EFFECTS OF INNOVATION STRATEGY ON COMPETITIVE ADVANTAGE WITHIN TRANSPORT SECTOR IN KENYA. A CASE OF UBER NAIROBI KENYA

BY

YVONNE AWINJA OBATI

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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YVONNE AWINJA OBATI

A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirements for the Master’s Degree of Business Administration (MBA).

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

SUMMER 2019
STUDENT’S DECLARATION

I declare this work has not been submitted to any other university other than United States International University-Africa, it’s my original work which has been submitted for the Academic purposes.

Signed: ________________________    Date: ______________________

Yvonne Awinja Obati (ID NO:653937)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ________________________    Date: ______________________

Prof. Caren Ouma (PhD)

Signed: ________________________    Date: ______________________

Dean, Chandaria School of Business
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ABSTRACT

The purpose of this study was to determine the effects of innovation strategy on competitive advantage within the transport sector in Kenya, a case of Uber Kenya. The study was guided by the following research questions: what is the effect of process innovation on competitive advantage, what is the effect of product innovation on competitive advantage and how does market innovation affect competitive advantage of Uber taxi in Kenya.

This study adopted the use of descriptive design which explains the relationship between variables. The population of the study was 69 employees working in Uber Taxi Kenya in Westland’s. The employees included all senior, middle and junior staffs. The study used census sampling technique. The sample size of the study comprised of all the 69 employees of Uber Taxi Kenya. The data collected was analyzed using descriptive analysis and inferential statistics including regression and correlation. The analysis was done using Statistical Package for Social Sciences version 24. Presentation of data was done using tables, bar graphs and pie charts to summaries the various groups of data and provide interpretation of the findings.

These findings of the study showed that process innovation included improvement in technology and software within the organization this was indicated by a mean of 4.766 and standard deviation of 0.427, and that Uber adopt new process to compete with other firms; they have to bring the process innovation to satisfy their customers this was rated by a mean of 4.375 and standard deviation of 0.519. The findings of correlation showed that there existed a statistically significant positive relationship between process innovation and competitive advantage.

Results showed that Uber had been introducing the new services for improvement in the existing services and scored a mean of 4.750 and standard deviation of 0.471 and that there is link between services. The results of the study for correlation analysis indicated that there exists a statistically significant positive relationship between product innovation and competitive advantage. The regression analysis implied that 63.3% of the variation in the competitive advantage is explained by variability in the product innovation.

These findings of the study indicated that Uber implements marketing method that involve significant changes in the pricing strategy this was shown by a mean of 3.625 and standard deviation of 0.604 and that there is innovation that has brought efficiency in their business this was shown by a mean of 4.313 and standard deviation of 0.753. The findings showed
that there existed a statistically significant positive relationship between market innovation and competitive advantage. The R-Square or the coefficient of determination implied that 62.9% of the variation in the competitive advantage is explained by variability in the market innovation.

These study makes a conclusion on the first research question that Uber taxi process innovation includes improvement in technology and software within the organization and it has adopted new process to compete with other firm in which they satisfy their customers. The motivation for innovation appears in improved service delivery that has made it gain competitive advantage through marshaling comparative advantage in its resource’s. The study makes a conclusion on the second research question that Uber has been introducing the new services for improvement in the existing services. Innovation by Uber has resulted in the development new services that has led to organizational success and that product innovation provide a key competitive advantage to Uber and which has become a critical element for success. The study concludes that Uber is implementing its marketing method that involve significant changes in the pricing strategy which has resulted into efficiency in their business.

This study recommended that the regulator in the transport sector should create an enabling environment that will enhance innovations in the firms so that they realize the full benefits of process innovation strategies.

The study recommended that companies should also strive to ensure product range extension services such as Uber boda which had not been exploited fully, service improvement, service repositioning and new services introduction to enable the companies to be more productive, to grow faster, to invest more and also to earn more competitiveness.

The study recommended that management of Uber should develop and implement market innovations in their firms to improve competitiveness. The study recommended for further study to empirically substantiate by investigating how the level of novelty of innovations affect their impact on competitiveness within the taxi transport services.
ACKNOWLEDGEMENT

My deep appreciation goes to first of all, the Almighty God for giving me life and strength throughout my course work and for this project. Secondly, I wish to convey my sincere gratitude to my lecturer Prof. Caren Ouma for her intellectual contribution and tremendous support in this project. Special gratitude also goes to my family, my parents Mr. David Obati and Mrs. Millicent Obati who were kind enough to track my progress. My fiancé, Dennis Maina for his unwavering support. Lastly my sister Michelle Obati and my brother Elie Obati have given me tremendous support while undertaking this project. May God bless them abundantly.
DEDICATION

This work is dedicated to my family for their unwavering support during the entire period of my study. To my mother who instilled in me the virtue of hard work and value of education. To my father for his wise counsel, instilling the virtue of humility, moral and financial support throughout my journey to education. To my fiancé, Dennis Maina for his encouragement and sustained inspiration.
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<td>Agree</td>
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<td>ANOVA</td>
<td>Analysis of Variance</td>
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<tr>
<td>D</td>
<td>Disagree</td>
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<tr>
<td>KENATCO</td>
<td>Kenya National Taxi Corporation</td>
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<td>KEPSA</td>
<td>Kenya Private Sector Alliance</td>
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<td>R&amp;D</td>
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<tr>
<td>SD</td>
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<tr>
<td>SWA</td>
<td>Somewhat Agree</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

An organization which is serious about competing in the fast-changing markets with fast changing technology must make things happen, it must innovate. If an organization does not innovate, its risks being overtaken by the other players in the market. Sometimes an enterprise can underestimates the competitive difficulties it faces (Urbancova, 2013). The risk of this happening is on the high end when competitors react to potential environmental turbulence in the same way. Since most ride hailing companies offer similar services, they continually search for a competitive advantage that will attract new customers and to retain the existing. A lot of emphasis has been put on building innovative enterprise and the management of the innovation process in the Japanese industries which is essential elements of organizational survival (Michiyuki & Shunsuke, 2013). Innovation can be radical, transformational or incremental depending on the effect and nature of the change. Innovations do not have to be breakthroughs or paradigm shifting.

Innovation arises because of the high competition. In the increasing fierce level of competition and technological advances that cannot be dammed, company products will grow to a point, where these products will be difficult to distinguish between one another. Innovation strategy of SMEs in Indonesia are in the ability to make better products, in the production process by using advances in technology, as well as in the technology development and maintenance. SMEs have different competitions in the excellence of expertise and resources. Further positional advantage in the market is based on the existence of a superior customer value or achievement of lower relative costs and generate market share and superior performance (Zainurossalamia, Djoko, & Syarifah, 2016).

The relationship between innovation and competitive advantage, despite its significant theoretical support, has not been empirically validated. innovation appears as one of the main driving forces of organizational success in Greece. Despite the above fact, its impact on the propensity of an organization to develop and sustain a competitive advantage has not yet received sufficient empirical investigation. Knowledge management, intellectual capital, organizational capabilities and organizational culture have significant direct and indirect effects on innovation, underlining the importance of their simultaneous enhancement (Chatzoglou & Chatzoudes, 2018).
It is inevitable that the developed economies will initiate a new phase of restructuring and technological innovation as soon they come of the crisis, giving severe competition to Chinese firms. Chinese firms have for a long time reaped the comparative advantages in low labor costs and control on the local market. However, the scenario has changed after China’s WTO membership and foreign firms can now enter the Chinese markets and benefit from the same advantages (Ju & Mirza, 2012). The Chinese firms need a winning strategy under the new world economic regime. Competitiveness has become a central preoccupation of both the developed and the developing countries in an increasingly open and integrated world economy. Despite its acknowledged importance, the concept of competitiveness is often controversial and misunderstood. There is no accepted definition of competitiveness and no generally accepted theory to explain it (Zivlak, Ljubičić, Xu, Demko-rihter, & Lalić, 2017).

A study that was conducted in Taiwan computer and consumer electronic products explored the effective product innovation strategies used by these enterprises to cope with competition in the global market so as to build up a market advantage. Product design strategies were then compared in companies with different innovation strategies (Hsu, 2013). Finally, a mapping model for product innovation and product design strategies was proposed for use by Taiwan enterprises in the computer and consumer electronics industries. Different innovation strategies have different approaches to product design. Generally, product design emphasizes “new experience” in aggressive innovation enterprises, “new value” in market innovation enterprises, “new service” in technical innovation enterprises, and “new positioning” in opportunity innovation enterprises. The findings of this study provide a reference for product R&D and design in enterprises (Ibidunni, Iyiola, & Ibidunni, 2014).

According to Nwankwere (2017), noted that it is important for firms in Nigeria to remember the goal that is of sustainable competitive advantage. Sustainable competitive advantage occurs where the firm is implementing a value creating strategy not being implemented simultaneously by rivals and other firms are unable to duplicate the benefit of this strategy. Sustainable competitive advantage has the possibility of competitive advantage being eroded by the innovation efforts of rival firms in changing the marketplace. Innovation strategies deal specifically with organizational growth through the development of new products, services, processes or business models (Ezenwakwelu, Attah, & Onyejiaku
An innovation strategy would become a plan of how to use new products, services, processes or business models especially for deposit money banks in Enugu, Nigeria.

Modern businesses are increasingly engaging in constant competition with rivals with a goal to survive on the market and must therefore formulate well aligned innovation strategies in order to meet customer demands and a significant form of growth. These innovation strategies will assist the organization to have a unique advantage called competitive advantage. Resource based theory puts into recognition the fundamental importance of organizational resources that are internally owned by the firms as determinants of the firm’s strategy and its performance (Mburu, 2016). The internal organizational resources consist of all assets and capabilities, firm’s attributes, organizational processes, information, that are controlled by the firm and that allow it to envision and implement innovation in order to be efficient and effective. The knowledge-based theory notes that a learning organization is created, and generation of knowledge is fostered and fundamental basis for sustainable competitive advantage should be exploitation in an economy that information base is increasing. Dynamic capability theory emphasizes on ability of a firm to renew competencies to renew competencies so as to allow adaptation to changing business environment and firm’s ability to use those competences to serve the needs of the environment (Mburu, 2016).

Competitive advantage is described as position of superiority or uniqueness of a firm over its rivals or competitors, derived from its products, processes or ways of doing business. A firm must establish how well to perform its functions to bring that uniqueness or superiority in relation to competition. The superiority or distinction to the customer should be valuable and should be perceived by him as such. According to Porter (1985), competitive advantage is seen as the ability which is gained from attributes and resources and allows the firm to perform at a better level than others in the same industry. He postulated that decision must be made by a firm whether to attempt to gain competitive advantage by lowering the cost of production than for its competitors or goods and services differentiation and sell them at a premium price. Porter (1985) defined competitive advantage as the position whereby a strategy that creates value is implemented by a firm and that which any potential or current competitors are not simultaneously implementing.

The current business competition is increasingly tight. Businesses or companies are required continuously to find ways and strategies to be best to survive in global
competition. One way that can be taken by the company to be the best is to have a good company strategy in order to gain competitive advantage. A study by Syafarudin, (2016), on the effect of strategy leadership and innovation on performance of the company to achieve sustainable competitive advantage. The findings portrayed that the strategy of leadership and innovation has positive influence on the company performance. The results showed that strategy leadership and innovation have a positive influence on the performance of the company. Innovation and performance of the company has positive effect on sustainable competitive advantage. The findings also demonstrated that strategy leadership gave positive influence on company performance and innovation affected employees’ performance, sustainable competitive advantage and company performance gave positive and significant influence on sustainable competitive advantage.

A study conducted in Nigeria where technological innovation was seen as one of the most demanding. Get it right and firms create value and profit (Ogbo, Okechukwu, & Ukpere, 2012). Get it wrong and firms can face serious and perhaps terminal problems, losing money, workers, and reputation. This will lead to revenue loss, company closures and increased unemployment. The objective of this study was to assess the level of innovation in Nigeria’s telecommunications industry. The aim was to ascertain how innovative the operators in the industry are which in turn determines how competitive the industry is. The study proved that there are innovative activities being carried out by the various operators but there is still a lot of room for improvement. The study also found out that government and regulatory authorities need to do more in the area of infrastructural development and policy formulation to ensure a level playing field for both the old and new entrants. The study concluded that most of the service providers do not have designed corporate innovation strategies or processes. Furthermore, there are no agents of innovation and innovation teams across the various organizations; champions who will assist the project manager with the implementation and tracking of ideas, innovations and changes.

The taxi sector in Kenya is not well documented. However according to a study done by Kenya Private Sector Alliance (KEPSA) in 2004 the human population in Nairobi was 4.5million with a day population of 3.2million people. The daily travelling needs of this population that was met through taxi mode of travelling was only 2%. This means that the current taxi business amounts to 95,080 trips per day and it is expected to grow to 165,600 trips per day in 2025. The taxi companies in Kenya fall under two broad categories; technology-based firms and traditional taxi operators. The traditional taxi
operators mainly consist of pioneer industry players who command fleets of taxi cabs under their name. They tend to offer corporate taxi services, car hiring as well as safaris and airport transfers. Under this category are individual taxi owners who park their cars at strategic joints to attract passengers. On the other hand, the technology-based category which is known as ride hailing companies; is comprised of both local and international players who have transformed the taxi scene. New industry entrants, like UBER and Little cab have overhauled the old system in the industry which plateaued in decades, whereby riders had only two options; either wait on the streets or call taxi dispatcher. The use of the smartphones has made it possible for the new entrants’ clients to get a taxi.

Public transport can be slow or inconvenient. In addition, some areas are not well served by public transport hence reaching such places may require very long walks. In other areas, options for using personal cars are unattainable due to insecurity to personal vehicle owners, need for shared rides (for groups), and lack of parking, traffic congestion and poor road networks. In all these situations, some taxis offer a reliable option to compliment or substitute other available means of transport (Hall, Chan, & Dai, 2014). Competition between conventional taxis and app-based taxi operators intensified in Kenya following the entrance of Uber, a company that was relatively unheard of 12 months ago. This led to entrance of local app-based taxi operators such as Mondo Ride, Taxify, Dandia, Mara Moja, Little Cabs and most recently Teke Taxi.

Taxi hailing companies such as Uber, Taxify and Little Cab developed out of the foresight that differentiate the aspects of the taxi business model would increase both efficiency and profits (Camisen & Villar-Lopez, 2011). Modern taxi businesses consist of a fleet management system that handles vehicle tracking, allocation and pricing, and an operations management system that works to ensure vehicles are in good working condition and that drivers offer clients impeccable customer service. By separating these two functions and leaving the responsibility of the latter to its contractors, taxi hailing companies reduced their overheads significantly. That is to say that by engaging autonomous contractors, these companies are able to minimize their capital obligation with regard to procuring taxis (Walton, 2014). They also relieve themselves of the cost burdens involved in maintaining the vehicles and the lost revenues during maintenance cycles.
Taxi-hailing companies invested these cost savings into mobile innovations and the integration of mapping and billing technologies, which further increased their overall efficiency (Hall et al., 2014). By taking advantage of the high number of smartphone users, especially in major towns and cities, the applications they developed increased the success of their market penetration and capitalization. They also enhanced their vehicle inspection procedures to ensure the standardization of the vehicles and services of their contractors. In addition, their overall ride-sharing structure reduces the statutory requirements and charges government authorities can impose on contractors resulting in further cost savings that increase overall revenues to both the company and its contractors (Gavin, 2017). The growing middle-class population in Kenya has made the taxi business very attractive to investors. As a result, the taxi-hailing industry in the country, and especially Nairobi, continues to experience high growth rates brought about by increased foreign and local investment into the sector. Therefore, it is important for the firms offering these services to develop practical and sustainable strategic plans to enhance their performance and profits in the long term. For that reason, this study aims to assess the adequacy of the innovative strategies employed by ride-hailing service providers in ensuring high patronage and revenues. It will then use this understanding to make proposals on how they can ensure their continuity and profits as they move into the future.

Uber is a service provider company that connects two necessities in a modest and expected way. It provides transportation to individuals who want to move from one place to the other and at the same time provides a person who wants to set up a taxi business. Uber is a transportation network which provides personal transportation. It connects available drivers with individuals who need to be transported to varied locations. This company does its operations through a mobile app. The app is operation in almost 58 countries and at most 298 cities globally (Tisch, Ranz, Abele, Metternich, & Hummel, 2015). Drivers affiliated to Uber have their own vehicles, are provided with an opportunity to earn highly with a flexible work timetable. It adheres to a network orchestrated model as compared to other service providers whose framework involves inclusion of more capital. Uber has high profit margins and continues offering opportunities due to its eminent growth. This has been brought about by the fast customer response and efficiency. It has also proved to adjust well to the recent market changes as compared to its competitors. Uber has been in pursuit of favorable prices for its clients through dynamic surge pricing. They use block by block basis to predict before it happens. This prediction is mainly on basis of how many clients
open their app at a given period. However, dynamic pricing needs huge amounts of data and creation of complex algorithm which can predict the future.

The algorithm considers data such as local events, ongoing news and weather forecasts. Dynamic pricing is important to Uber drivers since it gives them information on areas they should and should not take their clients. It provides stability, balance of the quantity of demand and supply (Tisch et al., 2015). Presently, the pricing surge is updated every five to ten minutes so that the drivers can be informed in time. Their system is intensive and ensures better services offered to their clients at reasonable prices. The essence of dynamic capabilities is that they must be built. Uber uses the new digital transformation and ensures digital disruption in the taxi industry. Uber is a dynamic capability framework by itself. It is global due to the digital affordance that allow integration of digital design that integrates customer experience and feedback into the organization (Abele et al., 2015). Uber is presently in the new era where prices go before them due to better structures, better coordination and are able to manage relations with their associates better. They get closer and more responsive associations with their final clients.

1.2 Statement of the Problem

For a sustainable competitive advantage, a firm needs reasonable abilities and due to their fundamental units of value generation (Borland, Ambrosini, Lindgreen, & Vanhamme, 2016). This is because these resources can uniquely be joined together into distinct formations which gives the company’s competitive advantage. Uber Taxi in Kenya has been acknowledged as a fast-growing taxi company and at the same time facing stiff competition from other taxi companies. The customers have become quite enlightened and demand better services than before albeit at a lower price.

However, the Kenyan market base in the taxi business is still growing owing to technology. At Uber Taxi Kenya, the challenges are even more pronounced since the company entered into the Kenyan market at a time when there existed only one dominant market player. Thus, in order for the Uber Taxi in Kenya to be considered competitive and significant it should be able to adapt innovation strategies that will enable the firm to continue having a sustainable competitive advantage in both long and short terms. Therefore, harnessing of the firm’s innovation strategies to create competitive advantage should be target priority in the present-day business world. The study will therefore seek to establish how Uber Taxi
Kenya can harness its innovation strategies as a cradle of organizational competitive advantage (Tisch et al., 2015).

This study aims to establish how innovative strategies result in the development of sustainable competitive advantage in the transport service sector. In Kenya, and especially in Nairobi, the ease of developing ride-hailing solutions and the high earning potential the taxi industry has encouraged a flurry of investment resulting in a high number of new entrants into the sector. As the sector grows, it also attracts a lot of scrutiny from government organizations not only for the purposes of regulation, but because of its huge revenue potential. Companies, therefore, need to develop strategies that ensure they can increase their earning potential and mitigate their exposure to future risks. In addition, they need to enhance their flexibility to react to changes in their environment by improving their overall decision-making processes. The ability to be decisive in the face of uncertainty is especially important to the survival of technology innovation companies such as ride-hailing service providers because of the dynamic nature of systems and consumer needs (Nwankwere, 2017). To survive and thrive, companies must develop strategies that help them actively remain relevant and competitive in the market so as to maintain the clients they already have and attract more in the process. They should also ensure that they stay abreast of their conventions so that they continue to enhance their systems to increase their efficiency and to stay ahead of their competition.

Several studies have been conducted on the role of innovative strategies in achieving competitiveness or sustainable competitive advantage in business management. Although the same has been conducted in different contexts, the concept of innovative strategies remains largely the same. Onyango (2016) focused on the adoption of e-hailing applications and the competitiveness of app-based taxi operators in Nairobi, Kenya. The study explored the link between e-application adoption and the competitiveness of an organization, but it did not address how various innovative strategies help the companies achieve competitive advantage. Ndungu, (2013), studied the competitive strategies adopted by Kenya National Taxi Corporation Taxis Limited to achieve competitive advantage. Although this study was based on the taxi industry in Kenya, focusing on operations of the company within Nairobi, it focused on the traditional taxi model. The study established that the taxi industry in Nairobi was a competitive sector with many taxi companies targeting the same market. The study, however, did not focus on technological developments in the sector, as will be the case in this study.
The above studies indicated the relationship between innovative strategies and competitive advantage in the taxi industry. However, it is evident that neither focused on the ride hailing taxi sector and the innovative strategies they chose to adopt to attain competitive advantage. First announced in 2014, the ride hailing service is relatively new and it can be argued that at the time of these previous studies, its presence in the market was not as strong as it is today. It is for this reason that this study will focus on the ride-hailing taxi industry; a case study of the Uber Taxi Kenya and the strategies they have employed to break through the market and establish a fast-growing dominance in the sector.

1.3. Purpose of the study
The purpose of this study was to determine the effects of innovation strategy on competitive advantage within transport sector in Kenya. A case of Uber Kenya.

1.4 Research Questions
The study was guided by the following research questions;

1.4.1 What is the effect of process innovation on competitive advantage of Uber Taxi in Kenya?
1.4.2 What is the effect of product innovation on competitive advantage of Uber Taxi in Kenya?
1.4.3 How does market innovation affect competitive advantage of Uber Taxi in Kenya?

1.5 Justifications of the Study
1.5.1 Uber Taxi Kenya
This study is of importance to the Uber management since the company aims at maximizing profitability. Thus, this study will help Uber managers to identify the necessary innovative strategies to enhance their competitive advantage.

1.5.2 Ride Hailing Companies
The study will contribute to enhancing the understanding of the ride-hailing industry and is therefore important to ride hailing company managers who will better understand the link between innovative strategies and sustainable competitive advantage especially in the Kenyan market. The study will provide this insight by looking at Uber Kenya and look at the ride-hailing service available to the consumer and how the innovative strategies they employ translate into their competitive advantage.
1.5.3 Policy makers and Government

There being little regulatory framework with regard to policies particularly governing the operations of ride-hailing service providers in the country, and particularly within Nairobi where several protests from traditional taxi service companies have erupted, the study aims at providing a look into the ride hailing operations and how they manage to keep ahead of the competition. With the understanding of the innovative strategies for competitive advantage in the ride hailing service industry, the study aims at equipping policy makers with an outline from which to build regulations that will ensure all players are equally protected and provided for by taxi industry governing policies. Further, the study aims at highlighting the importance of the relationship between the Kenyan government’s ambition to mainstream technology and innovation in all sectors of the economy for enhanced efficiency and promotion of value addition in goods and services; and the endeavors of the ride hailing service providers in contributing towards the fulfilment of this mandate as stated in Kenya’s Vision 2030 manifesto (Mwenzwa, 2014).

1.5.4 Practicing managers and drivers

The study is of benefit to practicing managers and drivers from the ride hailing sector, as it will provide a bigger picture of the industry’s strategic plays. In this way, managers will be better able to understand their industry and competitors while the drivers will be able to understand how they fit in to the framework provided. By providing a look into the innovative strategies employed, the study offers practicing managers with the information they need to further boost innovation and inclusion in their industry as ways of improving their competitive advantage.

1.5.5 Academicians and Researchers

The academicians will also get the basic information for further studies along the same line to bridge any gap. It will provide the input to the academicians in developing appropriate syllabus for the strategic management students and entrepreneurs in the digital economy, and literature for further research.

1.6 Scope of the Study

The scope of the study was limited to the employees of Uber Kenya. Uber Taxi in Kenya have about 5000 active drivers who are managed by a team of 69 employees. This study was carried out in Nairobi, Kenya and the target were the management of Uber Taxi Kenya.
Both Junior, Middle level senior management of Uber Kenya were involved in the study as they understand the issues around the innovations strategies in the Tax industry in Kenya. The period of study was as from May 2019 to August 2019. Data was collected among all the target respondents using primary data.

1.7 Definition of Terms

1.7.1 Innovation

Innovation is defined as any novel product, service, or production process that departs significantly from prior product, service, or production process architectures. In organizations, innovations are manifested in significant modifications of production processes or product or service architectures and sometimes by the introduction of an entirely new product, service, or production process (McKinley, Latham, & Braun, 2014).

1.7.2 Competitive Advantage

Competitive advantages are company assets, attributes, or abilities that are difficult to duplicate or exceed; and provide a superior or favorable long term position over competitors (Beaudreau, 2016).

1.7.3 Ride Hailing Companies

Ride hailing companies are taxi services based on the ridesharing approach, that work by providing entities that provide software based online platforms that connect passengers who want rides at an agreed price with available taxi’s closest to their location (Ioannis, 2017).

1.7.4 Product Innovation

Product innovation is defined as the continuous improvement in design and functionality of a product in the marketplace. Product innovation is the development of new products, making changes in the current product design or using new techniques and means in the current production. It focuses on existing markets for existing products, differentiating through features and functions that current offers do not have (Reguia, 2014).

1.7.5 Process Innovation

Process innovation is defined as the change and continuous improvement of organizational processes towards enhancing product and service delivery. This can be done in form of introduction of technology in production process or change in style and techniques of production (Trott, 2012).
1.7.6 Market Innovation

Market innovation is defined as the process of introducing significant and continuous changes in the marketplace to enhance product and service awareness, or outreach. The improvement of the mix of target markets and of the way in which these are served (Grimpe, Sofka, Bhargava, & Chatterjee, 2017).

1.8 Chapter Summary

The chapter has presented the background of the study on the effects of innovation strategy on competitive advantage within transport sector in Kenya. This was followed by statement of the problem, purpose for the study, research questions, significance, scope and definition of terms that was used in the study. Chapter two is the next chapter which has presented the literature review of the study in which it covered the following; effect of process innovation on competitive advantage, effect of product innovation on competitive advantage and how market innovation affects competitive advantage in the tax hailing company. Chapter three give the outline of the research methodology which included the research design, population, data collection and data analysis. Chapter four reports the results and findings of the study while chapter five outlines the discussion, conclusions and recommendations of the study.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
The chapter presents a comprehensive review of literature related to the study. The literature review provides the reader with an explanation of the purpose of the study as well as the research questions. The purpose of the study is to establish the effects of innovation strategies that have been employed in enhancing sustainable competitive advantage and the research questions include; what is the effect of process innovation on competitive advantage, what is the effect of product innovation on competitive advantage? and how does market innovation affect competitive advantage and lastly the chapter will present the summary of the literature review.

2.2 Process Innovation and Competitive Advantage

2.2.1 Process Innovation
The process innovation, especially in the manufacturing organizations, can have significant impact on the productivity of the firms. The historical case studies showed that bringing automation in the production methods has increased the efficiency and productivity of the organizations (Moghavvemi, 2012). Process innovation has gained more importance recently (Dimitrios, 2015). It is defined as the application of a new or improved production or delivery method which consists of important changes in techniques, equipment, and software (OECD, 2005). Process innovation enhances the efficiency and the productivity of production activities, increases quality and reduces unit cost of production. Process innovation involves either improvements in the production and logistic methods or improvements that include several activities such as accounting, computing, purchasing, and maintenance (Liao, 2015). Organizations that use process innovation aim at producing innovative products and new products as well (Bang, 2016). This may require the adoption of new methods which have never been used before.

Process innovation is the leading force of competitiveness, of growth, of profitability and of the creation of durable values. Although it can be easily included in the product or technology development category, this refers to a fundamental challenge for the entire business, and, as such, it must stand for a continuous process. At the same time, innovation is one of the greatest opportunities for marketing specialists to leave their mark on the organization, to take fundamental endeavors based on the profound understanding of the
opportunities presented by the market and the clients’ needs, to overcome the functional role and to collaborate with all the company’s employees, so that to be close to the strategic challenges and opportunities, with a long-lasting effect (Rossela, 2015). The organization’s motivation for innovation appears in multiple forms, for instance: market share increase, acquisition of a new market, improving product quality, enlarging the product range, replacing outdated products, reducing the impact on environment, etc., it acts systemically, and it contains all the company’s activities, all the company’s functions being under the impact of innovation. The results of the innovation activity can be observed in achieving products with improved quality characteristics, services with superior quality, new, more efficient and cleaner production processes, improved models of business management system, modern methods of work force management (Moghavvemi, 2012).

The two main stages of process innovation which included initiation and implementation. He asserted that initiation stage involves what is called “openness to the innovation” which is determined by the willingness of organizational members to adopt or resist innovation (Lofsten, 2014). Recent literature re-emphasized the importance of process innovation stages and reconfigured them (Purkayastha, 2016). These stages include identifying customer needs and innovation opportunities, search for new ideas, idea conversion, diffusion and generation. Another aspect is the creation a strong combination between internal and external sources to yield superior results. Throughout the process innovation, the way that an organization uses both knowledge and ideas of external partners is considered to be the core of the. It is important to establish an effective control system in order to evaluate deviations and failures of different stages of process innovation so that to assure successful implementation (Noorani, 2014).

A study by Mwanyota, Maalu, and Njihia (2017), which examined the relationship between process innovation, operational performance, reverse logistics adoption and competitive advantage. Empirical studies have shown that marshaling comparative advantage through the adoption of reverse logistics can lead to sustainable competitive advantage for firms. However, these studies have not demonstrated how various strategies to the adoption of reverse logistics impact on a firm’s sustainable competitive creating capabilities. Further studies have shown that process innovations have the potential to reposition organizations’ current assets in a manner that allows them to gain new capabilities that enable the achievement of higher operational efficiency and ultimately generate sustainability creating processes in the short and long-run. Studies have also revealed that firms gain comparative
advantage when resources in their control facilitate them to generate and implement strategies that result in highly efficient and effective operations.

2.2.2 Customer Satisfactions and Competitive Advantage

Customer satisfaction is defined as personal feeling of delight or discontentment deriving from the assessment of services provided by an organization to consumer in relation to the expectations (Rossela, 2015). In service industries, retaining a customer is an important factor to maximize business performance and for retaining the customers, it is important to satisfy them by meeting their requirements. For a service firm to maintain its competitive position in a market and to increase its market share it is vital to focus more on planning and implementation of the customer retention initiatives (Ercan, 2012). According to Reguia (2014), there are two fundamental approaches regarding customer retention strategies, which are the untargeted and the targeted.

2.2.3 Service Quality and Competitive Advantage

Service quality is considered one of the important factors contributing to the overall profitability of firms. This importance is explained by two core functions. First, service quality is one of the few factors that plays a vital role in differentiating services and providing service firms to gain competitive advantage by attracting more customers and contributing to the market share. Second, service quality is regarded as a key factor to retain customers (Ul, Hassan, & Nawaz, 2013).

There was plenty of research conducted regarding ‘quality’ in the past two decades however, it is important to note that there are quite a lot of different conceptualizations of quality. With respect to marketing and economics, quality is often understood as relying on the properties and features of the product. With regard to operations management quality is viewed as having two main properties, fitness of use (it refers to whether the product or service does what it is supposed to do and possess features that meet the needs of customers) and reliability (it represents to what extent the product is free from deficiencies). The service literature defines quality as “the overall assessment (Roberts, 2009). The traditional definition of service quality measures the difference between customer expectations and perceptions of service.

According to Roberts (2009), designed the service quality model it has five dimensions to measure the service quality: reliability, responsiveness, assurance, empathy and tangibles.
This model is commonly used as a diagnostic tool to measure customer service and perceived satisfaction. Reliability is the capacity of the company to deliver its promises on time. Responsiveness relates to what extent customers perceive service providers’ ability to solve their issues timely. Assurance defines the sense of trust among customers delivered by the service providers’ employees. Empathy refers to care and importance given to each customer, to understand his or her needs and preferences and to articulate them. Tangibility is the presence of facilities, personnel and communication tools used by the organization to offer services (Reguia, 2014).

2.2.4 Process management and Competitive Advantage

There is still considerable debate about what process orientation means and how organizations should interpret the process message. Very few authors thoroughly answer the fundamental question regarding what process management is. A process may be defined simplistically as a transformation of inputs (resources) into outputs (goods and services). Management by process implies orienting all the activities and efforts toward common tasks, which must be reached by closely integrating and coordinating all the activities (Julienti, 2010). Process management is concerned with optimizing the business processes design, so that productivity, quality and innovativeness can be attained. Usually, the most influential factor in process management is technology. In order to accomplish a successful innovation process, right equipment and tools must be ensured. Especially firms with strict quality systems need to adopt up to date technologies in their processes (Farhad & Seighalan, 2016). Repeating and enhancing routines are the two major factors of process management. Repeating routines enable firms to document all processes, critical or not, and to measure process performance. The variables used to measure “process management” were drawn from the studies of (Al-Sadi et al., 2017).

Competitive advantage determines a firm’s position in the market (Godswill, Oyedepo, & Willie, 2016). Long-term success and sustainable competitive advantage may occur only if a firm’s customers are deeply satisfied. Thus, customers must be the most important factor considered in companies’ decision making. The best way to approach new and existing customers is to continuously improve quality in processes (Godswill et al., 2016). Thus, managers should pay attention not only to products’ quality and to innovative product designs, but also to the price that customers are willing to pay for the products’ features (Nwabueze, 2013). The role of innovation in enhancing a company’s competitiveness is
very significant and it represents a strategic issue that no company can afford to ignore. Market stagnation, unexplored merging markets, reduced transaction costs and less trade-barriers to organizations to expand by innovating in order to succeed sustainable competitive edge. Innovativeness may differentiate a firm from its competitors and therefore provide competitive edge and greater performance. The key dimensions of quality, delivery, flexibility and time were used in this study in order to measure competitiveness and they were assessed by multiple informants, knowledgeable in the subject domain.

The relationship between competition and innovation has long been of interest to economists and motivated numerous studies, both theoretical and empirical, over the past three decades. However, the previous empirical studies on the subject confront with the issue that the relationship between competition and innovation is endogenous (Kocoglu, Zeki, Ince, & Keskin, 2012). Interestingly, changes in the structure of an innovation market can sometimes be likened to changes in actual potential competition. For firms that are engaged in R&D, markets for the products they are developing may not presently exist. Innovation strategies enable organizations to devote their limited resources to initiatives that will have the biggest impact on performance.

Porter proposes a two-part process for devising a competitive strategy. The first part involves deciding on company’s product-market scope, including the product or service offerings that company will provide and the market segments that company will provide them to. The second part of devising a competitive strategy is related to gaining competitive advantage. According to Porter, there are two general strategies for gaining advantage. The first, and most common, is the same but-better strategy (Ramadani, 2011). Companies using the same-but-better strategy perform the same activities in the same way, but each company tries to do a better job of it. There are two problems with the -better approach. First, it fails to achieve a significantly different competitive position. In the customer’s view, everyone looks pretty much the same because they are all doing the same thing. The second problem is that it is hard to maintain a sustainable competitive advantage because it is so easy for everyone to copy everyone else’s practices (Abdollahbeigi & Salehi, 2018).

The second means of gaining competitive advantage is the different-and-better strategy. In this approach, a company delivers superior value by performing activities differently or by performing different activities altogether. The companies stake out a competitive position
that is substantially different from its rival’s positions and more sustainable because it is difficult for competitors to copy (Porter, 1985). The question is that how do company determine which innovation initiatives will have the most impact on company’s performance? The answer is that let competitive strategy drive innovation strategy. An investigation of the correlates of the innovation process within the stage model of innovation suggests that individual creativity, and organizational climate, structure, and strategy affect the innovation process. A precise look at the relationships indicates that individual-level variables, such as individual creativity, and organization-level variables that have a direct effect on the behaviors of individuals, such as organizational climate, affect the first stage of the innovation process. On the other hand, organization-level variables such as organizational structure and strategy have an impact on the second stage of the innovation process (Rosenbusch, Brinckmann, & Bausch, 2011).

2.3 Product Innovation and Competitive Advantage

2.3.2 Product Innovation

Product innovation means introducing the new products/services or bringing significant improvement in the existing products/services (Sharma, 2016). For product innovation, the product must either be a new product or significantly improved with respect to its features, intended use, software, user-friendly or components and material. The first digital camera and microprocessors are the examples of the product innovation. Change in design that brings significant change in the intended use or characteristics of the product is also considered as product innovation (Hassan & Ghias, 2017). The product innovation has many dimensions. First, from the perspective of the customer, product is new to the customers. Second, from the perspective of the firm, the product is new to the firm. Third, product modification means bringing product variation in the existing products of the firm (Sharma, 2016). Firms bring product innovation to bring efficiency in the business (Ying Liao, 2015).

According to Christofi, (2014), defines product innovation as the planning and realization processes that generate or reconstruct a new technological system and supply the needful functions to satisfy the customers’ needs. The terminative goal is to provide a solution that can be exploited or accepted by consumers (Van Auken & Madrid-Guijarro, 2008). A more analytical definition of product innovation is described as a problem-solving process in three domains of activity. The first domain deals with the conceptualization of the product
design and then bringing it into existence. This domain also encompasses the interaction with consumers in order to understand performance requirements, development and implementation of new technological advancements for product manufacturing and design evaluation. The second domain concerns organization of work across functions. Furthermore, employees must work out problems between departments and operate in multi-disciplinary teams. The third domain has to do with the linkage between the product and the firm’s structure, resources and strategy. Lastly, product innovation as a continuous and cross-functional process involving and encompassing a growing number of various competencies inside and outside the organizational boundaries. Simply stated, it is the process of transfiguring business opportunities into tangible products and services (Godswill et al., 2016).

According to Valencia, Valle, and Jimenez (2010) define product innovation as the process by which firms produce and develop new products that can lead to organizational success. Product innovation refers to the introduction of new products or service, while process innovation includes the development of new tools and equipment. Product innovation is concerned on the features and design of products and services and it is argued that process innovation refers to the development of policies, procedures, and organizational forms. It has been emphasized that product innovation is associated with the success of organizations and allows them to establish a dominant position in the competitive marketplace. Jimenez and Valle, (2011) emphasized that organizations with greater product innovation capabilities can achieve a better response from the environment and more easily build the capabilities needed to enhance organizational performance. Therefore, product innovation can respond to unstable environment and create new opportunities for developing effectiveness. Product innovation and process innovation have the ability to improve competitive advantage, profitability, and performance. Similarly, Jimenez and Vall (2011) found both product and process innovation affect firm performance. Based on what has been stated here it can be argued that product innovation should have a significant positive role in sustainable competitive advantage.

In highly competitive environment of today, firms have to develop new products according to customer’s needs (Hassan & Ghias, 2017). The aim of product innovation is to attract new customers. Firms introduce new products or modify the existing products according to needs of the customers. Shorter product life cycle of the products forces the firms to bring innovation in the products. In the competitive environment firms bring product innovation
to compete in the market. The product innovation faces the low competition at the time of introduction and that is why it earns high profit (Roberts, 2009). Firms bring product innovation to compete with other firms in the markets. Firms bring product innovation to satisfy their customers. Product innovation is reflected by the functional performance (Ercan, 2012). Product innovation is one of the key factors that contribute to success of an organization. New product development and product innovation is an important strategy for increasing the market share and performance of the business. The studies showed that new product development has positive impact on the performance of the firm (Wadood & Shamsuddin, 2012).

Innovativeness displays the ability to differentiate products/services and it is viewed as the effective differentiation strategy in harsh competition. During the differentiation process, it is vital for a company to consider the product’s technology and product’s customization in comparison to competitors, as it reflects the firm’s tendency to innovate. Innovation is hence a process of differentiating the products and services from competitors; it is a way of creating and expanding markets, thereby reducing the impact of price competition. It is therefore, one of those factors based on which companies differentiate their products. Innovation plays an important role in improving the quality and product scope and is regarded as an effective tool to bring uniqueness when faced by a tough competition. Furthermore, with the invention and introduction of new technologies, cost can be reduced which can further lead to price reductions (Reguia, 2014).

2.3.2 Product Design and Competitive Advantage

Innovation may provide a key competitive advantage to small firms and become a critical element in their success (Urbancova, 2013). Innovation related to the product design may enable a small firm to fill a niche in the marketplace with a product that is different from all other competing products. Innovation in the process area may enable a small firm to lower costs, and give the firm a competitive advantage in price, or may enable the firm to produce a higher quality product and differentiate itself from other competitors based on quality (Porter, 1980). For instance, advances in computer aided manufacturing enabled a small firm in the ferrous castings industry to reduce marginal production costs to two-thirds that of its closest competitor and, at the same time, dramatically lower product defect rates. Similarly, innovation by a small Midwestern manufacturer of saw blades enabled it to develop a high margin market niche, literally untouched by its larger competitors, by
offering customized products meeting individual customer specifications (Ruzzier, Hojnik, & Lipnik, 2013).

Firms attempt to maintain a competitive advantage through product enhancements or product development. These innovations are congruent with a differentiation focus strategy and may be positively related to firm performance, if they lead to increased share, which results in benefits to the company exceeding the costs of innovation. However, due to the benign nature of the environment, such innovations may be unnecessary to maintain a competitive advantage. If the costs of such innovations are significant, these costs may exceed benefits, and product innovations may be negatively related to firm performance (Van Auken & Madrid-Guijarro, 2008). Performance of firms adopting product innovations inconsistent with business strategy in highly competitive environments is likely to be negative. It follows that firms with differentiation strategies would be unlikely to increase performance when adopting product innovations in a highly competitive environment.

Companies must realize the need for changes to product design. New product designs used to restrict to certain corporate and industry only, but in the current era of market competition have changed (Nuryakin, 2018). In the past, market environment tended to be so that the product designs and new product development techniques did not change rapidly. At present, product life cycle is perceived to be faster than ever before. Innovative product becomes a crucial point in the industry where through innovative product, customers gain benefits from the sides of either the new feature, design or function (Pauchoo, Ahmad, & Ramayah, 2014). Competitive companies no longer keep offering similar products or only competing based on traditional reasons such as price and quality. Particularly for technical companies, the inevitable trend is to differentiate product offering to innovation in gaining competitive advantage over competitors. Innovation is related to strategy and resource. On strategy approach, innovation is a differentiator to the competitors. Innovation strategy namely strategy encouraged by customers, strategy encouraged by process and strategy encouraged by pioneer. Innovation strategy can be divided into strategy based on process, speed, market, learning and qualitative (Nuryakin, 2018).

Innovation strategy comprises of 6 strategies including aggressiveness, analysis, defensive, futuristic, proactive and responsive (Pauchoo et al., 2014). A company is said to be able to innovate once it is successful to implement creative idea into its product/service. Product is said to be innovative when the customers gain various benefits from the new design,
function and feature. Innovation can be classified into two words, novelty and newness. Innovation means there is something new that is applicable on the process, product and idea.

2.3.3 Product and Market Orientation

Product Innovation, Market Product innovation and market orientation are believed to be essential elements for firm’s success. They also seem to have a key role in the competitiveness of the firm (Ndlovu, 2016). Some scholars agreed that there is relation between product innovation and market orientation. Market orientation could influence which project has to be chosen for product innovation. This selection determines accomplishment of the product innovation process (Godswill et al., 2016). Based on previous studies, main factors which have effect on innovation activities in manufacturing industry are firm size, market structure, technological opportunities and mutual action among the various economic agents in the national innovation system. Sectoral discrimination has a key role, since companies which access to networks of research and development (R&D) are more likely to innovate. Determinants of product and process innovations are the same. But some firms from same industry illustrate product and process innovations are different even in the same industry. Product innovation result in process innovation but not conversely. Product and process innovation are different from each other but there is no necessity to distinguish organizational innovation and process innovation (Abou-Moghli, Abdallah, & Muala, 2012).

Development of successful product innovations is essential for creating and sustaining an organization’s competitive advantage. The expenditures on research, development and introduction of innovations are the determining characteristics for gaining a dominant part of the market. The importance of the role of the regional innovation and they argue that organization must have original strategies and support the knowledge flows from and to organization. The innovative activity of organizations significantly influences competitiveness which is based on inimitable skills and abilities. Achieving a higher competitiveness by means of innovations means producing less costly products of better quality compared to those manufactured by competitors (Abou-Moghli et al., 2012).

If an organization is not capable of introducing innovations on an ongoing basis, it risks that it will lag, and the initiative will be taken over by other entities. The entrepreneurs attempt to use innovation a new product or service or perhaps a new process during their
production provided they thus gain a strategic competitive advantage (Zhang, 2010). This creates competition that does not attack profit margins or the outputs of existing organizations, but their essence and their existence as such. Product innovation provides opportunities for firms to expand and grow into new areas; however, it may also require greater firm resources and lead to higher risk and management challenges. Despite growing research interest, conceptualization of product innovation and its effects on firm performance remain unclear, as prior studies consider it as an independent, dependent or even a moderator variable (Moghavvemi, 2012).

A study by Ratny, Arshad, and Gaoliang, (2017), where they analyzed the literature regarding the association between service-driven market orientation and innovation in service organizations as well as create conceptual framework about this relationship. Many scholars have suggested that the service firms implementing service-driven market orientation can perform significantly better than traditional market-orientation and become increasingly aware of market demands better than their competitors. The service firms need to react quickly and effectively to changing customers’ demands. Bring in the service-driven market orientation model for service sector leads to critical advantages and particularly their benefits on service innovation. The recent work examined the market orientation-innovation relationship regarding the service industries. An examination regarding the market orientation in service organization is presented along with the conceptual framework and conceptual model is recommended.

2.4 Effects of Market Innovation on Competitive Advantage

2.4.1 Marketing Innovation

Marketing innovation is defined as implementing new marketing method that involve significant changes in the packaging, design, placement and product promotion and pricing strategy. The objective of marketing innovation is to increase the sales and market share and opening new markets. The distinctive feature for the marketing innovation from the other types of innovation is the implementation of new marketing method that the firm has never been implemented before. The product design, that only changes the appearance of the product and does not change the features and functionality of the product, is also marketing innovation (Hsu, 2013). Marketing innovation is non-technological innovation. Firms bring innovation in their marketing methods to bring efficiency in their business (Xiaoyu, 2016). Marketing innovation is developing new techniques, methods for
marketing. Developing new techniques, methods and tools for marketing have significant role in success of the organizations. The example of marketing innovation is ‘changed ways for collecting customer’s information’. Firms now use computer software to collect customer information. The new formats of trading, like online store is also example of marketing innovation (Zhang, 2010).

A marketing innovation can be easier and cheaper compared to product innovation for a firm. It might help to rejuvenate the firm’s position in a market. A firm may penetrate to its market and increase its sales revenues. According to Oslo Manual (OECD, 2005), defines a marketing innovation as “the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing. Marketing innovation may open new markets, address customer needs, reposition products in the market to increase sales. According to Karabulut, (2015), believes that a marketing innovation consists of new sales and marketing techniques. Marketing innovation is comprised of marketing product performance, production system and marketing innovation is a non-technological innovation. They add that firms make innovation in marketing methods to increase efficiency (Karabulut, 2015).

2.4.2 Competitiveness and Marketing Innovation

Technology and information facilitate marketing innovation in competitive markets. According to Roy (2014), improvisation, modification, augmentation or transformation of existing channels of trade using technology can reduce transaction costs. Innovative marketing without the use of technology in a trading setup instead requires resource-based advantages for initiating exchange of knowledge and in-formation about opportunities available in the marketplace. The exchange of field notes between buyer and seller firms can facilitate the exploration of unpredicted occasions and the identification of novel ideas to address fortuitous opportunities. The concept of innovation has been understood differently by researchers from different domains of business and management. Economists consider marketing innovation from the product and process perspective and marketing researchers conceptualize innovation from a commercialization view. The success of an innovative marketing idea depends upon its ability to work homogeneously and harmoniously within a local ecosystem. The scope, utility and long-term objectives of an innovative marketing ideas influence the value that all the partners in the delivery chain seek to create. The idea of marketing innovation in an international setting integrates theories of marketing, distribution and sales (Suraksha & Naresh, 2013).
Innovation generally is positively related to competitive advantage creation (Amidu., 2018). In services, empirical findings have suggested that innovation is linked with competitiveness and also seen as an important strategic option for competitive advantage creation. Organization with capacity to innovate is a type of dynamic capability that contributes significantly to competitive advantage development. Wahab, Jamalulil, & Shah, (2017), argue that competitive advantage comes about as a result of exploiting internal strengths and external opportunities a dynamic capability. Innovation is an inherent-organizational action that seeks to discover superior resource combination a fundamental principle of dynamic capability theory that aligns with environmental dynamics to create competitive advantage. The effective alignment of the internal strength and external opportunities helps financial service firms to gain unique insight into the future thereby reducing the uncertainty of the future at the expense of competitors’ competitive advantage. Innovation generates valuable new resource combination, capability exploitation to generate new value and explore new markets and customer needs in a way that is specific to the financial service firm. One of such potent innovations that generate new value and explore new markets is market innovation.

According to Potocan (2013), opined that the conceptualization of innovation in service, he captured market innovation as reacting to market changes, being a game changer, identifying and marketing to special needs and identifying unmet needs, which result from service intelligence gathering. Market innovation is therefore meant to address the rapidly changing industry environment through the integration, building and reconfiguration of the internal and external competencies. According to Amidu (2018), emphasizes that market innovation is one type of innovation that helps a firm to release its external capabilities to create competitive advantage. Therefore, financial service firms seek to create competitive advantage as they seek to expand their operations and extend their service touch points. Market innovations are therefore expressed through sensing and reacting to market opportunities and threats better than the competition. Financial service firms create competitive advantage by their actions on the marketplace. Such competitive actions include identification and satisfaction of unmet needs in markets, reacting quickly to new opportunities on markets, creation and identification of new markets and serving special needs profitably. Financial service firms can create competitive advantage by carefully timing their service extension into a new market and grasping market trends to inform their marketing actions.
According to Abrar, (2009), notes that the development of new marketing tools and methods plays an important role in the evolution of industries. The market innovations can be differentiated into pull market innovations and push market innovations. The market pull model suggests that the stimulus for innovation comes from the needs of society or a particular section of the market whereas in push market model, the “innovation push” itself projects organization for new innovations. The identification of new market opportunities, and then reaping these opportunities efficiently and effectively, is a challenging task. Market champions see new market opportunities and point out how the needs of chosen markets might best be served, and these companies can make and reshaping the markets.

2.4.3 Marketing Effectiveness and Competitive Advantage

Marketing effectiveness defines as the operation to optimize marketing spending to obtain greater results of objectives both short and long-term (Nwokah, 2015). Marketing effectiveness has four basic facets, including corporate, competitive, customer, and exogenous factors. Marketing effectiveness as a firm’s ability to learn about the market, identifies opportunities, and selects target markets to offer better value to target customers. Nwokah, (2015), argues that there are five factors driving marketing effectiveness, consisting of marketing strategy, creative marketing, marketing execution, marketing infrastructure, and exogenous factors. Marketing effectiveness has a strong effect on customer satisfaction, market orientation, long-term growth, profitability, and firm performance.

Marketing advantage is defined as the firm’s action or firm’s capability to design, create and develop a distinctive image of product offerings that overcome the competitors’ position (Tungbunyasiri & Ussahawanitchakit, 2013). The source of firm advantage depends on the firm’s resources and activities which can provide superior performance. Marketing advantage with new products includes high quality and reasonable price, outstanding quality including modern innovation, and unique and good reputation over its competitors. Certainly, the customer perceives value in receiving benefits and features of new product development that is related to be able to respond to the customer in terms of customer satisfaction and ultimately achieving superior performance. In this research, marketing advantage refers to the capability of the organization for the development of new products with unique and superior features which are better than those of its competitors and give advantage in the market such as high quality, uniqueness, and reasonable price are
such characteristics. There are two distinct types of competitive advantage: cost and
differentiation advantage. Competitive advantage of an organization includes price/cost,
quality, delivery reliability, product innovation, and time for market effects on
organizational success. The higher performance in an export venture may be expected if
the exporting firm achieves a fit between its export marketing strategy and its internal and
external environments.

A study by Tungbunyasiri and Ussahawanitchakit, (2013), they investigated the
relationship among three dimensions of marketing innovation strategy (learning
orientation, firm entrepreneurship and research and development innovation strategy) on
marketing performance through mediating influences of new product development,
customer responsiveness, marketing effectiveness and marketing advantage. Moreover, the
study examined the moderating effects of market culture. Also, long term vision, marketing
resources and technology growth are the antecedents of marketing innovation strategy in
the context furniture exporter businesses in Thailand. Regression analysis was employed
to analyze the relationship between these variables. The result indicated that all dimensions
of marketing innovation strategy has an effect on consequence in different ways, include
that learning orientation, firm entrepreneurship, and R&D innovation strategy has a positive
effect on New product development, customer responsiveness, marketing effectiveness,
and marketing performance, whereas, long term vision has full positive influence on three
dimension of marketing innovation strategy.

2.4.4 Impact of Market Innovation on Competitive Advantage

For firms competing in a global marketplace, innovations play an increasingly vital role in
achieving superior performance (Bindroo, Mariadoss, & Pillai, 2012). Customers are
important relationship partners who possess unique information that can be advantageous
to the competitors (e.g., related to services, marketing communication, new technology,
and customer preferences) (Bindroo et al., 2012). The company must exploit many
differences in an offering, and the value of these is dependent upon the importance to the
customer. In identifying and serving customer needs for products and services, timing of
exploiting sustainable resource, executing differentiating capabilities or launching an
innovative technology are critical factors (Kale, 2012).

Effective sales management, products, pricing, advertising, and distribution in any business
has always required that marketing managers found available marketing capabilities in the
company and organized them to create competitive advantage (Karabulut, 2015). It is the need of a business to focus on the areas of its core competencies, specifically those where it can deliver a real competitive advantage. It should be able to identify and accommodate other companies, which can contribute their capabilities to ensure value to customers. Competitive advantage is taken here to mean the strategic benefits gained by a firm over its rivals that enable the firm to compete more effectively in the marketplace, which then leads to superior profitability. This focus is based on the integration and coordination of firm activities towards satisfying customers in an effort to maximize long-term profitability (Chiang & Yan, 2011).

The capability-based theory suggests that a firm can achieve competitive advantage through distinctive capabilities possessed by the firm and that the firm must constantly re-invest to maintain and expand existing capabilities in order to inhibit imitability. Marketing capability of a firm is reflected in its ability to differentiate products and services from competitors and build successful brands and firms with strong brand names can charge premium prices in foreign markets to enhance their profitability (Weerawardena, 2013).

The differentiation strategy emphasizes competition with a unique product on the entire market. In this case, the company has been developing an entirely new product in order to differentiate itself from its competitors, or improving an existing product by differentiating it from similar competitor products by design, usage characteristics, taste, etc. The final goal of the differentiation process is creating a product brand by which the company will be recognized in its industry. This is a very ambitious goal, which presumes that the company possesses large advantages in the fields of research and development, design, marketing and quality control (Marin, Danijel, Ivan, & Zelimir, 2003). Capability creates no competitive advantage if it is easily achieved by one’s competitors. Thus, the potential sources of competitive advantage of a firm are those capabilities that are difficult to develop (Marin et al., 2003). Competitive advantage can come from any of the parts of an offering, but if the synergy exists, the combination will be stronger that the individual parts.

A study Potocan, (2013), asserts that the role of marketing within the competitive advantage is innovation. The customer value-based differentiation strategies will drive the company’s market research efforts, its selection of target markets, its product development processes, its market communications programs, and its delivery processes. These processes require many specific capabilities that enable the firm to carry out activities necessary to move its
products or services through the value chain. The role of distinctive marketing capabilities in competitive strategy of the company. As sources of competitive advantage, companies try to create their product or service differentiation by developing higher product or service quality, by using their knowledge to solving marketing problems, by communicating with their customers, and by satisfying customer’s needs (Potocan, 2013).

2.5 Chapter Summary
The above literature review reveals that innovation and competitive advantage are inter-related and since organizations operate in a dynamic environment need for technological edge and organizational innovation are key elements of competitive advantage for many organizations most organizations’ face competitive difficulties due to unpredictability and quick rate of technology modification hence, they need key managers’ support. In the next chapter presents the research methodology and this include the research design, population, sampling design, data collection methods and data analysis that was used in conducting the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
The purpose of this study is to examine the effects of innovation strategy on competitive advantage within transport sector in Kenya. This chapter explains the research design, target population, sampling techniques, preparation of data collection instruments and the procedures that was used. This chapter details how the study was carried out. It covers the design that was adopted to conduct the study, how data was collected and eventual analysis of the data in order to generate research findings for reporting.

3.2 Research Design
According to Kothari, (2004), defined research design as the direction taken in collecting information relevant to a research study. A research design focusses on answering the research questions. It aims at directing the method of data collection and analysis to solve the research problem. The study adopted a descriptive research design. A descriptive research design provides for a full assessment of a topic (Kothari, 2004). It provides in depth understanding about a specific topic. The research study requires an accurate and in depth understanding of the effects of innovation strategy on competitive advantage within transport sector in Kenya. A descriptive design explains relationship between variable and identifies the frequency in which a phenomenon occurs. Thus, a descriptive research design justifies the direction taken in undertaking the study.

3.3 Population and Sampling Design
3.3.1 Population
According to Dessler (2013), a study population is a well-defined or specified set of people, group of things, households, firms, services, elements or events which are being investigated. The population should fit a certain specification, which the researcher is studying. The main aim of population of a study is to ensure correct conclusions are derived without biasness. A study population mainly comprise of the stakeholders to be affected by the research topic. The population of the study was 69 employees working in Uber Taxi Kenya in Westland’s. The employees included all senior, middle and junior staffs. The population of the study was appropriate since all the employees were involved in the innovation of the company business.
Table 3.1: Population Distributions

<table>
<thead>
<tr>
<th>Categories</th>
<th>Target Population</th>
<th>Sample Size</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Managers</td>
<td>14</td>
<td>14</td>
<td>20%</td>
</tr>
<tr>
<td>Middle Managers</td>
<td>19</td>
<td>19</td>
<td>28%</td>
</tr>
<tr>
<td>Junior Staffs</td>
<td>36</td>
<td>36</td>
<td>52%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69</strong></td>
<td><strong>69</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>


3.3.2 Sampling Design

3.3.2.1 Sampling Frame
A sampling frame comprises of elements from which a sample is created and has to be related to the population (Dessler, 2013). A sampling frame forms the basis for sample creation in probability sampling designs. A sampling frame is vital since it ensures only the target population is covered by the study. Thus, the study was relevant and inclusive of all target population. The sample frame consisted of the senior managers, middle managers and junior staff in the organization.

3.3.2.2 Sampling Technique
A sample is a small number of people of things selected from a population under investigation (Dessler, 2013). A good sample should represent the characteristics of the larger population. Sampling, therefore, describes the process in which a sample is extracted. Sampling designs vary from probability to nonprobability sampling designs (Groves & Fowler, 2007). Probability sampling is since every population has a known probability of being part of a sample. The study used census sampling technique. The study used census where the whole population is included. A census is appropriate since the target population is small and manageable.

3.3.2.3 Sample Size
According to Dessler (2013), a sample size is the number of sampling units selected from the population for analysis. He noted that the bigger the sample size, the lower the likely error in taking a comprehensive view of the population (Dessler, 2013). The sample size
of the study comprised of all the 69 staff members at Uber Taxi Kenya. The sample size was appropriate in ensuring relevant data and analysis are collected and inferred respective.

Table 3.2: Sample Size Distributions

<table>
<thead>
<tr>
<th>Categories</th>
<th>Target Population</th>
<th>Sample Size</th>
<th>Percentages</th>
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</thead>
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<tr>
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<td>36</td>
<td>36</td>
<td>52%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69</strong></td>
<td><strong>69</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

3.4 Data Collection Methods

The study collected primary data by use of questionnaire. Primary data is fast hand data collected from participants of a study which was in form of questionnaires. Primary data is necessary to ensure accurate conclusions without any manipulation and biasness. The questionnaires will comprise of close-ended questions. The questionnaires structure is divided into four section. The first part covered demographics information and the second part consisted of questions on the effect of process innovation on competitive advantage, thirdly it will be to determine the effect of product innovation on competitive advantage, and the last section was to determine the effects of market innovation on competitive advantage. The questionnaires were self-administered to the employees of Uber in Nairobi. The questionnaires were dropped at Uber offices in Westlands and picked later to give the respondents enough time to answer the questions submitted.

3.5 Research Procedure

The first step for the research was the approval of the research proposal. The questionnaire was shared with the supervisor who gave more insights and the development. Prior visits to Uber Taxi the researcher sought permission to conduct the study and to collect the data from the United States International University-Africa research office and the Internal Review Boards (IRB). The permission was granted by the USIU-Africa. The research further sought permission to conduct the study from the National Commission for Science, Technology and Innovation (NACOSTI).
3.6 Data Analysis Methods

Data analysis involves the activities undertaken to summarize the data collected to answer the research questions (Kothari, 2004). The aim of data analysis is to ensure the research questions are answered, thus the purpose of the study. The data collected was analyzed using descriptive analysis. Descriptive analysis shows a representation of data collected using, percentages, graphs and frequency distribution tables (Xia, Wang, Wang, & Song, 2016). The descriptive analysis of the study was considered in the sample size. The study used inferential statistics including regression and correlation. The analysis was done using Statistical Package for Social Sciences (SPSS) version 24. Presentation of data was done using various statistical tools such as tables, bar graphs and pie charts to summaries the various groups of data and provide interpretation of the findings. Inferential statistics conducted to indicate the relationship and its extent, and the regression model was follows;

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \]

Where:

\[ Y = \text{Competitive Advantage} \]
\[ \beta_0 = \text{constant} \]
\[ X_1 = \text{Process Innovation} \]
\[ X_2 = \text{Process Innovation} \]
\[ X_3 = \text{Market Innovation} \]
\[ e = \text{Standard error term} \]
\[ \beta_1, \beta_2, \text{and } \beta_3 = \text{Regression coefficients.} \]

3.7 Chapter Summary

The chapter has addressed the research methodology to be used during the study. The chapter documents the use of descriptive research design that will be adopted for the study. The population of the study has been highlighted, data collections methods, research procedures, data analysis, and lastly the chapter summary of the study. The next chapter presented the analysis and findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter provides details of the results obtained from the respondents. The questionnaires were administered to the employees of Uber. The purpose of the study was to determine effects of innovation strategy on competitive advantage within transport sector in Kenya. The chapter presentation includes the response rate, respondent’s general information as well as descriptive and inferential statistics. The findings of the study are presented in pie charts, bar graphs and tables.

4.2 General Information
The study sought to find out the gender of the employees in the organization, age, position held in the organization, highest level of education attained, and the years the respondent has worked in the organization and the implications for each of the sub-sections on the study findings.

4.2.1 Response Rate
The Figure 4.1 below shows the summary of statistics on the level of the feedback throughout the study undertaking. Covered as well is a justification why the feedback received was sufficient. The researcher distributed a total of 69 questionnaires to the employees identified as the study respondents. However, only 64 respondents returned back their questionnaires. The study therefore attained a response rate of 93%. The response rate was taken to be very good, a decision guided by Mugenda & Mugenda (2003), who asserts that a response rate of 50% is considered adequate, 60% good and above 70% as very good.

Figure 4.1: Response Rate
4.2.2 Gender of Respondents

The study examined the gender of the various respondents and the findings summarized in the Figure 4.2 below. From analysis of the findings, 42% of respondents were male while 58% of the respondents were female. There were therefore more female respondents which we can conclude that the organization have more female than male employees. There was however a fair representation of both gender among the respondents.

![Gender of Respondents](image)

**Figure 4.2: Gender of Respondents**

4.2.3 Age of Employees

The study examined the age of the respondents and the findings summarized in the Figure 4.3 below. From the findings 5% of respondents were below 25 years, 73% were between 25-34 years, 22% of the respondents were between 35-44 years while none of the respondents was above 45 years. We can therefore conclude that most of the employees in the organization are between 25 years to 34 years.

![Age of Employees](image)

**Figure 4.3: Age of Employees**
4.2.4 Position in the Organization

The study examined the positions held in the bank by the various respondents and the findings summarized in the Figure 4.4 below. From the analysis below, 17% of respondents were senior management level, 33% of the employees were middle management level, 50% of the employees were junior staff as indicated in the figure.

![Figure 4.4: Position in the Organization](image)

4.2.5 Highest Education

The study examined the level of education of the employees involved in the study in the organization and the findings summarized in the Figure 4.5 below. From analysis, 11% of respondents had diploma level of education, 73% of respondents had bachelor’s degree, while 16% of respondents had attained master’s level of education. Majority of the respondents therefore had university qualifications and were therefore knowledgeable enough in their areas of the study.

![Figure 4.5: Highest Education Level](image)
4.2.5 Work Experience
The study examined for how long those involved in the study worked with the organization and the findings summarized in the Figure 4.6 below. From the Figure below, 27% respondents had worked for the organization for less than 1 year, 72% of the employees had worked for Uber Kenya between 1-2 years, and above 6 years was represented by 1%.

![Work Experience](image)

**Figure 4.6: Work Experience**

4.3 Effects of Process Innovation on Competitive Advantage
4.3.1 Process Innovation and Competitive Advantage
The study sought to understand the effects of process innovation on competitive advantage in the organization. The employees agreed that process innovation includes improvement in technology and software within the organization this was indicated by a mean of 4.766 and standard deviation of 0.427, and that Uber adopt new process to compete with other firms; they have to bring the process innovation to satisfy their customers this was rated by a mean of 4.375 and standard deviation of 0.519.

The employees were also in agreement that Uber has enhanced the efficiency of its services and reduces unit cost of their services in which a mean of 3.906 and standard deviation of 0.811, and that Uber is the leading force of competitiveness, growth, and profitability in the market where a mean of 3.719 and standard deviation of 0.576 was reported. They further agreed that Uber motivation for innovation appears in the increased market share in which a mean of 4.047 and standard deviation of 0.653 was demonstrated and that Uber
motivation for innovation appears in acquisition of a new market where a mean of 4.313 and standard deviation of 0.664 was reported. The employees rated that Uber motivation for innovation appears in improved service delivery where a mean of 3.625 and standard deviation of 0.549 was realized, and that it has gained competitive advantage through marshaling comparative advantage in its resources where it was rated with a mean of 4.188 and standard deviation of 0.531 indicating an agreement with the statement.

The results of the study also indicated that Uber has gained comparative advantage through efficient and effective operations in the market this statement was in agreement with the employees in which a mean of 4.422 and standard deviation of 0.529 was realized, and that retaining a customer is an important factor to maximize for Uber in which a mean of 4.594 and standard deviation of 0.583 was reported. They also agreed that Uber optimizes the business processes design, so that its service, quality and innovativeness can be attained a mean of 4.375 and standard deviation of 0.807, and that long-term success and sustainable competitive advantage may occur only if a Uber taxi customers are deeply satisfied where a mean of 4.469 and standard deviation of 0.734 was realized. The further agreed that Uber changes in the structure of an innovation market can sometimes be likened to changes in actual potential competition where a mean of 4.047 and standard deviation of 0.722, and that Uber stake out a competitive position that is substantially different from its rival’s positions where a mean of 4.000 and standard deviation of 0.309. The findings of the study on effects of process innovation on competitive advantage is indicated in the Table 4.1 below.
Table 4.1: Process Innovation and Competitive Advantage

| Process innovation includes improvement in technology and software by the organization | 0% | 0% | 0% | 23% | 77% | 4.766 | 0.427 |
| Uber taxi adopt new process to compete with other firms; they have to bring the process innovation to satisfy their customers. | 0% | 0% | 2% | 59% | 39% | 4.375 | 0.519 |
| Uber taxi has enhanced the efficiency of its services and reduces unit cost of their services. | 2% | 2% | 23% | 52% | 22% | 3.906 | 0.811 |
| Uber taxi is the leading force of competitiveness, growth, and profitability. | 0% | 0% | 34% | 59% | 6% | 3.719 | 0.576 |
| Uber taxi motivation for innovation appears in the increased market share. | 0% | 0% | 19% | 58% | 23% | 4.047 | 0.653 |
| Uber taxi motivation for innovation appears in acquisition of a new market. | 0% | 0% | 11% | 47% | 42% | 4.313 | 0.664 |
| Uber taxi motivation for innovation appears in improved service delivery. | 0% | 0% | 41% | 56% | 3% | 3.625 | 0.549 |
| Uber taxi has gained competitive advantage through marshaling comparative advantage in its resources. | 0% | 0% | 6% | 69% | 25% | 4.188 | 0.531 |
| Uber taxi has gained comparative advantage through efficient and effective operations in the market. | 0% | 0% | 2% | 55% | 44% | 4.422 | 0.529 |
| Retaining a customer is an important factor to maximize for Uber Taxi. | 0% | 0% | 5% | 31% | 64% | 4.594 | 0.583 |
| Uber taxi optimizes the business processes design, so that its service, quality and innovativeness can be attained. | 0% | 2% | 16% | 27% | 56% | 4.375 | 0.807 |
| Long-term success and sustainable competitive advantage may occur only if a Uber taxi customers are deeply satisfied. | 0% | 0% | 14% | 25% | 61% | 4.469 | 0.734 |
| Uber taxi changes in the structure of an innovation market can sometimes be likened to changes in actual potential competition. | 0% | 2% | 19% | 53% | 27% | 4.047 | 0.722 |
| Uber taxi stake out a competitive position that is substantially different from its rival’s positions. | 0% | 0% | 5% | 91% | 5% | 4.000 | 0.309 |
4.3.2 Correlation between process innovation on competitive advantage

Pearson correlation was used to establish the strength of association between any two variables. In an effort to establish the nature of the correlation between the dependent and the independent variables and also to ascertain whether or not multicollinearity exists as a result of the correlation among variables, Pearson correlation analysis was used to assess the relationship between process innovation and competitive advantage. There exists a statistically significant positive relationship between process innovation and competitive advantage as evidenced by the Pearson Correlation Output. The strength of association is moderate since the Pearson Correlation Coefficient stands at 0.580 and statistically significant since the Sig. (2-tailed) value of 0.000 is less than 0.01 level of significance.

**Table 4.2: Correlation between Process Innovation and Competitive Advantage**

<table>
<thead>
<tr>
<th>Process innovation</th>
<th>Competitive advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process innovation</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
<tr>
<td>Competitive advantage</td>
<td>Pearson Correlation</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
</tr>
<tr>
<td></td>
<td>N</td>
</tr>
</tbody>
</table>

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

4.3.3 Regression Analysis between process innovation on competitive advantage

**Table 4.3: Model Summary between Process Innovation and Competitive Advantage**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.580a</td>
<td>.337</td>
<td>.326</td>
<td>.14510</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Competitive advantage

The study utilized the regression model as key tools towards the provision of reliable and evidence-based answers to the research questions. R Square or the Coefficient of determination stands at 0.337. This implies that 33.7% of the variation in the competitive advantage is explained by variability in the process innovation. To this effect, 66.3 % of
the variation in the competitive advantage of Uber is explained by other variables not included in the model.

**Table 4.4: ANOVA Analysis between Process Innovation and Competitive Advantage**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>.663</td>
<td>1</td>
<td>.663</td>
<td>31.506</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>1.305</td>
<td>62</td>
<td>.021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1.969</td>
<td>63</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Process innovation
b. Predictors: (Constant), Competitive advantage

The findings of the study in the Table 4.4 above presents the results of ANOVA test which reveal that process innovation had a significance influence on competitive advantage of Uber Kenya. Since the P-value was actual 0.000 which was less than 5% level of significance. The results also indicate that the high value of F-value (31.506) with significant level of 0.000 is large enough to conclude that process innovation significantly influenced competitive advantage of Uber Kenya.

**Table 4.5: Regression Coefficients for Process Innovation and Competitive Advantage**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>2.646</td>
<td>.277</td>
</tr>
<tr>
<td>Competitive advantage</td>
<td>.374</td>
<td>.067</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Process innovation

The findings of the study in the Table presents the results of the test of beta coefficients which indicates that the significant relationship between process innovation and competitive advantage of Uber Kenya. As presented in the table above, process innovation had a coefficient of 0.374 was found to be positive at significant level of 0.000 and this indicates that process has a positive influence on competitive advantage of Uber Kenya. However, since the significance value was less than 0.05 the coefficients was significant and thus the regression equation was; Competitive Advantage = 2.646 + 0.374 Process Innovation
4.4 Effects of Product Innovation on Competitive Advantage

4.4.1 Product Innovation and Competitive Advantage

The study sought to understand the effects of product innovation on competitive advantage, the results of the study indicated that employees agree that Uber has been introducing the new services for improvement in the existing services a mean of 4.750 and standard deviation of 0.471 and that there is a link between services and Uber structure, resources, and strategy where a mean of 4.016 and standard deviation of 0.488 was reported.

The findings further showed that innovation by Uber has resulted in the development of new services that has led to organizational success in which a mean of 4.734 and standard deviation of 0.512, and that product innovation can improve competitive advantage in Uber taxi firm this was shown by a mean of 4.266 and standard deviation of 0.512. The employees agreed that Uber introduce new products or modify the existing products according to needs of the customers where a mean of 4.234 and standard deviation of 0.463, and that product innovation is one of the key factors that contribute to success of an organization where a mean of 4.703 and standard deviation of 0.554 was reported. They further agreed that innovation may provide a key competitive advantage to Uber and become a critical element for success a mean of 4.484 and standard deviation of 0.591 was reported and that innovation in the product may enable Uber to lower costs, and give the firm a competitive advantage in which a mean of 4.563 and standard deviation of 0.710 was realized.

The findings of the study showed that employees agreed that Uber maintain a competitive advantage through product enhancements and product development this was shown a mean of 4.375 and standard deviation of 0.787, and that performance of Uber adopts product innovations consistent with business strategy in highly competitive environments is likely to be positive a mean of 4.172 and standard deviation of 0.579 was reported. They also agreed that competitive firms no longer keep offering similar products or only competing based on traditional reasons such as price and quality a mean of 3.219 and standard deviation of 0.934 indicating they agreed with the statement and that market orientation in the firm could influence which project has to be chosen for product innovation a mean of 3.875 and standard deviation of 0.378 was reported. Lastly the employees agreed to a small extent on the development of successful product innovations is essential for creating and sustaining an organization’s competitive advantage a mean of 3.656 and standard deviation
of 0.840 was reported. The Table 4.6 below indicates the summary of the findings on the effects of product innovation on competitive advantage.

**Table 4.6: Product Innovation and Competitive Advantage**

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>SWA</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uber taxi has been introducing the new services for improvement in the existing services</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>4.750 0.471</td>
</tr>
<tr>
<td>There is link between services and Uber taxi structure, resources and strategy</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>11%</td>
<td>77%</td>
<td>0%</td>
<td>4.016 0.488</td>
</tr>
<tr>
<td>Innovation by Uber taxi has resulted in the development new services that has led to organizational success.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3%</td>
<td>20%</td>
<td>77%</td>
<td>4.734 0.512</td>
</tr>
<tr>
<td>Product innovation can improve competitive advantage in Uber taxi firm.</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3%</td>
<td>67%</td>
<td>30%</td>
<td>4.266 0.512</td>
</tr>
<tr>
<td>Uber taxi introduce new products or modify the existing products according to needs of the customers</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
<td>73%</td>
<td>25%</td>
<td>4.234 0.463</td>
</tr>
<tr>
<td>Product innovation is one of the key factors that contribute to success of an organization</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>20%</td>
<td>75%</td>
<td>4.703 0.554</td>
</tr>
<tr>
<td>Innovation may provide a key competitive advantage to Uber taxi and become a critical element for success</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>40%</td>
<td>53%</td>
<td>4.484 0.591</td>
</tr>
<tr>
<td>Innovation in the product may enable Uber taxi to lower costs, and give the firm a competitive advantage</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>13%</td>
<td>19%</td>
<td>69%</td>
<td>4.563 0.710</td>
</tr>
<tr>
<td>Uber taxi maintain a competitive advantage through product enhancements and product development</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
<td>14%</td>
<td>30%</td>
<td>4.375 0.787</td>
</tr>
<tr>
<td>Performance of Uber taxi adopting product innovations consistent with business strategy in highly competitive environments is likely to be positive</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>9%</td>
<td>64%</td>
<td>27%</td>
<td>4.172 0.579</td>
</tr>
<tr>
<td>Competitive firms no longer keep offering similar products or only competing based on traditional reasons such as price and quality</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>19%</td>
<td>56%</td>
<td>9%</td>
<td>3.219 0.934</td>
</tr>
<tr>
<td>Market orientation in the firm could influence which project has to be chosen for product innovation</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>14%</td>
<td>84%</td>
<td>2%</td>
<td>3.875 0.378</td>
</tr>
<tr>
<td>Development of successful product innovations is essential for creating and sustaining an organization’s competitive advantage</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>58%</td>
<td>19%</td>
<td>23%</td>
<td>3.656 0.840</td>
</tr>
</tbody>
</table>
4.4.2 Correlation between Product Innovation on Competitive Advantage

Pearson correlation analysis was used to assess the relationship between process innovation and competitive advantage. There exists a statistically significant positive relationship between product innovation and competitive advantage. The strength of association is strong since the Pearson Correlation Coefficient stands at 0.796 and statistically significant since the Sig. (2-tailed) value of 0.000 is less than 0.01 level of significance.

Table 4.7: Correlation between Product Innovation and Competitive Advantage

<table>
<thead>
<tr>
<th></th>
<th>Product innovation</th>
<th>Competitive advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product innovation</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.796**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>64</td>
</tr>
<tr>
<td>Competitive advantage</td>
<td>Pearson Correlation</td>
<td>.796**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>64</td>
</tr>
</tbody>
</table>

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

4.4.3 Regression Analysis between Product Innovation and Competitive Advantage

Table 4.8: Model Summary between Product Innovation and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.796a</td>
<td>.633</td>
<td>.627</td>
<td>.20605</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Competitive advantage

The R-Square or the coefficient of determination stood at 0.633. This implied that 63.3% of the variation in the competitive advantage is explained by variability in the product innovation. To this effect, 36.7% of the variation in the competitive advantage of uber is explained by other variables not included in the model.
Table 4.9: ANOVA Analysis between Product Innovation and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>4.541</td>
<td>1</td>
<td>4.541</td>
<td>106.957</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>2.632</td>
<td>62</td>
<td>.042</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7.174</td>
<td>63</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Product innovation
b. Predictors: (Constant), Competitive advantage

The results of the study in the Table 4.9 above presents the results of ANOVA test which reveal that product innovation had a significance influence on competitive advantage of Uber Kenya. Since the P-value was actual 0.000 which was less than 5% level of significance. The findings also indicated that the high value of F-value (106.957) with significant level of 0.000 is large enough to conclude that product innovation significantly influenced competitive advantage of Uber Kenya.

Table 4.10: Regression Coefficients for Product Innovation and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficientsa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unstandardized</td>
</tr>
<tr>
<td></td>
<td>B</td>
</tr>
<tr>
<td>(Constant)</td>
<td>.375</td>
</tr>
<tr>
<td>Competitive advantage</td>
<td>.980</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Product innovation

The results of the study in the Table 4.10 above presents the findings of the test of beta coefficients which indicates that the significant relationship between product innovation and competitive advantage of Uber Kenya. As presented in the table above, product innovation had a coefficient of 0.980 was found to be positive at significant level of 0.000 and this indicates that product has a positive influence on competitive advantage of Uber Kenya. The regression equation was:

Competitive Advantage = 0.375 + 0.980 Product Innovation
4.5 Effects of Market Innovation on Competitive Advantage

4.5.1 Market Innovation and Competitive Advantage

The study sought to understand the effects of market innovation on competitive advantage, the results of the study indicated that employees agreed that Uber implements marketing method that involve significant changes in the pricing strategy this was shown by a mean of 3.625 and standard deviation of 0.604 and that Uber have innovation in their marketing methods to bring efficiency in their business this was shown by a mean of 4.313 and standard deviation of 0.753. They also agreed that marketing innovation may open new markets, address customer needs, reposition products in the market this was indicated by a mean of 4.328 and standard deviation of 0.506, and that technological in the firm and information facilitate marketing innovation in competitive markets this was shown by a mean of 4.641 and standard deviation of 0.574. They further agreed that marketing innovation in the firm is positively related to competitive advantage creation in which a mean of 4.250 and standard deviation of 0.535 was reported.

The results of the study indicated that employees were in agreement that market innovation in the firm is linked with competitiveness and also seen as an important strategic option for competitive advantage creation this was shown by a mean of 4.297 and standard deviation of 0.706, and that competitive advantage comes about because of exploiting internal strengths and external opportunities of the market in which a mean of 4.281 and standard deviation of 0.701. They also agreed that for firms competing in a global marketplace, innovations play an increasingly vital role in achieving competitive advantage this was demonstrated by a mean of 4.672 and standard deviation of 0.565, and that the firm achieve competitive advantage through distinctive capabilities possessed by Uber where a mean of 4.000 and standard deviation of 0.797 was reported. The employees further agreed that the firm try to create service differentiation by developing higher service quality, by using their knowledge to solving marketing problems a mean of 3.688 and standard deviation of 0.710 was realized. The findings of the study on the effects of market innovation on competitive advantage is indicated below.
Table 4.11: Market Innovation and Competitive Advantage

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>SWA</th>
<th>A</th>
<th>SA</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uber taxi implements marketing method that involve significant changes in the pricing strategy</td>
<td>0%</td>
<td>2%</td>
<td>39%</td>
<td>55%</td>
<td>5%</td>
<td>3.625</td>
<td>0.604</td>
</tr>
<tr>
<td>Uber taxi bring innovation in their marketing methods to bring efficiency in their business</td>
<td>0%</td>
<td>0%</td>
<td>17%</td>
<td>34%</td>
<td>48%</td>
<td>4.313</td>
<td>0.753</td>
</tr>
<tr>
<td>Marketing innovation may open new markets, address customer needs, reposition products in the market</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
<td>64%</td>
<td>34%</td>
<td>4.328</td>
<td>0.506</td>
</tr>
<tr>
<td>Technological in the firm and information facilitate marketing innovation in competitive markets</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>27%</td>
<td>69%</td>
<td>4.641</td>
<td>0.574</td>
</tr>
<tr>
<td>Marketing innovation in the firm is positively related to competitive advantage creation</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>66%</td>
<td>30%</td>
<td>4.250</td>
<td>0.535</td>
</tr>
<tr>
<td>Market innovation in the firm is linked with competitiveness and also seen as an important strategic option for competitive advantage creation</td>
<td>0%</td>
<td>0%</td>
<td>14%</td>
<td>42%</td>
<td>44%</td>
<td>4.297</td>
<td>0.706</td>
</tr>
<tr>
<td>Competitive advantage comes about because of exploiting internal strengths and external opportunities of the market</td>
<td>0%</td>
<td>0%</td>
<td>14%</td>
<td>44%</td>
<td>42%</td>
<td>4.281</td>
<td>0.701</td>
</tr>
<tr>
<td>For firms competing in a global marketplace, innovations play an increasingly vital role in achieving competitive advantage</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>23%</td>
<td>72%</td>
<td>4.672</td>
<td>0.565</td>
</tr>
<tr>
<td>The firm achieve competitive advantage through distinctive capabilities possessed by Uber taxi</td>
<td>0%</td>
<td>0%</td>
<td>31%</td>
<td>38%</td>
<td>31%</td>
<td>4.000</td>
<td>0.797</td>
</tr>
<tr>
<td>The firm try to create service differentiation by developing higher service quality, by using their knowledge to solving marketing problems</td>
<td>0%</td>
<td>3%</td>
<td>36%</td>
<td>50%</td>
<td>11%</td>
<td>3.688</td>
<td>0.710</td>
</tr>
</tbody>
</table>

4.5.2 Correlation between Market Innovation on Competitive Advantage

Pearson correlation analysis was used to assess the relationship between market innovation and competitive advantage. There exists a statistically significant positive relationship between market innovation and competitive advantage. The strength of association is strong since the Pearson Correlation Coefficient stands at 0.793** and statistically significant since the Sig. (2-tailed) value of 0.000 is less than 0.01 level of significance.
Table 4.12: Correlation between Market Innovation and Competitive Advantage

<table>
<thead>
<tr>
<th></th>
<th>Market innovation</th>
<th>Competitive advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market innovation</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.793**</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>64</td>
</tr>
<tr>
<td>Competitive advantage</td>
<td>Pearson Correlation</td>
<td>.793**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>64</td>
</tr>
</tbody>
</table>

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

4.5.3 Regression Analysis between Market Innovation and Competitive Advantage

Table 4.13: Model Summary between Market Innovation and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.793a</td>
<td>.629</td>
<td>.623</td>
<td>.22939</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Competitive advantage

The R-Square or the coefficient of determination was at 0.629. This implied that 62.9% of the variation in the competitive advantage is explained by variability in the market innovation. To this effect, 37.1% of the variation in the competitive advantage of Uber is explained by other variables not included in the model.

Table 4.14: ANOVA Analysis between Market Innovation and Competitive Advantage

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>5.532</td>
<td>1</td>
<td>5.532</td>
<td>105.132</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>3.262</td>
<td>62</td>
<td>.053</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>8.794</td>
<td>63</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Market innovation
b. Predictors: (Constant), Competitive advantage
The results of the study in the Table 4.14 above presents the results of ANOVA test which reveal that market innovation had a significance influence on competitive advantage of Uber. The P-value was 0.000 which was less than 5% level of significance. The findings also indicated that the high value of F-value (105.132) with significant level of 0.000 is large enough to conclude that market innovation significantly influenced competitive advantage of Uber Kenya.

**Table 4.15: Regression Coefficients for Market Innovation and Competitive Advantage**

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficientsa</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.266</td>
<td>.608</td>
</tr>
<tr>
<td></td>
<td>Competitive advantage</td>
<td>.928</td>
<td>.793</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Std. Error</td>
<td>Beta</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.437</td>
<td>.105</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>t</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10.253</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sig.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>.003</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Market innovation

The results of the study in the Table 4.15 above presents the findings of the test of beta coefficients which indicates that the significant relationship between market innovation and competitive advantage of Uber Kenya. As presented in the table above, market innovation had a coefficient of 0.928 was found to be positive at significant level of 0.000 and this indicates that market has a positive influence on competitive advantage of Uber Kenya. The regression equation was:

\[
\text{Competitive Advantage} = 0.266 + 0.928 \text{ Market Innovation}
\]

**4.6 Chapter Summary**

The chapter has presented the findings of the study on the effects of innovation strategy on competitive advantage within transport sector in Kenya. The results of both descriptive and correlation analysis indicated that there exists a positive relationship between innovations strategy which were process, product, and market innovations and competitive advantage.

The next chapter gave a detailed discussion, conclusions in comparisons with the literature review, and finally the recommendations of the study to the management and policy makers in the transport sector.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction
In this chapter, the final findings, discussion, conclusions and recommendations are presented. The conclusions were drawn from the findings in line with the research questions of the study. From the outcome and output of the study, some important recommendations are developed in relation to what is covered.

5.2 Summary
The purpose of this study was to determine the effects of innovation strategy on competitive advantage within transport sector in Kenya a case of Uber Kenya. The study was guided by the following research questions; what is the effect of process innovation on competitive advantage, what is the effect of product innovation on competitive advantage and how does market innovation affect competitive advantage of uber taxi in Kenya?

The study adopted the use of descriptive design which explains the relationship between variable and identifies the frequency in which a phenomenon occurs. Thus, a descriptive research design justifies the direction taken in undertaking the study. The population of the study was 69 employees working in Uber Taxi Kenya in Westland’s. The 69 employees included all senior, middle and junior staffs. The study used census sampling technique. The study used a census where the whole population was included. The sample size of the study comprised of all the 69 employees of Uber Taxi Kenya. The sample size was appropriate in ensuring relevant data and analysis are collected and inferred respective. The data collected was analyzed using descriptive analysis and inferential statistics including regression and correlation. The analysis was done using Statistical Package for Social Sciences (SPSS ver. 24). Presentation of data was done using tables, bar graphs and pie charts to summaries the various groups of data and provide interpretation of the findings.

The findings of the study showed that process innovation includes improvement in technology and software within the organization this was indicated by a mean of 4.766 and standard deviation of 0.427, and that Uber adopt new process to compete with other firms; they have to bring the process innovation to satisfy their customers this was rated by a mean of 4.375 and standard deviation of 0.519. The employees were also in agreement that Uber has enhanced the efficiency of its services and reduces unit cost of their services in which a mean of 3.906 and standard deviation of 0.811. The findings of correlation showed that
there exists a statistically significant positive relationship between process innovation and competitive advantage. The study utilized the regression model as key tools where the coefficient of determination stands at 0.337. This implies that 33.7% of the variation in the competitive advantage is explained by variability in the process innovation.

The results showed that Uber has been introducing the new services for improvement in the existing services a mean of 4.750 and standard deviation of 0.471 and that there is link between services and Uber structure, resources and strategy where a mean of 4.016 and standard deviation of 0.488 was reported. The findings further showed that innovation by Uber has resulted in the development new services that has led to organizational success in which a mean of 4.734 and standard deviation of 0.512. The results of the study for correlation analysis indicated that there exists a statistically significant positive relationship between product innovation and competitive advantage. The strength of association is strong since the Pearson correlation coefficient stands at 0.796 and statistically significant since the Sig. (2-tailed) value of 0.000 is less than 0.01 level of significance. The coefficient of determination implied that 63.3% of the variation in the competitive advantage is explained by variability in the product innovation.

The findings of the study indicated that Uber implements marketing method that involve significant changes in the pricing strategy this was shown by a mean of 3.625 and standard deviation of 0.604 and that it has innovation to bring efficiency in their business this was shown by a mean of 4.313 and standard deviation of 0.753. Marketing innovation may open new markets, address customer needs, reposition products in the market this was indicated by a mean of 4.328 and standard deviation of 0.506, and that technological in the firm and information facilitate marketing innovation in competitive markets this was shown by a mean of 4.641 and standard deviation of 0.574. The findings of the study for the correlation analysis showed that there exists a statistically significant positive relationship between market innovation and competitive advantage. The strength of association is strong since the coefficient stood at 0.793 and statistically significant since the Sig. (2-tailed) value of 0.000 is less than 0.01 level of significance. The R-Square or the coefficient of determination implied that 62.9% of the variation in the competitive advantage is explained by variability in the market innovation.
5.3 Discussion

5.3.1 Effect of Process Innovation on Competitive advantage

The findings on the process innovation enhances the efficiency, increases quality and reduces unit cost of production. Process innovation involves either improvements in the production and logistic methods or improvements that include several activities such as accounting, computing, purchasing, and maintenance (Liao, 2015). Organizations that use process innovation aim at producing innovative products and new products as well. This may require the adoption of new methods which have never been used before. The results of the study on effects of process innovation on competitive advantage in the organization indicated that employees agreed that process innovation includes improvement in technology and software within the organization and that Uber adopt new process to compete with other firms; they have to bring the process innovation to satisfy their customers.

The findings of the study indicated that employees agreed that Uber has enhanced the efficiency of its services and reduces unit cost of their services and that Uber is the leading force of competitiveness, growth, and profitability in the market. Process innovation is the leading force of competitiveness, of growth, of profitability and of the creation of durable values. Ying Liao, (2015) supports the findings and he opined that innovation enhances the efficiency and the productivity of production activities, increases quality and reduces unit cost of production. Process innovation involves either improvements in the production and logistic methods or improvements that include several activities such as accounting, computing, purchasing, and maintenance.

The results also indicated that employees agreed that Uber motivation for innovation appears in the increased market share and that Uber motivation for innovation appears in acquisition of a new market. The employees rated that Uber motivation for innovation appears in improved service delivery and that it has gained competitive advantage through marshaling comparative advantage in its resources employees. In support with the findings of the study Moghavvemi, (2012), pointed out that organization’s motivation for innovation appears in multiple forms, for instance: market share increase, acquisition of a new market, improving product quality, enlarging the product range, replacing outdated products, it acts systemically, and it contains all the company’s activities, all the company’s functions being under the impact of innovation. The results of the innovation activity can be observed in
achieving products with improved quality characteristics, services with superior quality, new, more efficient and cleaner production processes, improved models of business management system, modern methods of work force management.

The results of the study also indicated that Uber has gained comparative advantage through efficient and effective operations in the market and that retaining a customer is an important factor to maximize for Uber. This is in agreement with the results of Ercan, (2012) who noted that retaining a customer is an important factor to maximize business performance and for retaining the customers, it is important to satisfy them by meeting their requirements. For a service firm to maintain its competitive position in a market and to increase its market share it is vital to focus more on planning and implementation of the customer retention initiatives.

They also agreed that Uber optimizes the business processes design, so that its service, quality and innovativeness can be attained, and that long-term success and sustainable competitive advantage may occur only if Uber taxi customers are deeply satisfied. Nwabueze, (2013), pointed that the role of innovation in enhancing a company’s competitiveness is very significant and it represents a strategic issue that no company can afford to ignore. According to Ul, Hassan, & Nawaz, (2013) who supports the findings that service quality is one of the few factors that plays a vital role in differentiating services and providing service firms to gain competitive advantage by attracting more customers and contributing to the market share. The further agreed that Uber changes in the structure of an innovation market can sometimes be likened to changes in actual potential competition and that Uber stake out a competitive position that is substantially different from its rival’s positions.

The findings of correlation showed that there exists a statistically significant positive relationship between process innovation and competitive advantage. The study utilized the regression model as key tools where the coefficient of determination stands at 0.337. This implies that 33.7% of the variation in the competitive advantage is explained by variability in the process innovation. This was in agreement with the findings of Mwanyota, Maalu, and Njihia (2017), who found out that for organizations to gain competitive advantage through marshaling comparative advantage in resources, marshaling comparative advantage through the adoption of reverse logistics can lead to sustainable competitive advantage for firms.
5.3.2 Effect of Product Innovation on Competitive Advantage

The findings of the study on the effects of product innovation on competitive advantage, the results of the study indicated that employees agree that Uber has been introducing the new services for improvement in the existing services and that there is link between services and Uber structure, resources and strategy. Hassan and Ghias, (2017), noted that service must either be a new or significantly improved with respect to its features, intended use, software, user-friendly or components and material.

The findings further showed that innovation by Uber has resulted in the development new services that has led to organizational success and that product innovation can improve competitive advantage in Uber taxi firm. Christofi, (2014) argued that service innovation as the planning and realization processes that generate or reconstruct a new technological system and supply the needful functions to satisfy the customers’ needs. The employees agreed that Uber introduce new products or modify the existing products according to needs of the customers and that product innovation is one of the key factors that contribute to success of an organization. Firms introduce new products or modify the existing products according to needs of the customers.

The results of the study further agreed that innovation may provide a key competitive advantage to Uber and become a critical element for success and that innovation in the product may enable Uber to lower costs and give the firm a competitive advantage. Product innovation and process innovation have the ability to improve competitive advantage, profitability, and performance. Similarly, Jimenez and Vall (2011) found both product and process innovation affect firm performance. Based on what has been stated here it can be argued that product innovation should have a significant positive role in sustainable competitive advantage in the Kenyan Uber Taxi.

The findings of the study showed that employees agreed that Uber maintain a competitive advantage through product enhancements and product development and that performance of Uber adopts product innovations consistent with business strategy in highly competitive environments is likely to be positive. The employees agreed to a small extent on the development of successful product innovations are essential for creating and sustaining an organization’s competitive advantage. Urbancova, (2013) noted that innovation provide a key competitive advantage to firms and become a critical element in their success. Innovation related to the product design may enable a small firm to fill a niche in the
marketplace with a product that is different from all other competing products. Innovation in the process area may enable a small firm to lower costs, and give the firm a competitive advantage in price, or may enable the firm to produce a higher quality product and differentiate itself from other competitors based on quality.

The findings of the study for correlation analysis indicated that there exists a statistically significant positive relationship between product innovation and competitive advantage. The coefficient of determination implied that the variation in the competitive advantage is explained by variability in the product innovation. Firms maintain a competitive advantage through product enhancements and product development. The innovations are same with a differentiation focus strategy and this is positively related to competitive advantage, if they lead to increased share, which results in benefits to the company exceeding the costs of innovation. This findings of the study disagrees with that of Van Auken and Madrid-Guijarro, (2008) where they pointed that performance of firms adopting product innovations inconsistent with business strategy in highly competitive environments is likely to be negative. It follows that firms with differentiation strategies would be unlikely to increase performance when adopting product innovations in a highly competitive environment. The findings of the study are supported by Abou-Moghli et al., (2012) who noted that innovative activity of organizations significantly influences competitiveness which is based on inimitable skills and abilities.

The results of the study for Jimenez and Valle, (2011) emphasized that organizations with greater product innovation capabilities can achieve a better response from the environment and more easily build the capabilities needed to enhance organizational performance. Therefore, product innovation can respond to unstable environment and create new opportunities for developing effectiveness. Product innovation and process innovation have the ability to improve competitive advantage, profitability, and performance. Similarly, Jimenez and Vall (2011) found both product and process innovation affect firm performance. Based on what has been stated here it can be argued that product innovation should have a significant positive role in sustainable competitive advantage. The findings are also supported by Ratny, Arshad, and Gaoliang, (2017), where they analyzed the literature regarding the association between service-driven market orientation and innovation in service organizations as well as create conceptual framework about this relationship. Many scholars have suggested that the service firms implementing service-driven market orientation can perform significantly better than traditional market-
orientation and become increasingly aware of market demands better than their competitors.

5.3.3 Effects of Market Innovation on Competitive Advantage

The results of the on effects of market innovation on competitive advantage, the findings indicated that employees agreed that Uber implements marketing method that involve significant changes in the pricing strategy and that Uber have innovation in their marketing methods to bring efficiency in their business. Zhang, (2010), opined that firms use computer software to collect customer information. Firms bring innovation in their marketing methods to bring efficiency in their business (Xiaoyu, 2016). Marketing innovation is developing new techniques, methods for marketing. Developing new techniques, methods and tools for marketing have significant role in success of the organizations. Technology and information facilitate marketing innovation in competitive markets. According to Roy (2014), improvisation, modification, augmentation or transformation of existing channels of trade using technology can reduce transaction costs. Innovative marketing without the use of technology in a trading setup instead requires resource-based advantages for initiating exchange of knowledge and in-formation about opportunities available in the marketplace.

The results indicated that marketing innovation may open new markets, address customer needs, reposition products in the market, and that technological in the firm and information facilitate marketing innovation in competitive markets. This is in agreement with the results of Karabulut, (2015) who found that marketing innovation may open new markets, address customer needs, and reposition products in the market to increase sales. Marketing innovation consists of new sales and marketing techniques. Marketing innovation is comprised of marketing product performance, production system and marketing innovation is a non-technological innovation. Firms make innovation in marketing methods to increase efficiency. Marketing innovation is developing new methods and techniques for marketing. Developing new methods, techniques and tools for marketing have significant role in organizational success.

The findings of the study further agreed that marketing innovation in the firm is positively related to competitive advantage creation. This is supported by Amidu., (2018) who noted that innovation generally is positively related to competitive advantage creation. The results showed that innovation is linked with competitiveness and also seen as an important
strategic option for competitive advantage creation. Organization with capacity to innovate is a type of dynamic capability that contributes significantly to competitive advantage development. Wahab, Jamalulil, & Shah, (2017), argue that competitive advantage comes about as a result of exploiting internal strengths and external opportunities a dynamic capability.

The results of the study indicated that employees were in agreement that market innovation in the firm is linked with competitiveness and also seen as an important strategic option for competitive advantage creation and that competitive advantage comes about because of exploiting internal strengths and external opportunities of the market. This was supported by Amidu (2018), who opined that market innovation helps a firm to release its external capabilities to create competitive advantage. Service firms seek to create competitive advantage as they seek to expand their operations and extend their service touch points. Market innovations are therefore expressed through sensing and reacting to market opportunities and threats better than the competition.

The findings showed that that for firms competing in a global marketplace, innovations play an increasingly vital role in achieving competitive advantage and that the firm achieve competitive advantage through distinctive capabilities possessed by Uber. Market innovations can be differentiated into pull market innovations and push market innovations. The employees further agreed that the firm try to create service differentiation by developing higher service quality, by using their knowledge to solving marketing problems.

The findings of the study for the correlation analysis showed that there exists a statistically significant positive relationship between market innovation and competitive advantage. The strength of association is strong since the coefficient stood at 0.793** and statistically significant since the Sig. (2-tailed) value of 0.000 is less than 0.01 level of significance. The R-Square or the coefficient of determination implied that 62.9% of the variation in the competitive advantage is explained by variability in the market innovation. This is supported by Potocan, (2013), who asserted that the role of marketing within the competitive advantage is innovation. Differentiation strategies drive firm’s market research efforts, its selection of target markets, its product development processes, its market communications programs, and its delivery processes. These processes require many specific capabilities that enable the firm to carry out activities necessary to move its
products or services through the value chain. The role of distinctive marketing capabilities in competitive strategy of the company.

5.4 Conclusions

5.4.1 Effect of Process Innovation on Competitive Advantage

The study makes a conclusion that there exists a statistically significant positive relationship between process innovation and competitive advantage. Uber taxi process innovation includes improvement in technology and software within the organization and that Uber taxi has adopted new process to compete with other firm in which they satisfy their customers. Uber motivation for innovation appears in improved service delivery and that it has gained competitive advantage through marshaling comparative advantage in its resource’s. The study found that process innovation strategies such as reduction of costs and conformance to regulations contributed to the Uber competitiveness.

5.4.2 Effect of Product Innovation on Competitive Advantage

In conclusions the study indicated that there exists a statistically significant positive relationship between product innovation and competitive advantage. Uber has been introducing the new services for improvement in the existing services. Innovation by Uber has resulted in the development new services that has led to organizational success and that product innovation provide a key competitive advantage to Uber and which has become a critical element for success.

5.4.3 Effects of Market Innovation on Competitive Advantage

The study concludes that there exists a statistically significant positive relationship between market innovation and competitive advantage. Uber is implementing its marketing method that involved significant changes in the pricing strategy which has resulted into efficiency in their business. Marketing innovation open new markets, address customer needs, reposition products in the market, and that technological in the firm and information facilitate marketing innovation.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Effect of Process Innovation on Competitive advantage
The study recommends that the regulator in the transport sector should create an enabling environment that will enhance innovations in the firms so that they realize the full benefits of process innovation strategies. The study also recommends that for all the firms in the transport especially those operating taxi services to realize higher competitive advantage, increase number of customers, for their business to grow further and also for them to invest more in their business process.

**5.5.1.2 Effect of Product Innovation on Competitive Advantage**

The study also recommends that the companies should also strive to ensure product range extension services such as Uber boda which has not been exploited fully, service improvement, service repositioning and new services introduction to enable the companies to be more productive, to grow faster, to invest more and also to earn more competitiveness.

**5.5.1.3 Effects of Market Innovation on Competitive Advantage**

The study recommends that management of Uber should develop and implement market innovations in their firms to improve competitiveness. They can consider pursuing marketing innovation strategy such as distinctive marketing capabilities, solving marketing problems, by communicating with their customers, and by satisfying customer’s needs to improve firm competitiveness. This should involve significantly improving their marketing and organizational methods.

**5.5.2 Recommendations for Further Studies**

The study only focused only on Uber taxi, the study recommends that a similar study be conducted among all Taxi hailing which include Uber, Taxify, Little Cab, Delight Cabs, Jatco travels, Jim Cabs, and Pewin Cabs in Kenya with a view to broadening the scope of knowledge and for comparison among sectors. The study therefore suggests further research to empirically substantiate this by investigating how the level of novelty of innovations affect their impact on competitiveness. The study also should include the perceptions of customers who have the experience of this taxi hailing apps and to what extent they are satisfied with the services provided.
REFERENCES


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Julienti, L. (2010). Assessing the relationship between firm resources and product


Mwanyota, J. L., Maalu, J. K., & Njihia, M. J. (2017). The Influence of Process Innovation and Operational Performance on the Relationship between Adoption of Reverse


Potocan, V. (2013). Marketing Capabilities for Innovation-Based Competitive Advantage in the Slovenian Market. *Innovative Issues and Approaches in Social Sciences, 6*(1),


of Business Research, 58(10), 1340–1352.


APPENDICES

APPENDIX I: QUESTIONNAIRE

The questionnaire is designed to collect data on effects of innovation strategy on competitive advantage within transport sector in Kenya. The data shall be used for academic purpose only and it will be treated with confidentiality it deserves. The respondents are highly encouraged and persuaded to respond to the statements in this questionnaire in the most truthful and objected way possible. Your participation in facilitating this study will be highly appreciated. Kindly tick in the space provided with the correct answer or supply the required information. Where required, please specify and elaborate.

Kindly answer all the questions either by ticking in the boxes or writing in the spaces provided.

1. Gender? Male ☐ Female ☐

2. Age Group?
   - Below 25 years ☐
   - 35-44 years ☐
   - 25-34 years ☐
   - Above 45 years ☐

3. Position in the Organization?
   - Senior Level Management ☐
   - Junior Level Staff ☐
   - Middle Level Management ☐
   - Other (Specify): ____________________________

4. Education
   - Certificate/Diploma ☐
   - Masters ☐
   - Bachelor’s Degree ☐
   - PhD ☐
   - Other (Specify): ____________________________

5. How many years have you worked with Uber Taxi?
   - Less than 1 years ☐
   - Between 1-2 years ☐

SECTION B: EFFECT OF PROCESS INNOVATION ON COMPETITIVE ADVANTAGE
Using a scale of 1-5, where 1= Strongly Disagree (SD); 2=Disagree (D); 3=Somewhat Agree (SWA); 4=Agree (A); 5= Strongly Agree (SA), please indicate the extent to which you agree with the following statements on effect of Process Innovation on Competitive advantage.

<table>
<thead>
<tr>
<th>Statements</th>
<th>SD</th>
<th>D</th>
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<tbody>
<tr>
<td>1 Process innovation includes improvement in technology and software by the organization</td>
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<td>2 Uber taxi adopt new process to compete with other firms; they have to bring the process innovation to satisfy their customers.</td>
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<td>3 Uber taxi has enhanced the efficiency of its services and reduces unit cost of their services</td>
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<td>4 Uber taxi is the leading force of competitiveness, growth, and profitability</td>
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<td>5 Uber taxi motivation for innovation appears in the increased market share.</td>
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<td>6 Uber taxi motivation for innovation appears in acquisition of a new market.</td>
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<td>7 Uber taxi motivation for innovation appears in improved service delivery.</td>
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<td>8 Uber taxi has gained competitive advantage through marshaling comparative advantage in its resources</td>
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<td>9 Uber taxi has gained comparative advantage through efficient and effective operations in the market.</td>
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<td>10 Retaining a customer is an important factor to maximize for Uber Taxi</td>
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<td>11 Uber taxi optimizes the business processes design, so that its service, quality and innovativeness can be attained</td>
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<td>12 Long-term success and sustainable competitive advantage may occur only if a Uber taxi customers are deeply satisfied</td>
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<td>13 Uber taxi changes in the structure of an innovation market can sometimes be likened to changes in actual potential competition</td>
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SECTION C: EFFECT OF PRODUCT INNOVATION ON COMPETITIVE ADVANTAGE

Using a scale of 1-5, where 1= Strongly Disagree (SD); 2=Disagree (D); 3=Somewhat Agree (SWA); 4=Agree (A); 5= Strongly Agree (SA), please indicate the extent to which you agree with the following statements on effect of Product Innovation on Competitive Advantage.

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<tr>
<th>Statements</th>
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<tr>
<td>1 Uber taxi has been introducing the new services for improvement in the existing services</td>
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<td>2 There is link between services and Uber taxi structure, resources and strategy</td>
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<td>3 Innovation by Uber taxi has resulted in the development new services that has led to organizational success.</td>
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<td>4 Product innovation can improve competitive advantage in Uber taxi firm.</td>
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<td>5 Uber taxi introduce new products or modify the existing products according to needs of the customers</td>
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<td>6 Product innovation is one of the key factors that contribute to success of an organization</td>
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<td>7 Innovation may provide a key competitive advantage to Uber taxi and become a critical element for success</td>
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<td>8 Innovation in the product may enable Uber taxi to lower costs, and give the firm a competitive advantage</td>
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<td>9 Uber taxi maintain a competitive advantage through product enhancements and product development</td>
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<td>10 Performance of Uber taxi adopting product innovations consistent with business strategy in highly competitive environments is likely to be positive</td>
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<td>11 Competitive firms no longer keep offering similar products or only competing based on traditional reasons such as price and quality</td>
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<td>12 Market orientation in the firm could influence which project has to be chosen for product innovation</td>
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<td>13 Development of successful product innovations is essential for creating and sustaining an organization’s competitive advantage</td>
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SECTION D: EFFECT OF MARKET INNOVATION ON COMPETITIVE ADVANTAGE
Using a scale of 1-5, where 1 = Strongly Disagree (SD); 2 = Disagree (D); 3 = Somewhat Agree (SWA); 4 = Agree (A); 5 = Strongly Agree (SA), please indicate the extent to which you agree with the following statements on effect of Market Innovation on Competitive Advantage.

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<td>1   Uber taxi implements marketing method that involve significant changes in the pricing strategy</td>
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<td>2   Uber taxi bring innovation in their marketing methods to bring efficiency in their business</td>
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<td>3   Marketing innovation may open new markets, address customer needs, reposition products in the market</td>
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<td>4   Technological in the firm and information facilitate marketing innovation in competitive markets</td>
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<td>5   Marketing innovation in the firm is positively related to competitive advantage creation</td>
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<td>6   Market innovation in the firm is linked with competitiveness and also seen as an important strategic option for competitive advantage creation</td>
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<td>7   Competitive advantage comes about because of exploiting internal strengths and external opportunities of the market</td>
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<td>8   For firms competing in a global marketplace, innovations play an increasingly vital role in achieving competitive advantage</td>
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<td>9   The firm achieve competitive advantage through distinctive capabilities possessed by Uber taxi</td>
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<td>10  The firm try to create service differentiation by developing higher service quality, by using their knowledge to solving marketing problems</td>
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APENDIX III: CONSENT FORM
CONSENT FOR PARTICIPATION IN A STUDY

You are being asked to take part in a research study of the effects of innovation strategy on competitive advantage within transport sector in Kenya. A case of Uber Kenya. Please read this form carefully and ask any questions you may have before agreeing to take part in the study.

What the study is about: The purpose of this study is to determine effects of innovation strategy on competitive advantage within transport sector in Kenya. A case of Uber Kenya.

What we will ask you to do: If you agree to be in this study, we will give you a questionnaire to fill. The questionnaire will include questions about effect of Process Innovation on Competitive advantage, effect of Product Innovation on Competitive Advantage, and how does Market Innovation affect Competitive Advantage. The questionnaire will take about 20 minutes to complete.

Risks and Benefits: I do not anticipate any risks to you participating in this study other than those encountered in day-to-day life.

Your answers will be confidential. The records of this study will be kept private. In any sort of report, we make it available online, but we will not include any information that will make it possible to identify you.

Taking part is voluntary: Taking part in this study is completely voluntary. You may skip any questions that you do not want to answer. If you decide not to take part or to skip some of the questions. If you decide to take part, you are free to withdraw at any time. You will be given a copy of this form to keep for your records.

Statement of Consent: I have read the above information and have received answers to any questions I asked. I consent to take part in the study.

Respondents Signature: ____________________________________________

Researcher’s Signature: ____________________________ Date: __________
APPENDIX IV: CONFIDENTIALITY AGREEMENT
EFFECTS OF INNOVATION STRATEGY ON COMPETITIVE ADVANTAGE
WITHIN TRANSPORT SECTOR IN KENYA. A CASE OF UBER KENYA

Principal Investigator:
The principal investigator agrees to maintain full confidentiality when performing these tasks. Specifically, I agree to:

➢ Keep all research information shared with me confidential by not discussing or sharing the information in any form or format with anyone.
➢ Hold in strictest confidence the identification of any individual that may be revealed during the course of performing the research tasks.
➢ Keep all raw data that contains identifying information in any form or format (e.g., disks, tapes, transcripts) secure while it is in my possession. This includes:
  ➢ Keeping all digitized raw data in computer password-protected files and other raw data in a locked file;
  ➢ Closing any computer programs and documents of the raw data when temporarily away from the computer.
➢ Permanently deleting any e-mail communication containing the data; and
➢ The Investigator shall use confidential information solely to evaluate the information and determine whether to conduct the Study. The Investigator retains the right to refuse to accept any Confidential Information that the Investigator does not consider to be essential to the performance of the Study.

Principal Investigator  Signature  Date

The study has been reviewed for its adherence to ethical guidelines and approved by Institutional Review Board in United States International University-Africa. For questions regarding participant rights and ethical conduct of research, contact the Research Office at +254-730116441.
APPENDIX V: INTERNAL REVIEW BOARD APPROVAL

24th July, 2019

YVONNE AWINJA OBATI
United States International University – Africa
Chandaria School of Business
yvonnewhatari@gmail.com
USIU-A/IRB/92-19

Dear Ma Obati,

IRB-RESEARCH APPROVAL.

The USIU-A IRB has reviewed and granted an ethical approval for the research proposal titled “Effects of Innovation Strategy on Competitive Advantage within Transport Sector in Kenya. A Case of Uber Kenya.”

The approval is for twelve months from the date of IRB. A Continuing Review application must be approved within this interval to avoid expiration of IRB approval and cessation of all research activities. A mid-term report and a final report must be provided to the IRB within the twelve months approval period. All records relating to the research (including signed consent forms) must be retained and available for audit for at least 3 years after the research has ended.

You are advised to follow the approved methodology and report to the IRB any serious, unexpected and related adverse events and potential unanticipated problems involving risks to subjects or others.

Should you or study participants have any queries regarding IRB’s consideration of this project, please contact irb@usiuc.ac.ke.

Sincerely,

Prof. Amos Njuguna,
IRB chair
Tel: +254 730 116 442
Email: amnjuguna@usiuc.ac.ke
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-3213471, 2291349, 3183571, 3184220
Fax: +254-20-318345, 318349
Email: dg@nacostl.co.ke
Website: www.nacostl.co.ke
When replying please quote

Ref No. NACOSTI/P/19/51474/31830

Date: 22nd July, 2019

Yvonne Awinja Obati
United States International University-Africa
P.O. Box 14634 - 00800
NAIROBL

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Effects of innovation strategy on competitive advantage within transport sector in Kenya. A case of Uber Kenya,” I am pleased to inform you that you have been authorized to undertake research in Nairobi County for the period ending 22nd July, 2020.

You are advised to report to the County Commissioner and the County Director of Education, Nairobi County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

DR. STEPHEN K. KIBIRU, PH.D.
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nairobi County.

The County Director of Education
Nairobi County.
APPENDIX VII: RESEARCH PERMIT

THIS IS TO CERTIFY THAT:

MS. YVONNE AWINJA OBATI

of UNITED STATES INTERNATIONAL UNIVERSITY- AFRICA, 42972-100
NAIROBI, has been permitted to conduct research in Nairobi County on the topic: EFFECTS OF INNOVATION STRATEGY ON COMPETITIVE ADVANTAGE WITHIN TRANSPORT SECTOR IN KENYA. A CASE OF UBER KENYA

for the period ending: 22nd July, 2020

 Applicant’s Signature

Director General
National Commission for Science, Technology & Innovation

Permit No.: NACOST/P/19/31474/31830
Date Of Issue: 22nd July, 2019
Fee Received: Ksh 1000