

Strategic Positioning and the Performance of E-Businesses in Kenya

*¹Zulfiqar Wali, ²Charity Muraguri and ³Paul Wachana

United States International University - Africa

E-mail: ¹zwalli3791@gmail.com

²cwmuraguri@usiu.ac.ke

³pwachana@usiu.ac.ke

***Corresponding author**

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Abstract

The objective of this study was to examine the influence of strategic positioning on the performance of e-commerce firms in Kenya. The study was grounded on the competitive advantage theory and was guided by a positivist philosophical perspective. The study was delimited to the use of quantitative research methods. The research sample consisted of 112 e-business enterprises that were registered in Nairobi. The focal point of the analysis was the 336 employees who held management-level positions within these companies. The study employed a structured questionnaire as a means of gathering data from participants. The study employed the census sampling method, encompassing all 112 e-business enterprises registered in Nairobi. The data was subjected to both descriptive and inferential statistical analyses. Descriptive statistical analysis was employed to generate means and standard deviations, while regression analysis was utilized in the study to test the hypothesis. The results of the study indicate that strategic positioning has a significant influence on the performance of e-businesses in Nairobi, Kenya ($\beta = 0.616$, $p < 0.05$). The study implication is that the strategic positioning constructs of differentiation and pricing are essential to enable e-businesses to attain their performance objectives. Consequently, it is recommended that e-commerce executives implement features on their platforms that facilitate the comparison of product prices by customers. Additionally, it is suggested that e-businesses should offer a variety of products at discounted and premium prices, which come with enhanced features and improved services.

Key Words: E-Businesses, Performance, Strategic positioning.

Introduction

The contemporary business environment is characterised by complexity and dynamism, which can be attributed to various factors such as technological advancements, globalisation, environmental concerns, and evolving consumer demands, Santoro et al. (2021). To achieve competitiveness in the market, organisations are required to devise novel business strategies and strategic capabilities, as conventional business practices may not be optimally effective in the current environment (Abazeed & Ahmad, 2020). According to Wimelius et al. (2021), in the current business environment, it is imperative for organisations to enhance their performance, minimize expenses, improve quality, and differentiate their offerings to customers in order to effectively compete. Strategic positioning is a business strategy where an organization differentiates itself from competitors by creating better value for its customers Fumasoli et al. (2020). This can help them create a competitive advantage over other similar companies and, ultimately, increase company performance.

Al-Nimer et al. (2021) assert that the primary impetus behind the survival of any organisation is its performance. As per the competitive advantage theory, an organization's ability to attain a competitive advantage and achieve superior performance is contingent upon cost leadership and differentiation (Donnellan & Rutledge, 2019). In contemporary business environments, organisations must acquire a competitive advantage to ensure their survival. To this end, strategic positioning is critical for an organization as it emphasizes the key features that set the product apart from competing products in the market. Strategic positioning helps the market form an impression of the company's products Mukeshimana et al. (2019). A company's strategic positioning reflects decisions it takes on the kind of value it will provide and how it will uniquely produce that value compared to competitors. Strategic positioning is a tactic used by company executives to enhance institutional-level strategies that aim to effectively set their companies apart from rivals in the global market (Wilkins, 2020). A positioning strategy starts with the product that the company wants to place in the customer's mind compared to its rivals. Given that it supports very flexible consumer accessibility, a positioning strategy is vital. According to Fumasoli et al. (2020), differentiation, promotion, perceived quality, and pricing are the main positioning fronts used to conceptualize a positioning strategy as a multidimensional premise.

In 2021, the United States (US) boasted the largest e-commerce market globally, with a turnover of \$819 billion. The majority of e-commerce transactions are concentrated in developed markets, specifically in Europe, North America, and some Asian countries (Ahlstrom et al., 2020). According to Alhazemi, Rees, and Hossain (2020), the Asia (and Oceania) region is expected to experience a rise in its share of the global Business- to - Consumer (B2C) market from 28% in 2013 to 39% in 2023. According to the United Nations Conference on Trade and Development (UNCTAD, 2019), developing nations have demonstrated a tendency towards limited utilisation of fundamental internet services. However, there has been a notable increase in the rate of expansion. The swift expansion of internet connectivity has resulted in both consumers and producers recognising the benefits of e-commerce, with convenience being the primary motivating factor for online businesses, as observed in Nigeria and Kenya (Grandon & Pearson, 2014). Nigeria is among the developing nations in Africa that have witnessed a consistent surge in the adoption of electronic commerce. According to Chiemeké and Ewwiekpaefe (2021), Nigeria has experienced a significant increase in the number of e-commerce platforms over the past decade. While there were only two such platforms at the outset, the country now boasts over 175 of them as of 2021.

The Republic of Kenya has experienced a rise in the quantity of virtual marketplaces, such as Kilimall, Jiji Kenya, Cheki, Rupu, Pigiame, and Jumia, as reported by Mlelwa (2021). Kivuva (2021) has reported that the utilisation of e-commerce platforms for purchasing and vending commodities is limited to a mere 13% of the Kenyan population. According to the report, the low adoption rate of online marketplaces in Kenya can be attributed to several factors such as fragmented marketplaces, high delivery costs, and supply chain challenges arising from unclearly identified buildings and streets. According to Raja's (2022) findings, a mere 20% of online shopping portals in Kenya have demonstrated consistent profitability over the last five years leading up to 2021. To fully leverage the advantages of e-business, it is imperative for organisations operating in developing nations, such as Kenya, that offer e-commerce platforms to augment their strategic positioning to gain a competitive advantage.

This has been identified as a crucial factor for the success of e-commerce enterprises, as evidenced by the study conducted by Alsalim (2020), Abazeed and Ahmad (2020), and

Ghonim et al. (2022). This study hence seeks to explore how e-businesses in Kenya can apply strategic positioning for their performance and competitive advantage.

Statement of the Problem

The e-commerce sector in Kenya has experienced notable expansion, having yielded \$3,562 million in sales in 2021. In 2021, the user penetration rate stood at approximately 40.3%, with projections indicating an increase to 53.6% by 2025 (Raja, 2022). Kivuva (2021) has reported that the adoption rate of online marketplaces in Kenya remains low. Furthermore, according to Raja's (2022) findings, a mere 20% of online shopping platforms in Kenya have maintained a profitable status over the past five years leading up to 2021. As per McCain's (2021) report, Jumia, the foremost online market leader in Kenya by 2021, had been incurring losses since its inception in 2012. Jumia disclosed a financial statement indicating a loss of €33.7 million in 2021, which represented a 24% decrease from the losses incurred in the previous year. Several prominent e-commerce platforms, including Kilimall, Masoko, Jiji, and Sky Garden, had encountered challenges in generating profits. For instance, Kilimall's return on assets was reported to be -12% in 2021 (Raja, 2022). If not addressed, the suboptimal performance of online shopping platforms in Kenya has the potential to impede the uptake of e-commerce and curtail its contribution to the nation's gross domestic product.

In the modern competitive industry, strategic positioning has a considerable impact on corporate performance leading to an improved market position that conveys competitive advantage and superior performance (Kim et al., 2008). The utilisation of internet technologies in e-business has facilitated innovative reconsideration of business models, processes, and organisational structures (Wilkins, 2020). This, in turn, has resulted in a heightened need for proficient strategic positioning to guarantee the survival and sustainability of a firm. Previous studies have emphasised the value of strategic positioning in e-businesses and the possibility of gaining a competitive edge through the use of differentiation and e-business technologies (Fumasoli et al., 2020). However, very little work has been done to empirically investigate the link between strategic positioning and business performance. Thus, managers are unable to make an educated decision on which strategic positioning is most appropriate for their specific scenario and how the choice of strategic positioning will affect company performance due to the absence of empirical research in this area.

Study Hypothesis

The study tested the following null hypothesis:

H₀: Strategic positioning has no statistically significant effects on the performance of e-businesses in Kenya.

Literature Review

Theoretical Review

Competitive advantage theory by Porter (1985) was the theoretical framework adopted by the study. Competitive advantage is defined as the higher value that a company offers compared to its competitors in the view of its customers (Keegan and Green, 2015). The theory of competitive advantage hypothesizes that the attainment of above-average performance in an industry can be achieved through three generic strategies, namely cost leadership, differentiation, and focus. These strategies are based on the two fundamental types of competitive advantage, which are combined with the scope of activities that a firm aims to accomplish (Frasineanu, 2008).

An organization attains a competitive advantage when it positions itself in the market and executes actions that outperform its competitors (Wang, 2014). The competitive advantage theory idealizes a situation where a firm can operate more efficiently and effectively than other companies operating in the same space and with whom the firm competes with (Mukeshimana et al., 2019). For e-businesses, this study hypothesizes that investment in factors such as differentiation and efficient pricing strategies could generate efficiency through process and product changes and enable the firms to gain a competitive advantage. This results in the firm reaping the benefits and attaining its financial and non-financial performance objectives (Kugun et al., 2016).

Empirical Review

Hemzo (1998) described strategic positioning as a natural sequence to the segmentation process that involves market positioning and psychological positioning. The market positioning comprises qualitative research that helps enhance the understanding of the market and consumers, their attitudes, values, and behaviour and suggests measurement variables such as inter-organizational relationships and resource allocation. Strategic positioning is hypothesized to positively influence organization performance. The study by Abuzyead and Sherif (2017) found that there were issues concerning the adoption and use of e-business positioning strategies in organizations. This led to these firms being unable to meet their performance and sustainability objectives. Another study by Pittaway (2004) which was undertaken through a thorough literature evaluation connecting firms' differentiation activity to their ability for innovation and performance had contradictory findings. The authors gleaned differentiation advantages from the various empirical studies in their evaluation set and concluded that differentiation strategy plays a significant role in business success. Another review of empirical research on differentiation was undertaken by Provan and Fish (2007) using manufacturing firms as the focus of the study. The findings from the study were that many characteristics and facets of differentiation, such as the capacity to create value through differentiation, and how emotional response, innovation, unique experience, and brand presentation improved business performance.

Saunders (2007) undertook an empirical study of the impact of e-business technology differentiation on organizational collaboration and performance. The survey was done on US manufacturing firms and the target population was 2000 employees. Findings from the study determined that e-business technology differentiation and use is shown to have a significant direct impact on both intra- and inter-organizational relationships. Based on a literature study on the link between differentiation and firm performance in small knowledge-intensive organizations, another study by Jenssen and Nybakk (2013) suggested that differentiation has a significant impact on the innovative performance of firms and this is more evident in small knowledge-intensive firms which have fewer resources. Popp et al. (2013) undertook a critical review of research on the relationship between differentiation and firm outcomes in competitive industries. They categorized their findings into six themes including networking concepts and characteristics, types and functions of networks, governance and innovation and brand equity, network evolution through time, network effectiveness, and evaluation of networks. Sani et al. (2021) distinguished between researching the various differentiation aspects including vertical, mixed, and horizontal differentiation, and how they can enhance the performance of the firm. They concluded that differentiation in a competitive industry is vital for performance and competitive advantage.

The role played by pricing strategies and practices as a component of strategic positioning has also been a subject of study. A study by Kituzi (2016) on the influence of pricing practices on organizational performance targeted a population of all 499 manufacturing firms in Nairobi, Kenya. This population comprised 499 ICT Managers/Officers and 499 Procurement managers/Officers. From analysis, it was found that adopting pricing strategies that are informed by the market enables firms to have a competitive edge in the market. It was noted that penetration pricing, incentive alignment, joint decision-making, and information sharing are factors that facilitate effective pricing for the benefit of both the buyer and supplier. Additionally, Muoki (2016) conducted a study on factors affecting the performance of e-business strategy in Bidco Africa Kenya, where the target population was employees. From the analysis, it was discovered that strategic positioning as a firm that provides quality products at affordable prices enabled the firm to outperform competitors and gain a competitive edge.

Conceptual Framework

The conceptual framework that guided the study is provided in Figure 1. The independent variable is strategic positioning which is a process within the organization to develop an organization-level positioning strategy that aims to effectively distinguish the organization from other similar firms in the industry (Chew, 2003). It is the placing of an organization in the future while taking into account the changing environment and putting in mind the organization's weaknesses and strengths. Kotter and Schlesinger (2008) argued that a positioning strategy is a key component of the strategic marketing planning process and is aligned with organizational goals/objectives, internal resource capabilities, and external market opportunities. Positioning is an organized system of finding a window in the mind the goal being to locate the brand and beat the competition in a bid to maximize the potential benefit of the firm (Kogetsidis, 2012). The positioning strategy comprises two major interrelated components: differentiation and pricing. the choice of the target audience, the choice of generic positioning strategy, and the choice of positioning dimensions that the organization uses to distinguish and support its generic positioning strategy (Palmer, 2012). Differentiation happens when a business, product, or service distinguishes out from the competition by satisfying distinctive consumer demand, including unique characteristics not often offered, or providing superior service to a particular target market. Pricing strategy, on the other hand, involves changing and adjusting the price of products in response to market factors. In this study, the dependent variable was organisational performance. Organisational performance is determined by comparing an organization's actual outputs to those anticipated by that organisation. According to Kuzic et al. (2013), the organisational performance includes three distinct aspects of a firm's performance: financial performance (profits, return on assets, return on investment, and many others); product market performance, including the market share and sales; and customer satisfaction. Financial and non-financial performance variables were combined in this research using financial performance and customer satisfaction metrics (Caves, 2017).

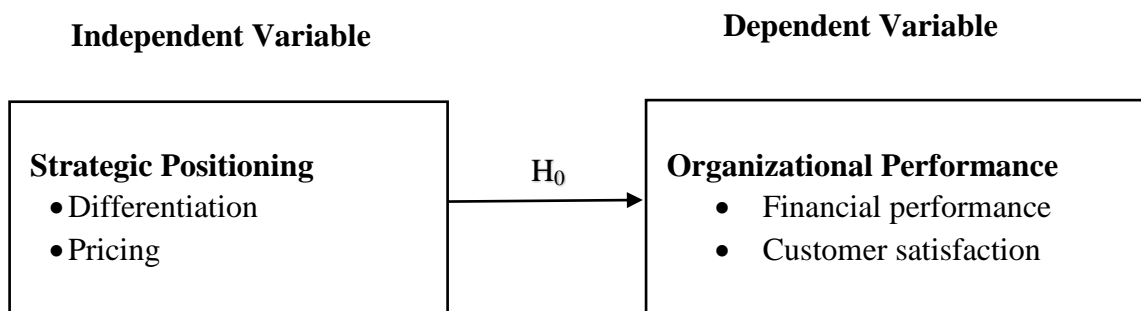


Figure 1. Conceptual Framework

Methodology

This study adhered to the positivist school of thought, which focuses on using an observable social reality to generate generalisations that resemble laws and places a strong emphasis on highly organised research methods to aid in replication (Thomas, 2021). Since senior managers from several different e-businesses in Kenya were the study's target respondents, a statistical technique was employed to draw conclusions from the sample. As a result, this study used a descriptive correlational design in a quantitative cross-sectional setting. Three hundred and thirty-six managers from 112 Nairobi-based registered e-businesses made up the study's target group (Kenya Business Directory, 2021).

The 336 managers of the 112 registered e-businesses in Nairobi who participated in this study were all included in a census. To collect primary data, the study used a standardised questionnaire that had been previously evaluated for validity and reliability. The questionnaire was distributed using both electronic administration (Google Forms) and the drop-and-pick-later approach. Descriptive statistics including percentages, frequencies, means, and standard deviations were used to analyse the data, and ordinary least squares linear regression was used to test the hypothesis relating to the influence of strategic positioning on performance.

Results and Discussion

The study distributed a total of 336 questionnaires to senior managers of the e-businesses, and 284 managers responded to the survey, resulting in a response rate of 84.5%. The findings indicate that 20.8% of the individuals who took part in the study held the position of chief marketing officer, while 18% were IT officers, 14.1% were chief technology officers, 12.7% were operation directors and 5.3% were CEOs. Additionally, the study revealed that 47.2% of the participants fell within the age range of 26 to 40 years, whereas 45.4% were between the ages of 41 and 55. Moreover, 66.2% of the participants were male, whereas 33.8% were female. The study findings indicate that 46.8% had a work experience of between 4 and 6 years in the e-business sector. Additionally, 29.6% of the participants had a work experience of three years or less in the same sector. Regarding education, a significant proportion of the study participants (55.6%) held undergraduate degrees, whereas only a small minority (3.2%) possessed doctorate degrees. Moreover, 39.8% reported that their e-businesses had a workforce of less than 50 individuals, whereas 33.5% of the respondents stated that their e-businesses employed between 50 and 100 personnel.

Descriptive Analysis for Technological Readiness

Study participants were requested to indicate how much they agreed or disagreed with several statements regarding strategic positioning. A Likert scale with a range of 1 to 5 (strongly disagree to strongly agree) was used. The study used means (M) and standard deviations (SD) to analyze the responses. The study results are presented in Table 1.

Table 11. Descriptive Statistics for Strategic Positioning

Statements Regarding Strategic Positioning	M	SD
The organization has differentiated the design of its platform to make it easy to use for shoppers	3.97	0.751
The business has its distribution network	3.88	0.855
The business focuses on suppliers of a wide variety of products	4.23	0.787
The business focuses on local and international suppliers in its platforms	4.13	0.632
This business focuses on what it does better than its competitors	4.08	0.812
The business has focused on providers of low prices to attract more shoppers	4.20	0.590
The business charges low commissions for the retailers on its platform	4.18	0.692
The business has features enabling shoppers to compare different product prices	4.15	0.614
The business has segments for premium prices for quicker delivery	4.10	0.715
This business focuses on low-cost business processes to ensure competitive pricing for its services	4.30	0.652

The study findings summarized in Table 1 indicate that the study participants agreed that the e-businesses focus on low-cost business processes to ensure competitive pricing for their services (M= 4.30, SD = 0.652) and also agreed that the businesses have focused on providers of low prices to attract more shoppers (M = 4.20, SD = 0.590). Moreover, the study findings show that study participants agreed that the businesses have features enabling shoppers to compare different product prices (M = 4.15, SD = 0.614). Further, study findings indicate that respondents agreed with the statement that the businesses focused on local and international suppliers in their platforms (M = 4.13, SD = 0.632) and also agreed that the e-businesses had segments for premium prices for quicker delivery (M = 4.10, SD = 0.715). Additionally, study results show that the study participants agreed that the businesses focused on what they did better than their competitors (M = 4.08, SD = 0.812) and further agreed that the organizations had differentiated the design of their platforms to make them easy to use for shoppers (M = 3.97, SD = 0.751). These study results imply that, according to the study participants, the e-businesses had engaged in strategic positioning practices that focused on pricing and differentiation of their products and services to make them competitive.

Descriptive Analysis for Performance

The respondents were presented with performance statements rated on a five-point Likert scale ranging from "strongly disagree" to "strongly agree." The metrics of financial performance and customer satisfaction were employed as the indicators of organizational performance. The data obtained from the study participants was subjected to statistical analysis using measures of central tendency such as means (M) and measures of variability such as standard deviations (SD). The results of the analysis are presented in a tabular format in Table 2.

Table 2. Descriptive Statistics for Performance

Statements on financial performance	M	SD
The profits for our business have increased over the past three years	4.32	0.758
Our business sales continued to grow over the past three years	4.39	0.636
Our business share of the market has increased over the past three years	3.31	0.939
The business has continued attracting new suppliers and retailers	4.19	0.971
The financial performance of the business surpasses the average for the sector	3.24	0.880
Statements on customer satisfaction		
This firm's customer rating has improved consistently	4.14	0.792
The business ensures on-time delivery for customers	4.19	0.695
The services of this business surpass customer expectations most of the time	4.33	0.858
Our customers are very loyal to our business	4.34	0.628
The business has a customer-centric culture that seeks to always meet the needs of customers	4.27	0.608

According to the results in Table 2, the survey participants agreed that their e-businesses' earnings had grown during the previous three years ($M = 4.32$, $SD = 0.758$) and that their business's sales had continued to expand over the last three years ($M = 4.39$, $SD = 0.636$). Furthermore, respondents agreed that their companies had been bringing in fresh suppliers and merchants ($M = 4.19$, $SD = 0.971$). The statements that the market share of e-businesses has increased over the last three years ($M = 3.31$, $SD = 0.939$) and that their financial performance is better than the industry average ($M = 3.24$, $SD = 0.880$) were both neutrally received by study participants. Additionally, respondents agreed that their e-business clients were highly devoted to them ($M = 4.34$, $SD = 0.628$) and that their e-businesses' services often went above and beyond what consumers expected ($M = 4.33$, $SD = 0.858$). Participants in the study also agreed that the companies have a customer-centric culture that aims to constantly satisfy their requirements ($M = 4.27$, $SD = 0.608$) and that the companies make sure that clients get their orders on time ($M = 4.19$, $SD = 0.695$). Participants in the study also agreed that the businesses' customer rating has constantly increased ($M = 4.14$, $SD = 0.792$). The results show that the studied e-businesses saw an increase in profitability over the previous three years, had a rise in sales, and continued to draw in new merchants and suppliers. The average market share and performance of each e-business in comparison to the sector, however, changed insignificantly since the study included the whole e-business sector. Additionally, it seemed from the results that the respondents gave their online firms good marks for meeting and surpassing customer expectations, on-time delivery, retaining customers, and having a customer-centric culture.

Regression of Technological Readiness on Performance

The study had the objective of determining the influence of strategic positioning on the performance of e-businesses in Nairobi, Kenya through a simple linear regression analysis. An OLS linear regression analysis of strategic positioning on performance (financial performance and customer satisfaction) was fitted after testing for regression assumptions relating to normality, linearity, and heteroscedasticity. The following was the null hypothesis:

H_0 : Strategic positioning has no significant effects on the performance of e-businesses in Kenya.

Table 3 presents the results concerning the relationship between strategic positioning and the performance of e-businesses in Nairobi, Kenya, including the correlation coefficient (R), the R-squared, and the adjusted r squared.

Table 3. Model Summary for Strategic Positioning and Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.644	.414	.412	.29900

- a. Predictors: (Constant), Strategic positioning
 b. Dependent Variable: Performance

The study results presented in Table 3 showed that there is a linear relationship between strategic positioning and the performance of e-businesses in Nairobi Kenya ($r = 0.644$). Additionally, the findings indicated that the r squared was 0.414 indicating that 41.4% of the change in the performance of e-businesses in Nairobi, Kenya was due to their strategic positioning. These study findings demonstrate that the error term and other variables not taken into account by the model account for 58.6% of the variation in the performance of e-businesses in Nairobi, Kenya.

To evaluate the model's relevance and its predictive power, the researcher also ran the ANOVA test. Table 4 provides a summary of the findings.

Table 4. ANOVA for Strategic Positioning and Performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.838	1	17.838	199.530	.000
	Residual	25.211	282	.089		
	Total	43.050	283			

- a. Predictors: (Constant), Strategic Positioning
 b. Dependent Variable: Performance

Table 4 presents the findings which indicate that the computed f -value was statistically significant ($F = 199.530$, $p < 0.05$). This is an indication that the data was a good fit for the model and that strategic positioning had a significant influence on the performance of e-businesses in Nairobi, Kenya. To establish the extent of the influence of strategic positioning on the performance of e-businesses in Nairobi Kenya, the regression coefficients, the t values, and the significance values were developed. Table 5 provides a summary of the study results.

Table 5. Regression Coefficients for Strategic Positioning and Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.711	.182		9.386	.000
	Strategic positioning	.616	.044	.644	14.126	.000

- a. Predictors: (Constant), Strategic Positioning
 b. Dependent Variable: Performance

The study findings presented in Table 5 led to the following regression model:

$$\text{Performance} = 1.711 + 0.616 (\text{Strategic positioning}) + \varepsilon$$

The results in Table 5 and the regression equation demonstrate that the coefficient of strategic positioning ($\beta = 0.616$) was positive and significant at the 5% level of significance ($p = 0.000$). Accordingly, the implication is that a unit change in strategic positioning would result in a corresponding change of 0.616 in the performance of e-businesses in Nairobi, Kenya.

The null hypothesis that strategic positioning has no statistically significant influence on the performance of e-businesses in Nairobi, Kenya was therefore rejected.

Discussion of Findings

The study findings indicated that strategic positioning has a significant influence on the performance of e-businesses in Nairobi, Kenya. These findings relate to the competitive advantage theory by Porter (1983) which indicates that an organization attains competitive advantage when it can execute actions that outperform its competitors, such as differentiating its products or offering lower prices. Wang (2014) also indicates that the competitive advantage theory idealizes a situation where a firm can operate more efficiently and effectively than other companies operating in the same space and with whom the firm competes with. This study also determined that differentiation positively affects e-business performance. These findings agree with Jenssen and Nybakk (2013) who found that differentiation has a significant impact on the innovative performance of firms and this is more evident in small knowledge-intensive firms which have fewer resources.

Another study with similar findings was by Saunders (2007) who undertook an empirical study of the impact of e-business technologies differentiation on organizational collaboration and performance. From the study analysis, it was found that e-business technology differentiation and use is shown to have a significant direct impact on both intra- and inter-organizational relationships.

The study findings that strategic positioning has a significant influence on the performance of e-businesses in Nairobi, Kenya agrees with the study by Kituzi (2016) on the influence of strategic positioning on the organizational performance of manufacturing firms in Nairobi, Kenya. The study determined that strategic positioning relating to pricing, promotion, advertisement, and differentiation significantly influenced organizational performance. The findings also concur with the findings by Ross (2002) in their research on the multi-dimensional empirical exploration of technology investment, strategic positioning, and firm performance. The study determined that strategic positioning is a key capability that enables the firm to attain and sustain a competitive advantage. The study further noted that strategic positioning is increasingly becoming a source of sustained competitiveness and an opportunity for improvement in organizational performance. The findings of this study regarding the influence of strategic positioning on performance concur with Muoki (2016) who conducted a study on factors affecting the performance of e-business strategy in Bidco Africa Kenya. The tools and pillars of e-business strategic positioning include the internet, intranet, cellular networks, and other forms of digital technology. The findings also agree with Muraguri (2013) on the application of e-business strategy and performance of Abercrombie & Kent (Kenya) Limited. The analysis showed that e-business strategy has an impact on the way they manage the functions of their company but still, there are traces of resistance to change in adapting to new e-business initiatives. Another study by Pittaway (2004) had similar findings that firms' differentiation activity enhances an organization's capacity to innovate and perform.

Conclusion and Recommendations

The study results determined that strategic positioning has a significant influence on the performance of e-businesses in Nairobi, Kenya. These findings lead to the conclusion that the constructs of differentiation and pricing were essential to enable e-businesses to attain their performance objectives. Moreover, the study concluded that key aspects of strategic positioning critical in the e-business sector included a focus on low-cost business processes to ensure competitive pricing for their services, focusing on suppliers of a wide variety of

products, a focus on providers of low prices to attract more shoppers and charging low commissions for the retailers on their platforms.

The study results determined that strategic positioning has a significant influence on financial and customer satisfaction measures of the performance of e-businesses in Nairobi, Kenya. The study, therefore, recommends that e-business leaders ensure their platforms are focused on incorporating both domestic and foreign suppliers, develop features to enable customers to compare different product prices, and have diversified offerings providing discounted prices and premium prices with added features and improved services. Moreover, the study recommends that the management of e-businesses to concentrate on their unique capabilities and incorporate differentiated platform designs to make it aesthetically simple for customers to utilize.

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