International Journal of Economics, Commerce and Management
United Kingdom ISSN 2348 0386 Vol. 14, Issue 10, Oct 2026

https://ijecm.co.uk/

LEVERAGING STRATEGIC ALLIANCES FOR PERFORMANCE: EVIDENCE FROM SAFARICOM KENYA

Dominic Omare Obegi
School of Business, Economics and Tourism, Kenyatta University, Kenya
dominicobegi87@gmail.com

Stephen Makau Muathe
School of Business, Economics and Tourism, Kenyatta University, Kenya
muathe.stephen@ku.ac.ke

Abstract

In an increasingly competitive telecommunications environment, strategic alliances are pivotal for enhancing innovation, operational efficiency, and sustained firm performance. This study examined the effect of strategic alliances on the performance of Safaricom PLC in Kenya, with a focus on technological, marketing, and logistics alliances. The research was guided by the Dynamic Capability Theory, Resource-Based View, and Resource Dependency Theory. A descriptive research design was used, the target population was 622 employees across various departments, however a sample of 189 respondents was selected using proportionate stratified and simple random sampling techniques. The collected data were analyzed using descriptive, correlation and inferential statistics specifically multiple linear regression. The findings revealed that technological alliances enhanced innovation and service delivery; marketing alliances improved customer retention and market reach; and logistics alliances strengthened supply chain efficiency. Regression results ($R^2 = 0.814$) and significant beta coefficients indicated that all three alliance types, which included Technological Alliances, Marketing Alliances and Logistics Alliances, positively and significantly influenced firm performance. The study recommends leveraging emerging technologies, strengthening cross-industry collaborations, and enhancing alliance governance for improved outcomes. These insights contribute to strategic management practices and policy making within the telecommunications sector.

Keywords: Strategic Alliances, Firm Performance, Technological Alliances, Marketing Alliances, Logistics Alliances, Safaricom PLC

Licensed under Creative Common

ABSTRACT

In today's competitive and rapidly evolving telecommunications industry, firm performance is increasingly tied to a firm's ability to innovate, remain cost-efficient, and respond to dynamic market demands. Performance, commonly measured through profitability, market share, and customer satisfaction, reflects an organization's capacity to sustain its competitive edge in volatile environments (Muthoka, Kilika, & Muathe, 2022). In Kenya, the telecommunications sector is a key contributor to economic development, supporting connectivity and digital infrastructure. Firms in this sector, such as Safaricom PLC, must continually adapt by adopting strategies that drive operational excellence and innovation. One such strategy is the formation of strategic alliances (Abbas, Ze, & Ahmad, 2021).

Strategic alliances—defined as cooperative agreements between firms to pursue shared objectives—have become integral to firm success in knowledge-intensive and capital-driven industries. These alliances facilitate access to complementary resources, promote knowledge transfer, share risks and costs, and enable firms to expand into new markets (Cacciolatti et al., 2020). Globally, alliances such as that between BioNTech and Pfizer during the COVID-19 pandemic underscore the role of collaborative partnerships in accelerating innovation and enhancing service delivery (European Commission, 2020). In Kenya, the telecommunications sector has also embraced this model, with firms like Safaricom entering alliances to bolster infrastructure development, broaden service offerings, and improve customer experience.

Safaricom's partnerships—including those with Commercial Bank of Africa (CBA) for M-Shwari, Kenya Commercial Bank (KCB) for KCB M-Pesa, and Kenya Power for *Okoa Stima*—illustrate how alliances can yield mutual benefits. Through these arrangements, Safaricom has expanded the utility of its core services like M-Pesa while simultaneously increasing customer retention and revenue. For partner institutions, the alliances have enabled greater market penetration and enhanced financial performance through increased customer engagement and loan uptake (Rotich, 2018; Gatobu & Maende, 2019; Ndugu & Koori, 2020).

The strategic value of such alliances is underpinned by three key theoretical frameworks. First, the Resource-Based View (RBV) posits that sustained competitive advantage arises from the firm's ability to leverage valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991). Strategic alliances enable firms to access such resources externally, facilitating innovation and efficiency (Miller, 2019). Second, the Dynamic Capability Theory highlights the importance of a firm's capacity to integrate, reconfigure, and renew its competencies in response to environmental changes. Through alliances, firms like Safaricom enhance agility and responsiveness to technological and regulatory shifts (Teece, 2018). Lastly, the Resource Dependency Theory (RDT) asserts that organizations form alliances to reduce

Licensed under Creative Common

uncertainty and dependency on external actors by gaining access to critical resources such as capital, technology, and expertise (Pfeffer & Salancik, 1978; Celtekligil, 2020).

These theories jointly provide a robust lens through which to examine the contribution of strategic alliances to firm performance. In the case of Safaricom, strategic collaborations have helped improve service delivery, customer satisfaction, and operational outcomes. Understanding this interrelationship is vital for both academic insight and practical application in a sector that remains central to Kenya's socio-economic development. Consequently, this study seeks to assess how strategic alliances influence the performance of Safaricom PLC, offering implications for strategic management within the broader telecommunications industry.

The telecommunications sector in Kenya has undergone substantial transformation over the past two decades, characterized by increased competition, technological innovation, and strategic market repositioning. The current market comprises four main mobile network operators (MNOs): Safaricom PLC, Airtel Kenya, Telkom Kenya, and Equitel (CAK, 2019). The sector's evolution began with the entry of Kencell Kenya in 2000, which underwent several rebranding phases—from Celtel in 2004 to Zain in 2008, and subsequently Airtel in 2010. Similarly, the former Kenya Posts and Telecommunications Corporation re-entered the market in 2007 as Telkom Kenya and rebranded to Orange Telkom in 2008, before adopting its current identity as Telkom in 2016. Essar Telecom Kenya, another entrant in 2008, exited the market in 2014.

Safaricom PLC was initially established in 1997 as a department within Telkom Kenya and was incorporated as a private limited liability company in the same year. In 2000, Vodafone Group Plc, a multinational telecommunications company headquartered in the United Kingdom, acquired a 40% stake in Safaricom, leading to its transformation into a public limited company. The firm was subsequently listed on the Nairobi Securities Exchange (NSE) in 2008, following the commercial success of its mobile money platform, M-Pesa, which had been launched in 2007.

Today, Safaricom PLC commands the largest market share in Kenya's telecommunications industry, with much of its dominance attributed to the success and widespread adoption of M-Pesa. This mobile money platform—jointly developed by Vodafone and Safaricom—enables peer-to-peer transfers, bill payments, savings, credit services, and integration with other digital applications (Nyambane, 2017). M-Pesa has significantly contributed to financial inclusion and remains a cornerstone of Safaricom's service portfolio.

In pursuit of sustained competitiveness and value creation, Safaricom has engaged in several strategic alliances across different sectors. One of the most prominent partnerships was with Commercial Bank of Africa (CBA), which led to the development of *M-Shwari*, a mobile

Licensed under Creative Common

banking product that facilitates savings and access to micro-loans. This collaboration resulted in mutual benefits, including increased Safaricom subscriber engagement and growth in CBA's customer base and loan book.

Additionally, Safaricom has partnered with the Government of Kenya on various public interest initiatives, including the installation of surveillance infrastructure through closed-circuit television (CCTV) systems powered by 4G connectivity to enhance national security. The company also entered a strategic alliance with Kenya Power through the *Okoa Stima* service, which allows users to access electricity on credit and repay via *M-Pesa*. Furthermore, Safaricom has leveraged partnerships in the transport and travel industry, including collaborations with Kenya Airways (KQ) and Qatar Airways, allowing customers to use loyalty points and *M-Pesa* to purchase air tickets (Payment Afrika, 2014). These alliances reflect Safaricom's commitment to innovation, customer-centric service delivery, and cross-sector integration, which continue to reinforce its leadership position in Kenya's digital economy.

Statement of the Problem

Strategic alliances have become critical instruments through which firms seek to enhance competitiveness, operational efficiency, and customer satisfaction in increasingly complex and dynamic markets (Khisa & Kariuki, 2022). In Kenya's telecommunications industry, Safaricom PLC stands out as a dominant market player with a long history of leveraging strategic partnerships to extend service coverage, enhance financial inclusion, and diversify its product offerings. However, despite its industry leadership and the well-documented implementation of alliances in areas such as technology (e.g., M-Pesa), marketing, and logistics, empirical studies evaluating the effectiveness of these alliances in enhancing Safaricom's performance remain scarce.

While various global studies have demonstrated the positive impact of strategic alliances on firm performance, the contextual differences in regulatory environments, consumer behavior, and technological adoption limit the generalizability of these findings to the Kenyan market. For instance, Ferdinand (2019) established that strategic partnerships enhanced Tesco PLC's operational efficiency in the UK, while Emami et al. (2022) linked alliances to entrepreneurial success in Iran's telecommunications sector. These studies, however, focus on distinct economic and institutional settings, which may not align with Kenya's market realities.

Regionally, studies such as Nwokocha and Madu (2020) and Tijani, Osagie, and Afolabi (2021) have emphasized the role of alliances in enhancing performance among Nigerian firms and MSMEs. Nonetheless, the contexts of small and medium-sized enterprises differ markedly from that of a large-scale, semi-public corporation like Safaricom PLC, which operates within a

Licensed under Creative Common

unique structure of public-private interests, large customer base, and advanced mobile infrastructure.

In Kenya, existing literature has mainly explored strategic alliances within the banking sector. Muiruri (2019) investigated the role of alliances in service delivery at Equity Bank, while Kabuiya (2021) analyzed cooperative strategies at Co-operative Bank. Although informative, these findings are sector-specific and may not be extrapolated to Safaricom PLC, whose operational dynamics are shaped more by technological innovation, digital infrastructure, and data-driven customer engagement.

This reveals a contextual and methodological gap in understanding how specific types of alliances—technological, marketing, and logistics—relate to the performance of Safaricom PLC. Without a clear empirical assessment, it remains difficult to determine whether these strategic partnerships are effectively contributing to sustained market leadership, improved customer satisfaction, or enhanced operational efficiency. This study, therefore, sought to fill this gap by evaluating the effect of strategic alliances on the performance of Safaricom PLC. Insights from this study will help inform strategic decision-making for firms operating in similarly competitive and innovation-driven environments.

Objectives of the Study

i. To establish the effect of Technological alliance on the performance of Safaricom PLC
ii. To analyze the effects of Marketing alliance on the performance of Safaricom PLC
iii. To determine the effects of the logistics alliance on the performance of Safaricom PLC,

REVIEW OF LITERATURE

This section reviewed existing literature on strategic alliances and company performance, with a focus on Safaricom PLC. It was structured into several sections, including a theoretical review, dimensions of strategic alliances, an empirical review, an overview of the literature, and a conceptual framework.

Theoretical Review

This section covers the presents the theoretical foundations underpinning the relationship between strategic alliances and firm performance. The study is anchored on the Resource-Based Theory (RBT) and is supported by the Dynamic Capability Theory (DCT) and the Resource Dependency Theory (RDT). These theories provide a robust framework for understanding how strategic collaborations influence firm performance, particularly in the context of Safaricom PLC.

Licensed under Creative Common

Resource-Based Theory

Originating from the work of Penrose (2009), the Resource-Based Theory (RBT) posits that firms achieve sustainable competitive advantage by effectively deploying valuable, rare, inimitable, and non-substitutable (VRIN) resources (Utami & Alamanos, 2023). The theory emphasizes internal capabilities as key drivers of superior performance. In the context of Safaricom PLC, RBT is instrumental in explaining how the firm's proprietary resources—such as its advanced technological infrastructure, skilled workforce, financial capital, and innovations—contribute to firm success. Strategic alliances enhance the firm's internal competencies by providing access to complementary resources, advanced technologies, and broader market opportunities. By integrating the VRIN framework, this study interprets strategic partnerships as a mechanism through which Safaricom strengthens its internal resource base to maintain a competitive edge in Kenya's dynamic telecommunications industry. RBT thus anchors the strategic alliance variable by highlighting the role of external collaborations in reinforcing internal capabilities and sustaining performance over time.

Dynamic Capability Theory

The Dynamic Capability Theory (DCT), developed by Teece (2007), builds upon RBT by focusing on a firm's ability to adapt, integrate, and reconfigure its resources in response to evolving market conditions. While RBT emphasizes resource endowment, DCT underscores resource renewal and transformation in volatile environments. DCT is particularly relevant to Safaricom PLC, which operates in a highly dynamic and technologically driven sector. Strategic alliances allow the firm to remain agile, innovative, and responsive to regulatory shifts, customer demands, and competitive pressures. Collaborations with technology firms, logistics partners, and marketing agencies enable Safaricom to continuously enhance its operational efficiency and product offerings. Therefore, DCT supports this study by illustrating how Safaricom's ability to respond to market changes and seize emerging opportunities is enabled through well-structured strategic alliances.

Resource Dependency Theory

Proposed by Pfeffer and Salancik (1978), the Resource Dependency Theory (RDT) contends that organizations depend on external entities for critical resources and form alliances to reduce uncertainty and enhance stability. Unlike RBT and DCT, which focus on internal capabilities, RDT addresses external influences and the strategic importance of managing inter-firm dependencies. For Safaricom PLC, RDT provides a useful lens for understanding its reliance on partners for essential inputs such as infrastructure development, regulatory

Licensed under Creative Common

compliance, capital investment, and market access. Strategic alliances help the firm navigate complex resource environments, reduce dependency risks, and enhance operational continuity. For example, partnerships with global technology companies provide access to cutting-edge telecommunications infrastructure, while logistics alliances ensure efficient service delivery across Kenya. While RDT recognizes the potential risks of overdependence on external partners—including loss of autonomy and vulnerability to external shocks (Hillman et al., 2009)—it remains applicable in demonstrating how Safaricom strategically mitigates these risks through diversified and well-managed alliances.

Empirical Review

In this section, a review of specific literature that is pertinent to the specific objectives of the study is presented;

Technological Alliances and Performance

Muthoka (2015) examined the "Effects of Strategic Alliances on Firm Performance," focusing on Kenyan supermarkets. This study investigated technological, marketing, and production strategic alliances and their impact on company performance, metriced by ROA, market share, and sales on annual basis. Utilizing a cross-sectional correlational research design, the research targeted the top five supermarkets in Kenya and their 95 strategic partners. Analysis employed correlation and multiple regression models, with data presented through tables and figures. Results indicated a weak positive relationship (correlation coefficient = 0.017) between technological alliances and company performance. Although the study explored technological alliances such as funding, training, and innovation, the findings showed an insignificant impact (Pearson correlation coefficient = -0.101). Moreover, the study noted higher technological usage in distribution and manufacturing compared to customer sales, adversely affecting company performance. However, the study failed to adequately explore sector-specific nuances or control for other factors influencing performance, limiting its applicability beyond the supermarket context. This gap underscores the need for research within telecommunication sectors like Safaricom PLC, which has unique technological demands.

Khisa and Kariuki (2022) evaluated the impact of strategic alliances, including technological alliances, on the performance of Nairobi County's motor vehicle industry. Performance was assessed through market share growth, net promoter scores, and profitability. Anchored on theories like resource-dependence and knowledge-management theory, the research adopted a research design that is descriptive targeting 18 firms and 315 managers, achieving a high response rate of 94%. Findings showed an average mean agreement of 3.89

Licensed under Creative Common

across various technological alliance indicators, including R&D, training in new technology, and innovation. However, the Pearson correlation coefficient (r = -0.047) suggested a weak negative interrelationship between technological alliances and CP. While the study highlights the potential benefits of technological alliances, such as improved production quality and talent enhancement, it falls short of contextualizing its findings within specific industries or technological frameworks. Furthermore, the negative correlation raises questions about the adequacy of technological adoption strategies. Future studies should consider longitudinal data and industry-specific challenges to better understand how technological alliances influence company performance.

Ali *et al.,* (2023) examined and researched the impact of digital transformation alliances on telecommunications firms in South Asia. The study employed a approach of mixed-methods, integrating interviews qualitatively with key stakeholders and quantitative performance metrics from 12 telecom firms. Findings revealed that collaborative technological innovations enhanced service delivery, customer retention, and operational efficiency, resulting in a 15% increase in profitability. The research highlighted successful examples of partnerships in implementing 5G technology and improving mobile broadband services. However, the study found significant challenges in aligning strategic goals and managing cultural differences between alliance partners. While Ali *et al.,* (2023) study emphasizes the profitability benefits of technological alliances, it fails to address specific operational metrics such as ROA or cost efficiencies. Additionally, the study's South Asian context limits its applicability to East African telecommunications firms like Safaricom PLC, which operates in a different regulatory and technological environment. Further research is needed to explore how digital transformation alliances align with company-specific strategies in African markets.

Nyongesa and Wanyama (2023) analyzed the effects of technology-driven strategic alliances on mobile money performance in East Africa, focusing on transaction volumes and market share. Utilizing panel data from 2018 to 2022, the research revealed a significant and also positive correlation ($r = 0.62$, $p < 0.05$) between technological alliances and transaction volumes. The study attributed these results to joint investments in digital platforms, secure transaction systems, and innovative payment solutions. Despite the positive correlation, implementation challenges such as resource allocation disparities and regulatory hurdles emerged as critical barriers. Although the study highlights the benefits of technological alliances, it does not consider broader performance indicators such as profitability, customer retention, or operational efficiencies. Furthermore, its focus on mobile money systems narrows the scope, leaving gaps in understanding how broader technological alliances influence overall company performance in telecommunications. Limited focus on digital transformation and sector-specific

Licensed under Creative Common

nuances in existing studies highlights the need to explore how technological alliances influence company performance within the telecommunications sector, particularly in Safaricom PLC which this study aims to achieve.

Marketing Alliances and Performance

Nshimiyimana (2021) studied the effects of Market Alliance on the Performance of Microfinance Institutions in Rwanda. The research, motivated by increasing competition, assessed the impact of marketing alliances on performance metrics such as sales, ROA, and profitability. The study employed SEM to analyze data gathered from 220 respondents. Results and findings showed significant and also positive interrelationship ($p < 0.05$) between marketing alliances and company performance, indicating that marketing alliances enhance competitive advantage. While the findings were significant, the study was limited by its focus on microfinance institutions, which have different market dynamics compared to telecommunications firms. Additionally, the reliance on SEM may mask the nuances of specific marketing strategies within diverse industries. Future research could explore cross-industry comparisons to uncover how marketing alliances uniquely impact telecommunication firms.

Musili and Deya (2023) explored the influence of Strategic Alliances on Performance of Firms in the Tourism Sector in Nairobi County, Kenya. The study targeted 273 respondents from the tourism sector, achieving a 71.4% response rate. Key marketing alliance indicators included co-branding marketing materials, collaborative content marketing, and joint advertisement campaigns. Findings and results depicted a positive and also significant interrelationship between marketing alliances and company performance, with a correlation coefficient of 0.396 ($p < 0.05$). Despite the study's relevance, its findings are context-specific and may not translate directly to telecommunication firms. For instance, while tourism firms benefit from collaborative marketing, telecommunication companies like Safaricom require advanced digital marketing strategies. Additionally, the study did not address challenges associated with marketing alliance sustainability.

Kimani *et al.,* (2022) explored the influence of digital marketing alliances in Kenya's telecommunications sector, particularly Safaricom and Airtel. Using a quantitative approach, the study demonstrated a positive effect/impact ($\beta = 0.48$, $p < 0.05$) of collaborative digital campaigns on customer acquisition and revenue growth. The alliances focused on joint promotions, shared advertising platforms, and co-branded initiatives. Despite these successes, the study found challenges in sharing proprietary customer data, which hindered the optimization of alliance strategies. While the study shows the potential of digital marketing

Licensed under Creative Common

alliances in driving customer acquisition, it does not address their impact on broader firm performance indicators such as profitability or market share. Additionally, the study overlooks how such alliances adapt to rapidly changing consumer behaviors and digital trends, which is critical for telecommunications firms.

Mburu and Kilonzo (2023) assessed social media marketing alliances in Sub-Saharan Africa's telecommunication sector. They found that joint social media campaigns enhanced brand visibility and loyalty, with firms recording a 20% improvement in brand loyalty over two years. Collaborative activities included influencer partnerships, co-created content, and synchronized promotional efforts. However, the study identified a significant gap in long-term strategy alignment, with many alliances focusing on short-term gains rather than sustained brand growth. The research gives valuable enlightenments into the benefits of social media marketing alliances but fails to evaluate their cost-effectiveness or scalability. Furthermore, it does not address the role of advanced analytics in refining alliance-driven marketing strategies for improved customer targeting in telecommunications. Most studies focus on traditional or tourism-related marketing alliances, with minimal attention to advanced marketing alliances tailored for telecommunication firms. This highlights the need for research that integrates digital and content marketing strategies to enhance performance in telecommunications.

Logistics Alliances and Performance

Kirui and Nondi (2017) conducted a comprehensive study on the effects of logistics management on the performance of Mombasa County shipping firms, focusing on critical logistics functions such as inventory management, transportation, and warehousing. Through a descriptive survey of 16 firms operating in the region, they explored the role of logistics alliances in optimizing these processes and found that such alliances had a significant and also positive influence on delivery service, operational efficiency, and cost management. Their findings indicated that firms engaged in logistics alliances were better positioned to meet customer demands in a timely and manner that is cost-effective, leading to enhanced customer satisfaction and increased market competitiveness. Specifically, the study highlighted how inventory management practices and transportation collaboration helped streamline operations, reducing delays and optimizing resource allocation.

While the research offers valuable enlightenments into the positive impact of logistics alliances, it lacks a detailed exploration of how these logistics practices translate into long-term FP indicators such as return on investment (ROI) and profitability. The study also overlooks the potential challenges and risks associated with logistics alliances, such as

Licensed under Creative Common

coordination issues between partners and the complexities of technology integration in logistics operations. Additionally, the research focuses on a small sample of 16 firms, limiting the generalizability of the results and findings to a large broader range of firms within the shipping industry.

Muthoka, Kilika and Muathe, (2022) investigated the impact of strategic alliances on the performance of manufacturing SMEs in Kenya, focusing on the role of collaboration. Using a descriptive research design, they surveyed 74 SMEs and analyzed data with stepwise regression. The findings showed that alliances, including logistics partnerships, significantly enhanced operational efficiency, delivery service, and cost management. Collaboration between partners acted as a partial mediator, boosting these benefits. The study, however, did not address how logistics alliances impact long-term performance metrics like profitability. It also overlooked challenges such as aligning partner goals and integrating technology in logistics operations. Additionally, the focus on manufacturing SMEs limits the applicability of the findings to other sectors. Future research could explore these gaps and analyze logistics alliances across diverse industries.

Mwangi and Mutunga (2023) investigated last-mile logistics alliances in Kenya's telecommunications industry. Their findings revealed that collaborative delivery mechanisms, including shared distribution networks and real-time tracking systems, increased customer satisfaction by 25%. These alliances were particularly effective in ensuring timely delivery of services and reducing delivery costs. However, the study highlighted barriers such as the high costs of technology adoption and limited partner integration. While the study underscores the operational benefits of logistics alliances, it does not explore their financial implications, such as cost savings or ROI. Additionally, the focus on last-mile delivery overlooks other critical logistical components, such as inventory management and warehousing, which are vital for comprehensive performance improvement.

Juma *et al.,* (2023) explored warehousing alliances in East Africa's telecommunications sector, focusing on shared facilities and inventory management practices. Results indicated a significant and also positive interrelationship ($r = 0.56$, $p < 0.05$) between shared warehousing facilities and reduced operational costs. However, issues such as inventory mismanagement and lack of accountability among partners emerged as significant challenges. Although the study highlights the cost-saving potential of warehousing alliances, it does not address their impact on service quality or customer satisfaction. Furthermore, the study's limited scope on warehousing excludes other critical logistics elements, such as transportation and supply chain integration, which are essential for improving overall operational performance in telecommunications. Current studies predominantly address manufacturing and shipping

Licensed under Creative Common

logistics alliances, with limited application to the unique logistical needs of telecommunications, such as last-mile delivery and infrastructure-sharing strategies. Further research is needed to explore these dimensions.

RESEARCH METHODOLOGY

The study adopted a descriptive research design, which is suitable for analyzing relationships between variables in their natural setting without manipulation (Creswell & Creswell, 2017). This design was deemed appropriate because it facilitated the systematic collection and quantitative analysis of data regarding the influence of strategic alliances; technological, marketing, and logistics on firm performance indicators such as operational efficiency, customer satisfaction, and competitive advantage. Descriptive research is widely used in business and management studies to gain factual and accurate information about firm practices (Kothari, 2004).

The target population for the study comprised employees of Safaricom PLC Kenya, particularly those from departments involved in or impacted by strategic alliances. According to Safaricom's 2023 Annual Report, the company had a total of 6,616 employees, with 909 based in Ethiopia. The study focused on the Kenyan workforce, specifically narrowing down to 622 employees from key departments including technology, customer care, finance, innovation, and marketing. These departments were selected because of their central role in implementing strategic alliance initiatives.

Stratified and random sampling was used to ensure representation from each relevant department. This sampling technique is effective for enhancing generalizability when a population consists of sub-groups with different characteristics (Mugenda & Mugenda, 2003). Each department was treated as a stratum, and participants were randomly selected within each stratum using simple random sampling. The sample size of 189 was determined using the Raosoft sample size calculator at a 90% confidence level and a 10% margin of error. Proportional allocation ensured that the sample distribution across departments mirrored their relative sizes in the overall population, improving the representativeness and reliability of the findings (Cooper & Schindler, 2014).

The study utilized both primary and secondary data sources. Primary data were collected using a structured questionnaire developed by the researcher based on the study objectives and relevant literature on strategic alliances and firm performance. The questionnaire consisted of three sections covering demographic characteristics, strategic alliance practices, and firm performance, with responses measured using a five-point Likert scale. However, before the actual data collection, a pilot test involving 20 respondents was conducted to test the clarity

Licensed under Creative Common

and reliability of the instrument. Expert review by two university lecturers and two professionals in strategic management confirmed the content validity. Reliability analysis using Cronbach's Alpha yielded values above 0.7, indicating acceptable internal consistency (Tavakol & Dennick, 2011).

The data was analyzed using descriptive statistics, including means, frequencies, and standard deviations, were used to summarize and describe the data. Correlation analysis was used to examine the strength and direction of the relationships between the three independent variables technological, marketing, and logistics alliances and firm performance, while multiple linear regression analysis was employed to assess the effect of these strategic alliances on firm performance. All the analysis was contacted using Statistical Package for the Social Sciences (SPSS).

The regression equation used was:

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon,$

Where, Y denotes firm performance, X_1, X_2, and X_3 represent technological, marketing, and logistics alliances respectively, α is the constant, β_1 to β_3 are regression coefficients, and ε is the error term. This model is appropriate for quantifying the effect of multiple predictors on a single outcome variable (Field, 2013).

FINDINGS AND DISCUSSION

This section presents the key findings of the study based on the data collected through questionnaires. It begins with the response rate, followed by correlation and regression analyses aimed at determining the relationship between strategic alliances and the performance of Safaricom PLC.

Response Rate

A total of 189 questionnaires were distributed, out of which 141 were successfully completed and returned, representing a response rate of 74.60%. According to Mugenda and Mugenda (2009), a response rate of 70% and above is considered excellent for analysis and generalization. This high response rate thus provided a sufficient basis for robust statistical analysis. Before analysis, the returned questionnaires were checked for completeness and consistency. The data were also examined for missing values and potential outliers to determine their suitability for correlation and regression analysis. Only questionnaires meeting the study's data-completeness requirements were retained for analysis.

Licensed under Creative Common

Correlation Analysis

Pearson correlation analysis was performed to assess the strength and direction of the linear relationships between technological alliance, marketing alliance, logistics alliance, and firm performance.

Table 1: Correlation Analysis

Correlations					
		Technological Alliance	**Marketing Alliance**	**Logistics Alliance**	**Performance of Safaricom PLC**
Technological Alliance	Pearson Correlation	1			
	Sig. (2-tailed)				
Marketing Alliance	Pearson Correlation	.878**	1		
	Sig. (2-tailed)	.000			
Logistics Alliance	Pearson Correlation	.910**	.925**	1	
	Sig. (2-tailed)	.000	.000		
Performance of Safaricom PLC	Pearson Correlation	.864**	.870**	.885**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	141	141	141	141

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

The results indicated that technological alliance was positively and significantly correlated with performance of Safaricom PLC ($r = 0.864$, $p < 0.01$). Marketing alliance also exhibited a strong positive correlation with performance ($r = 0.870$, $p < 0.01$), while logistics alliance showed the highest correlation ($r = 0.885$, $p < 0.01$). These findings are consistent with prior research by Ali et al. (2023), who observed a significant improvement in profitability among telecom firms in South Asia due to technological partnerships. Similarly, Nyongesa and Wanyama (2023) established a positive relationship between technological alliances and mobile money growth in East Africa.

The strong correlation between marketing alliance and performance aligns with findings by Nshimiyimana (2021), who reported that marketing partnerships enhanced institutional performance in the microfinance sector. Likewise, Musili and Deya (2023) demonstrated that marketing alliances positively influenced performance in the tourism industry.

Licensed under Creative Common

Logistics alliance, which had the strongest correlation with performance, supports findings by Kirui and Nondi (2017), who emphasized the role of logistics partnerships in improving operational efficiency and customer satisfaction. These results collectively indicate that strategic alliances in technology, marketing, and logistics are strongly associated with enhanced firm performance at Safaricom PLC.

Regression Analysis

To determine the predictive power of strategic alliances on performance, multiple regression analysis was conducted. The model included three independent variables: technological alliance, marketing alliance, and logistics alliance.

Table 2: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.902[a]	.814	.810	.16233

a. Predictors: (Constant), Logistics Alliance, Technological Alliance, Marketing Alliance

Table 2 showed that the three strategic alliances—Logistics, Technological, and Marketing—explained 81.4% of the variation in the performance of Safaricom PLC ($R^2 = 0.814$). The adjusted R^2 of 0.810 confirmed the model's reliability after accounting for the number of predictors. The standard error (0.16233) indicated minimal prediction error, suggesting that the model provided a good fit.

Table 3: ANOVA of regression

ANOVA[a]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.821	3	5.274	200.137	.000[b]
	Residual	3.610	137	.026		
	Total	**19.431**	**140**			

a. Dependent Variable: Performance of Safaricom PLC

b. Predictors: (Constant), Logistics Alliance, Technological Alliance, Marketing Alliance

As shown in Table 3, the regression model was statistically significant ($F = 200.137$, $p < 0.001$), indicating that the combined effect of the three strategic alliances had a strong and meaningful influence on Safaricom PLC's performance.

Licensed under Creative Common

Table 4: Coefficients of the Model

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	Model	B	Std. Error	Beta		
1	(Constant)	1.914	.105		18.296	.000
	Technological Alliance	.190	.062	.279	3.047	.003
	Marketing Alliance	.193	.068	.284	2.849	.005
	Logistics Alliance	.248	.078	.369	3.198	.002

a. Dependent Variable: Performance of Safaricom PLC

The coefficients derived from regression were used to develop the model as shown below;

$Y = 1.914 + 0.190X1 + 0.\ 193X2 + 0.248X3 + \varepsilon$

Where:

Y = Performance of Safaricom PLC

X_1 = Technological Alliance

X_2 = Marketing Alliance

X_3 = Logistics Alliance

The regression analysis results in Table 4 showed the relationship between the three dimensions of strategic alliances; technological alliance, marketing alliance, and logistics alliance and the performance of Safaricom PLC.

Technological alliance had an unstandardized coefficient (B) of 0.190, with a standard error of 0.062, and a standardized Beta of 0.279. The relationship was statistically significant ($p = 0.003$), indicating that a one-unit increase in technological alliance activities is associated with a 19.0% increase in the performance of Safaricom PLC. This suggests that technological collaborations, such as joint innovation or IT infrastructure partnerships, play a critical role in enhancing the firm's operational efficiency and competitiveness.

Marketing alliance had an unstandardized coefficient (B) of 0.193, a standard error of 0.068, and a standardized Beta of 0.284. The p-value of 0.005 confirms statistical significance. This implies that a one-unit increase in marketing alliance efforts results in a 19.3% increase in performance, highlighting the value of joint marketing campaigns, brand collaborations, and customer engagement strategies in strengthening market position and driving growth.

Licensed under Creative Common

Logistics alliance reported the highest impact among the three variables, with an unstandardized coefficient (B) of 0.248, a standard error of 0.078, and a standardized Beta of 0.369. This relationship was statistically significant ($p = 0.002$), indicating that a one-unit increase in logistics alliances is associated with a 24.8% improvement in performance. This underscores the significance of efficient supply chain partnerships, resource sharing, and distribution synergies in enhancing service delivery and operational scalability. In summary, all three types of strategic alliances had a positive and also statistically significant influence on Safaricom PLC performance, with logistics alliances having the greatest effect, followed by marketing and technological alliances, respectively

CONCLUSION

This study concludes that strategic alliances are pivotal in enhancing the operational performance and market competitiveness of Safaricom PLC within Kenya's telecommunications industry. Specifically, technological alliances have emerged as critical enablers of innovation, facilitating the adoption of advanced infrastructure such as 5G and mobile payment platforms. These collaborations have not only improved service delivery and customer experience but also supported Safaricom's strategic goal of digital transformation. Nonetheless, challenges such as partner misalignment, integration complexities, and high implementation costs necessitate more rigorous partner selection criteria and adaptive collaboration frameworks.

Marketing alliances have significantly contributed to brand visibility, market penetration, and customer engagement. Initiatives such as co-branding, joint campaigns, and digital marketing partnerships have played a key role in driving customer acquisition and retention. Despite occasional hurdles—including data-sharing limitations and strategic misalignments—Safaricom has leveraged innovative approaches like influencer-driven campaigns and personalized outreach to sustain marketing effectiveness. These findings underscore the importance of aligning marketing collaborations with dynamic consumer preferences and digital trends.

Lastly, logistics alliances have proven instrumental in enhancing supply chain efficiency and operational agility. Joint distribution systems, warehousing collaborations, and integrated tracking technologies have strengthened Safaricom's ability to meet growing service demands. However, high technological investment requirements and integration challenges remain barriers to optimal performance. To mitigate these constraints, Safaricom must invest in comprehensive planning, transparent communication, and strategic partner management.

Licensed under Creative Common

POLICY RECOMMENDATIONS

Safaricom should institutionalize a structured policy for engaging in technological alliances by partnering with global technology firms specializing in emerging technologies such as Artificial Intelligence (AI), Internet of Things (IoT), and blockchain. This policy should prioritize long-term innovation, integration efficiency, and alignment with the company's digital transformation agenda. Establishing a dedicated strategic partnerships unit—mandated to oversee partner selection, integration planning, and performance evaluation—will help mitigate risks related to misalignment and complexity. Moreover, the internal policy should incorporate continuous workforce upskilling through targeted training programs to enhance internal capacity for leveraging new technologies introduced via alliances.

Safaricom should develop a formal marketing alliance policy aimed at expanding partnerships beyond traditional sectors. Collaborations with fintechs, entertainment platforms, and e-commerce providers can unlock access to emerging market segments and promote inclusive digital engagement. This policy should emphasize data-driven decision-making, leveraging customer analytics to tailor campaigns and improve targeting accuracy. To ensure sustainability and accountability, all marketing partnerships should be governed by clear Memoranda of Understanding (MOUs) outlining mutual objectives, roles, data-sharing protocols, and evaluation metrics.

The company should adopt a logistics alliance policy that prioritizes investment in advanced supply chain technologies, including real-time tracking and automated inventory systems. This will enhance efficiency, minimize delivery delays, and improve customer satisfaction. Additionally, Safaricom should promote inclusive logistics strategies by engaging small and medium-sized logistics enterprises (SMEs) within Kenya. This localized partnership model can reduce operational costs and improve service delivery in underserved regions. To safeguard logistics operations, a formal risk management policy should be instituted, focusing on proactive identification of supply chain vulnerabilities, contingency planning, and continuous performance monitoring.

LIMITATIONS AND FUTURE RESEARCH

This study had two primary limitations. First, it relied on self-reported data from questionnaires, which may have introduced response bias. Future studies should consider using mixed methods or incorporating secondary data sources to enhance validity and reduce subjectivity. Second, the study focused exclusively on Safaricom PLC, limiting the generalizability of the findings. Future research could adopt a comparative approach across multiple firms or industries to provide broader insights into the impact of strategic alliances on

Licensed under Creative Common

performance. Additionally, future studies may explore how emerging technologies such as artificial intelligence or blockchain influence the formation and effectiveness of strategic partnerships, particularly in fast-evolving markets.

REFERENCES

Abbas, H., Ze, Y., & Ahmad, W. (2021). Competitive Approaches of Strategic Alliance in the Big Data Environment, a Moderating Role of Big Data Predictive Analytics in the Case of Telecommunication Sector of Pakistan.

Ali, M., Rahman, F., & Kumar, S. (2023). *Digital transformation alliances and performance of telecommunication firms in South Asia*. Journal of Strategic Management, 14(2), 112–130.

Cacciolatti, L., Rosli, A., Ruiz-Alba, J. L., & Chang, J. (2020). Strategic alliances and firm performance in startups with a social mission. *Journal of Business Research*, 106, 106-117. https://doi.org/10.1016/j.jbusres.2019.08.047

Celtekligil, K. (2020). Resource dependence theory. *Strategic Outlook for Innovative Work Behaviours: Interdisciplinary and Multidimensional Perspectives*, 131-148.

Cooper, D. R., & Schindler, P. (2014). *Business research methods*. Mcgraw-hill.

Creswell, J. W., & Creswell, J. D. (2017). *Research design: Qualitative, quantitative, and mixed methods approaches*. Sage publications.

Fields, A. P., Rodriguez, E. H., Jovanovic, M., Stern-Ginossar, N., Haas, B. J., Mertins, P., ... & Weissman, J. S. (2015). A regression-based analysis of ribosome-profiling data reveals a conserved complexity to mammalian translation. *Molecular cell*, *60*(5), 816-827.

Juma, S., Wekesa, L., & Muli, T. (2023). *Shared warehousing and operational performance in East Africa's telecommunication sector*. Journal of Supply Chain Management and Logistics, 7(4), 100–115.

Khisa, J., & Kariuki, A. (2022). *Strategic alliances and firm performance: Evidence from Nairobi County's motor vehicle industry*. International Journal of Business and Management, 17(4), 56–67.

Kimani, J., Otieno, M., & Musyoka, R. (2022). *Digital marketing alliances and customer acquisition in Kenya's telecommunications sector*. Journal of Marketing and Digital Innovation, 8(1), 33–49.

Kirui, J., & Nondi, P. (2017). *Effects of logistics management on the performance of shipping firms in Mombasa County*. International Journal of Logistics and Supply Chain Management, 6(1), 45–59.

Kothari, C. R. (2004). *Research methodology: Methods and techniques* (2nd ed.). New Age International.

Mburu, L., & Kilonzo, C. (2023). *Social media marketing alliances in Sub-Saharan Africa's telecommunication industry*. African Journal of Communication and Marketing, 5(2), 78–94.

Miller, D. (2019). The resource-based view of the firm. In *Oxford research encyclopedia of business and management*.

Muathe, S. M. A. (2010). The Determinants of Adoption of Information and

Communication Technology by Small and Medium Enterprises within the Health Sector in Nairobi, Kenya. Unpublished PhD Thesis, Kenyatta University.

Musili, P., & Deya, J. (2023). *Influence of strategic alliances on performance of firms in the tourism sector in Nairobi County, Kenya*. International Journal of Strategic Management, 11(3), 145–162.

Muthoka, M. (2015). *Effects of strategic alliances on firm performance: A case of Kenyan supermarkets* [Master's thesis, University of Nairobi]. University of Nairobi Repository. http://erepository.uonbi.ac.ke

Muthoka, R., Kilika, J., & Muathe, S. (2022). What sustains performance in a strategic alliance? The role of level of collaboration. *Journal of Business and Management Sciences*, *10*(3), 113-123.

Mwangi, K., & Mutunga, A. (2023). *Last-mile logistics alliances and customer satisfaction in Kenya's telecommunication industry*. East African Journal of Business Research, 4(1), 56–73.

Ndugu, K. C., & Koori, J. (2020). Corporate social responsibility practices and performance of Safaricom Public Limited Company, Kenya. *International Academic Journal of Economics and Finance, 3 (6), 447*, *466*(2).

Nshimiyimana, D. (2021). *Effects of market alliances on performance of microfinance institutions in Rwanda* [Master's thesis, University of Rwanda]. University of Rwanda Institutional Repository.

Licensed under Creative Common

Nyongesa, P., & Wanyama, D. (2023). *Technology-driven alliances and mobile money performance in East Africa*. African Journal of Technology and Development, 9(3), 210–225.

Rotich, M. M. (2018). *Innovation strategy and competitive advantage of Safaricom Kenya Limited* (Doctoral dissertation, University of Nairobi).

Saunders, M., Lewis, P., & Thornhill, A. (2003). Research methods forbusiness students. *Essex: Prentice Hall: Financial Times*.

Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. *International journal of medical education*, *2*, 53.

Teece, D. J. (2018). Dynamic capabilities as (workable) management systems theory. *Journal of Management & Organization*, *24*(3), 359-368.

Licensed under Creative Common