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The Effect of the Blue Ocean Strategy on Realizing the Above-Average Model: An Applied Study at Zain Telecommunications—The Case of Iraq

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Abstract

The current research aims to analyze the effect of the blue ocean strategy on the model of above-average returns for the purpose of realizing superior revenues for Zain Telecommunications. The research involved 60 officials who filled in a questionnaire that was prepared for this purpose. The data were analyzed by employing the correlation coefficient and regression analysis using SPSS v. 24. The research reached some conclusions, the most significant of which were the presence of a significant effect of the blue ocean strategy with its four principles: reduce, raise, eliminate and create in realizing superior returns (above-average) which were translated with its secondary principles: resources, potentials, competitive advantages, attractive industry, preparing and implementing the strategy, and realizing superior returns.

Keywords

Blue ocean strategy, Above-average returns model, Zain Telecommunications

1. Introduction

Increased competition, saturated markets, product imitations, and perpetual changes in consumer buying behaviors are major elements leading to the creation of red oceans and therefore an essential motivator for these companies to create their blue oceans. Hence, organizations are evolving in a "red ocean". The latter are hyper-competitive markets where price wars replace innovation. This study has verified that the blue ocean strategy as a strategic model creates a new strategic space, rather than seeking to perform better than competitors in an existing market. This strategy is founded on three articulated options. It is based on cost leadership by offering higher value with a lower price and meeting new needs and wants thanks to a reduction in costs obtained by high productivity. Second, this strategy is built on market concentration by offering innovative products targeted to ab existing market segment. Third, the blue ocean strategy is founded on product differentiation by providing an offer with different characteristics from that of the competition.

The blue ocean strategy creates a competitive advantage for organizations to be a pioneer in the market. The blue ocean strategy also entitled the Innovation-value policy is grounded on the pursuit of the exploration of original unexploited markets, to differentiate them from the Red Ocean which represents the competitive battle on existing markets (Yunus & Sijabat, 2021). In the red oceans, existing industries compete by capturing a larger portion of the limited market share and seizing demand. For instance, when the marketplace becomes increasingly saturated, predicting opportunities for return on investment, revenue and future advancement diminish. The red ocean leads to commoditizing of good and merchandizes in which competition is strong and furious. Hence, Inventive products are turned into commodities, and growing rivalry becomes growing. On the contrary, the blue ocean is an untapped marketplace. The battle against the competition is executed by carrying out different strategies (cost domination, differentiation) (Dvorak & Razova, 2018). This battle is proven to be hostile, vicious and stained with blood, hence in "red ocean" the water turns tinted when sharks fight over a prey. However, the Blue Ocean Strategy outlines a organized tactical method that aims to make competition unnecessary and outlines the principles and tools any organization can use to build and create its untapped markets. Unlike the Red Ocean, in a Blue Ocean, companies do not compare themselves to their competitors (Carton, 2020). By leaping at value, they create a new, uncontested strategic space, which allows them to outplay the competition. Therefore, the objective of creating blue oceans is to widen the organization space of activities development in new fields. The Blue Ocean Strategy is translated into actions plans at an operational level and is conditioned by a desire for innovation and value creation (Pateman, 2019).

1.1 Problem Statement

In the work environment of the third millennium and in light of the fierce competition among companies to raise or preserve the market share, company administrations have to find innovative ways of thinking if they have to survive and excel. Accordingly, Zain Telecommunications, which is considered one of the largest companies which offer mobile telecommunication services in the Middle East, is facing fierce competition from several companies working in the area and which offer similar services as Asia Cell, Quark Communications among others. It was, thus, inevitable for the company administration to search for additional channels to secure returns that would strengthen its financial situation. Accordingly, Zain Telecommunications entered the world of money and business from its widest doors by adding new and out-of-the-box service production lines by providing financial services which represent an unrelated diversification strategy that will be discussed in the next sections of the research. And since proposing questions is considered to be an urgent need in directing research as a whole according to their variables and transforming them to partial expressions on the level of their dimensions included in these variables, questions around which the research problem revolves are posed:

- Can Zain Cash project be considered a blue ocean strategy?
- Can Zain Cash realizes superior (higher than average) returns?
- Is there a statistical significance for the blue ocean strategy (represented in the Zain Cash service) in the above-average returns model?

1.2 Research Significance

The research acquires its significance from the importance of the topics it deals with and which are derived from its variables and their emanating principles. The significance of the research can be determined by employing the blue ocean strategy for realizing above-average returns to contribute to the support of the optimal investment wallet of Zain Telecommunications services and to vary its investment through entering the service market. This is considered a part of the unrelated diversification strategy, for in the business world companies should vary their investments to reduce the risk rates. In other words, one should not put all his/her eggs in one basket.

1.3 Research Objectives

The research aims to realize objectives, some of which are:

Designing a tool for assessing the research variables (the blue ocean strategy and the above-average returns model).

Assessing the effect and the relationship between the research variables and their dimensions in Zain Telecommunications.

Analyzing the results of the assessment and reaching some conclusions and recommendations.

1.4 Model of the Research

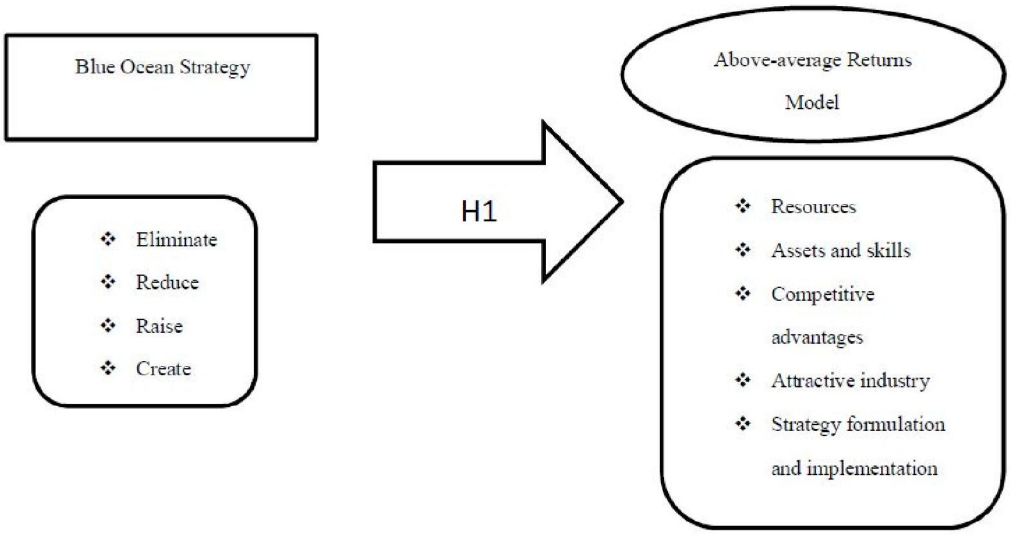

Figure 1. Below Shows the Relationship between the Research Variables

1.5 Research Hypotheses

Primary hypothesis (H1): There is a significant effect of the blue ocean strategy on the above-average returns model.

1.6 Research Population and Sample

The field application of the research at Zain Telecommunications took place in the Al Basra governorate. The company started the Zain Cash project in Iraq to provide different financial services for customers. It is an out-of-the-box service that is different from what the competitive companies in the communications field offer. The project was started in 2014 under the supervision of the Iraqi Central Bank. It is an electronic financial account that provides the subscriber with the possibility of transferring cash into electronic money, charging the prepaid lines, paying post-paid lines, and withdrawing and depositing money. The service also allows the customers to transfer monthly salaries to their families from cities to small villages. It also allows parents to transfer school fees and monthly expenses to their children. It further helps businessmen to pay bills and benefit from the various services available on the application, in addition to the provision of business and entertainment, transfer and delivery, charity organizations, and online shopping from tens of registered sellers on the application who provide different products and services which can be conducted directly through the mobile phone, be it regular or smart. The deposit and withdrawal operations are carried out through thousands of accredited centers found all over the Iraqi cities and governorates, as well as the rural areas and remote villages (zaincash. iq).

Table 1. Below Shows the Details of the Research Sample

C	Zain Branch	Technical	Administrative	Sum
1	Algeria	2	8	10
2	AlZubeir	3	7	10
3	Al Jubaila	2	6	8
4	Al Ashar	5	10	15
5	July 14	2	9	11
6	Basra Times Square	1	5	6
	Sum	15	45	60

2. Literature Review

2.1 The Blue Ocean Strategy

The blue ocean strategy is considered to be one of the most important modern and developed means to realize a sustainable competitive advantage. It is rather a new concept that is based on innovative ideas that are capable of dealing with a complex and fast-paced environment to realize pioneering work and excellence. It makes use of the first mover based on innovation being the cornerstone and the basic content of valuable innovation.

The origins of the blue oceans strategy go back to each Chan Kim and Renee Mauborgne in 2004 in an article published in the Harvard Business Review under the title Blue Ocean Strategy. Kim and Mauborgne co-authored a book under the same title in 2004.

The blue ocean strategy is the product of long-term studies designed to understand the successful strategy by conducting research on 150 strategic movements over 100 years in 30 different industries. It is a strategy made up of strong leaps in the innovation value for the organization as well as the customer and an organized methodology which leads the organization to where the profits and growth in the absence of competition are (Kim & Mauborgne, 2005, p. 84).

The term blue ocean strategy is relatively new, for most industries, today, like cars, planes, electric stations, and communications, did not exist 100 years ago. Some of them were not even expected to appear at that time as mobile phones, computers, and fast mail wasn't known before 30 years. With some speculation, we can find many industries not known today which might be basic industries 20 years from today.

The blue ocean strategy is more of a choice for the organizations to pull themselves out of the bloody competition which characterizes the red oceans and to direct themselves toward innovation and creation in the products and services to ensure a higher demand and set themselves free of competition.

Therefore, the blue ocean strategy is more like the pure blue waters which haven't been contaminated by the bloody waters. The strategy acquired its name from those characteristics to enter the business world thanks to some researchers and thinkers, becoming one of the strategies adopted by organizations in their work under the name blue ocean strategy. The organizations that create blue oceans struggle to create competitive independence through granting a boom in the value of the organization itself. It is worth noting that the industries and services do not stop moving at all; they are continuously self-changing, with their manufacturing processes improving and their markets expanding (Oliver, 2009, p. 1).

Kim and Mauborgne believe that business organizations cannot keep up a superior performance in a highly competitive environment and that the real opportunity lies in navigating to the blue oceans which haven't been discovered or have entered the fiercely competitive market yet (Kim & Mauborgne, 2005, p. 47).

2.2 Finding the Blue Oceans

There is an urgent need to find the blue oceans provoked by the fast development in industrial production technologies, allowing the importers to produce types and selections unprecedented by any products or services, which has led to an increase in the number of industries and to a higher supply than demand (Kim & Mauborgne, 2005, p. 4). The phenomenon of globalization, technological changes, economic fluctuations, and the increase in the social and environmental legalizations in world organizations has led to difficulty predicting them and has started to form huge challenges for business organizations (Rainy, 2006, p. 1). According to Oliver (2009), there are two reasons to find the blue ocean (p. 2):

First: Finding new industries without considering the requirements of the society. However, this proved to be very effective and productive as Google service, to which millions of consumers have been attracted. These consumers have benefited from this service to a large extent since all internet users are using it and know its value.

Second: Finding new applications and redefining the ideas with a currently existing red ocean, for many organizations today practice conflicting activities in an attempt to find new ways to support the internal efficacy, increase the net returns and observe how the competitors penetrate the market, or, in other words, focus on the internal and external activities.

Creating blue oceans is not a stable operation, nor is it a fixed one. It is a set of dynamic processes, for, according to Starmer (2008, p. 3) and Lian (2009, p. 99), the organization works on creating a blue ocean through outstanding performance which leads to known results before innovation emerges in the horizon.

2.3 Characteristics of the Blue Ocean Strategy

Kim and Mauborgne (2005, pp. 37-40), as well as Layton (2009, p. 3), indicate that there are three characteristics of the blue ocean strategy:

1) Focus: The organization is focused on one blend, for this allows the organization to have high expertise in its field of work and enjoy a good reputation in the markets.
2) Uniqueness: When the strategy of the organization becomes just a traditional attempt at keeping up with what the competitors are doing, it loses its uniqueness.
3) The disguised slogan: The effective strategy enjoys a shining slogan and a clear direction, for the attractive slogan gives the clients a clear message and announces the value mixture offered by the organization. The optimal method to test the effectiveness of the strategy is reflected in the power and originality of the slogan it offers its clients without which the strategy of the organization becomes more confused, less distinguished distinction, and not realizable due to the high structure of its cost.

2.4 Principles of the Blue Ocean Strategy

The first content of the blue ocean strategy focuses on the practical framework of its field application, for the sum of these factors centers around a new turn for the value, be it the production of goods or services. This makes it imperative for business organizations to take a new and unfamiliar direction to find a suitable environment for work following a new way of thinking that ensures excellence for the organization in the world of business before the competitors. Business organizations should also be distant from their competitors and work with them according to a new blue ocean. Researchers have identified and agreed on certain principles of the blue ocean strategy (Kim & Mauborgne, 2005, p. 30; Saxtoft, 2008, p. 4; Yang, 2007, p. 114; Gersap, 2006, p. 15; Choyt, 2007, p. 3; Seigemund, 2009, pp. 38-39), including an analytical framework. These principles (eliminate, reduce, raise, create) are formulated in the form of questions to narrow down the usual strategic logic known in the red markets. There are four questions through which the principles of the blue ocean strategy can be identified:

1) What factors are followed by the industry and which need to be eliminated?

2) Which factors should be reduced to a level below the standard agreed on in the field of industry?
3) Which factors should be raised above the standard agreed on the level in the field of industry?
4) What factors should be found and have not been considered by the industry?

These principles will be the cornerstone in building the blue ocean strategy as shown in Figure (2) and they are, according to Saxtoft (2008, p. 196):

Eliminate What elements are adopted by the industry that should be eliminated?	**Reduce** What are the elements that should be reduced to less than the average of the industry?
Raise What elements should be raised to a higher than the industry average?	**Create** What factors need to be created and which haven't been attended to by the industry?

Figure 2. Criteria of the Blue Ocean Strategy (Kim & Mauborgne, 2014)

Source: Saxtoft, C. (2008). Convergence Ce: user Expectation communication Enablers Opportunities. John Wiley and sons.

1) Eliminate:

The organizations seek to eliminate some elements deemed unnecessary by the decision-maker. These elements contribute to cost reduction and, if eliminated, will not negatively affect the sales levels and quality. Eliminating the sale of the organization's products in one market location, eliminating some working individuals who disrupt the work of the organization and earn very high salaries, in addition to eliminating some expenses which can be avoided to reduce the costs of the production process are some examples (Choyt, 2007, p. 3).

2) Reduce:

In this dimension, some work procedures deemed unnecessary by the organization and which contribute to cost reduction are reduced. Some organizations exaggerate the service offered to the clients, which raises the percentage of the costs without gaining any profit (Kim & Mauborgne, 2005, p. 54). The applications which are harmful to the environment in the organization can be reduced by setting strong environmental standards, which is the easiest way for the organization to set itself apart from its competitors, in addition to reducing the vagueness in the environmental application and in the special preparation of the organization through investigating all the applications and the equipment purchased by the organization from the providers with the objective of substituting the suppliers who do not abide by the environmental standards and the legal trade standards (Choyt, 2007, p. 3).

3) Raise:

This means raising some things which can increase and improve the quality of the products provided to the consumer, such as adding sales points, changing the way products are displayed, improving the quality of the product, or doing more research into the success factors, all of which contribute to the satisfaction of the needs and desires of the customers. The activities which lead to legal business and preservation of the environment and social responsibility should be raised to a level higher than the industrial standards which can be easily implemented these days. This is mainly based on the reality of redefining the identity of the organization (Yang, 2007, p. 114).

4) Create:

Creation points to the ability to gather ideas uniquely or to make an unusual relationship among these ideas. The organization which provokes creation develops novel ways of work or innovative solutions for problems. However, creation alone is not enough, for the outcomes of the creation process need to transform into useful products or work methods before they can be called creations. This element addresses the discovery of absolutely new resources for the consumer's value, finding new demands, and modifying the pricing strategy in the industry field (Saxtoft, 2008, p. 196).

2.5 The Industrial Organization Model (I/O Model) of Above-Average Returns

The industrial organization model of the above-average returns explains the overwhelming effect of the external environment on the strategic activities of the organization since the external environment in the sixties up to the eighties represents the main axis of the strategy represented by the organization (Hitt et al., 2007, p. 15).

The I/O model forces the organization to discover the most attractive industry in which it can compete. Since most organizations own similar strategic resources which can be easily transferred to other organizations, the degree of competition can only go up when the industrial organizations with high-profit potential discover and learn how to use their resources in implementing the strategy which suits the hierarchal characteristics of that industry (Hitt et al., 2007, p. 16).

2.6 The Resource-Based Model of Above-Average Returns

The resource-based model of above-average returns assumes that each organization owns a set of unique resources which represent the basis of its returns. This model assumes that potentials grow and develop and denies that they are directed dynamically to follow the above-average returns. According to this model, the variation in performance through time is mainly attributed to the unique resources and potentials instead of the hierarchical characteristics of the industry. This model also assumes that the corporations acquire the same resources and potentials, that the resources are probably not being exploited optimally among the organizations, and that the variation in the resources is the basis of the competitive advantage (Hitt et al., 2007, p. 18).

This model is based on five main assumptions (Mello, 2002, p. 45):

1) The organization's resources form the basis upon which the organization is based in taking its strategic decisions and not on the characteristics of the external environment.

2) The company can acquire a competitive advantage via the procurement of differential organizational resources.
3) The company can select a distinct location and consequently attain valuable resources.
4) Valuable resources are characterized by being costly to imitate and irreplaceable.

The idea of introducing resources is grounded on the unpretentious idea that the establishments are widely distinct amongst themselves since they own a unique set of resources that provide them with the basis from which their strategies spring. Accordingly, the resources are considered to be the main source of returns and profits attained by the organizations. This also assumes that organizations develop their resources and administrations in a dynamic way which helps them achieve higher than average returns for the industry (Markides, 1991, p. 12). This model focuses on the accurate evaluation of the resources and the organizational abilities and considers them at the heart of the competitive advantage and the competitive location of the organization in light of basic factors which are demand, ability, and relevance (Collins & Montgomery, 1995, p. 33).

1. Identifying the resources of the organization. Studying its strengths and weaknesses in comparison with the competitors.	**Resources** Inputs in the production Process of the organization
2. Identifying the potential of the organization. What makes the organization susceptible to the best performance in comparison with the competitors?	**Potentials** A connected and complete set of required resources to achieve the goals.
3. Identifying the resource capabilities and their potentials in light of the competitive advantages.	**Competitive advantages** The ability of the company to surpass the performance of the competitors.
4. Positioning in an attractive industry.	**The attractive industry** The industry in which the opportunities that can be exploited using the resources of the organization are available.
5. Selecting the strategy which allows for a better exploitation of the resources and the capabilities of the an organization concerning the opportunities in the external environment.	**Superior returns** Making above-average returns

Figure 3. The Industrial Organization Mode (Chan Kim & Mauborgne, 2018)

1. Studying the external environment, especially the industrial environment.	**The external environment** The general environment- The environment of the industry-The competitive environment.
2. Building the center in an industry with high-profit potential.	**The attractive industry** An industry that is characterized by offering above-average financial returns.
3. Identifying the suitable strategy for the attractive industry to realize above-average returns.	**Formulating the strategy** Selecting the strategy which is connected to the above-average returns in a certain industry.
4. Developing and acquiring the required assets and skills.	**The assets and skills** The assets and skills required for implementing the selected strategy.
5. Using the power of the organization (its developed and acquired assets and skills) to implement the strategy.	**Implementing the strategy** Selecting the strategic activities which help in implementing the strategy.
	Superior Returns Earning above-average returns.

Figure 4. The Model of Resource Adoption (Chan Kim & Mauborgne, 2018; Vieira & Ferreira, 2018)

Source: Hitt, M., Hoskisson, Ireland, R., & Duane, R. (2007). Management of strategy: concepts and cases. New York.

The Model of Industrial Organization	The Model of Adopting Resources
1. Pillars of the process of strategic administration are formulation, implementation, and evaluation.	1. The unique resources and potentials of the organization represent the basis for the strategy.
2. Characteristics of the external environment, some of which are the environment of the industry, the general environment, and the competitors' environment.	2. The competitive advantages are formed through unifying and integrating a set of resources, abilities, and potentials.
3. Considering the characteristics of the external environment rather than the internal resources as the main determinant of returns.	3. The internal environment represented by its resources and potential is the basis for realizing above-average returns more than the characteristics of the external environment.

4.	Realizing the above-average returns through implementing the strategies imposed by the external environment.	4.	The resources should be of high value, rare, difficult to imitate or copy, and irreplaceable.
		5.	There are two types of abilities which are administrative abilities which are especially important for the successful entry into external markets, and the abilities of the connected products represented in developing new products or redesigning the already existing products to satisfy the relative tastes of the clients.
		6.	Developing its basic abilities continuously.

Figure 5. Comparison of the Two Models

3. Research Methodology

This descriptive and explanatory research aims to understand strategies used in the blue ocean strategy and its influence on the above above-average returns model as an applied study at zain telecommunications. The quantitative research following the hypothetico-deductive reasoning adopted a modified structured questionnaire. This data collected through questionnaires allow shedding light on the blue ocean strategy in communication companies. The use of the questionnaire seemed to us to be the most appropriate to meet the objectives of the study. The questionnaire modified from the study of Kim & Mauborgne, (2014); Chan Kim & Mauborgne (2018) describes that creating blue ocean strategy conflict has several advantages and leverages the above-average return models. This questionnaire was also supported by the literature review and deduced the research hypothesis. As in the first step in validity measures, the questionnaire was checked by experts and face validated. In a second step, 10 employees were contacted first to participate in the questionnaire pre-test. Hence, the validation results drew inspiration to introduce corrections. The paper version in a face-to-face collection method was favored to collect a greater number of respondents. The advantage was to have all the questionnaires completed at the same time by all the members of the zain team.

4. Practical Part of the Research

4.1 Reliability Test to Measure Performance

The reliability test was performed on the dependent and independent research variables and their dimensions. The results are shown in **Table 2** below to ensure the internal consistency of the test.

Table 2. Cronbach's α Test for the Main Variables and Their Dimensions

Type of Variable	Dimensions	Number of parts	Cronbach's α
Independent	Eliminate	5	0.79
	Reduce	5	0.81
	Raise	5	0.90
	Create	5	0.88
	Blue Ocean Strategy	20	0.84
Dependent	Resources	2	0.91
	Potentials	2	0.73
	Competitive advantages	2	0.73
	Attractive industry	2	0.89
	Formulating and implementing the strategy	2	0.82
	Above-average returns	10	0.81

It is clear from the table above that the measurement tool is reliable for all the secondary variables and dimensions. The results of Cronbach's α for all parts of the tool are higher than 70%, which points to the internal consistency of its parts as well as to its viability to conduct other statistical analyses. It is also noticeable that in the case of removing any of the measurement sections, Cronbach's α test will not drastically change, which is an indicator of the reliability of the test (Sekaran & Bougie, 2010).

4.2 Testing the Correlations between the Variables and Their Dimensions

Pearson's correlation was employed to calculate the correlation between the two variables of the research and their dimensions to support the hypotheses of the study. This type of analysis tests the mutual relationships between the independent, interactive, and adopted variables which describe the direction and the degree of correlation among them. This is shown in the correlation matrix which shows the correlation coefficients of these variables (Robson, 2002).

According to Field (2009) and Hair et al. (2010), the written relationship between the variables can be estimated by using Pearson correlation in case the data are normally distributed. And according to Hair et al. (2010) and Cooper and Schindler (2014), the value of the correlation coefficient ranges between +1 and -1. If its value is positive, it means that the correlation is positive and if it is +1 it is called positive. However, if the value of the correlation is negative, it means that the correlation is negative, and if the value is -1, it is called a negative correlation. If the correlation is equal to 0, it means there is no correlation between the two variables. Saunders et al. (2009) presented a standard for the values of correlation coefficients for which he considered the values falling between 0 and 0.3 weak positive and those between 0.3 and 0.7 strongly positive. On the other side, the correlation is considered to be negative when the correlation value ranges between less than 0 and -0.3, and the correlation is considered to be weakly negative, and when it is -0.3 to -0.7 the correlation is strongly negative. The Pearson correlation matrix is shown as follows in the following table:

Table 3. Correlation Between Variables

Variables	Dimensions	1	2	3	4	5	6	7	8	9
	Eliminate	1								
	Reduce	.230	1							
	Raise	.500**	.441**	1						
	Create	.706**	.684**	.902**	1					
	Resources	.409**	.351*	.457**	.525**	1				
	Potentials	.436**	.271	.457**	.507**	.521**	1			
	Competitive Advantages	.549**	.339*	.536**	.614**	.796**	.633**	1		
	Attractive Industry	.453*	.366*	.573**	.544*	.543**	.644*	.566*	1	
	Formulating and implementing the strategy	.587*	.366*	.344*	.655**	.744*	.555*	.453*	.623**	1

** Correlation is significant at the 0.01 level.

* Correlation is significant at the 0.05 level.

The above table clearly shows that the correlation between the variables of the study and its dimensions indicates a strong positive relationship between the variables and the dimensions of the study with a significance of 0.01, which contributes to the preliminary support for the hypothesis of the study. In addition, the results show that the data is viable to conduct other statistical tests, especially to test the hypotheses of the study, according to Saunders et al. (2009).

4.3 Testing the Effect Hypotheses

To test the research hypotheses, the questionnaire data were analyzed after being collected by using SPSS. The results came as follows:

4.4 Analyzing the Results Using Multiple Regressions and Proving the Hypotheses

Table 4. F Test for the Significant Relationship between the Blue Ocean Strategy and the above-average Returns Model

Dependent	Independent	D-F	MS	SS	Calculated F	Tabulated F
Blue Ocean Strategy	Model of above-average returns	26	0.412	6.1618	4.35	2.6
R2=58.3Y						
Significant at the 0.05 level						

Source: Computer output using SPSS

As evident from Table 4 above, and to test the research hypotheses, a multiple regression test was employed. The viability of the regression was tested using the F-test. The results pointed to a significant relationship between the administrative and leadership characteristics and the attitude and personal forces. The value of the calculated F reached 4.35, which is larger than the tabulated F value of 2.6 with a significance level of 0.05 and with a degree of freedom of 26. This result confirms the reliability of the main hypothesis (there is a value with a significant effect for the blue ocean strategy on the model of above-average returns).

4.5 Second: T-test to Test the Significance of the Effect of the Blue Ocean Strategy in the Model of the above-average Returns

To confirm the hypothesis that there is a significant effect, we adopted the results of the statistical test T as follows:

Table 5. The Significant Effect of the Blue Ocean Strategy on the above-average Returns Model

Dependent Variable	Dimensions of the independent variable Blue Ocean Strategy	R2	Std	Calculated t	Tabulated t	Effect
Above-average returns	Eliminate	0.25	0.056	5.977	2.763	Sig.
	Reduce	0.31	0.067	5.069	2.771	Sig.
	Raise	0.21	0.088	3.356	2.681	Sig.
	Create	0.28	0.082	5.813	2.650	Sig.

Source: Computer output using SPSS

The results of the t-test shown in Table 5 above show the following:

- The coefficient of R2 reached what is equivalent to 0.25 between the elimination dimension and the variable of the above-average returns model, which means that the elimination dimensions explain 25% of the change in the dependent variable. The significance of the effect and the validity of the analysis were confirmed by the t-test whose calculated value reached 5.977, which is higher than its tabulated 2.763 value.
- The reduction factors also explained a significance percentage determined by the value of R2 in the dependent variable which was confirmed by the value of t that reached 3.356 in comparison with the tabulated value of 2.681.
- In the same context, the creation value explained a significant percentage concerning R2 which had a significant confirmed value of 28% on the dependent variable of calculated t of 5.813 and which exceeded its tabulated value of 2.650, knowing that all of the above tests were conducted at the significant level of 0.05.

The above results confirm the main research hypothesis (there is a significant effect of the blue ocean strategy on the model of above-average returns).

5. Conclusions and Recommendations

A competitive advantage, an effective implemented strategy, higher yields and above-average returns are the significance outcome provided by the blue ocean strategy. With the blue ocean strategy, Zain company have the ability to produce attractive and original ideas, which will guarantee their investment. The blue ocean concept create value for customers and acquire a leading position in the market. Blue Ocean Strategy makes it possible to achieve this by setting aside the various criteria that fuel competition. Here below are the main results and recommendations.

5.1 Conclusions

- The results of the research showed that Zain Telecommunications has achieved by introducing out-of-the-box additional services by entering the financial services sector to increase its market share to reinforce its reputation in the market.
- The results of the research confirmed that Zain Telecommunications has sought to own and activate the tools of profit analysis consistently to determine the level of its competence in the optimal use of the resources.
- The results of the research have clarified the company's ownership of the potentials that qualify it to build the optimal investment wallet which guarantees the arrival at the above than average returns through its entering the financial services sector.
- The company has sought to realize the requirements of the sustainable competitive advantage through balancing the economic, social, and environmental performance, which ensures the realization of high profitable returns along with serving society and preserving a clean pollution-free environment thanks to its electronic operation and reduction of paper waste.

- The results showed that the company seeks to own the tools of environmental monitoring which enable it to discover the attractive industry and create opportunities for profit in the market.

5.2 Recommendations

- The company recommends eliminating the unnecessary work measures which do not affect the levels of the communications services and replacing them with additional services that realize unexpected returns, including eliminating the unnecessary work equipment, tools, and machinery which disrupt their work and do not add value to their clients and replacing them with work fields that realize returns that surpass those of the competitors from routine activities for it.
- The company recommends following the policy of waste reduction and disruption in the needs of production of the current service (communications) and replacing it with various unconnected services which satisfy the various needs of the clients for the out-of-the-box communication services.
- The company recommends creating new methods for the provision of distinguished services (new blue ocean strategies in addition to the financial service) that realizes adaptation to the organizational environment and its variables to satisfy the clients.
- The company has to ensure the realization of the principle of the strategic implementation as the organizational hierarchy and the organizational culture and the qualified human resources due to its effective role in supporting the company to realize superior returns.

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Appendix A

Questionnaire:

The Effect of the blue ocean strategy on the above-average returns model adopted from Fernández Bravo & Guindal Pintado (2020); SUBHI IDRIS et al. (2019); Kim & Mauborgne (2014); and Chan Kim & Mauborgne (2018).

First: Principles of the blue ocean strategy

1) Eliminate: the elements which are indispensable in the inputs and operations for the objective of reducing costs and creating value.

Number	Questions / Choices	Strongly Agree	Agree	Somehow Agree	Disagree	Strongly Disagree
1	The company works on eliminating the unnecessary work measures which do not affect the telecommunications service level.					
2	The company seeks to eliminate the incompetent individuals who do not affect the service offered to the clients.					
3	The company eliminates the unnecessary work equipment, tools and machinery.					
4	The company has a complete inventory of unnecessary resources and work.					
5	Our company surpasses its competitors by eliminating the activities and operations which do not add any value to its clients.					

2) 2- Reduce: the elements which can be reduced to realize flexibility in the work of the company.

Number	Questions / Choices	Strongly Agree	Agree	Somehow Agree	Disagree	Strongly Disagree
6	The company reduces some work procedures which it deems unnecessary despite their low cost.					
7	The company seeks to reduce the time of completing the service to reduce waste of time and cost.					

8	The company attempts to reduce unnecessary expenses to reduce the total cost.					
9	The company seeks to reduce the time of the service production through the internal design of the work site as the offices of the employees and the administration.					
10	The company resorts to reducing waste in the requirements for the production of the telecommunications service.					

3) Raise: the elements that can be raised to realize the distinction in the service offered to the client.

Number	Questions / Choices	Strongly Agree	Agree	Somehow Agree	Disagree	Strongly Disagree
11	The company seeks to offer its services at a level higher than the expectations of the clients.					
12	The company develops the workers through training.					
13	The company seeks to attract skilled workers who have distinguished potential to raise the competence of the work performed.					
14	The company raises the quality of the service offered to gain the trust of the clients and society.					
15	The company seeks to open and introduce additional services to increase its market share to reinforce its reputation in the market.					
5	Our company surpasses its competitors by eliminating the activities and operations which do not add any value to its clients.					

4) Create: the elements which can be created and have not been attended to by the telecommunications company working in the market.

Number	Questions / Choices	Strongly Agree	Agree	Somehow Agree	Disagree	Strongly Disagree
16	The company employs creation as a source of renewal to improve its reputation in the market.					

17	The company seeks to own new technology in its service operations for its clients.					
18	The company encourages innovation and creation in research and the discovery of new opportunities.					
19	The company creates new methods to adapt to the organizational environment and its variables.					
20	The company adopts offering new ideas following the needs of society and the work market.					

Second: Model of above-average returns: This implies realizing high averages of returns that surpass the average returns of the sector in which the telecommunications firms work.

Number	Measure / Sections	Strongly Agree	Agree	Somehow Agree	Disagree	Strongly Disagree
The supreme administration in the company adopts the tools for applying the model of above-average returns by using:						
1	Resources that lead to increased profitability that consistently exceeds those of the competitors.					
2	Analysis tools of its profitability in a consistent manner to recognize the level of its competence in the optimal use of resources.					
3	Its ownership of the potentials that qualify it to have the optimal investment wallet which guarantees to reach above-average returns.					
4	Its ownership of administrative and leadership potentials enables it to reduce risks as much as possible.					
5	Requirements for realizing a competitive advantage in comparison with its competitors in the telecommunications services market.					
6	Requirements are needed for realizing a sustainable competitive advantage through balancing the economic, social, and environmental performance.					
7	Tools for seizing the attractive opportunities in the environment which realize profitability in the market.					

8	Tools for environmental monitoring enable it to discover the attractive industry and create profitability opportunities in the market.					
9	Strategic administration skills are needed to identify the strategic direction starting from formulating the strategy based on solid methodological bases.					
10	Owning the requirements for strategic implementation as the organizational hierarchy, organizational culture, and qualified human resources.					