



EFFECT OF ADAPTIVE CAPABILITY ON COMPETITIVE ADVANTAGE (PRICE, DIFFERENTIATION AND QUALITY ADVANTAGE: A STUDY OF MOBILE TELECOMMUNICATION FIRMS IN NIGERIA

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Abstract

The study investigated the effect of adaptive capability on competitive advantage (price, differentiation and quality advantage) of firms in the Nigerian global system for mobile telecommunication with the population of four firms in the above telecommunication. These include MTN, Airtel, 9mobile and Globacom. This study obtained primary source of data collection with the use of Cronbach's alpha correlation coefficient with aid of computer based statistical package for social sciences (SPSS) version 25. The results revealed that there is no significant relationship between adaptive capability and price advantage. Conclusively, the survival of any business depends largely on its ability to acclimatize to the internal and external environment. This study recommends the need to frequently monitor and cultivate new and different strategic business techniques.

KEYWORDS: *Adaptive Capability, price advantage, differentiate advantage, quality advantage and Competitive Advantage*

1.0 Introduction

An advance and transparent business vision as well as its sensibility and flexibility to change will certainly lead to the growth and survival of such business. One of the business slogan today is adaptability. The high rate business failure recorded today is as a result of the inability to adapt or flexible to change. Therefore, every strategic managers and other employees need to be adaptive nature, since is it an important aspect of business survival. The general contentment and fulfilment business owners derived from their businesses is as a result of adaptability. Consequently, the need for adaptive capability. Adaptability Capability is perceived from the aspect of dynamic capability (Zhou and Li 2010). Gibson and Birkinshaw, (2004); Sapienza, Autio, George and Zahra (2006); Zhou and Li, (2010) asserts that business's capacity to speedily restructure and synchronize its assets in response to quick environmental changes is known as adaptive capability. Alternatively, Zhou and Li, (2010) maintain that business capacity to identify and react to outside transformation in advance of other competitors with restructuring inward capitals and operation is called adaptive capability. Constant development acquired through restructuring of treasured resources is known as competitive advantage (Augier and Teece, 2008; Teece, 2007). The accomplishment of businesses and its existence greatly rest on its capacity to generate worth; together with its revolutionize capacity (Wang and Ahmed, 2004). Consequently, businesses that are strategic in products characteristic's or rendering of services, willingness to improve its profitability through pricing and businesses with techniques for accomplishing desired quality levels of goods or rendering of services are vulnerable to survival and gain an edge over its competitors.

2.0 Literature Review

The internal capacity to adjust to a business surrounding is regarded as responsive or independent modification, this stands for a feeling that emphasize on a previous happening. The adaptation above frequently controls the global transformation adaptation (Tompkins and Adger, 2005). Insufficient adaptation establishes that adaptation is a complex matter (Barnett and O'Neill, 2010), happening on a distinctive cover and transient measure, and anchored on opposing traditional environments and public objectives (Turner, Kasperson, Meyer, Dow, Golding, Kasperson, Mitchell, and Ratick 1990; Wilbanks and Kates, 1999; Adger Arnell and Tompkins, 2005 and Orlove, 2005). Adaptation is group into categories. However, this adaptation is expected to comprehend what the impending capacity simulate, likewise individuals artificial proficiency to have gain contemporary acclimatization competence with equivalent situations. the previous is not positively accelerated with worldwide adaptation (Milly, Betancourt, Falkenmark, Hirsch, Kundzewicz, Let-tenmaier and Stouffer, 2008) again, there are significant involvement that can be experienced from the former objectives regarding great adaptations, predominantly in the area of distinguishing the public devices with the potentiality of maintaining, enhancing, responsiveness and modification adaptations (Adger, 2001 and Haddad, 2005). Critical acclimatization of the business environments is a wide-ranging subdivision of adaptive capability (Lockett, Wiklund, Davidsson and Girma, 2011), thereby involves of scrutinizing the inflexibility and indistinctness of its inception (Julien, Andriambelason and Ramangalahy, 2004). Scrutinizing of awareness is the perpetual technique of assembling reality from business rivals, clients, merchants, applied application of acquaintance and the development of beneficial realities to resolve organizational problems. Paliokaite, (2012) indicates that adaptive capability bequeaths competitive edge, specifically in an everlasting adapting surroundings. Adaptive capability is combined as the concept of knowledge acquisition enquiry moreover, change capabilities is the ability to

become successful. Different asset underpinning is an essential predecessor to adaptive capability. The inability of acclimating to organizational assets and its competences on media business which have consequently caused the business to face dangerous threat such as doubtfulness, unsuccessful and unaffordable procedures of service rendering recorded with media business (North and Oliver, 2014). Scholars have reacted to the environmental challenges faced by the concept of dynamic capabilities which have established and preserve the media firms as a result of the development of knowledge accomplished through the adaptation of transformed asset grounded with the purpose of generating chains of provisional competitive benefits, which is also known to be business accelerated (Kung, 2008; Oliver, 2012). Post, Berger and Eunni (2005) establish substantial transformations in business achievement of the best and minimal adaptation businesses, in addition to those with intrinsically coordinate assets and approach to the outward atmosphere created by higher degrees of achievement. Hensman, Johnson and Yip (2013) support that the media firms continuity with the use of businesses critical acclimatization asset with consistently competitive benefit at its center.

There are so many literatures on adaptive capability, but to the best of my knowledge, there is no literature on the effect of adaptive capability on competitive advantage (price, differentiation and quality advantage), therefore the gap this study appears to cover.

Reeves and Deimler (2011) affirms that adaptability is a contemporary competitive benefits, notwithstanding, the maintainable concept of competitive benefit is very challenging to accomplish in the aggressive business competitive environment which distinguish the media firms. In essence, disagreement on the necessity to improve modern adaptive skill competences which will enhance contemporary structure of media business benefits. Additional, the competence to manage greater outcomes in a disruptive business environment persistently transforming accomplished growth and procedure:

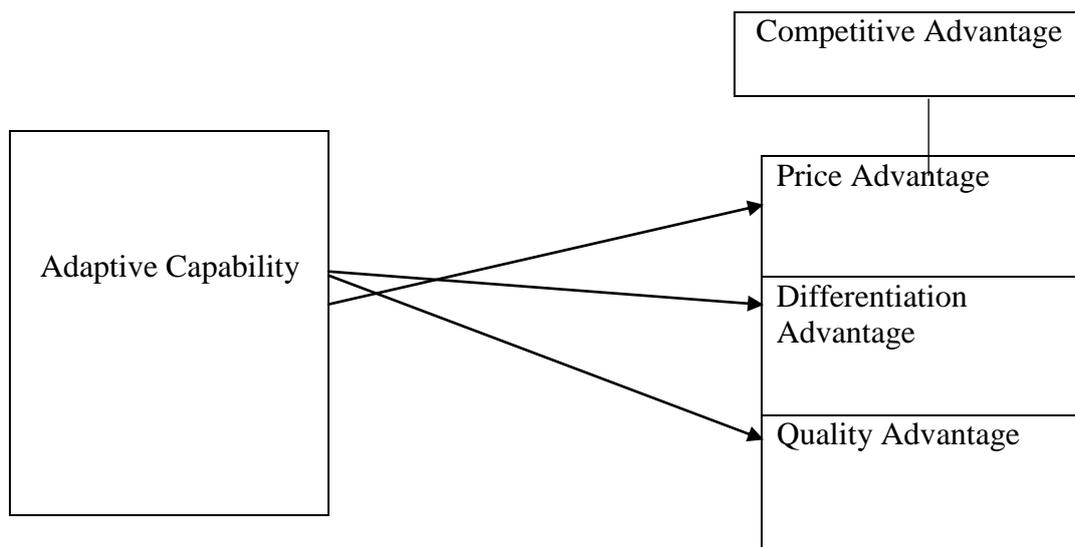


Figure 2.1 Operational Conceptual Framework of Adaptive Capability and Competitive Advantage (price, differentiation and quality advantage)

Source: Desk Research, 2021.

The conceptual framework in figure 2.1 disclosed the connection between adaptive capability and competitive advantage (price, differentiation and quality advantage) of firms in the Nigeria global system for mobile telecommunication.

3.0 METHODOLOGY

A cross-sectional survey was employed in view of this fact-finding. It is an investigation where data are collected once a time, on the contrary, it is a snapshot at a particular time (Ahiauzu and Asawo, 2016).

Population of the Study

This study's population includes MTN, Airtel, 9mobile and Globacom, that is, the four firms in the Global System for Mobile Telecommunication.

Table 3.1 Shows the Numbers of Distributed Questionnaire

S/NO	GSM TELECOMMUNICATION FIRMS	NUMBERS OF QUESTIONNAIRE ASSIGNED TO THE TOP LEVEL MANAGEMENT STAFF OF THE GSM TELECOMMUNICATION FIRMS.						TOTAL NO OF QUESTIONNAIRE
		Rivers (South South)	Anambra (South East)	Lagos (South West)	Abuja, FCT (North Central)	Bauchi (North East)	Kano (North West)	
1.	MTN	5	5	10	7	4	6	37
2.	Globacom	6	5	8	6	5	6	36
3.	Airtel	6	4	9	6	5	7	37
4.	9mobile	5	5	7	5	4	6	32
	Total	22	19	34	24	18	25	142

Source: Field Work, (2021).

Method of Data Collection

The primary data collection strategies employed in this study with the aid of questionnaire.

Reliability and Validity Test

The content validity measure in its assessment of the representativeness of the instruments was employed.

Table 3.2 Scale: Reliability for Adaptive Capability

Reliability Statistics

Cronbach's Alpha ^a	N of Items
.760	6

4.0 Results and Discussion

Table 4.1 Hypotheses 1-3: The Correlation relationship amongst adaptive capability and competitive advantage (price differentiation and quality advantage).

			ADAPTIVE_ CAPABILITY	QUALITY_ ADVANTAGE	PRICE_ ADVANTAGE	DIFFERENTIA TION_ ADVANTAGE
Spearman's rho	ADAPTIV E_CAPABI LITY	Correlation	1.000	.488**	.069	.304**
		Coefficient				
		Sig. (2- tailed)	.	.000	.553	.007
		N	102	102	102	102
	QUALITY_ ADVANT AGE	Correlation	.488**	1.000	.198	.384**
		Coefficient				
		Sig. (2- tailed)	.000	.	.080	.000
		N	102	102	102	102
	COST_AD VANTAGE	Correlation	.069	.198	1.000	.221
		Coefficient				
		Sig. (2- tailed)	.553	.080	.	.051
		N	102	102	102	102
	DIFFEREN TATION_ ADVANT AGE	Correlation	.304**	.384**	.221	1.000
		Coefficient				
		Sig. (2- tailed)	.007	.000	.051	.
	N	102	102	102	102	

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

Source: Survey Data, (2021)

H0₁ There is no relationship between adaptive capability and competitive advantage (price, advantage)

However, the test of hypothesis one shows that no significant relationship existing between adaptive capability and price advantage with a correlation coefficient ($\rho = 0.069$ which is actually weak and a p-value = 0.553) which is higher than alpha value of 0.05. The null hypothesis is however accepted and the alternate hypothesis rejected.

H0₂ There is a significant relationship between adaptive capability and competitive advantage (differentiation advantage)

Test for hypothesis two shows another significant relationship existing between adaptive capability and differentiation advantage with a correlation coefficient ($\rho = 0.304$ and a p-value = 0.007) which is also less than alpha of 0.05. We also reject the stated null hypothesis.

H0₃ There is a significant relationship between adaptive capability and competitive advantage (quality advantage)

Test of hypothesis three shows that adaptive capability significantly relates with quality advantage with a correlation coefficient ($\rho = 0.488$ and a $p\text{-value} = 0.000$) which is less than alpha of 0.05. We therefore reject the stated null hypothesis and accept the alternate.

In summary, there is significant relationship amongst adaptive capability and competitive advantage (quality and differentiation advantage), but there is no relationship between adaptive capability and price advantage

There is no association between adaptive capability and price advantage. The result implies that trying to acclimatize or transform to market surrounding, it does not affect the price or cost of manufacturing. This result contradicts North and Oliver, (2014) that maintains that adapting firm capitals and potentials are expensive process and one that carries a higher danger of defeat as a result of the degree of doubtfulness that characterizes many media markets. Therefore, Global System for Mobile (GSM) Telecommunication Firms in Nigerian require to expand their transformation or change competencies so as to minimize cost and modify their asset. Furthermore, there are significant relationships amongst adaptive capability, differentiation advantage and quality advantage. The scholar corresponded with the assertion of Kung, 2008; Oliver, (2012) which states that businesses that permit continuity with the aid of accomplished knowledge technique which accommodates and transform business assets with the view of creating chain of temporary competitive benefits which is frequently assessed to be high business growth. Furthermore, Post, Berger and Eunni, (2005) establish substantial distinctions in firm achievement within the ultimate and less acclimatization as well as those with inwardly coordinated assets and approach to the superficial environment which the developed superior appraise achievements.

5.0 Conclusions and Recommendation

Adaptive capability is an important dimension of dynamic capability which is required in every organizations to survival and transform in this contemporary generation. More specifically, an organization that able to acclimatize to its environmental will definitely obtain more advantages than its competitors. Additionally, this study, revealed that changes in the environment of business do not affect competitive advantage (price). On the other hand, acclimatization to business environment significantly affect competitive advantage (differentiation and quality advantage).

The study therefore, recommends the top level mangers firms in the Nigeria Global System for Mobile Telecommunication need to develop adaptive capacity and change competencies in order to minimize price production and modify its asset. Moreover, the need to regularly monitor the new marketing techniques should be cultivated by the managers as well.

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