International Journal of Managerial Studies and Research (IJMSR)
Volume 10, Issue 2, February 2022, PP 8-17
ISSN 2349-0330 (Print) & ISSN 2349-0349 (Online)
https://doi.org/10.20431/2349-0349.1002002
www.arcjournals.org

Niche Market Penetration Strategy and Performance of Selected Telecommunication Application Service Firms

Ngugi Rahab[1], Muchemi Ann, PhD[2], Maina Samuel, PhD[2]

[1]*Doctoral student School of Business, Department of Business Administration, Kenyatta University, Kenya*
[2]*Lecturer, School of Business, Department of Business Administration, Kenyatta University, Kenya*

Corresponding Authors:** ***Ngugi Rahab, *Doctoral student School of Business, Department of Business Administration, Kenyatta University, Kenya*

Abstract: *Telecommunication is critical for economic growth in any given country. As the sector continues to evolve, firm are experiencing performance challenges due to competition and changing customer demands, hence firms should consider adopting niche market penetration strategy. This study sought to determine the effect of niche market penetration strategy on performance of selected telecommunication application service firms in Kenya. The study constructs were informed by the goal setting theory and game theory. The study adopted descriptive and explanatory research design. The population targeted was 21 selected telecommunication application service firms. Primary data was collected using questionnaires while the secondary data was collected from the Communications (CA) Authority. Descriptive and inferential statistics were used to analyze quantitative data. Hypotheses testing was conducted at 5% level of significance using P-value to assess significance. The findings of the study revealed that niche market penetration strategy has a positive and significant effect on performance of selected application service firms. Therefore firms should consider adopting niche market penetration strategy to improve performance. Further to this, firms should engage in activities that provide knowledge on customer needs and also relationship management.*

Keywords: *Niche Market Penetration Strategy; Firm Performance; Telecommunication Application Service Firms*

1. Introduction

Telecommunication plays a key part in any given country's economic development hence growth in telecommunications sector cause positive effect in other sectors of the economy. The deregulation of the telecommunication sector has led to an urgency to deliver high quality products and services that leads to superior performance. There is need for firms to put more effort in order to be at similar level with the changing environment, achieve a competitive advantage as well as improve performance relative to competition (Monday,Akinola,Ologbenla & Aladeraji, 2015). On the global perspective, as the telecommunication industry continues to evolve, firms are experiencing different performance challenges due to competition and changing customer demands (Singhal, Forst, McClure, Sachedva, Droogenbroek, Baschnonga & Mahajan, 2015). There is a gap between growth in customer-base, data traffic and the growth in revenue for telecommunication firms for instance in Europe, reports indicated that data traffic and mobile subscribers had increased while revenue had declined,(Oertzen & Asensio, 2017).

In Africa, firms in telecommunication sector are facing intense competition due to entry of additional players both foreign and domestic, thus affecting the profitability of firms in the sector (Djiofack-zebaze & Keck, 2009). According to Yeboah-asiamah, Narteh and Mahmoud, (2018) rapid growth pace coupled with increased competition and saturation of markets has resulted to telecommunication firms facing declining profitability, poor customer retention due to high customer churn and costs incurred from loss of revenue. According to Letangule and Letting, (2012), telecommunication firms in Kenya operate in an increasingly competitive market thus they must develop strategies that can be adopted to anticipate, create and respond effectively to change arising in the internal and external environments. Kipkirong and Rabach, (2013) affirms this argument by acknowledging that firms require to be proactive and as well as formulate strategies that will successfuly respond to actual changes as well as expected changes within the environment.

2. NICHE MARKET PENETRATION STRATEGY

The niche market penetration strategy is a strategy where firm's intention is to avoid direct competition with market leaders to gain market share in specific market or products where the leaders are weak or not present (Yannopoulos, 2013). Wunker, (2012) cites that pioneers can become solution shops because their value lies in the customization or heterogeneity of customers. The strategy is implemented by targeting those segments that have not been served by major competitors. Ottosson and Kindström, (2015) argue that this strategy can be adopted as an aggressive or proactive choice that allows a firm to outperform competitors both in growth as well as profitability while at the same time create a reputation that followers will have a hard time matching. This strategy is suitable for firms with small market segments own complementary assets where pioneers are unable to build capacity ahead of demand (Yannopoulus, 2013). Success in niche market strategy involves specialization and long-term relationships through relationship management for the sustainability of competitive advantage (Cuthbert, 2011). In this study, the niche market penetration strategy was viewed as a proactive strategy that firms can adopt to achieve superior performance.

3. TELECOMMUNICATION

Rapid advancement on expansion of network infrastructure and internet technologies has led to the growth of telecommunication application service firms. The firms deliver and manage computer-based services and applications from remote centers to multiple customers via the internet or a VPN (Jeong & Stylianou, 2010). From a managerial perspective, focusing on firm core competences, access to a diverse set of application, scalability while maintaining flexibility and reducing concentration where there is no in-house expertise are some of the benefits of procuring external services from application service firms. However, there exists a discrepancy between the expected and realized benefits of the service provide firms.

The Communication Authority of Kenya (CA) is responsible of formulating and implementing telecommunications strategy and policy. The application service providers provide services to the end users which include mobile and fixed telephony services, data and internet services using the network services of a network facilities provider.This includes providing broadband connectivity to end users or customers, internet connectivity, private networks that can carry voice data and video services. In the recent times, firms in this category have been experiencing declining performance due to increased competition occasioned by entry of new players.

According to CA Register of licensees, there was total of 234 Application Service Providers in 2018. The sector has recorded constant growth since 2007 where there were only 17 licensed providers. The numbers have maintained an upward trend to 105,143 in 2011 and 2016 respectively.There is limited research on telecommunication application service firms, and specifically in Kenya. Extant empirical studies have focused on mobile telecommunication firms in Kenya. For instance, Okibo and Ogwe, (2013) examined the quality of customer care services, case study of Telkom Kenya. While Ooko, Nzomoi, and Mumo, (2014) investigated the factors that influence consumer switching behaviour of mobile subcribers.

4. PERFORMANCE OF TELECOMMUNICATION

Performance in firms is based on the premise that for a firm to achieve a collective purpose, then there must be voluntarily associates productive assets that include human, capital and capital resources(Monday *et al*., 2015).Prior research on firm performance proposes that performance measures should link and integrate between operational and strategic measures. Firm performance is thus a subset of organisational effectiveness that covers both operational and financial outcomes objectives, (Selvam, Gayathri, Vasanth, Lingaraja, & Marxiaoli, 2016).

Studies conducted in the telecommunication sector have proposed different measures of performance. For instance Okwemba,(2018)study measure performance in terms of market share, productivity, profitability and efficiency. While Kyengo *et al.*, (2016) measuredperformance as sales, profitability, return on investment, new and improved product introduction, market share, product quality, annual earnings and employee skills improvement. In a highly competitive telecommunications sector, the best shot at top performance for any firm is becoming a change initiator. Consequently, BaBahri-

Ammari and Bilgihan, (2019),contends that in a rapidly changing environment, telecommunication firms strive to retain existing customers, while Adeosun and Ganiyu, (2013), argues that reputation is the the basis a customers selects products from a particular firm. Based on this arguments, this study measured performance as customer retention, reputation, market share growth and profitability growth.

5. STATEMENT PROBLEM

Information and Communication Technology (ICT) is one of the key enablers of economic growth. Kenya's Vision 2030 seeks to transform the country into a knowledge based and information economy. This could be achieved by shifting the current industrial development path towards innovation where adoption, adaptation and use of knowledge are the key sources of economic growth. According to CA reports, (2020), with delivery of services both in public and private sector moving to online, there is a demand for telecommunication services which has led to increased competition.

Application service firms are facing slowing profitability due to poor customer retention. According to CA reports, (2017), there was increasedcustomer portability moving from 11.3% in 2016 to 16.9% in 2017,consequenlty leading to increased customer churn and thus poor customer retention. Customer churn led to loss of revenue from current customers as well as the additional cost incurred from acquiring new ones. Consequently loss of revenue leads to declining profitability therefore firms reducing the marketing budget which has an impact on the firm's effort of maintaining their reputation. Securing of cyber space, abuse of intellectual property and sharing of key infrastructure has resulted to poor customer retention and reduced profitability of telecommunication firms (KIPPRA 2016; 2017). This increasing costs and unfair pricing are some of the factors that have attributed to slowing performance, however further interrogation is necessary.This study sought to examine the effect of first mover strategy on performance of selected telecommunication application service firms in Kenya.

6. THEORETICAL REVIEW

6.1. Goal Setting Theory

The Goal Setting Theory proponents Locke and Latham, (1990) posits that actions are as a results of intended goals. Further, they defined goals as objective or action aimed at achieving specific task within a specified time limit. Latham,Seijts and Slocum, (2016) advanced this theory by identifying three types of goal; behavioral goal where the behavior demonstrated by an individual is measured for a given time period, performance goals that are focused on outcomes such as sales, profitability and learning goals that emphasis implementation of effective plans, processes or procedures necessary to perform a task The greatest level of effort and performance were achieved when the goals are most difficult. When a goal is very specific, performance is less varied due to elimination of vagueness on the expected outcome, (Locke, Chah, Harrison & Lustgarten, 1989). Donovan and Williams, (2003) proposed that current goal choice was influenced by past performance. Setting learning goals when the focus is on a specific performance outcome in a novel and complex task can be minimize tunnel vision (Seijts & Lataham, 2001).

In view of this, firm can set specific goals that are influenced by past performance. Clarity of goals is when a goal is clear, measureable and timely. In addition, difficulty in goals attainment motivates firms to strive for positive goal achievement. Goal commitment makes the firm make deliberate efforts to achieve the goals. Feedback helps adjust goal setting while task complexity makes achieving of goals easier by laying down processes and steps (Locke & Latham, 2006). Participation within the firm in goal setting develops into a sense of responsibility which in turn improves performance (Mazzei, Flynn & Haynie, 2016). Hence, the independent and dependent variables were informed by the postulates and advancements of the goal setting theory. These propositions raise the need of telecommunication application service firms to set specific performance measures based on past performance.

6.2. Game Theory

Proponents of Game Theory,Neumann and Morgenten, (1944), define the theory as a branch of mathematics concerned with analyzing strategies when dealing with a competitive environment in which the participants outcome is dependent on the outcomes of other participants (Cano, Capone, Carello & Cesana 2016). Game theory is based on two primitives, game form and strategy. According to Rubinstein, (1991), game form includes a list of decision problems for each participants, while strategy is the comprehensive explanation of the players actions in the game from the start to the end. The cooperative game theory and the non-cooperative game theory are the two perspectives on the theory. Cooperative game theory approach assumes that there is communication among players, they can form temporary alliances and that agreements can be signed to bind them together. While in the non-cooperative theory, there is no communication between the players and thus it is not possible to have a contract that is binding. Shubik, (1972), postulated game theory constituted a wider scope of theory that gives a language which formally describes goal orientation, conscious and process for which players make decisions.

According to Camerer, (1991) when in a situation of interdependence of outcomes, then analysis of the rational behavior is undertaken. The game theory rationale states that an algorithm built or a decision rule is based on an equilibrium strategy and that firm uncover the equilibrium by introspection. Introspection is a process seen as mental or computational which stimulate results of varying alternatives, dismiss those options that will not yield the anticipated results or reconfigure them. According to Chau, (1996), game theory is not founded on classic theory of probability, but it is the strategic aspects emphasized or aspects that can be manipulated by participants. Hence the reason behind why it has been adapted in studies concerned with competition, there are a number of common factors such as interests that conflict, information that is incomplete, the interplay of chance and rational decisions.

7. Empirical Literature Review

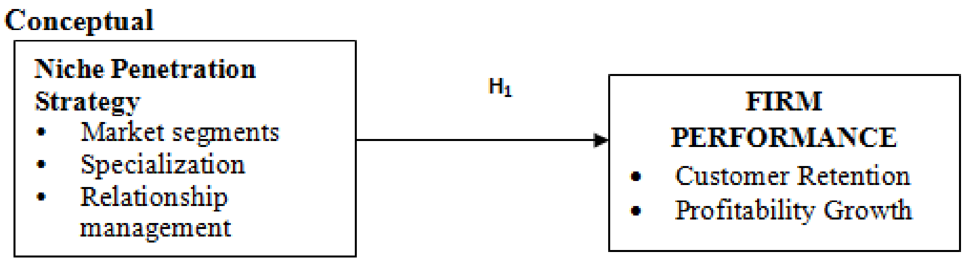
Toften and Hammervoll, (2010) investigated the strategic capabilities owned by firms that adopted niche marketing strategy in seafood and wine industries. The study adopted exploratory research due to the limited literature on niche strategy. The sample size comprised of six firms located in France, Norway and Portugal. Data was collected through semi-structured in-depth personal interviews with key informants. The findings concur with prior studies in niche marketing that specialisation, differentiated products, strong relationships and limited target affirm niche marketing strategy assumptions. The strategic capabilities were found at different level of the value chain and are imperative for the success of the firms. The study adopted exploratory research design focused on niche products while this study adopted an explanatory research design and focus was telecommunication services.

Cuthbert, (2011) investigated adoption of niche strategy as an adaptive strategy for niche markets. This study was conducted in the context of agricultural small and medium enterprises in New Zealand and Canada. Data was collected in the blackcurrant industry, from eleven firms in New Zealand and Canada in the blackcurrant industries. The findings indicated that to sustain a niche market strategy, competition is limited by creation and maintainance of barriers to entry. Alliances, horizontal and vertical networks developments leads to success of niche market strategy. Resources can be shares by SME's through the adoption of horizontal alliances, while the distance between the firm and its final customer can be shorten through vertical alliances. Further horizontal and vertical alliances provide a way for market research and customer relationship management. The study implies that niche marketing strategy is successful when supported by barrier to entry strategy and collaborations with other firms in the value chain. The study was on case studies with discussion and interpretation derived from descriptive analysis while this study is a survey and discussion derived from inferential and descriptive analysis.

Jensen, Cobbs, Groza and Groza, (2014) focused on key elements of a niche strategy and how it can be succesfully applied to managerial decision making in the context of entertainment and sporting industry, case study on Formula1 racing. Data from 19 countries was analysed using hierarchical regression analysis.The study operationalised niche strategy in terms of targeted geographic niche and niche market resources categorised as participants,spectators,sponsors and media attention. The findings showed that advertising does not translate into increased demand for a product or service, the availability of a particular market resource is significant to its the success. Further, when considering niche market strategy, nuances between different geographical markets must be acknowledged. The study was a case study, data was analysed using hierachial regression, while this study was a survey where data was analysed using mutiple regression.

Ottosson and Kindström, (2015) investigated niche market strategy and firm performance. The research design adopted was qualitative in-depth case study on a sample size of three global Swedish steel firms. The findings indicated that niche market penetration strategy was adopted proactively, setting business goals that relate to expansion and growth, customer relationships and profit margins. Proactive niche strategy results to deeper customer knowledge,higher margins, strong brand equity,greater customer loyalty and achievement of a strong position in the marketing channel. The study operationalised niche market penetration strategy in terms of customer referral,multiple customer interactions, opportunities for business development, preferred supplier status achievement and extension of services offered, while this study opertionalised niche market penetration strategy in terms of market segment, specialization and relationship management.

Conceptual Frame work



H_1 Niche market penetration strategy has a significant effect on performance of selected telecommunication application service firms in Kenya.

8. Research Methodology

In order to explain the different aspects of the research problem, descriptive research design which is cross-sectional in nature and explanatory research design was adopted. The target population comprised of twenty one telecommunication application service firms selected from the list of Application Service Providers as provided by Communications Authority.The unit of observation was the heads of the functional areas of marketing, finance, operations and strategy/business development as well as the managing director in each of the selected firms. The study was a census of the twenty one selected application service firms. The study hence comprised of 105 respondents. The researcher made use of both primary and secondary data. In order to collect primary data, a semi-structured questionnaire was utilized. The researcher made certain the content validity was observed by ensuring the questions confirmed to the research objective. In addition, the research instrument was subjected to face validity to make certain that it was a representative on the face value and it appeared satisfactory. The questionnaire was subjected to reviews from supervisors as well as experts in the area of specialization to ensure that the questionnaire possessed face and content validity.A pilot test before actual data collection was on 10% of the sample done to ensure research instruments yielded consistent results on repeated trials.

Table1. *Reliability Test*

Variable		Cronbach's Alpha	No. of Items	Remarks
Niche penetration strategy		.924	6	Reliable
Firm performance		.958	10	Reliable

Source: *Survey Data,2021*

Analyzing of quantitative data was done using descriptive and inferential statistics. Descriptive statistics was done using mean scores, frequencies, standard deviations, and percentages while inferential statistics were carried out using correlation and multiple regression analysis. The nature and the strength of the associations was demonstrated using the Pearson's correlation coefficient (r). The coefficient of determination (R2) was used to measure the variation amount on the outcome variable as explained by the predictor variable. The combined multiple regression model for determining the effect of mutiple predictor variables was stated as follows:

$$YF = \beta_o + \beta_1 X_1 + \varepsilon$$

Where:

Y_F= Composite Index for performance of Telecommunication Application Service Firms

β_o= Constant

β_1- β_4 = Regression coefficients of independent variables that is X_1

X_1 =Niche Market Penetration strategy

ε = Error term

9. Research Findings and Discussions

This study had a target to reach 105 respondents whose composition was made of the managing director, heads of marketing, finance, operations, strategy and business development. There was response rate of 76.19% implying that 80 respondents returned the questionnaires properly filled, which was acceptable to conduct analysis. The busy schedules of the respondents accounted for the unreturned questionnaires at 23.81%. Saunders, Lewis and Thornhill (2007) argued that a response rate of above 50% is justifiable for conducting analysis. Hence, based on that recommendation, this study proceeded with data analysis for the purpose of drawing conclusions and making inferences.

9.1. Results of Descriptive Results

9.1.1. Niche Penetration Strategy

Items formulated in the questionnaire sought to determine respondents' understanding on how the firm targets niche markets. Presented in this section therefore are results on the opinion of respondents regarding niche market strategies as applied by telecommunication application service firms. Mean and standard deviation (SD) was applied to analyse the responses. The results are presented in Table 2

Table2. *Descriptive Statistics on Niche Penetration Strategy*

Statement	**Mean**	**Std Dev**
The firm engages in activities that enhance long-term relationship with the customer	4.20	0.99
The firms customized products compete on value	4.19	0.96
The established relationship had led the firm to provide better solutions to the customers	4.09	1.07
The firm has specialized in tailored products for the niche market	4.06	1.00
The market segment is clearly defined by the firm	4.00	1.09
The defined market segment is measurable	3.75	1.04
Aggregate mean score and standard deviation	**4.05**	**1.03**

Source: *Survey Data (2021)*

Table 2 show that to a large extent firms engage in activities that enhance long-term relationship with the customer and customized products compete on value. Further, established relationship had led to providing better solutions to the customers and the firm specialized in tailored products for the niche market. This is demonstrated by the average score of 4.20, 4.19, 4.09 and 4.06 respectively. However, standard deviations of 0.99, 0.96, 1.07 and 1.00 was an indication that there was variation in the opinion of the respondents. In addition, the average score of 4.00 and 3.75 demonstrate that to a large extent the market segment is clearly defined by the firm and the segments are measurable. However, 1.09 and 1.04 standard deviations indicate there was high variation the opinion of the respondents.

The results shows niche market penetration strategy had aggregate mean of 4.05 indicating respondents to a large extent agree that niche market penetration strategy is adopted by selected telecommunication application service firms in Kenya. The 1.02 standard deviation evidenced that the respondents had varied views concerning the extent to which these strategy was adopted.

9.1.2. Firm Performance

Firm performance was measured in terms of customer retention and profitability. Mean and standard deviation were applied to summarize the findings. The results are presented in table3.

Table3. *Descriptive Statistics on Performance*

	Mean	Std Dev
Customer retention	4.21	0.87
Net profit growth	3.20	1.17

Table 3 demonstrates average mean score of performance measures as customer retention and net profit margin. The results indicate to a large extent telecommunication application service firms have retained customers and net profit growth between 2015 to 2019 was between 10% and 20% as indicaed by mean scores of 4.21 ad 3.20.

9.2. Results of Regression Analysis

Table4. *Empirical Model Coefficients*

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.701	0.231		3.032	0.003
	Niche penetration strategy	0.343	0.092	0.375	3.716	0.000
a Dependent Variable: Firm performance						

Source: *Survey Data (2021).*

Performance of Selected Telecommunication Application Service Firms = 0.701 + 0.343 Niche Penetration Strategy

The null hypothesis that niche market penetration strategy has no significant effect on performance of selected telecommunication application service firms in Kenya. Results in Table 4 show p-value of $0.000 < 0.05$ meaning that the study rejected the null hypothesis concluding that niche market penetration strategy significantly affects performance of selected telecommunication application service firms. Table 4 show that constant had a beta coefficient of 0.701 and niche penetration strategy beta coefficient of 0.343.This implies that a unit improvement in barrier to entry strategy keeping other factors constant at zero would result to 0.343 unit improvement in performance of selected telecommunication application service firms in Kenya.

The results agree with the findings of Ottosson and Kindström, (2015) who argued that when niche market penetration strategy is adopted proactively through setting business goals that relate to expansion and growth, customer relationships and profit margins, organisational performance is enhanced. Similarly, Toften *et al.*, (2010) found that specialisation, differentiated products, strong relationships and limited targeted support niche marketing strategy assumptions which ultimately improves firm performance. Hammervoll,Mora and Toften, (2015) contends that successful implementation of the niche strategy has numerous benefits that include increased profits and competitiveness and high growth and market shares.The results support the Goal Setting Theory that when a firm sets goals that specific and challenging then there is high peformance, contending that a firm adopting niche market penetration strategy should be specific on the target market and thus can realise increased performance Latham, Seijts& Slocum, (2016).

10. Conclusions and Recommendations

This study investigated the effect of niche market penetration strategy on performance of selected telecommunication application service firms in Kenya. Results from the study rejected the null hypothesis and concluded market penetration strategy significantly affect performance of selected application service firms in Kenya. Descriptive analysis found niche market penetration strategy is adopted by telecommunication application service firms. In addition, activities related to that relationship management, specialization and market segmentation are practised by the selected telecommunication application service firms. This study concludes that niche market penetration strategies positively and significantly affected performance of selected telecommunication application service firms in Kenya. By properly defining market segment to be measurable, specializing in tailored products for the niche market, engaging in activities that enhance long-term relationship with the customer and providing better solutions to the customers, selected telecommunication application service firms in Kenya can improve their performance. Regression analysis indicates niche market penetration strategy has the highest coefficient of 0.343, therefore this study recommends that telecommunication application service firms should consider adopting niche market penetration strategy as this positively and significantly improves firm performance. Further, in order to efficiently serve the target market, knowledge of consumer needs is critical, firms should consider relationships management strategies that can provide information that allows the firm to serve customers' needs and wants.

REFERENCES

Bonett, D. G., & Wright, T. A. (2014). Cronbach ' s alpha reliability : Interval estimation , hypothesis testing , and sample size planning, *Journal of Organisational Behavior*, 36(1), 3-15.

Camerer, C. F. (1991). Does strategy research need game theory? *Strategic Management Journal*,12(S2), 137–152.

Cano, L., Capone, A., Carello, G., Cesana, M., & Passacantando, M. (2016). A non-cooperative game approach for RAN and spectrum sharing in mobile radio networks. *European Wireless* (2016)

Chau, C. (1996). Game theory and strategic auditing: part I - introduction. *Managerial Auditing Journal*, 11(4), 21–25.

Creswell, J. W., Klassen, A. C., Plano Clark, V. L., & Smith, K. C. (2011). Best practices for mixed methods research in the health sciences. Bethesda (Maryland): *National Institutes of Health*, 2013, 541-545.

Cuthbert, R. H. (2011). Strategic Planning in Agricultural Niche Markets *(Doctoral dissertation, University of Otago).*

Djiofack-Zebaze, C., & Keck, A. (2009). Telecommunications services in Africa: The impact of WTO commitments and unilateral reform on sector performance and economic growth. *World Development*, 37(5), 919-940.

Donovan, J. J., & Williams, K. J. (2003). Missing the mark: effects of time and causal attributions on goal revision in response to goal-performance discrepancies. *Journal of Applied Psychology*, 88(3), 379.

Field, A. (2009). *Discovering Statistics using SPSS*. Sage: London, UK.

Hammervoll, T., Mora, P., &Toften, K. (2015). Niche marketing and thecase of Bordeaux wine. *Wine Economics and Policy* (9404), 1-12.

Jensen, J. A., Cobbs, J., & Groza, M. D. (2014). The niche portfolio strategy to global expansion: the influence of market resources on demand for Formula One Racing. *Journal of Global Marketing,* 27(4), 247-261.

Jeong, B., & Stylianou, A. C. (2010). Information & Management Market reaction to application service provider (ASP) adoption : An empirical investigation. *Information & Management,* 47(3), 176–187.

Kipkirong, T. D., & Rabach, N. (2013). Determinants of customer loyalty in Kenya: does corporate image play a moderating role? *The TQM Journal*, 25(5), 473–491.

KIPPRA, (2016). Sustaining Kenya's Economic Development by Deeping Expanding Economic Integration in the Region, *Kenya Economic Report 2016.*

KIPPRA, (2017).Fiscal Decentralization in Support of Devolution. *Kenya Economic Report 2017*

Latham, G., Seijts, G., & Slocum, J. (2016). The goal setting and goal orientation labyrinth. *Organizational Dynamics*, 45(4), 271-277.

Letangule, S. L., & Letting, N. K. (2012). Effect of Innovation Strategies on Performance of Firms in the Telecommunication Sector in Kenya. *International Journal of Management and Business Studies*, 9519, 75–78.

Locke, E. A., & Latham, G. P. (1990). A theory of goal setting & task performance. *Prentice-Hall, Inc.*

Locke, E. A., & Latham, G. P. (2006). New directions in goal-setting theory. *Current directions in psychological science* , 15(5), 265-268.

Locke, E. A., Chah, D.-O., Harrison, S., & Lustgarten, N. (1989). Separating the effects of goal specificity from goal level. *Organizational Behavior and Human Decision Processes,* 43(2), 270–287.

Mazzei, M. J., Flynn, C. B., & Haynie, J. J. (2016). Moving beyond initial success: Promoting innovation in small businesses through high-performance work practices. Business Horizons, 59(1), 51-60.

Monday, J. U., Akinola, G. O., Ologbenla, P., & Aladeraji, O. K. (2015). Strategic Management and Firm Performance : A Study of Selected Manufacturing Companies in Nigeria, European *Journal of Business and management*, 7(2), 161–172.

Mugenda, O. M., & Mugenda, A. G. (2003). *Research methods: Quantitative and qualitative approaches.*

Oertzen, Gustav A. Dr, & Asensio, Rafael (2017).*On the technical future of the telecommunications industry.*Oliver Wyman

Okibo, B. W., & Ogwe, S. L. (2013). An Assessment of Factors Affecting Quality Customer Care Services in Telkom Kenya. *International Journal of Scientific & Technology Research* 2(10), 103–110.

Ooko, D., Nzomoi, J., & Mumo, R. (2014). Determinants of Consumer Switching Behavior in Mobile Telephony Industry in Kenya, *International journal of business and commerce,* 3(5)82-98.

Ottosson, M., & Kindström, D. (2015). Industrial Marketing Management Exploring proactive niche market strategies in the steel industry : *Activities and implications. Industrial Marketing Management* 55,119-130.

Resnick, B., & Jenkins, L. S. (2000). Testing the reliability and validity of the self-efficacy for exercise scale. *Nursing research*, 49(3), 154-159.

Rubinstein, A. (1991). Comments on the interpretation of game theory. Econometrica: *Journal of the Econometric Society,* 909-924.

Saunders, M., Lewis, P., Thornhill, A., & Wilson, J. (2009). Business research methods. *Financial Times, Prentice Hall: London*

Seijts, G. H., & Latham, G. P. (2001). The effect of distal learning, outcome, and proximal goals on a moderately complex task. *Journal of Organizational Behavior*, 22(3), 291–307.

Sekaran, U., & Bougie, R. (2010). Theoretical framework in theoretical framework and hypothesis development. *Research methods for business: A skill building approach*, 80

Selvam, M., Gayathri, J., Vasanth, V., Lingaraja, K., & Marxiaoli, S. (2016). Determinants of Firm Performance: A Subjective Model. *International Journal of Social Science Studies*, 4(7), 90–100.

Shubik, M. (1972). On Gaming and Game Theory. *Management Science*, 18(5-part-2), 37–53.

Singhal, P., Forst, H., McClure, G., Sachdeva, A., van Droogenbroek, B., Baschnonga, A., & Mahajan, S. (2015). Global telecommunications study: navigating the road to 2020. *EYGM Limited.*

Toften, K., & Hammervoll, T. (2010). Niche marketing and strategic capabilities: an exploratory study of specialised firms. *Marketing Intelligence & Planning*, 28(6), 736-753.

Wunker, S. (2012). Better growth decisions: Early mover, fast follower or late follower? Strategy and Leadership, 40(2), 43–48.

Yannopoulos, P. (2013). Strategies for Market Pioneers, *World Review of Business Research*, 3(4), 112–124.

AUTHORS' BIOGRAPHY

Rahab Ngugi, holds a Masters in Business Administration (Strategic Management) from Kenyatta University and Bsc in Computer Information Systems (Second Class Upper) from Kenya Methodist University. She is currently pursuing a PhD in Business Administration (Strategic Management) from Kenyatta University. Rahab has many years' experience in the corporate arena, and teaches strategy and entrepreneurship at the university level.

Dr Anne Muchemi is, a Lecturer at Kenyatta University in the Department of Business Administration. She holds a Doctor of Philosophy in Strategic Management from University of Nairobi, Master of Business Administration (Strategic Management) University of Nairobi and Bachelor of Education (First Class Honors) Kenyatta University. Dr Muchemi has many years teaching experience in Management and leadership at University Level both within and without Africa. She has published several journal articles in peer reviewed journals and participated in conferences within and outside Kenya. Dr Muchemi has many years of experience in Consultancy in areas of strategy, human resource management and management.

Dr. Samuel Maina is, a Lecturer in the Department of Business Administration Kenyatta University. He holds a PhD in Business Administration(Marketing) from University of Nairobi, Masters of Business Administration (Marketing Option) Kenyatta University, Professional Post Graduate Diploma in Marketing Chartered Institute of Marketing (CIM-UK), Bachelor of Education (Second Class Upper) Kenyatta University and Bachelor of Biblical Studies and Community Development Outreach Nation-2-Nation Christian University USA. Dr. Maina has many years of experience teaching at University Level. He has published various articles in peer reviewed journals, participated in conferences and developed learning modules at Kenyatta University. Dr Maina has numerous years of consultancy experience and held various positions at the University Administration

Citation: *Ngugi Rahab et al. "Niche Market Penetration Strategy and Performance of Selected Telecommunication Application Service Firms" International Journal of Managerial Studies and Research (IJMSR), vol 10, no. 2, 2022, pp. 8-17. doi: https://doi.org/10.20431/2349-0349.1002002.*