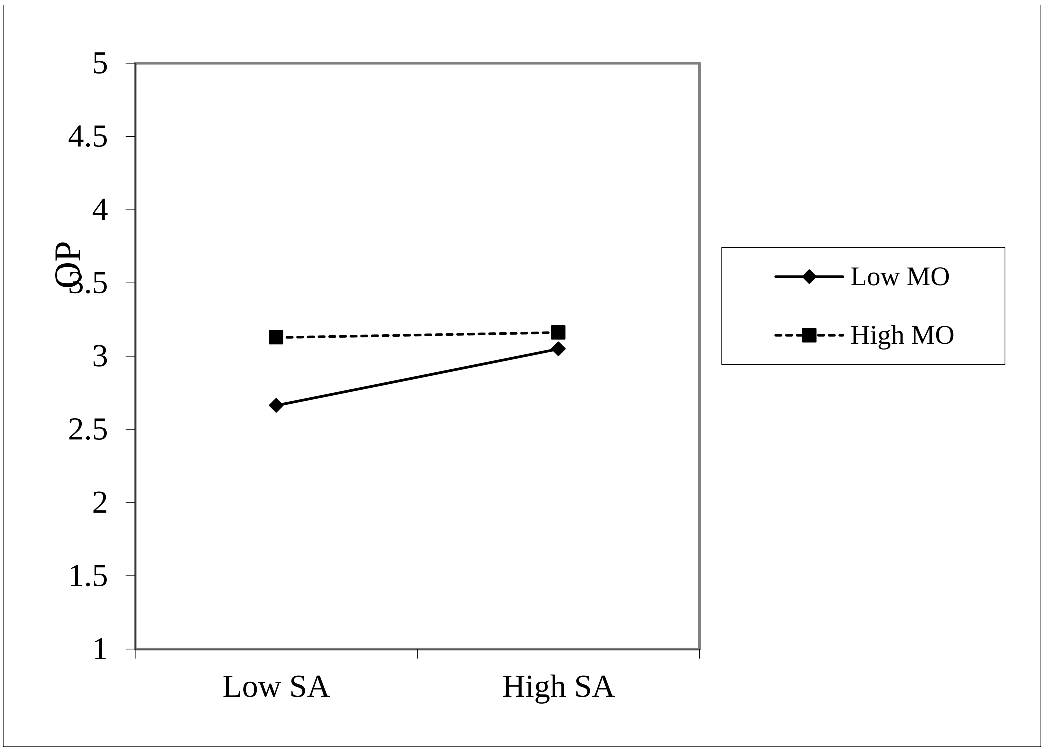
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High SA
Low MO
High MO

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Jane Wairimu Maina (SBE/MBA/2049/16)

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