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INFLUENCE OF BRAND LOYALTY CREATION ON COMPETITIVENESS OF AIRTEL COMPANY VOICE NETWORK SERVICE PROVIDER IN KENYA

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Abstract: **Voice networks providers thrive in a business environment that is highly competitive which poses a challenge to these firms in penetrating the market and establish a market position. This study sought to determine the influence of brand loyalty creation on competitiveness of Airtel company voice network service provider in Kenya. Theory used in this study was Theory of Competitive Advantage. Descriptive research design was used. The target population of the study included 48 middle level management employees and 140 operational staff working in Airtel Kenya. Hence the total target population was 188 staff members in Airtel Kenya. Random sampling was employed where 98 employees were used as the target population. Questionnaires were used for data collection. Questionnaires were tested for validity and reliability. Statistical package for social sciences was used for analyzing the collected data. Data was analyzed using descriptive statistics and inferential statistics and presented in tables. The study established that brand loyalty creation had significant relationship with competitiveness of Airtel Company. As such, brand loyalty creation was important in determining competitiveness of Airtel Company. It was recommended that Airtel should come up with brand loyalty programmes that will help the company to attract more customers.**

Keywords: **Airtel Company, Brand Loyalty Creation, Competitiveness, Market Penetration, Voice Network Service provider**

1. INTRODUCTION

A penetration strategy is an institutional arrangement that a firm uses to market its product. It also refers to the extension of ownership of a firm to cover new markets, new sources of materials and new stages of the production process. The choice of penetration mode is done at firm level after evaluating the various options and their inherent risks and is therefore a strategic decision for the firm (Koome, 2011). Any company's strategic emphasis is increasing sales volumes, boosting market share and cultivating a loyal clientele. Profits are then re invested to grow the business. Price, quality and promotion are tailored to meet customer needs. It's then that opportunities for geographical market expansion are pursued next. The natural sequence for geographical expansion is local to regional to national to international. The degree of penetration will however differ from area to area depending on the profit potentials (Mose, 2007).

Firms mainly seek to increase their market share to gain reputation since market leaders have an influence that they can use to their advantage (Harzing, 2010). A firm may use its influence in an industry to increase its bargaining power. A larger player has an advantage in negotiations with suppliers and channel members than a smaller player in the industry has. This power enables a firm to be more competitive in the industry which ultimately results to increased performance (Harzing, 2010). There are various drivers of market share which include share of preference, which can be increased through product, pricing, and promotional changes. Increasing advertising expenditures and lastly share of distribution can increase share of voice; this can be increased through more intensive distribution.

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According to Chiliyaet, Herbst and Roberts- Combard, (2009), market share can be increased by changing the variables of the marketing mix. They include the product whose attributes can be changed to provide more value to the customer by improving product quality. Setting right market prices as part of the marketing mix also impacts on the market share since a decrease in price will increase sales revenue. This tactic may not succeed if competitors are willing and able to meet any price cuts. Distribution can be done through adding new distribution channels or increasing the intensity of distribution in each channel. Promotion can be changed as increasing advertising expenditures can increase market share, unless competitors respond with similar increases (Mworia, 2009).

The other dimension of market penetration is the existing market which means firm already offering products or services to the customer but can forecast that the existing sales figures can be improved by working on marketing penetration strategy. Market penetration strategy can be implemented by offering sales, Increasing sales force, increase distribution and promotion of products, increased expenditure in marketing and advertising activities will results in increasing sales. It is not guaranteed that market penetration works after investing in sales and marketing of products and service, therefore a firm should go for this strategy only if the current market is not fully saturated, market share of the competitors are decreasing whereas the industry growth rate is increasing, existing buyers have the potential to purchase same products and services in more quantity, when economies of scale provides competitive edge. For instance, mobile service providers offering low price packages to increase talk time of the customers (Lewis, 2011).

1.1. Global Perspectives:

The telecom industry is growing all over the world. More and more people are gaining access to the telecom services such as cellular phones, broadband and fixed telephones. Many developing countries are starting to invest more into this sector and it is becoming an important factor for their economy. The prosperity within the sector attracts newcomers and the competition increases. Therefore the companies within the telecom industry, as well as other industries, have to work hard to stay competitive in order to prosper in the market (Han et al., 2013).

Historically the telecommunication sector was considered to be a natural monopoly. This led in principle to granting the state a monopoly on operating telecommunication services (Smetana, 2013). However, in the 1980s, the opinion prevailed that competition could contribute to the development of this sector and consequently to the increase of wealth in society (Shy 2010). Thus the desire for a truly competitive strategy and differentiation in telecommunications was aroused.

The growth in telecommunication has drawn a lot of interest on the performance of telecommunication industries across the world. In Britain, the emergence of new parallel markets such as for mobile communications and for digital data services raised issues on the source of competitive advantage for British Telecommunications PLS (BT). British Telecommunications PLS is within the group of the largest national telecommunication carries with a global reach and has been trying to reposition itself and protect its market. The company works towards gaining competitive advantage through employment of intangible resources such as long term business relationships and cooperative alliance formations (Young et al., 2010).

In Germany, telecommunication companies demonstrate market penetration strategies based on pricing focused on on-net discounting. The process of discounting takes two approaches; on-net discounts by a large operator or by a smaller operator. Both the approaches had an impact on the market positioning of the companies. On net discounts by large telecommunication companies enables them to protect their customer base since discounted connections increases customers benefits in the particular network. On the other hand, on-net discounting by smaller firms damages revenue for large operators giving them an opportunity to penetrate the market (Zucchini et al. 2013). Wong (2010) observed that Canadian telecommunication sector experienced greater loss of customers at a rate of 1.6% per month. Hence the firms maintaining customers became the top strategic task for the management in the industry.

1.2 Regional perspective:

In Nigeria, it was reported in 2014 that telecommunication industry had experienced an unprecedented growth and development for a period of ten years. There was a tremendous improvement in the qualities and quantities in different types of services provided to customers. The deregulation of the industry led to the increase in the number of providers of the telecommunication services and of the numbers of subscribers or customers. These led to competition between the providers as each of them pursues strategies that are directed to enable them to have their own share of the market in order

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to be profitable and to survive. The extents to which the uses of different competitive strategies by the selected telecommunication companies have led to improved performance and to what extent customers have responded to the provider's strategies had not being sufficiently examined (Akingbade, 2014).

Telecommunication in Zambia had been a state monopoly for quite some time. The international gateway market in Zambia was opened to competition in 2010 when the government reduced the licence fee from the previous USD18 million to USD350 000. Within a week of the reduction, private firms MTN and Zain, entered the market and announced a reduction of international call rates by as much as 70%. As noted by the Zambia Competition Commission (2008), lack of private sector entry led to very high international call tariffs, as well as lack of investment in modern and more efficient technology in the international gateway system. The mobile telephony market has grown tremendously in Zambia and in Africa generally. Mobile telephony is the fastest growing segment of the telecommunications sector. The mobile market has outgrown the fixed-line market in Africa, from about four million subscribers in 1999 to 65 million subscribers in 2005, while fixed-line growth moved from 19 million to 30 million subscribers over the same period (ITU, 2008).

A research paper on the role of marketing strategies in the performance of telecommunication companies: A comparative Study of Telecom Networks Malawi (TNM) and Aritel in Malawi (Jere, 2015) observed that Airtel followed aggressive strategies right from the time of its operations. Airtel has followed product strategies that have made it to be an innovative company and has gained a lot from first mover advantage. It has also gained a lot from distribution and promotional strategies. However, the results also indicate lack of flexibility in Airtel strategies in that they are rarely reviewed to be in line with the changing business environment. TNM had no clear strategy before Airtel came along and was not prepared for competition.

The results show that TNM lost a lot on the market. It first survival strategy was to follow Ariel's business lead. TNM follows customer-centric strategies which are reviewed yearly or when it is necessary. It also follows low-cost and low-prices strategies which are peoples' favourite. The study recommended that Airtel needs to take its strategies seriously. It should make them more versatile according to environmental trends. Airtel should regularly review its strategies to be in line with what people really want and the changing business environment. On the other hand, it was recommended that TNM should continue to be customer-centric in its strategic approach. However, TNM should start contemplating of engaging a strategic partner for financial and technological innovation support. This can also help TNM to venture into international markets as is common with most Telecommunication providers (Jere, 2015).

1.3 Local Perspectives:

On her study on strategies used by Safaricom in responding to the competitive environment, Catherine (2010) found out that the responses to the competitive environment that have led to fruitful results were strong financial strategies (operation cost reduction), innovation (product, technology), invention (new product and technological) strategies, research and development ventures and investment in technology strategies yielded fruitful results seeing profitability of the company increase unbelievably. The study concluded that Safaricom has always taken the lead by reducing the costs of making calls to a minimum in the market which has resulted in the company having a large clientele base. The reactions have also been seen in the launch of more innovative products like one network across East Africa. M-Pesa (mobile banking) and Sambaza (topping up another person's phone). The marketing strategies and especially promotional strategies have been so vicious which has resulted in success in the company customer acquisition endeavour.

The effect of strategies in gaining market share by insurance companies in Kenya, Ong'ong'a (2014), found out that the following factors are responsible for gaining market share among insurance companies in Kenya: product, price, place, promotion, process, people and physical ambience strategies. Insurance firms have adopted the marketing mix to help them gain a competitive edge in the market and enlarge the organization's market share and grow the insurance industry revenue. He concluded that in order to improve sales and market share, firms should consider selling of insurance products in a right manner and also sell relevant products to the public. Insurance companies should also team up with the Insurance Regulatory Authority in order to carry out promotions throughout the country in a bid to promote public awareness.

On her research study on competitive strategies adopted by small supermarkets in Nairobi, Kinyua (2010) established that the branding of an outlet differentiates it from others, the outlets use brand name in order to cultivate customer loyalty, charging fair prices, ensuring good customer services, reducing the prices of goods in order to attract customers and

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improving goods quality before selling, convenience and ease of accessibility, consistency with other outlets, general cleanliness of outlet, attractive in outlet layout, moving with change in consumer tastes and preferences, included improvement of customer service, cost cutting measures, use of latest technology, ensuring that the supermarkets are located in more strategic locations, automation of operations, business process rationalization, increased advertising and staff training. In view of the results findings, it was recommended that all the supermarkets should use their brand name to the satisfaction of its customers and not exploit them. The use of all the strategic options by the supermarkets will ensure that if one option fails then they can use the other to respond to the changes in the market. The research found that executive support, experienced management, highly skilled staff, seamless communication, strong financial capability and partnerships and innovation to be key factors that have enables the company to succeed in the internet market business in Kenya.

Competitive strategies adopted by Safaricom Kenya limited to maintain market leadership in the internet market in Kenya, Kamanthe (2016) found that Safaricom Kenya limited has adopted a number of strategies implemented simultaneously to maintain leadership in the internet market in Kenya. The strategies are innovation and technology leadership, new product values with distinctive capabilities, product differentiation strategy, focus and segmentation strategy, new business models, process innovation, customer intimacy and relationship management. These strategies enable the company to stay ahead of competition, provide relevant products and services and ensure customer relationships are managed.

1.4 Airtel Kenya:

The business was established in 2000 under the Brand name Kencell Limited the company that was owned by French Investors. It was the first Telecommunication Company to be established before the biggest competitor Safaricom. In 2003 the company was later resold to foreign investors and one local investor in Kenya, Merali who owned part of the shares, and was branded Celtel Kenya Limited with other opcos in the 15 African countries which were also branded to Celtel. In 2008 Celtel was bought by Zain a Kuwait bound company and was rebranded to zain Kenya. In March 2010 Bharti Airtel completed its $9 billion acquisition of African operations from Kuwait's Zain, and the Kenyan subsidiary was renamed Airtel Kenya limited (CCK Report, 2011).

Airtel Kenya competes in Kenya’s mobile industry with companies including Safaricom Ltd, the nation’s biggest mobile-phone company, and Telkom Kenya Ltd, a unit of France Telecom SA also Essar Telecom Kenya (Yu), Price Waterhouse Coopers (2009). It will not entirely peg its penetration solely on affordable calling rates, but through value added services such as banking, health, education and agriculture according to the Africa CEO. Bharti Airtel Africa (English speaking countries) Chief Executive Officer confirmed that Airtel Kenya would be leveraging on technical expertise gained in India to make the operator the market leader in the next five years (Communications commission of Kenya 2012).

2. STATEMENT OF THE PROBLEM

The competitive terrain in the mobile network services has required company’s in this sector to continually be innovative to grow in the market. According to communications authority of Kenya report (CAK, 2017), since 2011, mobile penetration of the population in Kenya has risen from 67% to 78%. Despite heavy investment in mobile technologies and infrastructure upgrades to support mobile data services, competition has nevertheless been a challenge to their profitability, with uneven revenue growth reported recently. Orange Group was the principal casualty of competition selling its stake in Telkom Kenya. Communication authority of Kenya (2017) report indicated that the market share for Safaricom declined slightly from 71.9% in 2016 to 69.1% in 2017, for Airtel grew from 14.9% to 17.2% in the same period. It is notable that though there is growth in Airtel’s market share, it still remains very low in comparison to the main competitor Safaricom. According to a research by Deloitte (2017), revenues generated from voice and SMS services are plateauing or declining globally. A study by Kesenwa, Oima and Oginda (2013) sought to examine the effects of strategic decision making on firms’ performance a case of Safaricom Limited. On the other hand Karanja, Muathe and Thuo (2014) examined marketing capability and the performance of mobile service provider intermediary organizations in Nairobi County. Further, Robert and Loice (2014) did a study to examine the relationship between competitive strategies and firm performance in mobile telecommunications companies in Kenya. However, these studies were not able to establish how market penetration strategies influence the competitiveness of voice calling services in mobile network providers. This study is thus premised on the foregoing to examine the influence of brand loyalty creation on the competitiveness of Airtel company mobile calling services in Kenya.

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3. OBJECTIVE OF THE STUDY

The sought examined the influence of brand loyalty creation on competitiveness of Airtel company voice network service provider in Kenya.

4. HYPOTHESES OF THE STUDY

H_0: Band loyalty creation has no significant influence on competitiveness of Airtel company mobile calling services in Kenya.

5. CONCEPTUAL FRAMEWORK

Brand Loyalty Creation
- Differentiation
- Reinforcing Purchasing Decision
- Product Awareness

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Competitiveness
- Differentiation Strategy
- Customer service
- Cost Leadership

Independent Variables **Dependent Variable**

6. THEORETICAL FRAMEWORK

6.1 Theory of Competitive Advantage:

This theory was developed by Porter in 1980. Porter (1980) distinguishes competitive strategies into cost leadership, differentiation and market niche as the sources of competitive advantages. The greater focus on firm-level analysis in the later period has given birth to the RBV. Corbett (2005) strongly believes that internal competencies are the basis for a firm to be a strong competitor in the market. Porter's (1980) generic strategies in the form of cost leadership, differentiation and market focus may be useful, but inadequate for organization to stay competitive. A differentiation strategy would mean the organization has a unique product offered to a targeted market segment. In a focused cost-leadership strategy an organization would use a cost leadership strategy targeted to a specific market segment. There is much debate as to whether or not a company can have a differentiation and low-cost leadership strategy at the same time (Helms 2006).

However differentiation and cost-leadership are mutually exclusive. Innovation strategy is a strategy that promotes the development and implementation of new products and services (Robbins, 2011). Covey (2015) claims that the origin of creativity and innovation lies in a shared vision and mission which are focused on the future. Furthermore, the vision and mission of creative and innovation organization are also customer and market oriented, focusing on solving customers problems among other things (CIMA, 2006). Dibrell, Davis, and Craig (2008) underlined that innovations vary in complexity and can range from minor changes to existing products, processes, or services to breakthrough products, and to processes or services that introduce first-time features or exceptional performance.

A firm, which has competencies in many functional areas, would be better able to remain competitive in the market. It is advisable that mixed strategies, such as cost reduction, innovation and quality enhancement to be adopted simultaneously to gain competitive advantage, regardless of industry. A firm gains competitive advantage by performing these strategically important activities more cheaply or better than its competitors (Jonson & Devonish, 2009). The theory is important in explaining a firms approach to highly competitive business environment. Hence the theory will be significant in the study as it well help explain the strategies adopted by Airtel Kenya and telecommunications companies at large to remain competitive in industry. It will help establish the competitive posture of Airtel Company in comparison to other competitors.

7. EMPIRICAL REVIEW

7.1 Brand Loyalty Creation and competitiveness of Voice Network Service Providers:

Brand affects and helps customers to choose a good brand that satisfies their needs and wants and to choose the right product and firm for any specific or given product or service. Brand loyalty should be considered as a fact that consumers build their relationship with any specific brand as they make relationship with one another in personal lives, because brand loyalty is one of the important and major objectives for businesses and firms to achieve competitive advantage over rivals and competitors and to get profitable outcomes in long term (Young et al., 2010).

A study done by Asad-ur (2014) on impact of customer satisfaction on brand loyalty: An empirical analysis of home appliances in Pakistan suggest that brand loyalty can be generated through improving customer satisfaction and offering high brand value. Brand performance is the fundamental motivation factor for the customer satisfaction which is considered as a positive state of mind in purchasing products which relates to customer satisfaction and brand reputation is important antecedents for intended loyalty. For customer satisfaction companies should understand customer-specific needs, provide good quality products, and have the capacity to address customer complaints or problems in a friendly manner. Perceived good product performance is a key driver of brand loyalty and also significantly influences customer satisfaction.

A research was conducted on the impact of brand recognition and brand reputation on firm performance at U.S. based multinational restaurant companies. It was established that brand reputation had a positive influence on a firm’s value performance. However, it was also revealed that brand reputation had no significant influence on the firm’s performance (Koh, Lee & Boo, 2009). Park, Pol and Eisingerich (2012) conducted a research on the role of brand logos in firm performance in U.S. The results of this research indicate that managers need to consider brand logos as more effective and powerful tools in the management of customer brand relationships. This study's findings indicate that brands with symbols as logos are more effective at providing self-identity/expressiveness benefits than logos that consist purely of brand names. It was revealed that brand logo significant influence firm’s performance. This study showed that focusing on the management of brand logos as the summary representation of what a brand stands for provides marketers with a valuable, largely untapped tool in their efforts to deepen customer brand relationships and enhance firm performance.

A research paper on the impact of product packaging on consumer’s buying behaviour in Pakistan. According to the finding of the research study, it was observed that the packaging is the most important factor. It was further concluded that the packaging elements like its Colour, packaging material, design of wrapper and innovation are more important factors when consumers making any buying decision. It was also concluded that packaging is one of the most important and powerful factor which influences consumer’s purchase decision. It was also revealed that packaging has a better reach than advertising does, and can set a brand apart from its competitors. It promotes and reinforces the purchase decision not only at the point of purchase, but also every time the product is used. Packaging in different serving sizes can extend a product into new target markets or help to overcome cost barriers. Packaging can even drive the brand choice (especially in the context of children’s products) (Rizwan, Vishnu, Raheem & Muhammad 2014).

A research on the effect of branding on organizational performance in the retailing of pharmaceutical products, on the mediating role of customers in Ghana by Deborah (2016), findings revealed that, branding had a positive significant effect on organizational performance. The study concluded that companies must involve themselves in improving upon the branding activities of the firm as it goes a long way to affect the organizational performance. It was recommended that firms must improve upon their branding activities whiles strengthening their customer service activities in order to maximize/ optimize organizational performance. Organizations must strive to improve upon the brand of their companies as this affects the organizational performance of the company. A good brand goes a long way to improve upon the performance of organizations in the long run.

Njawa (2015) researched on the effects of advertising on organizational performance of TIGO Telecommunication Network in Tanzania, Njawa revealed that; brand awareness, brand loyalty, and brand equity have a significance influence on organizational performance. Branding and brand management have become an important aspect for the organization as they create the value for customers and result in more revenue for the company. Omotayo and Adegbuyi (2015) conducted a research on strategic roles of branding on organization sales performance.

On brand loyalty programmes and competitiveness of five star hotels in Nairobi. The study revealed that discount on meals, discount on room rates and complimentary room nights were the most common brand loyalty programme incentives. These incentives were also found to be very attractive to the guests based on their positive comments. He established that most of the hotels having a brand loyalty programme belonged to a hotel chain and therefore it is easier to have a brand loyalty programme within a chain. It was also noted that brand loyalty programmes attracted most hotel guests because there is no entry costs and yet certain benefits accrue to members. The brand loyalty programmes, in this respect were found to have the ability of offering a competitive edge to the five star hotels under study. The guest satisfaction index based on the overall guest response regarding the loyalty programmes revealed that majority of the guests were extremely satisfied. This high satisfaction index is likely to translate into more business because satisfied guests are likely to market the brand through positive word of mouth. The brand loyalty programmes, in this respect were found to have the ability of offering a competitive edge to the five star hotels (Baraza, 2012).

Research on factors influencing perceptions of brand equity of liquid food packages among consumers in Nairobi's Buruburu estate: A case study of Tetra Pak Limited area. The study confirmed that the consumers' perception of brand equity of liquid food packages are influenced by the factors within the elements of brand equity which include brand awareness, perceived quality, brand association and brand loyalty. He recommended that brand equity properties should be the main facets used by any company or players in the liquid food packaging industry for success in brand equity management (Ogonje, 2010).

A study researched on factors influencing level of consumer satisfaction as a result of rebranding in the case of Kenya power – Nakuru. The findings demonstrate that innovative customers do not necessarily evaluate rebranding more positively than others. Brand equity and customer satisfaction after rebranding are positively related (Kimani, 2013). Kagai (2014) undertook a research on the impact of business alliances as a competitive advantage on a company‘s brand image and customer satisfaction: A case study of JKUAT. The research findings were that Kenya higher education industry doesn‘t have organized systematic and scientific plans to recognize and meet customers‘ needs and stop losing customers and to make lifetime patrons due to in effective brand management decision. Hence he suggested that impediments for marketing activities and finding proper and scientific based solutions seems to be essential for developing marketing in organizations especially for the higher education. Shibachi (2012) researched on corporate branding strategy and performance of Safaricom limited. The research findings were that corporate branding strategy helps in improving organization performance through creating the company and product awareness.

7.2 Competitiveness of Voice Network Providers:

Sustainable competitive advantage is born out of core competencies that yield long-term benefit to the company. The purpose of competition is to build a sustainable competitive advantage over the organization's rivals. It defines the fundamental decisions that guide the organization's marketing, financial management and operating strategies. Competition pressure makes organisations to be more effective and also causes sufficient organisations to prosper in expense of insufficient ones Knetsche, et.al.(2011). According to Ritson (2011), two broad types of competitive strategies enable the firm to build competitive advantage at the business level: low-cost leadership and differentiation. He further postulates that these strategies are known as generic strategies. Generic strategies are strategies that are applicable to multiple organizations within an industry or entire industry.

In their paper 'Strategies in the Colombian Telecommunication Market', in Columbia, they found out that due high-speed changing environment, such as the Colombian market demands the operators should combine and integrate their strategy with other secondary strategies to become successful. Operators have used a differentiation strategy with the factors retailer, coverage, price and technique to increase their position on the market (Arbin, Holmberg & Jönsson, 2009).

A research paper on Competitive Strategies of Telecom Operators in Post-3G Era Based on Industry Chain Value Stream (Wei, Jianming, and Yang, 2013) observed that due to the upgrade of network and the enrichment of mobile internet service in Post-3G era, the telecom industry chain will be more complicated, and the competition will be even more intensive. Therefore, there are four main strategies which telecom operators can adopt: network evolution, terminal customizing, industry chain cooperation and platform mode. The evolution and upgrade of network is the foundation of other strategies, and it is helpful for keeping the core competence of telecom operators. Based on the advantages of network, enormous customers and other resources, telecom operators are able to cooperate with terminal providers and content providers which are in the upstream and downstream of telecom industry chain, construct a stable industry chain alliance, and obtain integrated competitive advantages. In the future, along with the continuous emergence of new businesses and competition from different industries, telecom operators need to continuously promote the transformation of the platform mode.

A research study carried out by Thairu (2015) on competitive strategies adopted by the telecommunication mobile service providers in Kenya: A case of Telkom, Kenya. From the findings, the competitive strategies adopted by Telkom Kenya (Orange) are; cost Leadership, best cost provider and focused differentiated strategy. These strategies have enabled Telkom Kenya Limited to compete in the industry, steadily gain market share as well as build brand loyalty. Based on the findings, cost leadership is the most effective of all strategies. As a result, this study recommended that efforts need to be made towards increasing the effectiveness of the other strategies in order to increase market share as well as strive to be a market leader. Such efforts should be directed towards effectively utilize its brand, infrastructure, human resource as well as other resource in order to develop highly differentiated products.

A study on competitive strategies adopted by mobile phone companies in Kenya it was established that the mobile phone companies have adopted several strategies which include cost leadership, differentiation, marketing strategies, diversification, expansion, technology, customer service and corporate social responsibility. The companies have embraced cost cutting in their organizations in all possible ways so as to reduce on the costs of operations and this enables them to sell their products and services at lower rates which helps to increase their sales. Differentiation is also used to a great extent by these companies so as to try and gain increased market share and profitability. The companies have also greatly adopted the technology strategy as a way to stay update with technological advancements in this industry and keep up with customer needs. This has been seen especially in the data and internet services which have come through a lot of technological advancements including the fibre optic cable that has made internet more accessible, affordable and with faster speeds. From the research findings of the study it was concluded that all the above discussed strategies have been adopted have been successful in the mobile phone companies in Kenya (Kamande (2010).

Competitive strategies adopted by mobile telephony companies in Kenya (Mutisya, 2013) observed that there is great need for the companies to assess the competition of the market and keep a keen eye on the strategies that should fit the market at the time. This helps companies to be competitive, not easily debugging from the market share and eventual success in the current and future operations. Organizations therefore have to continually assess the competitive environment in which they operate and their own strategy. Analysis can be important in deciding whether company strategy should be directed toward heading off a substitute strategically or accepting the substitute as a key competitive force. Michieka (2008) studied the application of competitive strategies to the challenges of increased competition faced by Safaricom airtime dealers in Nairobi Central Business District and found that various strategies have been applied such as expansion, diversification, corporate social responsibilities, and joint ventures among others.

8. RESEARCH METHODOLOGY

Descriptive research design was chosen because it enabled the researcher to generalize the findings to a larger population and it was more precise and accurate since it involved description of events in a carefully planned way. The descriptive research design is preferred because it ensures complete description of the situation, making sure that there is minimum bias in the collection of data (Kothari, 2003). The target population for the study was the middle level management and operational staff working in Airtel Kenya. There are 48 middle level management employees and 140 operational staff working in Airtel Kenya. Hence the total target population was 188 staff members in Airtel Kenya. The researcher drew a sample from this population to form the respondents in the study. With the target population of 188 and using a margin of error of 0.07, the number of middle level management employees who participated in the study was 98. The researcher employed the use of a structured questionnaire to collect data from the respondents. The questionnaire consisted of statements constructed in form of a 5 point Likert scale (1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree and 5-Strongly Agree). The questionnaires facilitated the collection of data within a short period of time. The instrument was tested for validity and reliability. Cronbach's alpha was used to test the reliability of the instrument. The primary data collected was analyzed using descriptive statistics and inferential statistics and presented using tables. Descriptive statistical techniques (frequencies, percentages, means and standard deviation) were employed to analyze field data from questionnaires to assist the interpretation and analysis of data using Statistical Package for Social Sciences (IBM SPSS). Inferential statistics, in form of Pearson correlation coefficient was used to check the relationship between the variables.

9. FINDINGS AND ANALYSIS

98 questionnaires were distributed to respondents for data collection. Out of the 98 questionnaires distributed, 92 questionnaires were filled and returned for data analysis. All the returned questionnaires were checked for errors and were found appropriate for data analysis. This formed a response rate of 94%.

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9.1 Descriptive Statistics:

9.1.1 Brand Loyalty Creation Descriptive Statistical Results:

The study sought to establish the respondents' perception in regard to brand loyalty creation in Artel Company by computing the percentages mean and standard deviation. Findings were as shown below.

Table 1: Descriptive Statistics on Brand Loyalty Creation

	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
Branding of products enable customers to choose good brand that satisfies their needs and wants	41.3	46.7	7.6	2.2	2.2	4.23	.853
Branding has enabled Airtel with a platform of self-identity/expressiveness of the company	41.3	38.0	13.0	7.6	0	4.13	.916
Branding has enabled the reinforcement of customer purchasing decisions	26.1	33.7	33.7	2.2	4.3	3.75	1.012
Airtel brand loyalty program has attracted more customers hence offering a competitive edge	28.3	26.1	33.7	8.7	3.3	3.67	1.080
Branding has enabled Airtel to expand its market share as there is repetitive purchasing behavior among buyers	28.3	33.7	18.5	8.7	10.9	3.60	1.284
Brand loyalty has helped to connect the company with the market as the company develop products which serve the demand of customers	29.3	39.1	19.6	5.4	6.5	3.79	1.125
Managers work closely with advertising agencies to create national advertising campaigns to build market share and long term consumer brand loyalty	28.3	38.0	21.7	5.4	6.5	3.76	1.123
Valid N (listwise)	92						

Findings indicated that respondents agreed that branding of products enable customers to choose good brand that satisfies their need and wants. 46.7% of the respondents agreed and 41.3% of them strongly agreed. This aspect had a mean of 4.23 and a standard deviation of .853. 79.3% of the respondents' strongly and/or agreed that branding has enabled Airtel with a platform of self-identity/expressiveness of the company where a mean of 4.13 and a standard deviation of .916 were recorded. Further, the findings indicated that branding has enabled the reinforcement of customer purchasing decisions where 33.7% of the respondents agreed while 26.1% of them strongly agreed. This aspect had a mean of 3.75 and a standard deviation of 1.012. In addition, respondents agreed that Airtel brand loyalty program has attracted more customers hence offering a competitive edge. 28.3% and 26.1% of the respondents strongly agreed and agreed respectively with a mean of 3.67 and a standard deviation of 1.080. A mean of 3.60 and a standard deviation of 1.284 were recorded where the respondents agreed that branding has enabled Airtel to expand its market share as there is repetitive purchasing behaviour among buyers. 33.7% and 28.3% of the respondents agreed and strongly agreed respectively. Respondents were also in agreement that brand loyalty has helped to connect the company with the market as the company develops products which serve the demand of customers. 39.1% of the respondents agreed while 29.3% of them strongly agreed registering a mean of 3.79 and a standard deviation of 1.125. Additionally, 66.3% of the respondents strongly and/or agreed that managers work closely with advertising agencies to create national advertising campaigns to build market share and long term consumer brand. This assertion recorded a mean of 3.76 and a standard deviation of 1.123.

9.1.2 Organizational Competitiveness:

The study further established the views of the respondents in regard to competitiveness of Airtel Company. The percentages, means and standard deviations of the responses were computed. The findings from the analysis were as presented in Table 2.

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Table 2: Descriptive Statistics on Competitiveness

	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Std. Dev
Airtel has embraced cost cutting to reduce the cost of operations which enable them sell their services at low rates hence increase their sales	42.4	34.8	15.2	4.3	3.3	4.09	1.023
The company has adopted differentiation strategy to increase its market share and the profitability	15.2	47.8	23.9	7.6	5.4	3.60	1.017
Airtel has differentiated its products to enhance customers experience with its products	28.3	39.1	21.7	7.6	3.3	3.82	1.037
Airtel has focused on gaining competitive advantage to enable the company to respond to and compete in the market	34.8	45.7	10.9	3.3	5.4	4.01	1.043
Airtel position its products and services in the market effectively to gain competitive advantage	30.4	37.0	19.6	4.3	8.7	3.76	1.189
Airtel use diversification strategies as their basis of competition in an effort to win more subscribers and maintain long-term customer loyalty	27.2	33.7	16.3	9.8	13.0	3.52	1.338
Low priced call rates has enabled Airtel get a stronger market position	39.1	28.3	16.3	13.0	3.3	3.87	1.169
Valid N (listwise)	92						

From the findings the researcher observed that respondents agreed with the assertion that Airtel has embraced cost cutting to reduce the cost of operations which enable them sell their services at low rates hence increase their sales. 42.4% of the respondents strongly agreed while 34.8% of them agreed registering a mean of 4.09 and a standard deviation of 1.023. Further, respondents agreed that the company has adopted differentiation strategy to increase its market share and the profitability. 47.8% and 15.2% of the respondents agreed and strongly agreed respectively. This assertion registered a mean of 3.60 and a standard deviation of 1.017. On the other hand, 39.1% of the respondents agreed and 28.3% of them strongly agreed that Airtel has differentiated its products to enhance customers experience with its products. This aspect had a mean of 3.82 and a standard deviation of 1.037. Additionally, respondents agreed that (M=4.01, SD=1.043) Airtel has focused on gaining competitive advantage to enable the company to respond to and compete in the market where 45.7% and 34.8% of the respondents agreed and strongly agreed respectively. 67.4% of the respondents strongly and/or agreed that Airtel position its products and services in the market effectively to gain competitive advantage recording a mean of 3.76 and a standard deviation of 1.189. Respondents also agreed that Airtel use diversification strategies as their basis of competition in an effort to win more subscribers and maintain long-term customer loyalty. The aspect had a mean of 3.52 and a standard deviation of 1.338. In addition a mean of 3.38 and a standard deviation of 1.169 were registered where respondents agreed that low prices call rates have enabled Airtel get a stronger market position. 39.1% of the respondents agreed while 28.3% of them agreed.

9.2 Correlation Analysis:

9.2.1 Relationship between Brand Loyalty Creation and Competitiveness:

The researcher examined the relationship between brand loyalty creation and competitiveness in Airtel. The findings were indicated in Table 3.

Table 3: Correlations between Brand Loyalty Creation and Competitiveness

		Brand loyalty creation	Competitiveness
Brand loyalty creation	Pearson Correlation	1	.723**
	Sig. (2-tailed)		.000
	N	92	92
Competitiveness	Pearson Correlation	.723**	1
	Sig. (2-tailed)	.000	
	N	92	92

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

A strong positive significant (r=.723, p=.000) relationship was established between brand loyalty creation and competitiveness. It was established that brand loyalty creation was important in determining the competeveness of the Airtel. Thus, in order to enhance competitiveness, brand loyalty creation must also be enhanced.

10. CONCLUSIONS AND RECOMMENDATIONS

The study further observed that in order to enhance competitiveness, brand loyalty creation must also be enhanced. Brand loyalty creation had a significant relationship with competitiveness of the firm. Also brand loyalty creation was shown to significantly influence competitiveness of Airtel Company. Further, it was observed that Airtel should enhance its brand loyalty creation to ensure that they attract more customers. As such, the study recommended that Airtel should enhance its brand loyalty creation to ensure that they attract more customers. As such, the study recommended that Airtel should come up with brand loyalty programmes that will help the company to attract more customers.

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