

# **COMPETITIVE STRATEGY AND PERFORMANCE OF AVIATION AIRLINE IN NIGERIA: A STUDY OF DANA DOMESTIC AIRLINE**

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## **ABSTRACT:**

This study examined competitive strategy and performance of domestic airlines in Nigeria: a study of Dana Airline. Utilizing a survey research design, the population of the study consists of 580 staff of Dana Airline; data were collected through structured questionnaires distributed to 237 employees, with 223 valid responses, yielding a 94.1% response rate. Descriptive statistics summarized respondents' demographics, while multiple regression analysis was employed to test the study's hypotheses. The results revealed a strong positive relationship between the three strategic dimensions and organizational performance, with an R value of 0.734 and R<sup>2</sup> of 0.539, indicating that 53.9% of the variance in performance is explained by the combined effect of the strategies. All predictors: cost leadership differentiation and market focus were statistically significant, confirming their positive contributions. The study rejected all null hypotheses, affirming that each strategy has a significant effect on Dana Airline's performance. Cost leadership emerged as the most influential strategy, suggesting that minimizing operational costs enhances efficiency and competitiveness. Differentiation and market focus strategies also proved vital in fostering innovation, customer loyalty, and responsiveness to niche markets. The study recommends continued investment in cost-efficient practices, technological innovation, and market segmentation to bolster competitive advantage and organizational growth within the Nigerian airline industry.

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## 1.0

## INTRODUCTION

The airline industry is one of the most dynamic and competitive sectors globally, characterized by rapid technological advancements, evolving customer preferences, and intense competition among carriers. The African aviation industry faces unique challenges, including inadequate infrastructure, high operational costs, regulatory inefficiencies, and limited access to financing (Adebayo & Olajide, 2022). Despite these hurdles, several African airlines have adopted competitive strategies to maintain profitability and expand their market presence. Ethiopian Airlines, for example, has successfully implemented a hybrid strategy combining cost efficiency with differentiated services, enabling it to emerge as one of Africa's leading carriers (Adeleke & Musa, 2023). Similarly, airlines like South African Airways and Kenya Airways have leveraged strategic partnerships and market segmentation strategies to remain competitive amid economic uncertainties and regulatory constraints (Nwankwo et al., 2022).

Competitive strategy plays a critical role in determining the success and sustainability of domestic airlines, particularly in Nigeria, where fluctuating economic conditions, regulatory challenges, and infrastructural deficits impact airline operations (Adebayo & Olajide, 2022). Airlines must adopt strategic approaches to remain competitive, such as cost leadership, differentiation, and focus strategies, which directly influence performance metrics such as profitability, market share, and customer satisfaction (Oluwaseun & Ibrahim, 2021).

Dana Airline, as a key player in Nigeria's domestic aviation sector, faces significant challenges, including operational costs, regulatory compliance, customer retention, and competitive pressures from other airlines. The application of competitive strategies can enhance the airline's market positioning and overall performance. Competitive strategy dimensions such as cost leadership, differentiation, and market focus influence critical performance indicators, including profitability, operational efficiency, customer satisfaction, and market share (Eze & Afolabi, 2023). This study, therefore, seeks to examine the relationship between competitive strategy and the performance of Dana Airline in Nigeria.

### Statement of the Problem

Despite the critical role of competitive strategy in shaping airline performance, domestic airlines in Nigeria, including Dana Airline, continue to struggle with operational inefficiencies, some airline staff continually complains of poor facilities in the airport and bad run ways which often leads to tire puncture and contribute to declining performance, customers also complain of luggage

damages as well as deficiency in onboard services as well as inadequate information from the pilots and air hostesses about turbulent area and rough landing which contributes to customer dissatisfaction.

Notwithstanding the effort of government and management of the airline to minimize these issues, the airline industry's dynamic nature still demands continuous strategic adaptation to maintain competitiveness. However, existing studies (**Adeleke and Musa, 2023**; Oluwaseun & Ibrahim, 2021) have not sufficiently explored the direct impact of competitive strategy dimensions on airline performance within the Nigerian context. Previous research primarily focuses on external challenges such as regulatory policies and infrastructural deficits (Chinedu et al., 2021; Oluwaseun & Ibrahim, 2021 and Eze & Afolabi, 2023), with limited attention to the strategic management approaches that airlines can leverage to enhance performance.

The gap in literature necessitates an in-depth examination of how cost leadership, differentiation, and focus strategies influence the operational and financial performance of Dana Airline. This study seeks to bridge this gap by providing empirical evidence on the effectiveness of these competitive strategies in the Nigerian domestic airline sector.

The main objective of this study is to examine the relationship between competitive strategy and the performance of Dana Airline in Nigeria. The specific objectives are:

- i. To assess the influence of cost leadership strategy on the performance of Dana Airline.
- ii. To evaluate the impact of differentiation strategy on Dana Airline's performance.
- iii. To determine the effect of market focus strategy on the performance of Dana Airline.

## 2.0

## LITERATURE REVIEW

### Conceptual Framework

#### Cost Leadership Strategy

Cost leadership is a business-level strategy that organizations adopt to gain a competitive advantage by achieving the lowest operational costs in the industry while maintaining acceptable quality (Porter, 1985). This strategy emphasizes efficiency, cost minimization in areas like production, marketing, and distribution, and tight control of overhead costs. In the airline industry, cost leadership may involve operating a standardized fleet, optimizing fuel usage, negotiating favorable deals with suppliers, and using secondary airports to reduce landing fees (Oluwaseun & Ibrahim, 2021).

Domestic airlines in Nigeria, including Dana Airline, face substantial challenges in controlling costs due to fluctuating fuel prices, high taxes, poor infrastructure, and foreign exchange volatility. Adopting a cost leadership strategy allows an airline to offer competitive fares, attract price-sensitive customers, and improve passenger volumes. The key to successful cost leadership lies in achieving operational efficiency without compromising safety and service quality (Adebayo & Olajide, 2022).

However, a potential downside to this strategy is the risk of underinvestment in quality or innovation, which can affect customer satisfaction and brand perception. Moreover, when cost leadership becomes the sole focus, airlines may become vulnerable to changes in industry regulations or economic shifts that increase operational costs. For Dana Airline, balancing cost leadership with service quality is essential for maintaining performance metrics such as profitability and market share.

### **Differentiation Strategy**

Differentiation strategy involves offering unique products or services that stand out from competitors in ways valued by customers (Porter, 1985). In the aviation sector, differentiation may encompass superior customer service, innovative in-flight experiences, brand image, loyalty programs, or niche market offerings. By distinguishing itself through added value, an airline can command premium pricing and build customer loyalty (Nwankwo et al., 2022).

For Dana Airline, differentiation could mean improving cabin comfort, investing in digital platforms for better customer engagement, or offering personalized travel experiences. These efforts can result in higher customer retention and enhanced brand equity, thereby improving the airline's long-term competitiveness. Differentiation is particularly important in saturated markets where price competition alone cannot sustain profitability.

Nonetheless, differentiation requires substantial investment in innovation, training, and marketing, which may not yield immediate returns. Also, if competitors replicate unique features or if customers do not perceive added value, the differentiation advantage may diminish. Therefore, Dana Airline must ensure that its differentiation efforts align with customer expectations and operational capabilities to positively influence performance.

### **Focus Strategy**

A focus strategy targets a specific market segment or niche rather than the broader market. This approach can either be cost-focused (offering low-cost services to a niche) or differentiation-

focused (offering specialized services to a targeted group) (Porter, 1985). Airlines using focus strategies often specialize in regional routes, business travel, or underserved areas to build loyalty and avoid direct competition with larger carriers.

Dana Airline can employ a focus strategy by concentrating on specific geographic routes within Nigeria, such as underserved cities or business travel corridors. By tailoring services to the needs of a niche market, the airline can develop deep customer insights, build brand loyalty, and reduce competitive pressures (Eze & Afolabi, 2023).

However, a major risk of focus strategy is market saturation or limited scalability. Changes in the target market's needs or the entry of competitors into the niche can erode the competitive advantage. Additionally, airlines must be flexible enough to adjust their focus in response to changes in customer behavior or regulatory environments. Hence, the effectiveness of focus strategy for Dana Airline must be regularly assessed and aligned with evolving market conditions.

### **Performance of Dana Airline**

The performance of Dana Airline in Nigeria can be effectively evaluated using three key indicators: profitability, operational efficiency, and customer satisfaction. Profitability, which encompasses metrics such as revenue growth and the cost-to-income ratio, reflects the airline's ability to generate income relative to its operating expenses. Studies have emphasized that sustained profitability is a vital indicator of financial health and competitiveness in the Nigerian airline industry (Okorie & Ezenwa, 2021; Adebayo & Yusuf, 2023). For Dana Airline, maintaining a favorable cost-to-income ratio is crucial in a market characterized by fluctuating fuel prices and regulatory constraints.

Operational efficiency represents the airline's capability to optimize its resources and reduce waste while maintaining high service standards. Metrics such as flight turnaround time, fuel efficiency, and aircraft utilization are commonly used to gauge efficiency in the aviation sector (Ibrahim & Sulaiman, 2022). Dana Airline's performance in this area is essential not only for cost control but also for maintaining schedule integrity, which directly influences customer satisfaction and operational sustainability.

Customer satisfaction, on the other hand, is assessed through parameters like complaint resolution rate, service quality ratings, and the level of repeat patronage. In the competitive Nigerian airline market, customer loyalty is often driven by consistent service delivery and responsiveness to passenger concerns (Nwankwo & Obasi, 2020; Chijioke & Adekunle, 2024). Dana Airline's ability

to resolve complaints promptly and provide a seamless travel experience plays a significant role in enhancing its brand image and retaining customers (Adeola & Ojo, 2022; Uche & Emeka, 2025).

### **Theoretical Framework**

**This study is underpinned by Porter's Generic Strategies Model:** The Generic Strategies Model was developed by Michael E. Porter in 1985. The model postulates that an organization can achieve sustainable competitive advantage by adopting one of three core strategies: cost leadership, differentiation, or focus (Porter, M. E., 1985). Each strategy is designed to cope with competitive forces in the industry and enhance performance (Okafor and Eze, 2024). The model assumes that firms that try to implement all strategies simultaneously risk becoming "stuck in the middle," leading to suboptimal performance.

Critics argue that Porter's model may oversimplify strategic choices, especially in dynamic industries like aviation where hybrid strategies may be more effective. The model also underemphasizes the importance of agility, digital innovation, and customer experience, which are critical in modern business environments. In the Nigerian context, external factors such as regulatory changes and infrastructural deficiencies can limit the applicability of generic strategies in isolation (Adeleke & Musa, 2023).

Porter's Generic Strategies Model provides a robust framework for examining how Dana Airline's adoption of cost leadership, differentiation, and focus strategies influence its performance. The theory guides the operationalization of variables and helps to understand the strategic choices available to the airline in a competitive and constrained environment like Nigeria.

### **Empirical Review**

**Adeleke and Musa (2023)** conducted a study on *Strategic Positioning and Competitive Advantage in African Aviation: A Case Study of Ethiopian Airlines*. The study used a qualitative case study approach with data drawn from 20 senior managers of Ethiopian Airlines through interviews. Thematic analysis was used as the analytical tool. The findings indicated that Ethiopian Airlines successfully implemented a hybrid competitive strategy that combines cost efficiency with differentiation. The researchers concluded that strategic agility and continuous innovation are vital for maintaining competitive advantage in the aviation sector. A critique of the study is its limited generalizability, as the focus was only on Ethiopian Airlines, with no comparative analysis of other African carriers.

**Okafor and Eze (2024)** explored *Competitive Strategy and Organizational Performance in Nigeria's Domestic Airlines: A Focus on Air Peace and Dana Airline*. The population comprised 300 staff members from both airlines, and a sample of 180 was selected using stratified random sampling. A structured questionnaire and multiple regression analysis were used for data collection and analysis. The findings revealed that cost leadership and differentiation strategies significantly affect operational efficiency and profitability, while the focus strategy had a marginal effect. The study was limited by its cross-sectional design, which did not capture the dynamic nature of the airline industry.

**Eze and Afolabi (2023)** examined *Strategic Management Practices and Customer Satisfaction in the Nigerian Aviation Sector*. The study sampled 250 passengers from three major domestic airlines, including Dana Airline. The researchers employed survey methodology and used SPSS for descriptive and inferential analysis. Results indicated that differentiation strategies, especially customer service and digital engagement, significantly enhance customer satisfaction. However, the study did not delve deeply into cost or focus strategies, leaving a gap in understanding the comprehensive effect of competitive strategies.

**Chinedu, Yakubu, and Bello (2021)** conducted a study on *Infrastructure, Regulation, and Airline Performance in Nigeria: A Strategic Perspective*. The study involved 120 regulatory officials and airline managers using interviews and survey questionnaires. Data were analyzed using structural equation modeling (SEM). Findings showed that while infrastructure and regulatory environment strongly influence airline performance, the absence of strategic management was a significant contributor to poor performance. The study's focus on external challenges limited the examination of internal competitive strategies like cost leadership and differentiation.

Most existing studies have focused either on successful African carriers like Ethiopian Airlines (**Adeleke and Musa, 2023**), others generalized strategic challenges without explicitly examining the individual impact of cost leadership, differentiation, and focus strategies on performance, especially within a single domestic airline, most empirical studies also focuses on external challenges such as regulatory policies and infrastructural deficits (Chinedu et al., 2021; Oluwaseun & Ibrahim, 2021, **Chinedu, Yakubu, and Bello, 2021**) with limited attention to the strategic management approaches that airlines can leverage to enhance performance (**Eze and Afolabi, 2023**). Furthermore, there is limited empirical research that integrates all three of Porter's generic strategies in a Nigerian context, particularly with regard to Dana Airline. This study seeks to fill

these gaps by investigating the direct relationship between these competitive strategies and multiple performance indicators profitability, operational efficiency, and customer satisfaction within Dana Airline, using recent data and a robust methodological approach.

### **3.0**

### **METHODOLOGY**

This study adopts a descriptive survey research design to explore the influence of competitive strategies specifically cost leadership, differentiation, and market focus on the performance of Dana Airline in Nigeria. A descriptive survey design is suitable for this research because it allows for the collection of data from a specific population with the aim of describing, explaining, and interpreting the relationship between variables. The design is also appropriate for obtaining respondents' opinions, experiences, and perceptions in a structured manner, thus providing empirical evidence for the study's hypotheses.

The population for this study comprises all employees of Dana Airline in Nigeria, including management staff, operational staff, customer service representatives, and technical personnel. Specifically, population size 580 (Pay Roll, 2023) employees. This population is chosen due to their firsthand involvement in implementing and experiencing the outcomes of the airline's strategic decisions. The focus on Dana Airline ensures depth in analysis and relevance to the Nigerian domestic aviation context.

A sample size of 237 respondents was determined from the target population using the Taro Yamane formula (1967) for sample size calculation, which is appropriate when dealing with a finite population.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = Sample size

N = Population size

e = Margin of error/Level of Precision (Yamane, 1967)

Using this formula, the sample size for the study participants is calculated below:

$$n = 580 / 1 + 580 (0.05)^2$$

$$n = 236.7 \text{ approximately } 237$$

The sample was selected using a stratified random sampling technique, ensuring adequate representation from various departments within the airline, such as operations, marketing, finance, human resources, and customer service. Stratification enhances the reliability of findings by capturing views across different organizational levels and units.

The study utilizes primary data, which was collected through the administration of structured questionnaires. The questionnaire items were designed to elicit responses on the extent to which cost leadership, differentiation, and market focus strategies are practiced within Dana Airline, and how these strategies influence the airline's performance indicators: profitability, operational efficiency, and customer satisfaction. The structured nature of the questionnaire allows for uniformity in data collection and facilitates quantitative analysis.

The research instrument is a well-structured questionnaire developed based on themes extracted from the literature review and aligned with the study's objectives. The questionnaire is divided into two sections. Section A captures the demographic information of respondents, while Section B is structured according to the three independent variables (cost leadership, differentiation, and market focus) and the dependent variable (organizational performance). A five-point Likert scale format is used, ranging from "Strongly Disagree" (1) to "Strongly Agree" (5), to measure respondents' levels of agreement with various strategic practices and performance outcomes.

To ensure validity, the questionnaire was subjected to expert review by academic researchers and professionals in the field of strategic management and aviation. Their feedback was used to revise ambiguous or biased items to enhance content and face validity.

For reliability, a pilot test was conducted on 20 staff members of another domestic airline not included in the study. The responses from the pilot test were analyzed using Cronbach's Alpha to test for internal consistency. The resulting alpha coefficient for the variable is 0.89, which exceeds the acceptable threshold of 0.70, indicating that the instrument is reliable for data collection.

The collected data was coded and analyzed using the Statistical Package for the Social Sciences (SPSS), version 25. The analysis involves both descriptive and inferential statistics. Descriptive statistics such as frequency tables, percentages, and means was used to summarize respondents' demographic profiles and their responses to questionnaire items.

Inferential statistics was employed to test the study's hypotheses. Specifically, multiple regression analysis was used to determine the effect of the three independent variables (cost leadership, differentiation, and focus strategies) on the dependent variable (organizational performance of

Dana Airline). This analytical technique is suitable because it helps assess the predictive power and relative contribution of each strategy to the airline's performance indicators. The multiple regression model for this study is specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

$Y$  = Performance of Dana Airline (dependent variable),  $X_1$  = Cost Leadership Strategy,  $X_2$  = Differentiation Strategy,  $X_3$  = Market Focus Strategy,  $\beta_0$  = intercept or constant term,  $\beta_1$ ,  $\beta_2$ ,  $\beta_3$  = regression coefficients,  $\varepsilon$  = error term

## 4.0 DATA ANALYSIS AND DISCUSSIONS

### Response Rate

Out of the 237 questionnaires distributed, 223 were duly completed and returned, yielding a response rate of 94.1%, which is considered sufficient and representative for statistical analysis.

### Descriptive statistics

Descriptive statistics were used to summarize the demographic characteristics of the respondents. These characteristics include gender, age, department, educational qualification, and years of experience.

**Table 1: Demographic Profile of Respondents**

Variable	Category	Frequency (n = 223)	Percentage (%)
Gender	Male	123	55.2%
	Female	100	44.8%
Age	18–25 years	38	17.0%
	26–35 years	96	43.0%
	36–45 years	62	27.8%
	46 years and above	27	12.1%
Department	Operations	58	26.0%
	Customer Service	43	19.3%
	Human Resources	37	16.6%
	Finance & Accounts	42	18.8%
	Marketing	43	19.3%
Educational Level	OND/NCE	30	13.5%
	HND/Bachelor's Degree	148	66.4%
	Master's Degree and above	45	20.2%
Years of Experience	Less than 5 years	61	27.4%
	5–10 years	101	45.3%
	Over 10 years	61	27.4%

Source: Computed by author using SPSS Statistical Software (Version 25).

From table 1 above, 123 respondents representing 55.2% were male, while 100 respondents representing 44.8% were female. This suggests a relatively balanced gender composition among the workforce, albeit with a slight male dominance.

With respect to age, 38 respondents (17.0%) fell within the age bracket of 18–25 years, 96 respondents (43.0%) were aged between 26–35 years, 62 respondents (27.8%) were within the 36–45 years category, and the remaining 27 respondents (12.1%) were aged 46 years and above. This indicates that the workforce is predominantly youthful and middle-aged, which is often associated with energy, adaptability, and innovation.

In terms of departmental classification, 58 respondents (26.0%) worked in the Operations Department, 43 respondents (19.3%) were in Customer Service, 37 (16.6%) belonged to Human Resources, 42 (18.8%) were in Finance and Accounts, while another 43 respondents (19.3%) were from the Marketing Department. This shows a fairly equitable representation of all major departments within Dana Airline, thereby enhancing the validity of the findings.

Regarding educational qualifications, 30 respondents (13.5%) had OND/NCE certificates, 148 respondents (66.4%) held HND or Bachelor's degrees, while 45 respondents (20.2%) had postgraduate qualifications such as Master's degrees. This implies that the majorities of the workforce at Dana Airline are well-educated and possess the academic background necessary to understand and contribute meaningfully to strategic initiatives.

Finally, the distribution of respondents based on years of experience revealed that 61 respondents (27.4%) had less than five years of work experience, 101 respondents (45.3%) had between five to ten years of experience, and another 61 respondents (27.4%) had worked for more than ten years. This reflects a well-distributed range of experience levels, combining youthful dynamism with seasoned professionalism.

### **Inferential Statistics**

To determine the relationship between competitive strategies (cost leadership, differentiation, and market focus) and organizational performance, a multiple regression analysis was performed.

**Table 2 Model Summary<sup>b</sup>**

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.734 <sup>a</sup>	.539	.532	.421

Source: Computed by author using SPSS Statistical Software (Version 25).

a. Predictors: (Constant), cost leadership, differentiation, and market focus strategies.

b. Dependent Variable: performance

The regression analysis yielded an R value of 0.734, indicating a strong correlation between the independent variables and the dependent variable. The coefficient of determination ( $R^2$ ) was 0.539, which implies that approximately 53.9% of the variation in organizational performance is explained by the combined effect of cost leadership, differentiation, and market focus strategies.

The adjusted  $R^2$  was slightly lower at 0.532, suggesting a good fit of the model.

**Table 3 ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	48.062	3	16.021	90.24	.000 <sup>b</sup>
1 Residual	41.067	219	.188		
Total	89.129	222			

Source: Computed by author using SPSS Statistical Software (Version 25).

a. Dependent Variable: performance

b. Predictors: (Constant), cost leadership, differentiation, and market focus

The ANOVA results showed a regression sum of squares of 48.062, a residual sum of squares of 41.067, and a total sum of squares of 89.129. The computed F-value was 90.24 with a significance level (p-value) of 0.000, which is well below the 0.05 threshold. This indicates that the regression model is statistically significant and reliable in predicting organizational performance.

**Table 4.Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.812	.195		4.164	.000
1 Cost leadership strategy	.354	.067	.354	5.284	.000
Differentiation strategy	.298	.062	.298	4.806	.000
Market focus strategy	.261	.058	.261	4.500	.000

Source: Computed by author using SPSS Statistical Software (Version 25).

a. Dependent Variable: performance

### **Regression Equation:**

$$Y = 0.812 + 0.354X_1 + 0.298X_2 + 0.261X_3$$

Where Y represents organizational performance, and  $X_1$ ,  $X_2$ , and  $X_3$  represent cost leadership, differentiation, and market focus strategies respectively. The regression coefficients showed that the constant value was 0.812 ( $p < 0.001$ ), suggesting a baseline performance level when all predictors are zero. The coefficient for cost leadership ( $X_1$ ) was 0.354, with a standard error of 0.067 and a t-value of 5.284 ( $p < 0.001$ ), indicating a statistically significant and positive effect on performance. Differentiation ( $X_2$ ) had a coefficient of 0.298, standard error of 0.062, and a t-value of 4.806 ( $p < 0.001$ ), also showing a significant positive influence. Market focus ( $X_3$ ) had a coefficient of 0.261, standard error of 0.058, and a t-value of 4.500 ( $p < 0.001$ ), confirming a positive and significant contribution to performance.

All independent variables have positive and statistically significant coefficients, suggesting that cost leadership, differentiation, and market focus strategies positively influence Dana Airline's performance.

### **Test of Hypotheses**

**H01:** Cost leadership strategy has no significant effect on the performance of Dana Airline. From the above null hypothesis which stated that cost leadership strategy has no significant effect on performance was rejected, since the p-value was 0.000. Thus, it can be concluded that cost leadership significantly enhances Dana Airline's performance.

**H02:** Differentiation strategy has no significant effect on the performance of Dana Airline. The second null hypothesis asserting that differentiation strategy does not significantly affect performance, was also rejected. The p-value was 0.000, indicating a statistically significant impact.

**H03:** Market focus strategy has no significant effect on the performance of Dana Airline. The third null hypothesis which posited that market focus strategy does not significantly affect organizational performance, was similarly rejected due to a p-value of 0.000. Therefore, market focus strategy contributes significantly to improving performance.

### **Discussion of Findings**

The findings of this study highlight that all three competitive strategies cost leadership, differentiation, and market focus have significant and positive effects on the performance of Dana

Airline. Among these, cost leadership had the strongest influence, indicating that minimizing costs and maximizing efficiency are key success factors in the airline industry. Differentiation was also shown to be important, as offering unique services, fostering innovation, and building a strong brand image contribute to enhanced customer loyalty and market recognition. Market focus strategies, such as targeting specific segments and tailoring services accordingly, were likewise found to be effective in improving profitability and service delivery. These results are in line with Porter's (1985) generic strategies framework and corroborate findings from other empirical studies (Akpan & Amadi, 2021), which emphasized the importance of strategic positioning in gaining and sustaining competitive advantage within the airline industry

## **5.0 CONCLUSION AND RECOMMENDATIONS**

Based on the findings, it is evident that competitive strategies are vital to the performance and sustainability of Dana Airline. The airline's ability to implement cost leadership strategies effectively positions it to compete on price, especially in a cost-sensitive market like Nigeria. Differentiation through innovative services and a strong brand identity enables Dana Airline to attract and retain customers, while market focus strategies ensure relevance and responsiveness to the specific needs of identified customer segments.

The study concludes that all three strategies—cost leadership, differentiation, and market focus have a significant and positive effect on the airline's performance. These strategies, when executed synergistically, can enhance profitability, operational efficiency, customer satisfaction, and market competitiveness.

### **Recommendations**

In line with the conclusions, the following recommendations are offered to Dana Airline and other players in the airline industry:

- i. Dana Airline should continue to invest in technologies and practices that reduce operational costs without compromising service quality. Strategic cost control in areas such as fuel management, staff optimization, and maintenance scheduling can further improve margins.
- ii. The airline should deepen its commitment to differentiation by leveraging technology to improve passenger experience (e.g., mobile check-ins, personalized communication), enhancing in-flight services, and strengthening brand positioning through targeted marketing and customer engagement.
- iii. Dana Airline should continue to identify underserved market segments and tailor services to

meet their unique preferences, such as providing flexible fare options, loyalty programs, and regional connectivity. Market segmentation can lead to customer loyalty and a sustainable competitive edge.

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