



Influence of Corporate Differentiation Strategies on Organizational Performance of Mobile Service Providers: A Comparative Analysis of Safaricom Plc and Airtel (K) Ltd in Kenya

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ABSTRACT

The study objective was to comparatively determine the influence of corporate differentiation strategies on the organizational performance of Safaricom and Airtel in Kenya. The study applied quantitative approach, used positivism paradigm, and adopted correlational research design. The target population was 235 managerial staff of Safaricom and Airtel and used a census approach. The data was collected using questionnaires and secondary data collection sheets for the period 2013 to 2022. Descriptive statistics and multiple regression analysis were used to analyse the data. Tables and figures were used in the presentation of the data. From the correlation analysis, corporate differentiation strategies were established to be positively correlated to performance of mobile service providers in Kenya. The emphasis on differentiation strategies are concluded to help the mobile service providers in tailoring goods and services to specific regions and demographics, enabling mobile service providers to engage with their diverse customer base more effectively. The study recommends that mobile service providers prioritize a comprehensive understanding of the market, adopting location-specific strategies that cater to local demands while maintaining cost efficiency and categorizing customers based on a range of factors, providers can tailor offerings to specific needs, enhancing customer engagement. Adoption of the strategies will enable the mobile service providers to effectively contribute to vision 2030 and achievement of sustainable development goals.

Key Words: *Corporate Differentiation, Strategies, Mobile Service Providers*

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1.0 Introduction

The globe is becoming a global village thanks to the continuous development of newer technology, which embraces the internet and other cutting-edge electronic equipment (Liton& Saleh, 2017). Internet and mobile communication are essential for fostering the idea of the "global village" (Edquist *et al.*, 2018). As a result, mobile service providers are putting innovative strategies into practice to reach every person on the planet in a way that is both lucrative and beneficial (Burhanuddin *et al.*, 2018). However, mobile service providers face several performance challenges in both developed and developing countries. These challenges can vary depending on factors such as market saturation, regulatory environments, and



technological advancements. One of the most significant challenges facing mobile service providers is network congestion. As more people use mobile devices to access the internet and stream content, networks can become congested, resulting in slow speeds, and dropped connections. This is particularly true in densely populated areas, where the number of users can overwhelm the capacity of the network. In response to this challenge, mobile service providers have invested heavily in upgrading their networks to support higher data volumes and faster speeds. For example, in 2019, AT&T announced plans to invest \$23 billion in its network to support 5G technology and meet growing demand for mobile data (AT&T, 2019).

Mobile service providers are also faced with the need to keep up with evolving technology. Mobile devices and network infrastructure are constantly evolving, and providers must invest in research and development to stay ahead of the curve. For example, the rollout of 5G technology is a major challenge for mobile service providers, requiring significant investment in infrastructure and network upgrades. In addition, the increasing use of IoT devices and the need for seamless connectivity across different types of devices pose significant challenges for mobile service providers (GSMA, 2019). Another worrying trend in the mobile service provider industry is the increasing consolidation of the market whereby in many countries, a small number of providers dominate the market, which can lead to higher prices and reduced competition. For example, in the US, the four largest mobile service providers (AT&T, Verizon, T-Mobile, and Sprint) control over 95% of the market (FCC, 2019).

In developing countries, mobile service providers face additional challenges related to infrastructure and regulatory environments. For example, many developing countries have limited network infrastructure, which can make it difficult for providers to offer reliable services. In addition, regulatory environments in some developing countries can be complex and challenging, with high taxes and fees and stringent regulations on spectrum allocation and network deployment (World Bank, 2020). To address these challenges, mobile service providers need to adopt proper competitive strategies. This includes investing in network infrastructure and upgrading technology to support higher data volumes and faster speeds. Providers also need to focus on developing innovative services and pricing models to differentiate themselves from competitors. In addition, governments can play a role in promoting competition by enacting policies that encourage investment and innovation and reduce barriers to entry for new providers (OECD, 2019).

Pressure from rising service prices and worries about service quality causing mobile service providers to look for competitive methods that will boost their overall performance (Joe, 2016). To assure high access rates, these mobile service providers are carefully implementing competitive strategies (Ghebreorgis & Mihreteab, 2018). Strategic management entails conceiving, implementing, and evaluating decisions from all sectors of an organization that help the firm achieve its goals (Owich, Katuse, & Ngari, 2018). In unstable conditions, an organization's capacity to execute new strategies swiftly and successfully might make the difference between success and failure. Strategy implementation has a considerable impact on organizational performance, according to previous practical experiences and scientific works (Hrebiniak & Joyce, 2017; Li, Gouhui & Eppler, 2014). However, the literature of previous scholarly research shows that strategy implementation in most businesses fails at a high rate around the world. Strategy implementation, according to Pearce (2019), is simply putting the recommended strategy into action to achieve organizational goals and objectives. Organizations typically devote most of their time and resources to developing strategic plans without considering the means and circumstances. An imperfect plan that is well implemented will be more effective than one that is implemented incorrectly.



Each of these strategies, according to Porter (2010), calls on a company to pinpoint growing markets, strive for operational effectiveness, and constantly raise the caliber of its goods and services. The long-term course of the company and its existence are determined by the continual assessment of these performance indicators and their management. To attain and sustain competitiveness in the Kenyan telecommunications sector, continual assessment of the key performance indicators is just as crucial as the process of developing and implementing strategies. Because these are the often-employed Porter strategies as the main competitive strategies. The corporate cost leadership approach describes efforts made by businesses to gain a competitive edge by lowering costs across the board (Achieng & Ngala, 2019). Demand a higher price than your rivals to cover the enormous expenses of being unique or unusual. The company must also weigh the advantages and expenses of its offerings. The company focuses on supplying high-quality goods and services while lowering consumer costs to gain a competitive edge, increasing market demand through offers and promotions, and improving delivery and accessibility (Panwar *et al.*, 2016).

According to Karabulut (2015), corporate cost leadership influences company performance through generating economies of scale, developing creative cost-saving hotel designs, successfully lowering operational costs, and upholding strict cost control throughout all corporate activities. Other cost-cutting tactics include undercutting competitors' prices, maintaining a constant emphasis on the lowest cost per unit, making significant investments in technology-based systems, gaining economies of scale through mergers or consolidation, outsourcing tasks, and creating joint ventures. These are the main priorities for businesses pursuing a corporate cost leadership strategy (Porter, 1980). Using a differentiation strategy, a business seeks to create and promote distinctive services and goods for various consumer categories (Msinga, *et al.*, 2018). Companies employ differentiation strategy to forge a distinctive character in a particular market. It may also be described as the act of placing a good or service in a way that makes it possible to set it apart from the competitors and create an image that stands out. Once more, differentiation concentrates on creating a unique product or the idea of a unique service for which buyers are willing to pay a premium (Makadina, 2019). A company should try to create and increase resources that support customer service, quality, and/or innovation if it wants to stand out. By increasing shareholder value, diversification boosts a company's success. Focus practices imply offering top-notch service to a relatively limited segment of the population.

According to Muraguri (2018), a differentiation strategy may be built on developing distinctive product images while simultaneously building consumer loyalty by developing goods that are inventive, dependable, durable, and serviceable. According to Porter (2010), customers' opinions will always decide whether there is product differentiation, but companies may use various tactics to shift their perceptions. This implies that products and services may be differentiated in a variety of ways, including via the use of after-sales services such as quality consideration, incentive programs, extended working hours, and so on (Block *et al.*, 2015). By increasing shareholder value, diversification enhances a company's performance. Focus practices involve offering superior service to a relatively small number of customers or segments of the population (Alexy *et al.*, 2018). This might serve as a catch-all category for businesses that do not enjoy any sort of cost advantage and do not command premium prices for their products.

A concentration of organizational efforts on a certain market segment might go along with either of these two strategies (Mohamed and Gichinga, 2018). Theoretically, some issues with pure strategies are what drive the arguments for the adoption of hybrid methods (Gure & Karugu, 2018). Therefore, hybrid tactics could better meet client demands. In focus strategies,



one market sector will be the focus of the company. In this instance, a certain consumer segment, product, geographic area, or service would be the focus of attention (Porter, 1987). These should be distinct groups with distinct needs. Depending on the demands of the targeted market segment and the firm's resources and expertise, low price or distinctive products/services should be supplied. According to Karuga, Gichunge, and Kirimi (2021), the focus practices should target a limited pool of potential customers in a small market while striving to service a specialized market at the lowest feasible cost (Karuga *et al.*, 2021; Chelanga *et al.*, 2017).

In Kenya, other network mobile service providers in Kenya attempted to overtake Safaricom by formulating a variety of strategies, such as offering free calls, free internet bundles, and free messages across the networks with no avail. However, there has been a pronounced rise in mobile phone networks in poor nations since 2013, particularly in Kenya, where most people own smartphones. Due to this, mobile service provider companies were grouped into tiers (Chesula & Kilika, 2020). In Kenya, Tier 1 operators are companies like Airtel, Telkom and Safaricom PLC that operate their own networks, host their own phone numbers, and offer internet and voice services (Lodge, 2016). Operators classified as Tier 2, Tier 3, and Tier 4 run their own numbering systems and may even have partial network ownership. However, to adequately disseminate their services, they often require the assistance of a higher tier network provider.

Tier 0 operators distinguish themselves by building their own systems to manage customers and adopting technical innovation to avoid getting network access from other service providers to support their own. They do, however, rely largely on Tier 1 to Tier 4 operators to provide services. Tier 1 players have grown significantly. Safaricom's mobile subscriber base increased slightly to 29.5 million in the first quarter of the 2016-2017 fiscal year, but the company lost market share, ending the quarter with 69.1 percent of the market, compared to 71.9 percent for Airtel, which saw an increase in its mobile subscriber base and ended the quarter with 7.3 million subscribers and a 17.2 percent market share, up from 14.9 percent the previous quarter (Mohamed & Atheru, 2017). Telkom Kenya, like Airtel, witnessed an increase in its client base. This expansion was fueled by the rebranding strategy, which intensified marketing activities. As of December 2022, Safaricom remained the dominant player with 43 million subscribers, Airtel Kenya 18 million and Telkom 3 million. Safaricom commands 64 percent market share on mobile data, 70.4 percent on voice traffic and 37 percent on fixed data market (CA, 2023)

Maintaining the performance of these mobile service providers in the current, fiercely competitive business climate is getting increasingly difficult (Hajar *et al.*, 2022). It is becoming more crucial for these providers to guarantee they deliver expected performance as they work to fulfill the shifting demands and rising expectations of consumers for the success and survival of their operations (Ullah *et al.*, 2019). Additionally, theories like the Resource Based View theory have demonstrated that the use of unique strategic competitive tactics leads to performance (Chepng'etich & Kimencu, 2004). According to Porter's general framework, businesses who employ any of these competitive tactics are predicted to get a competitive edge that will help them beat rivals in their sector. However, a corporation must make a clear decision on which strategy to use to surpass its rivals (Porter, 1996).

1.2 Research Objectives

To establish the influence of corporate differentiation strategies on the organizational performance of Safaricom PLC and Airtel (K) Ltd mobile service providers in Kenya.



1.3 Research Hypotheses

H₀₁: Corporate differentiation strategies do not have statistically significant effect on organizational performance of Safaricom PLC and Airtel (K) Ltd mobile service providers in Kenya.

2.0 Literature Review

2.1 Theoretical Review

The study adopted the Ansoff Matrix model conceived by Igor Ansoff in 1988. The model occupies a pivotal place in management and strategic studies, offering a comprehensive typology for business growth and performance strategies (Ndege, 2018). This typology is organized into four principal quadrants that serve as analytical categories for assessing both market and product dimensions. These dimensions encompass existing and new markets, as well as existing and new products, offering an intricate yet practical template for decision-making in the realms of market entry, product innovation, and corporate strategy (Ensign, 1998). Delving into the intricacies of Ansoff's framework, the quadrant of 'Market Penetration' emerges as a strategic avenue aimed at elevating market share for pre-existing products within already established markets. This often entails a concerted intensification of marketing endeavors, judicious price adjustments, and the strategic implementation of programs to ensure customer retention. In sharp contrast, 'Market Development' takes a divergent trajectory, focusing on the expansion of existing products into previously untapped markets or consumer segments. This often necessitates a nuanced and specialized approach, one that customizes products or services to cater to the distinct demands of these nascent or previously disregarded consumer cohorts (Chungyalpa & Bora, 2015).

Delving even further, the conceptual domain of 'Corporate Differentiation Focus Strategies' introduces an additional layer of complexity. This strategic approach is tailor-made for organizations harboring ambitions of specializing within a defined market segment. Such specialization is often achieved through the delivery of markedly distinctive products or by creating exceptional and unique customer experiences. In contrast, the quadrant of 'Diversification' provides a radical departure from established paradigms, involving the introduction of new products to previously unexplored markets. This trajectory offers not only potential avenues for business expansion but also opportunities for risk diversification, which in turn can lead to profound shifts in a company's performance metrics (Chen *et al.*, 2018). Elevating the Ansoff Matrix beyond its role as a mere algorithmic tool, it morphs into a philosophical guide that facilitates an enhanced comprehension of business imperatives. The overarching objective when applying the Ansoff Matrix is the augmentation of profitability. The routes to achieving this objective are diverse and multifaceted. They can range from venturing into uncharted markets with existing products to broadening the product spectrum within markets already accessed. In cases where the latter course of action is pursued, the model introduces the intriguing concept of the 'Corporate Cost Focus Leadership Strategy.' Contrary to misconceptions, this strategy does not advocate for a compromise on quality in favor of reduced prices. Instead, it emphasizes the delivery of products or services aligned with consumer valuation and responsive to the prevailing dynamics of the market (Ndege, 2018; Bromiley & Rau, 2016).

The practical application of the Ansoff Matrix entails an in-depth engagement with intricate market research and developmental initiatives. This involves activities such as thorough assessments of customer needs, rigorous gap analyses, and the utilization of advanced predictive analytics. By delving into these comprehensive undertakings, businesses can attain indispensable insights into consumer behavior, thus positioning themselves to make strategic



decisions that are both empirically driven and contextually attuned. Ansoff Matrix assumes a particularly critical role when considering Micro and Small Enterprises (MSEs), entities that frequently operate within turbulent markets and grapple with resource constraints in comparison to larger counterparts. For MSEs, the model offers actionable insights for the implementation of focused cost leadership and differentiation strategies. The synergistic deployment of these strategies can substantially bolster the long-term viability and competitive standing of MSEs, contributing to market sustenance and enhancing the competitive edge of their products or services (Ansoff, 1993).

To encapsulate, the Ansoff Matrix transcends its status as a tactical instrument to emerge as a comprehensive theoretical paradigm. This paradigm integrates the multifaceted dynamics of markets, consumer behavior, and competitive strategy. Its significance for Micro and Small Enterprises is particularly pronounced, serving as a robust framework for crafting and executing intricate growth and competitiveness strategies. The Ansoff Matrix adeptly navigates the intricate interplay between cost leadership and differentiation, thereby offering enterprises pathways not merely to survival but to meaningful and sustainable growth.

In Ansoff's framework, 'Market Penetration' represents strategies oriented towards increasing market share for existing products in existing markets. This often involves intensified marketing efforts, price adjustments, and customer retention programs. By contrast, 'Market Development' focuses on taking existing products to untapped markets or consumer demographics. This often requires specialized or "niche-focused" strategies that tailor products or services to meet the demands of these new or previously untargeted consumer groups (Chungyalpa & Bora, 2015). An additional layer of complexity is added by the concept of 'Corporate Differentiation Focus Strategies.' These are intended for organizations aiming to specialize within a limited market segment, often by delivering highly differentiated products or unique customer experiences. Diversification, or the introduction of new products to new markets, is another vital quadrant that offers a radical avenue for business expansion and risk diversification, affecting a company's performance metrics in profound ways (Chen *et al.*, 2018). Importantly, the model is not merely an algorithmic tool but acts as a philosophical guide to understanding business imperatives. When a company employs the Ansoff Matrix, the ultimate objective is the augmentation of profitability. The approaches to achieving this are manifold and can vary from tapping into unexplored markets with extant products to expanding the product range in existing markets. In cases where the latter is chosen, the model invokes what is known as 'Corporate Cost Focus Leadership Strategy.' This is not an invitation to cut corners and offer cheaper products but rather a guide to delivering products or services at a price point that is attuned to consumer valuation and market dynamics (Ndege, 2018; Bromiley & Rau, 2016).

Applying this lens necessitates nuanced market research and developmental efforts, including customer need assessment, gap analyses, and even advanced predictive analytics. Such comprehensive endeavors enable businesses to obtain critical consumer behavior insights, positioning them to make strategic decisions that are both data-driven and context-sensitive. Ansoff Matrix is particularly indispensable for Micro and Small Enterprises (MSEs), which often operate in volatile markets and are generally more resource-constrained than larger organizations. In summary, the Ansoff Matrix transcends its utility as a mere tactical instrument. It evolves into a comprehensive theoretical paradigm that integrates the complexities of market dynamics, consumer behavior, and competitive strategy.

2.2 Empirical Review

Kihoro and Kepha (2014) investigated the impact of competing tactics on customer retention at G4S (K) Limited. The investigation revealed that the organization has a division responsible for managing strategic accounts, with the main goal of creating efficient client retention strategies. Comparably, Kavale *et al.* (2016) looked at how Kenyan microfinance institutions' corporate growth was affected by their product differentiation approach (MFIs). The study included both descriptive and quantitative research designs. In accordance with stratified and purposive sampling techniques, the sample size was 32 businesses. There were 57 enterprises in the target market. A questionnaire served as the main method for gathering data. According to the report, the product diversification approach has a significant influence on business success in Kenyan MFIs. In Kenyan MFIs, increased product diversification strategy implementation promotes business development. To maintain their competitiveness in the market and grow their enterprises, it urges managers to generate, protect, and keep unique goods and services. In a study conducted by Njoro (2017), the impact of competitive strategies on the growth of specific Kenyan public universities was investigated. Employing a descriptive research design, the study was executed in three specialized public universities. A stratified sampling technique was used to select a sample size of 114 from senior management levels. Primary data were collected to achieve the research objectives, and both descriptive and inferential statistical methods were applied for data analysis. According to the findings, most of the assessed public institutions have developed greatly as a consequence of technological advancements. The most prominent element is that the growth of the individual institutions and the entrance of new technical leadership have had a significant impact on research and development in innovation.

Conrad (2014) conducted research on the instances where a competitive advantage does not convert into performance. According to the report, the key to standing out from the crowd is to be unique in ways that help consumers while also being sustainable for the firm. A thorough analysis of consumer desires and preferences is essential for understanding what they consider valuable and their willingness to pay for it. As Porter (1985) argues, the advantage of uniqueness can manifest in various forms such as customer service, design, brand reputation, or technological features. Porter (1985) further extends this notion by suggesting that differentiation is not confined to the product or service attributes alone but encompasses all possible interactions between the organization and its customer base. However, Grant (2013) adds that differentiation tactics are about understanding the product or service and the client rather than seeking uniqueness for the sake of being distinct. Qayyum (2017) conducted research on product differentiation techniques as well as the influence of variables impacting the differentiation process. The study examined the strategies of differentiation employed by mobile telecommunications providers and the variables that impact this differentiation process, with a specific focus on the Pakistani market. The analytical framework of the research was anchored in the factors that contribute to product differentiation, representing the tools utilized by management in mobile telecom companies to enact corporate differentiation strategies and the variables that affect these tools. Based on findings from four case studies, it was observed that all mobile service providers engage in differentiation tactics influenced by various factors. The investigation revealed that these factors are connected to one another. The research of all the case firms revealed that restrictions have an impact on industry earnings, raise the cost of upgrading networks and infrastructures, cause a delay in the adoption of innovation, and therefore influence the differentiation strategy. Aliqah (2017) looked at the relationship between the performances of Jordanian industrial businesses' distinguishing approach. The study employed a case study methodology and had 33 Jordanian industrial enterprises as its target demographic. With the use of descriptive statistics, the data was examined. The study



concluded a positive influence on organizational performance when the differentiation approach was dominant. In their study, Setyawati, Rosiana, and Shariff, (2017) examined how innovation functions as a mediator between corporate performance and competitive advantage and showed that competitive advantage does not mediate the impact of innovation on business returns. The use of corporate differentiation strategies to achieve an edge in international markets was studied by Putra (2018). The study adopted a descriptive qualitative methodology, and data were gathered through interviewing and observation. Participants in the poll were Malang, Indonesian business owners, staff members, and customers of Never Get Old Company. The research study's findings state that the company's endeavours for difference included brand distinction, service differentiation, and product differentiation.

Exposito and Sanchis-Llopis (2018) looked at two possible indicators of operational business performance: an increase in productive capacity and an improvement in the quality of the company's product or service. A large sample of Spanish small and medium-sized enterprises (SMEs) was used to gather evidence that innovation affects both financial and operational performance, even if the methods and metrics used to measure it differed. In 2019, Kneipp *et al.* investigated the link between successful industrial firms and sustainable innovation methods. An industrial company survey and a quantitative analysis were both part of this project in Brazil. There were statistically significant favorable connections between sustainable innovation techniques and corporate success in the study's findings. Research by Kawira (2021) examined the impact of product and service innovation on MSMEs in Kenya. This study's findings demonstrated that product and service innovation have a considerable positive impact on the productivity of SMEs. The findings of this study suggest that MSMEs in Kenya benefit greatly from product/service innovation. Because of this, product/service innovation, which is achieved by introducing new or improved products/services and improving service quality, provides entrepreneurial firms with the opportunity to gain traction through the temporary gains associated with an innovation and is also a crucial ongoing activity for long-term entrepreneurial success.

2.3 Conceptual Framework

The graphical depiction of the conceptual framework represents the major categories and variables connected by arrows and lines to display the interactions and relationships where the performance of Organizational performance of Airtel and Safaricom mobile service providers in Kenya depends on independent variables.

Independent Variables

Dependent Variables

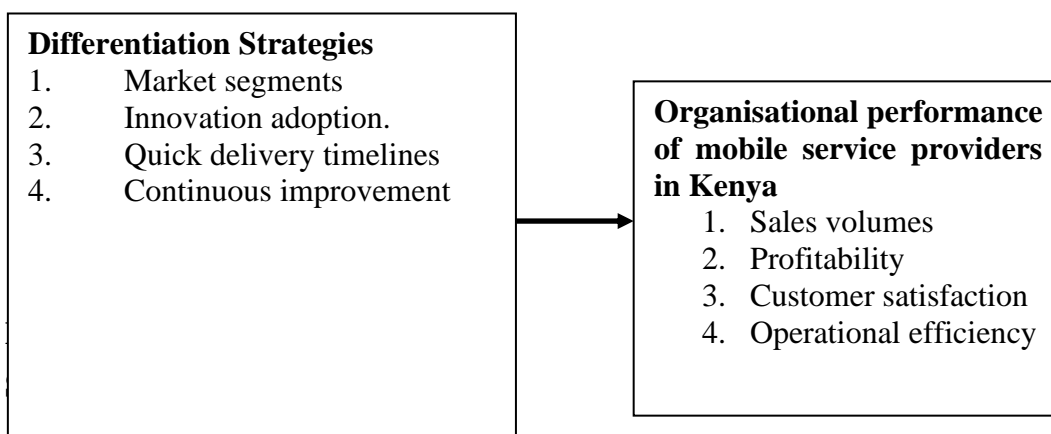


Figure 1: Conceptual Framework



Source: Researcher (2024)

3.0 Research Methodology

A positivism philosophical approach was taken in this research. According to the positivism paradigm, hypotheses must be developed and tested to empirically establish a relationship between two variables in a study. This philosophy is founded on the idea that scientific hypotheses are only true if the observed consequences can be verified through empirical tests. It takes a quantitative method to analyze phenomena that is transparent, independent, and impartial (Kothari, 2019). This decision was premised on the fact that the research was based on the ideas examined and necessitated quantitative data and analytical methodologies. Theory, hypothesis, operational definition, measurement, testing, and verification are the six basic components of the hypothetic-deductive process. Research design is the start of the research roadmap, a master plan that logically and cogently connects the numerous study components (Kothari, 2019). It is a roadmap outlines the methods employed in research. The design considers the issue of research requirement, the location and time of the study, as well as the kind of data required (Kothari, 2019). It aids in determining the tools and procedures required for data collecting and effective data analysis. The research design for this study was correlational research design. The design is best placed to explore why something occurs when limited information is available and relating to more than two variables (Creswell, 2018). It is used to understand how different variables correlate to each other, and how they interact to produce certain outcomes.

The importance of this research design was that it enabled the researcher to identify and describe the patterns of relationships between variables, and to draw inferences about the causal mechanisms that underlie these relationships. It was also used to test hypotheses or theories about the relationships between variables and make predictions about how changes in one variable might affect other variables, and ultimately the overall system. The population of the study was all the head of departments and sections at Safaricom PLC and Airtel (K) Ltd mobile service providers in Kenya who are based in Nairobi County. Nairobi was selected since Safaricom, and Airtel head office are in Nairobi. Specifically, the heads of sections and departments are expected to have crucial formulation on execution and evaluation of strategies adopted by the two firms. These departments are tasked with strategy formulation, implementation, monitoring, and evaluation.

Table 1: Hypotheses Testing

Hypotheses Statement	Hypotheses Test	Decision Rule
Corporate differentiation strategies do not have significant effect on performance of Safaricom PLC and Airtel (K) Ltd mobile service providers in Kenya.	$\beta_2 = 0$; $H_A: \beta_2 \neq 0$	Reject H_0 if P-value ≤ 0.05 Otherwise fail to reject H_0 if P-value ≥ 0.05

Source: Researcher, (2023)

4.0 Research Findings

This section sought to determine the extent at which corporate differentiation strategies affected organizational performance. Table 2 shows the results obtained.



Table 2: Corporate Differentiation Strategies and Organizational Performance

Statement	Overall		Safaricom		Airtel	
	Mean	SD	Mean	SD	Mean	SD
Depending on their geographic location, demographics, lifestyle preferences, and behaviour, we categorize all our clients.	4.3	0.743	4.31	0.53	4.28	0.91
Our company always hires and keeps on board (employs) highly qualified personnel.	4.34	0.725	4.29	0.56	4.39	0.86
We consistently offer innovative, enticing, and aggressive goods and services.	4.06	1.019	4.32	0.60	3.78	1.26
Our company consistently makes sure that the goods and services we provide to customers are distinctive.	4.13	1.127	4.37	0.67	3.92	1.42
Product and service deliveries are always made on time.	4.07	0.914	4.21	0.54	3.91	1.16
Our company is always enhancing its offerings to make them more appealing.	4.22	0.918	4.22	0.60	4.21	1.16
Average Mean score	4.19	0.908	4.29	0.58	4.08	1.13

Source: Research Findings (2024)

From the table 2, Safaricom has adopted superior corporate differentiation strategies with a mean of 4.29 (standard deviation 0.58) compared to Airtel mean of 4.08 (standard deviation of 1.13). Out of total six constructs, Safaricom was leading in five of them that included niche categorization, innovation, timely deliveries, and distinctive customer products offering. Airtel took lead on having qualified board members.

As shown by Table 2, a very large extent was noted on depending on their geographic location, demographics, lifestyle preferences, and behaviour, the firms categorize all our clients, the mobile service providers always hires and keeps on board (employs) highly qualified personnel, they consistently offer innovative, enticing, and aggressive goods and services and the companies consistently makes sure that the goods and services we provide to customers are distinctive with means of 4.30, 4.34, 4.06 and 4.13 respectively. A large extent was also revealed on product and service deliveries are always made on time and the companies are always enhancing its offerings to make them more appealing having means of 4.07 and 4.22 respectively. From the descriptive statistics results, it was deduced that the respondents agreed with the statements on corporate differentiation strategies implying a very large extent of adoption among mobile service providers in Kenya as indicated by an overall mean of (\bar{x} =4.19). The average standard deviation of 0.908 indicates that the data points in a dataset are relatively close to the mean which is a relatively small amount of spread. Therefore, respondents strongly agreed that firms categorize clients based on factors like demographics and behaviors, hire



qualified personnel, offer innovative products, ensure timely delivery, and continuously enhance offerings.

Table 3: Correlation Results

		Safaricom		
Corporate differentiation strategies	Pearson Correlation	.290**	0.118	.397**
	Sig.(2tailed)	0.000	0.000	0.000
	N	195	97	96
		and Airtel	Safaricom	Airtel

Source: Research Findings (2023)

Corporate differentiation strategies have a positive influence on the performance of the mobile service providers (Safaricom and Airtel combined) ($r=0.290$ **, $P=0.000$). A unit increase in this variable will result in a proportional increase in the performance of the mobile service providers. In addition, the effect was significant as the p value was less than 0.05. This means that this variable can be able to significantly predict changes in the performance of the mobile service providers.

Corporate differentiation strategies have a positive influence on the performance of the mobile service providers (Safaricom) ($r=0.118$ **, $P=0.000$). A unit increase in this variable will result in a proportional increase in the performance. In addition, the effect was significant as the p value was less than 0.05. This means that this variable can be able to significantly predict changes in the performance of the mobile service providers. Corporate differentiation strategies (X_2) have a positive influence on the performance of the mobile service providers (Airtel combined) ($r=0.397$ **, $P=0.000$). A unit increase in this variable will result in a proportional increase in the performance. In addition, the effect was significant as the p value was less than 0.05. This means that this variable can be able to significantly predict changes in the performance of the mobile service providers.

Table 4: Model coefficients



	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
Safaricom and Airtel	0.170	0.079	0.170	2.135	0.000
Safaricom	0.037	0.020	0.238	1.856	0.065
Airtel	0.268	0.107	0.261	2.515	0.014

Source: Research Findings (2023)

H0₁: *Corporate differentiation strategies do not have statistically significant effect on organizational performance of Safaricom PLC and Airtel (K) Ltd mobile service providers in Kenya.* The regression results indicated a p value of 0.000, which was less than 0.05 at 5% level of significance. The hypothesis was rejected since corporate differentiation strategies have a significant effect on the organizational performance of Safaricom PLC and Airtel (K) Ltd mobile service providers in Kenya. Muraguri (2018), also argued that differentiation strategy may be built on developing distinctive product images while simultaneously building consumer loyalty by developing goods that are inventive, dependable, durable, and serviceable.

5.0 Conclusions and Recommendations

5.1 Conclusions

Vision 2030 is anchored on three pillars that include economic, social, and political. The study is expected to contribute to achievement of vision 2030 by enhancing performance of the mobile service providers and therefore economic improvement of the country. Ability of the mobile service providers to reach more people and promote literacy will promote achievement of social pillar. Differentiation competitive corporate strategies have the highest impact on performance of Airtel Kenya as compared to Safaricom. This could be explained by the fact that Safaricom is the market leader. The market gap between Safaricom and Airtel is big implying that while Safaricom may be implementing superior strategies, the effect on performance will be less as compared to Airtel since the market may not be expanding at equivalent rate. Airtel implementing competitive strategies will gain more performance since the market potential Airtel can tap on is large.

The study established that corporate differentiation strategies are positively correlated with the performance of mobile service providers in Kenya. The study concludes that differentiation strategies is concluded to help the mobile service providers in tailoring goods and services to specific regions and demographics, enabling mobile service providers to engage with their diverse customer base more effectively. This strategic differentiation fosters deeper connections with clients, establishing the foundation for long-term loyalty.

5.3 Recommendations

In the pursuit of effective differentiation strategies, the study recommends that mobile service providers prioritize a comprehensive understanding of the market. This entails conducting thorough market research to gain insights into customer preferences and emerging trends, thereby enabling the creation of tailored offerings. The cultivation of a culture that promotes



continuous innovation is encouraged, motivating providers to invest in research and development to ensure a consistent flow of unique products and services. The integration of personalized customer engagement, driven by data analytics, is proposed to provide experiences aligned with individual preferences.

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