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Investigating the Factors affecting of Competitive Advantages in MTN Company using Structural Equation Modeling

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Abstract

The purpose of the present study is to examine the effect of factors affecting on improving the competitive advantage of companies such as mobile operator companies of Mobile Telecommunication Company of Iran (MCI) and Irancell. Questionnaires were used as the main tool of data collection in this study. The statistical population was composed of managers and customers from the mentioned companies including a sample size of 171; but to make the sample size sufficient, 250 questionnaires were collected through simple random sampling. The structural equation modeling method and the AMOS Graphic software were employed to analyze the data. The results of testing other research hypotheses revealed a significant and positive relationship between cost efficiency and improvement of competitive advantage, flexibility of services and improvement of competitive advantage ,quality of services and improvement of competitive advantage. The relationship between the status variable (time) of providing services and improving competitive advantage services was not significant according to the data collected.

Keywords: Improving competitive advantages, Cost of services, Flexibility of services, Quality of services, , MCI Company, MTN Company

Introduction:

Competitive advantage is considered the basis for superior company performance. To perform at such a level consistently, a firm often has to nurture an evolving system of competitive advantages to carry it through competition and over time. What are the various possible types of such advantages? How can a firm systematically analyze the multiple advantages it could possess and use them to achieve and maintain superior performance? Building on research in strategic management, answers to these questions and others can contribute to managers' knowledge about the nature and content of competitive advantage. Such knowledge can help managers nurture and renew their firms' advantages more effectively through time. Developments in technology, changes in customer needs and globalization are the three main factors in the environment that today's dynamic organizations to achieve their strategic goals and aspirations has led to a vibrant and adequacy, because maximizing shareholder wealth and literature are creating value for shareholders depends on creating value for consumers purchased goods and services. In fact, it can be said that customers of a firm profit owners of movement and life forms. Thus began a new era in domestic trade and its expansion worldwide, the continuity of the organization's competition winning three components of survival triangle, the cost, quality, and time, seek to create value for customers and with contingency management in at least one of them to achieve a competitive advantage (Gorganli Duji & Fazeli, 2009).

Competitive process that every institution seeks to have the better of others, have overtaken him. Competitive capabilities of different countries in the world today one of the major challenges at the international level has become. Competitive advantages can be seen as a company that provides customer value and customer because the value creation remains loyal to the company. In fact, Jupiter's firm value creation for the customer to choose among competitors that provides more value for him (Ramzanian et al., 2014). Basically, strategy is about two things: deciding where you want your business to go, and deciding how to get there. A more complete definition is based on competitive advantage, the object of most corporate strategy:

Competitive advantage grows out of value a firm is able to create for its buyers that exceeds the firm's cost of creating it. Value is what buyers are willing to pay, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price. There are two basic types of competitive advantage: cost leadership and differentiation.

A firm can derive kinetic advantages from its proficiency--knowledge, skills, competence, and capabilities--in conducting business activities and processes. Whereas positional advantages are based on owning valuable assets and gaining superior access, kinetic advantages give a company an edge in what it actually does. They allow the company to perform its value-adding activities more effectively and/or efficiently than its rivals.

Based on prior strategy literature, four major aspects of a firm's capabilities can be identified that confer kinetic advantages: entrepreneurial technical organizational and managerial. Within these capabilities, several major indicators can be chosen to characterize the different aspects underlying kinetic advantage: creativity, efficiency, speed, flexibility, and quality. Thus, a firm enjoys kinetic advantage if its knowledge and capabilities allow its business activities and processes to be more creative, efficient, and

flexible, and if it can respond to customers and the markets quickly. As for quality, it applies not only to the end product but also to the business process. A firm with a quality-driven process can command competitive advantage. Based on all these aspects and indicators, we can outline the content of a firm's specific kinetic advantages, as illustrated in Figure 1, and discuss each separately below.

- **Advantage Through Entrepreneurial Capability**

Through its entrepreneurial capability, a company can effectively align itself with its environment and broaden its business space. It enjoys an edge over its rivals if it can forecast trends and changes in its environment more accurately; if it possesses superior intimate knowledge of its customer base and is good at targeting and selecting customers; or if it has a keen sense of how to identify and create new market opportunities from environmental stimuli.

- **Advantage Through Technical Capability**

While entrepreneurial capability helps a firm identify its core customers and market opportunities, technical capability deals with how it serves its customers through technologies and operating processes. A firm gains advantage if its technical capability allows it to be more efficient, flexible, and high-quality in its operation and quicker in response to customer needs. Specifically, technical capabilities include basic R&D strengths, core competencies, business-specific capabilities, and manufacturing strengths.

Basic R&D strengths provide a sound technical foundation for the entire firm, such as Sony's R&D prowess in many areas of consumer electronics. Core competencies, a firm's unique and often signature skills and capabilities, allow the firm to excel in multiple product markets. Sony's capability in miniaturization enabled it to lead in portable electronics ranging from Walkman to Discman to Watchman. The skills and expertise required to excel at a specific business add special strengths to a particular product or product line. Sony's Trinitron technology provided it with an edge in picture quality for color TV. And superior manufacturing enables a firm to produce quality products, often quickly and efficiently. Sony's manufacturing strengths played major roles in establishing its strong market position in the CD player business.

- **Advantage Through Organizational Capability**

Organizational capability helps mobilize employees toward the common goal of creating customer value. It fosters organizational learning and facilitates change when needed. And it complements technical capability in carrying out a firm's business processes and activities. In fact, technical capabilities are often built into certain organizational routines.

- **Advantage Through Managerial Capability**

Managerial capability enables a firm to build, coordinate, integrate, and reconfigure multiple streams of competencies and deploy them strategically to exploit changing market opportunities. It is a higher order capability that helps generate other capabilities and put them into productive use.

A company with superior managerial capability is expected to survive and thrive through multiple rounds of technological trajectories or transformations of its core businesses. For instance, 3M transformed its core business from mining, to sandpapers and related abrasive and adhesive products, to today's multiple areas and variety of high-tech businesses. What has remained consistent is the superior managerial capability that weaves together technical, organizational, and entrepreneurial capabilities and skills. This helps sustain an organization that persistently thrives on institutionalized innovation.

According to the company's specific competitive situations with the first, for it is more suitable. The aim of this study is to assess the effect of factors affecting on improving the competitive advantage of MTN Company.

In this study will be available by applying theory and literature to answer the question that how affective factors can organizations increase their competitiveness?

The aim of this study was to examine the role of affective factors on improving the competitive advantage Telecom (MCI) in the city of Sanandaj. Based on this hypothesis is formulated as follows: There is significant relationship between " affective factors " and "improving competitive advantage," in Hamrah Avval and MTN Company.

Model

In this study ahead two main variables that affective factors variable as the independent variable and variable improve competitive advantage is considered as the dependent variable. Dimensions effective competitive advantage in this research study is based on Li and Zhao (2006), including cost efficiency, flexibility, process/production services, quality of service and time used, have been considered. As well as for the relationship between two variables of the model related to the research study Shahzad Khan and Muhammad Asif (2013) is used. In the following figure conceptual model to study the effect of variables on each other and the relationship between variables is drawn.

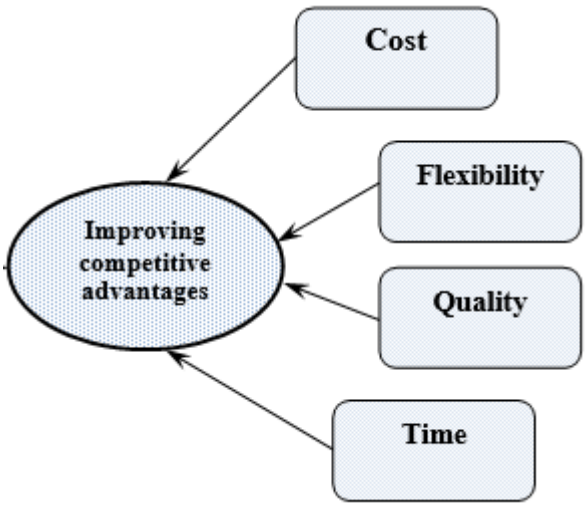


Figure 1: conceptual model
Reference of conceptual model: (Li and Zhao, 2006; Shahzad Khan and Muhammad Asif, 2013).

Methodology

This research is descriptive according to the purpose of the data processing and descriptive achieve results. In this navigation method is usually used for polls. In this study, to obtain information and data in order to evaluate and test hypotheses, study, library and field use. Gathered with questionnaire that uses Internet tools, theses, books, and articles related to the study of literature and theoretical foundations including the definition of variables and the history of law. SPSS software to check the validity of our research experts and professors and to assess the reliability of Cronbach's alpha coefficient.

The questions for this study based on five-item Likert range from strongly disagree to strongly agree, respectively, have been developed. In addition in this study, to extract the dimensions of every latent variables (not shown) of such transformational leadership of former and library studies such as the study of articles and documents related to the use of transformational leadership, and we can say that this questionnaire is a questionnaire was that items of any latent variable using the previous library studies and research papers obtained by using mentioned in the first chapter (including research, Li and Zhao (2006), Shahzad Khan and Muhammad Asif (2013), Parasuraman et al (1985), Tabli et al. (2012), Rudsaz et al. (2012).

Results:

Reliability

To assess the reliability of research tools, the most popular tool used by most researchers Cronbach's alpha is placed. Due to the volatility of Cronbach's alpha was between zero and a number is greater than 0.7 indicate the desired level of reliability (Esmaeilpour et al., 2010). However, due to the fact that in this study, a questionnaire is the main instrument of measurement data, reliability or reliability using Cronbach's alpha was calculated. In this study, Cronbach's alpha for the questionnaire as well as all the questions are generally calculated using SPSS software.

Cronbach's alpha coefficient for the questionnaire based on the output SPSS software as Table 1.

Table 1: Cronbach's alpha for the total scale variables

Variable name	**Cronbach's alpha**		
	MCI	**MTN**	**The total sample**
Cost	0.71	0.703	0.708
Flexibility	0.752	0.762	0.756
Quality	0.855	0.853	0.854
Time	0.863	0.827	0.854

Improve competitive advantage	0.700	0.740	0.717

Therefore, according to SPSS software output is seen to different parts of the questionnaire, Cronbach's alpha numeric value greater than 0.7 and can be considered satisfactory reliability of data from the questionnaires, so the more stages of research in the next chapter for the analysis of data from this data.

Structural equation modeling (SEM)

Structural equation modeling is statistical model for linear relationships between latent variables (unobserved), and manifests variables (observed). In other words, structural equation modeling, powerful statistical techniques that measurement model (confirmatory factor analysis) and structural model (regression or path analysis) is combined with a test at the same time, through this technology, researchers can hypothetical structures (models) or reject verify their compliance with data. The reliability and validity of the model is examined first and then the path and test each of these factors will be discussed. Software used in this study: SPSS and AMOS Graphics.

Since the dimensions of each variable by using previous research and literature study has been extracted, so there is no need to do exploratory factor analysis, confirmatory factor analysis to determine the significance of the relationship, but we'll use variables and show how questions capable of operating the latent variables are mentioned in the questionnaire.

Confirmatory functional analysis of improving competitive advantage variable

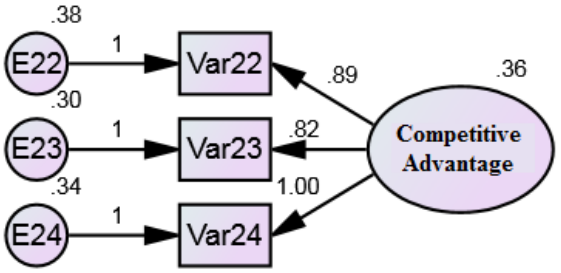


Figure 2: confirmatory factor analysis of improving competitive advantage model with non-standard coefficients

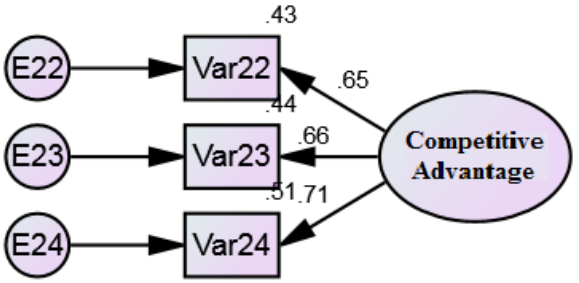


Figure 3: Confirmatory factor analysis of improving competitive advantage model with standardized coefficients

The time is an index on a bigger factor in the interpretation of factors needs to be given more weight in the index (Kline, 2002)

According to the factor loadings obtained AMOS software output of confirmatory factor analysis of improving competitive advantage is needed to test the model. According to the t-statistic values are all above the 1.96 significance level of less than 0.05 is obtained, It is concluded that all loads are a significant factor and their relationship with latent variable improve competitive advantage is approved. To measure mobile operators improve competitive advantage with respect to each of the three questions used in the questionnaire. In the above diagram models of confirmatory factor analysis to determine the regression coefficients were drawn. Test results show that for latent variable models improve competitive advantage, observed variables (factors of trust, character, and reputation among customers) is the highest factor loadings.

There are also quite similar conditions for the rest of variables and t values all factor loadings are significant and their relationship with latent variable is approved.

Examining the relationship between transformational leadership and improve competitive advantage

This hypothesis is as following: there is significant relationship between "transformational leadership" and "improving competitive advantage," Hamrah Avval company MTN companies.

Table 2: Test relationship between affective factors and improve competitive advantage

Direction	Path coefficient	Statistics T	P-Value
Cost efficiency → advantage competitive	0.233	2.858	0.004
Flexibility → advantage competitive	0.273	2.405	0.0016
Quality → advantage competitive	0.616	6.53	0.000
Time → advantage competitive	-0.118	-1.682	0.093

Since the value is higher than 1.96 T, and the significance level is less than 0.05, then H0 is rejected in three first hypothesizes. H0 is no relation between the variables and assumptions H1 positive and significant correlation between the variables is confirmed. The statistics show that more than 1.96 T number is 2.858, 2.405 and 6.53. The numerical value of 0.000 indicates a significant number that is less than 0.05. So in total we can conclude that affective factors except variable "Time" have a significant effect on improving the competitive advantage of mobile operators compared with each other.

Suggestions and Conclusion

- In the first hypothesis to test the impact of the variable "cost" on improving the competitive advantage there. Using structural equation modeling, software output indicates that the structural and fitted model to test this hypothesis. According to the results, significant coefficients and

parameters obtained on the impact of cost on improving competitive advantage are approved. The coefficient obtained is significant when the value of t-statistic is greater than 1.96 and less than -1.96. As the analysis shows results for latent variable "cost", regression coefficient is 0.233 pcs. The t-statistic values for these variables in the structural equation 2.858 number implies that the value is higher than 1.96. Also for this hypothesis, significance level (Sig <0.05), and given the positive value of the coefficient value and it can be concluded that according to the data collected (according to idea of respondents to the questionnaire) is the direct and significant relationship. In other words coet significantly impact on improving competitive advantage. So in total we can conclude that cost has a significant effect on improving the competitive advantage of mobile operators compared with each other. The results of the test measurement model to model separate study showed that the results for Hamrah Avval data was obtained from managers and customers consistent with the results of the total sample, and the results to data from managers and customers MTN also corresponds with the results of the samples showed a significant factor loadings and the significant influence of cost on improving competitive advantage with the first and significant factor loadings and the significant influence of cost on improving the advantage of competitive MTN is separate.

- Attention to test the impact of the variable "Flexibility" on improving the competitive advantage there. Using structural equation modeling, software output indicates that the structural and fitted model to test this hypothesis. According to the results, significant coefficients and parameters obtained on the impact of Flexibility on improving competitive advantage are approved. As the analysis shows results for latent variable "Flexibility ", regression coefficient is 0.273 pcs. The t-statistic values for these variables in the structural equation 2.858 number implies that the value is higher than 1.96. Also for this hypothesis, significance level (Sig <0.05), and given the positive value of the coefficient value and it can be concluded that according to the data collected (according to idea of respondents to the questionnaire) is the direct and significant relationship. In other words Flexibility significantly impact on improving competitive advantage.
- In the thirds hypothesis to test the impact of the variable "Quality" on improving the competitive advantage there. Using structural equation modeling, software output indicates that the structural and fitted model to test this hypothesis. According to the results, significant coefficients and parameters obtained on the impact of Quality on improving competitive advantage are approved. The coefficient obtained is significant when the value of t-statistic is greater than 1.96 and less than -1.96. As the analysis shows results for latent variable "Quality ", regression coefficient is 0.616 pcs. The t-statistic values for these variables in the structural equation 2.858 number implies that the value is higher than 1.96. Also for this hypothesis, significance level (Sig <0.05), and given the positive value of the coefficient value and it can be concluded that according to the data collected (according to idea of respondents to the questionnaire) is the direct and significant relationship. The results of the test measurement model to model separate study showed that the results for Hamrah Avval data was obtained from managers and customers consistent with the results of the total sample, and the results to data from managers and customers MTN also corresponds with the results of the samples showed a significant factor loadings and the significant influence of Quality on improving competitive advantage with the first and

significant factor loadings and the significant influence of Quality on improving the advantage of competitive MTN is separate.

- Attention to test the impact of the variable "time" on improving the competitive advantage there. Using structural equation modeling, software output indicates that the structural and fitted model to test this hypothesis. According to the results, significant coefficients and parameters obtained on the impact of time on improving competitive advantage are approved. As the analysis shows results for latent variable "Time ", regression coefficient is -0.118 pcs. The t-statistic values for these variables in the structural equation -1.682 number implies that the value is less than 1.96. Also for this hypothesis, significance level (Sig >0.05), and given the positive value of the coefficient value and it can be concluded that according to the data collected (according to idea of respondents to the questionnaire) is not have significant relationship. In other words Flexibility have not significantly impact on improving competitive advantage and this hypothesis rejected.

The significant effect of three hypothesizes on improving the competitive advantage of mobile phone services market and taking into consideration the dimensions and items of transformational leadership is suggested that:

- To reduce the cost of services and sensibility that customers are increasingly concerned the marketing mix. There is no doubt that in most cases the price of a commodity or product can attract or repel customers. This is time sensitive services to be offered in a competitive environment.
- Deal with technological change, upgrade their services. Now is an issue that has gained much attention is the use of mobile Internet services Premier spread.
- The provision of quality services, although this issue sounds simple but the quality of such recent history is complex marketing issues. Given the close relationship between the quality of service quality factors (customers' minds, imaginations), could be a key factor in satisfaction and the lack of tithe company's competitive market position hurt.
  Provide competitive field.
- The recommendations of this study can be referred to the appropriate time of service. Our suggestions with regard to the issue of research and results, according to respondents to the questionnaire mobile operators including MCI and Irancell.
- Customer Reviews for offering services as well as providing services at the right time and take customers' requirements.

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