

POSITIONING STRATEGIES ADOPTED BY FIRMS THAT OFFER COURIER SERVICES IN KENYA

By

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DECLARATION

I declare that this project is my original work and has never been submitted in any other university for the award of any degree, other than the University of Nairobi for academic purposes.

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This research project has been submitted for examination with my approval as the
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DEDICATION

This work is dedicated to the Almighty God the giver of life & health for allowing me to accomplish this task successfully. To my late mum Elizabeth C. Birech for her inspiration in my life and for helping me understand the value of hard work, humility & determination. My loving brothers Caleb Bosuben, late Nathan Bosuben, Hillary Bosuben, Gideon Bosuben and my only sister Caro Rukaria for being my daily inspiration.

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ABSTRACT

Positioning strategies are very important and relevant for courier firms in provision of superior services. Being a developing country, Kenya is going through the process of globalization and liberalization of its market and services resulting in intense competition. This has given rise to new business processes, different information flows, and changed policies, new kinds of records, advanced security measures, and new data management methods. The general objective of the study was to identify positioning strategies adopted by courier firms in Kenya. It also established the how these firms develop and use these strategies to sustain their competitive advantage.

This study was descriptive employing both qualitative and quantitative methods of data collection. The target study area was ten courier firms based in Nairobi with 50 respondents from marketing department being interviewed. A self-administered open and closed ended questionnaire was utilized in collecting primary data from the field. Data collected from the field was analyzed using descriptive data analysis and information presented in graphs, frequency distribution tables and figures. The research has successfully explored the adoption of positioning strategies used by the courier firms within the limitation of time and cost.

This study indicated that acceptance of the positioning strategies by the decision makers is also critical and therefore there is need for good identification of the customer needs to help in speeding up the adoption of this strategy and avoid rejection of the same. However, limiting aspects such as lack of technical skills, poor understanding of the relevance of positioning strategies by those in the management and poor internal support hinder the implementation.

The study recommends that the marketing managers need to sensitize its top management on the values associated with positioning. To ensure the success of positioning the corporate level and other departments must be trained and involved at the development and implementation levels so that they understand importance of positioning strategies for the company as a whole. Lastly the top executives have to support and make enough resource allocation to ensure the success of implementation of these strategies if they are to be competitive in the market.

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ABBREVIATIONS

CCK	Communication Commission of Kenya
EDI	Electronic Data Interchange
FedEx	Federal Express
GATS	General Agreement on Trade in Services is a Treaty of WTO that entered into force in January 1995 as a result of the Uruguay Round negotiations.
GDP	Gross Domestic Product
ILO	International Labour Organizations
NGOs	Non-Governmental Organizations
PCK	Postal Corporation of Kenya, Public Postal Services
UNCPC	United Nations Central Product Classification
UPS	United Parcel Services
USO	Universal Postal Service
WTO	World Trade Organization

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

One of the most important developments over the past three decades has been the growing willingness of governments to open up the national economy to global market forces. The widespread rollback of policies that block the free movement of goods and capital has affected the quality of life for millions of the world's citizens. Economists reckon the gains to developing countries from a liberalized capital regime to be in the billions of dollars of added GDP growth (Dobson and Hufbauer 2001; Soto 2000). Some, however, acknowledge the instability and human insecurity left in liberalization's wake (Kaplinsky 2001; Prasad et al, 2003). These debates have not been resolved. Nevertheless, few policy choices are as fundamental as those that determine how a national economy should engage-or resist-the forces of economic globalization.

Despite its centrality to the economic history of the last third of the twentieth century, we know little about the conditions that underlie the ebb and flow of liberalization worldwide. Scholars have built theory about the preferences of domestic actors for liberalization (Frieden 1991; Rogowski 1989), explored the partisan sources of economic and financial policy (Epstein and Schor 1992; Simmons 1994), and linked the rent-seeking behaviour of governments to resistance to opening the economy (Alesina et al 1994; Leblang 1997). These benchmark works tend to play down or neglect altogether the role of international politics or broader external socio-economic relations. Industries are faced with such a fierce competition as a result of liberalization of the economy and globalization service industry too has been affected. The other factor is that with information technology customers are well informed thus posing complexity problem in meeting their expectations. The power of information technology age, deregulation, globalization of markets and intense competition has made consumers more demanding and very inquisitive. The marketing environment has changed posing services challenges to the survival and profitability of firms (Mbau, 2000). The rapid changes in the environment, globalization, changing customer needs and expectations and competition to provide innovation of products have become the standard backdrop of organizations. Companies face intense competition from both domestic and foreign brands which has

led to rising promotional costs and shrinking in profit margins. These changes in the market place, companies must cope with the dynamic environment in order to survive (Ad cock et al, 2001).

The internationalization of service companies are readily apparent to any tourists or business executive travelling abroad. Airlines and Airfreight companies that were formerly just domestic in scope now have foreign route networks. Numerous financial service firms, advertising agencies, hotel chains, fast food restaurants, car rental agencies and accounting firms now operate on several continents. This strategy may reflect a desire to service existing customers better or to penetrate new markets or both (Lovelock, 1996). As competition intensifies in the service sector, it is becoming progressively more important for service organizations to differentiate their products/services in meaningful ways (Lovelock, 1996).As (Brooksbank, 1994) indicates that for the firm to be successful over the long term, a firm must be well positioned in the marketplace.

1.1.1 The Concept of Positioning Strategy

Positioning is conceptualized as a complex multidimensional construct that attempts to positively adjust the tangible characteristics of the offering and the intangible perceptions of the offering in the market place (Blackson, 1999; Hooley et al, 1998). Positioning, the place a product occupies in a given market, is the foundation of marketing strategy. A brand's position differentiates it from its competitors on attributes considered important by target customers and gives it a distinctive identity in their minds. Positioning strategy starts with a hard-nosed, realistic and creative approach to finding positioning opportunities. Where is your company and product line positioned among competitive companies and project? Where are the holes, niches, and customer needs begging for attention? What highly differentiating creative appeals are available for dominance?

Positioning is the process of establishing and maintaining a distinctive place in the market for an organization and/or its individual product offerings (Lovelock, 1996). Positioning is the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market (Kotler, 2003).Positioning according to Two consultants, Michael Treacy and Fred Wiersema proposed a positioning framework

called value disciplines within its industry; a firm could aspire to be product leader, the operationally excellent firm or the customer intimate firm. This is based on the notion that in every market there is more of the types of customers. Arnott's (1992) definition appears to be conceptual, strategic and operational in nature. Arnott (1992, 1993) writes that positioning is concerned with management's attempt to modify the tangible characteristics and the intangible perceptions of a marketable offering in relation to the competition.

While the term positioning is viewed as a holistic construct, its application/operationalization by advertising executives and marketing practitioners is via multiple accomplishments (Crawford, 1985; Easingwood and Mahajan 1989; Ries and Trout, 1986; Trout, 1996) reflecting multidimensional construct (Blankson and Kalafatis, 2007; Burton and Easingwood, 2006). This is because while positioning, in the first place, may occur as a consequence of other fuzzy factors such as environment and governmental actions, it is the deliberate crafted actions of a firm that propel the firm to achieve a competitive position (Kalafatis et al., 2000; Pies and Trout, 1986; Suzuki, 2000; Trout, 1996). There is general agreement that the concept of positioning has become one of the fundamental components of modern marketing management (Kotler, 2000; Hooley et al., 1998). Its importance is further supported by evidence that indicates a positive relationships between company performance (in terms of profitability and/or efficiency) and well-formulated and clearly defined positioning activities (Brooksbank, 1994; Devlin et al., 1995; Porter, 1996). Although a number of authors in business marketing fail to deal /debate issues of positioning (Wilson, 1991; Powers, 1991; Haas, 1995) there is also clear acknowledgement of the relevance and importance of the concept within the domain of business marketing. Doven (1990) contended that: Positioning shouldn't be just a party of strategy. It should be the backbone of your business plan. This is echoed by Webster (1991) who stated that Positioning is an important strategic concept, developed in consumer marketing but with equal applicability for industrial products and services.

The concept of positioning is recognized also as one of the important components of advertising and modern marketing theory and practice (Alden et al, 1999). Ries and Trout (1986) Rossiter and Percy (1997); Hooley and Greenley (2005); (Prince, 1990) cannot be

over emphasized. This is more so because advertising and positioning are inextricably geared toward creating value for any firm and its offerings, in that they enhance firm performance and reduce system risk, (Mc Alister et al, 2007). How a firm chooses to position itself and/or its offering is central to the creation of marketing strategy and dictates implementation of advertising and marketing communication practices in the short, medium and long term (Hooley et al, 2001; Porter, 1996; Ries and Trout, 1996). Suzuki (2002) finds that positioning has significant effect on airline profit and that the effect is characterized by “high quality high price”, positioning strategy rather than pursuing a “low quality low price” strategy. More recently, (Miles and Mangold, 2005) have established that there is an association between positioning and firm success in the market place through the employment of “employee branding’ positioning strategy.

1.1.2 The General Overview of Courier Industry

In the GATS services sectoral classification list (MTN.GNS/W/120), postal and courier services are listed as subsectors of communication services, a sector which also includes telecommunications and audiovisual services. In the UNCPC, these services are classified in a "post and telecommunications" sector, reflective of a long-standing but increasingly outdated tradition of postal and telecom services being offered by a single state monopoly. Courier services are normally supplied by privately owned companies who compete with one another and with State postal service providers. One of the important challenges to postal and courier services, both public and private, is competition from other communications services such as facsimile, electronic-mail, and data networks, particularly in the business-to-business market segment. At the same time, some market segments of these services are taking advantage of new communications technologies. For example, electronic data interchange (EDI) is already considered an essential tool for achieving fast and reliable service in the express mail industry. In another example, a major foreign express mail service supplier in Canada is planning a wireless radio network to enhance its service and improve distribution. Additionally, the new technologies stimulate growth in some market segments. For both public and private delivery of parcels, the growing popularity of home shopping offered over communications services, such as television and internet, contribute to predictions for

steady growth. Relation to other services/sectors: Postal and courier services are dependent on physical means of delivery, particularly air and road transport services. Road transport may be a significant means of delivery of parcels and other items within geographic regions or contiguous countries, and air transport is the predominant means of delivery among distant locations. However, air and road transport services are identified as sectors in their own right in the Services Sectoral Classification List.

Definition of courier services: In the Services Sectoral Classification List, subsector 2B on courier services is cross referenced to UNCPC item 7512 which contains two subitems: (1) multi-modal courier services consisting of pick-up, transport and delivery services, whether for domestic or foreign destinations of letters, parcels and packages rendered by courier and using one or more modes of transport; and (2) other courier services for goods, not elsewhere classified, e.g. trucking or transfer services without storage, for freight. The development of multinational enterprises and the increasing requirements of professional clients have since the 1970s played a major role in the growth of the express mail service. Industrial subcontractors have become major clients of the express service, with enterprises trying to reduce their stocks, both of intermediate products and finished goods (just-in-time method). In a recent ILO study on multinational enterprises in the courier service industry, it was noted that one of the main developments in recent years has been the growth of the role of "integrators", large international operators which have become specialized in international parcel services. They are referred to as "integrators" because they combine land and air transport services with freight forwarding, customs broking and other information-intensive activities that enable them to provide efficient pick-up and delivery services. Some railway companies have established their own mail service and DHL has offered equity participation to two airline companies. Globally, the leading companies are DHL Worldwide Express (DHL), United Parcel Service (UPS), Federal Express (FedEx), and GD Express Worldwide. Many such couriers have established affiliates in foreign countries to capitalize on rapidly expanding global demand for express courier services.

1.1.3 The Courier Industry and its Development in Kenya

The Kenya Communications Act, 1998, mandates the Communications Commission of Kenya to licence and regulate postal & courier services in Kenya. This responsibility involves the issuance of licences to all operators, regulation of tariffs for basic services, enforcement of regulations to ensure compliance with licence conditions, and creation of order in the postal & courier market. The Commission continued to create a favourable environment for the development of the postal/courier market segment. A postal and courier Market Study was commissioned during the year under review with a view to identifying, among others, the key factors that influence postal and courier development. The study will also analyze the performance of the Public Postal Licensee (PCK) with regards to quality of service standards for basic postal services. The results will assist the Commission in making the necessary interventions to ensure provision of quality postal services.

The postal and courier market segment registered positive growth with regard to network development. The sub-sector also recorded an increase in the level of competition as depicted by the expansion of outlets and the number of licensed courier operators. The total number of outlets operated by private courier operators continued to increase steadily for the fifth year running. Similarly, Postal Corporation of Kenya (PCK) outlets registered a positive growth of 3%, after witnessing a declining trend between 2003/04 and 2006/07 period. Private letter boxes continued to play an important role as the last mile in the delivery of postal items by PCK. In this regard, the total number of installed private letterboxes grew to 414,616 in June 2008 from 411,716 the previous year. The market trends on the postal and courier has grown steady over years.

Categories of postal/ Courier operators in Kenya

Public Postal Operator. These are firms charged with responsibility of ensuring provision of universal postal services as obligation (USO) and have the widest international and domestic coverage. International Operators operate internationally with both worldwide and domestic coverage. International In-bound only are firms that operate one way operators; receiving items from overseas for local delivery. Regional Operators are major

operators within Kenya and operate with East Africa network. Intra-Country Operators are courier firms that operate within Kenya. Intra-City Operators –operate within a city/town boundary and last but not the least Document Exchange Operator-Operate exchange of articles/documents between members.

1.1.4 Postal and Courier Licensing

All firms offering postal service are legally subject to licencing considerations (CCK Annual Reports, 2007/2008).The Public Postal Licensee (PCK), all courier firms and delivering firms which include transporters, freight and forwarding companies that handle documents and parcels all fall under the definitions given in the CCK Act of 1998.

The number of licensed operators increased to 148 following the licensing of 14 new operators mainly in the intra-country and intra-city categories during the year (CCK Annual Reports, 2007/2008). About 75% of the licensed courier operators are in the intra-country and intra-city categories, implying that most parts of the country enjoy access to courier services, thus creating choice for those seeking courier services between various parts of the country. The increase is also attributable to the decision by the Commission in the 2006/7 financial year that saw the scaling down of postal licence fees to facilitate entry into the market segment. These are also fruits of the Commission's spirited postal enforcement and sensitization campaigns that have been stepped up lately to ensure a level playing field and consumer awareness of available investment and market opportunities.

1.1.5 Courier and Postal Licensing Enforcement

The commission inspect all operations licensed with a view to determine that they conform to the underlined conditions.CCK liaises with law enforcement agencies to ensure that all these postal/courier service providers comply with licence conditions.

CCK investigates reported complaints related to postal/courier services and takes necessary action. (CCK Annual Report 2006/2007).This may include issuance of notices or warnings on licences revocations or suspension if there is violation of licences terms and conditions are discovered.

1.2 Statement of the Problem

Courier firms play an important role in the Kenya's economy. These firms create employment opportunities; facilitates service delivering in different sectors and generates revenue to the government through taxes. The courier industry like any other industries is undergoing dynamism due to advancement of technologies, new ways of delivering courier services, the new demands of the customers and intense competition. Therefore, the concept of positioning strategies has become critical in ensuring that firms maintain their distinct position and competitiveness in the marketplace. Globalization and liberalization have brought new challenges in the industry. Hence, these firms have developed new ways of developing, improving their standards and performance through mergers, foreign affiliations, strategic alliance, downsizing and organization restructuring. The service companies in Kenya face intense competition since liberalization of Kenya's economy early 1990, several major industries that had operated as monopolies suddenly came face to face with competition (Paisecki,2004). Market share of many companies has been affected by these rivalries. The customers on the other hand have become more knowledgeable and inquisitive therefore demanding for better quality service as well as has a more choice on product or service. There is need for the firms to ensure that their services are well positioned in the market place (Brooksbank, 1994) and that just as marketing has become an increasingly important element of strategic management process, so has the concept of positioning become fundamental to the success of the firms marketing strategies (Delvin et al, 1995). The relationship between a firm's adopt in and use of positioning strategies and their effect on profitability has been noted by (Fisher 1991, p. 2) who wrote that a differential position generates superior returns. Kaldeberg (1993) also stated that the selection of positioning strategy correlates significantly with financial performance.

Various studies on Positioning Strategies have been done for example, Theuri (2003) studied Strategic Positioning of promotional Marketing Firms in Kenya, Muriuki (2003) A Survey of Effectiveness of Positioning Strategies of Kenya's Tourism Industry, Kisyoka (2005) studied Positioning Strategies used by Health Maintenance Organization in Kenya, Mulei (2005) Evaluation of the Effectiveness of Positioning

Strategies on Consumer Choice, The case of Laundry Detergents in Kenya of MBA program at the University of Nairobi. However, none of them dealt with Positioning Strategies in the Courier, Therefore, the proposed study intended to fit the gap by determining the positioning strategies adopted by service firms such as courier firms to provide their service in the best quality way.

1.3 Objectives of the Study

- (i) To identify the positioning strategies used by courier firms in service industry in the provision of their services
- (ii) To determine the extend to which positioning strategies are used by firms in the courier industry to develop and sustain their competitive advantage

1.4 Importance of the Study

The results of the study may be of benefits to the following:

Courier Firms: The study will highlight the positioning strategies used by service firms in the provision of their services. These strategies will offer guidelines to the courier firms on which positioning strategies are pertinent for achieving their objectives. The top executives and owners will be able to identify positioning strategies that they could exploit to enhance and sustain their competitive advantage.

Researchers and Scholars: The study will contribute towards a framework for further research and fill the existing gaps in the positioning strategies adapted by the courier firms. This is because there is turbulence in the business environment; therefore the study will provide insight to the researchers when to fill the existing gaps in the same field
The study will broaden the body of knowledge for further scholars and researchers who may use it as a source of reference. It will ease the researchers' work due to the availability of the material

Investors: The study may help potential investors in obtaining more insight to understand the courier new developments in courier industry, hence can make sound

decisions. The investors will be able to identify areas of feasibility when seeking for the viable investment in the industry

Government: The government agents like CCK may use the results to formulate national policies based on a framework that is pertinent to the factors that influence the Courier Industry in Kenya. Therefore, facilitates the development of guidelines that will assist the government in ensuring that firms meet international standards in provision of courier services.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The employment of positioning strategies that leads to creating a position in the market place is undertaken over time through deployment of marketing practices including advertising, public relations, promotion, sales inducing efforts, publicity, brand management, firm image and reputation, product development and cost controls (Burton and Easinghood, 2006; Hooley et al 1998; Porter 1996) and putting in place pertinent market orientation processes (Kirca et al, 2005). Hooley et al (1992) for instance, claim that superior performance has been shown to be associated with more distinct and generally high quality positioning and the product positioning and company brand reputation was significantly associated with firm performance.

The prevailing stance of several academic and practitioners (Pies and Trout, 1986; Trout 1996) is that contemporary advertisements and promotions have, as their explicit objective, the establishment, reinforcement or modification of the positioning of an offering in the consumer's mind. Moreover, because one of the objectives of offerings' long-term competitive advantages stem from positioning activities (Hooley and Greenley, 2005; Porter, 1996), then, other things being equal, the basis of evaluating the effectiveness of offerings' positions in the marketplace and justification for advertising budget/spend ought to be the examination of whether the desired positioning strategies being pursued actually impact firm performance. Brand positioning aims at firms' designing their range of products such that their Products occupy a specific place in consumer awareness (Kotler and Bliemel 1995. p. 489). The term product positioning is not used unambiguously in the Literature (Huttel 1998, p. 205). Some authors see product positioning as the determination of the respective marketing mixes, i.e., harmonization of all sales decisions (cf. the literature in Huttel 1998, p. 205). As competition in the business environment increases and customers become more discerning and varied in their expectations, the targeting decisions facing companies become more critical. Competitive positioning decisions embrace the identification of target market or markets, where the firm will compete, the competitive advantage that will be pursued in serving

those targets and how the firm will compete. The positioning perspective recognizes that for the market place (Hooley et al 1998). At the same time it also recognizes that if that application is to be sustainable in the face of increasing competition, then competitive advantage must be build around the core distinctive resources of competences of an organization (Johnson & Scholes 2002). Stable & Fieldstad (1998) argues that strategic positioning for competitive advantage is an issue of choosing position in terms of product scope, market scope and business value system. This implies that a competitive position must be attained by appropriate actions in terms of scope and in attempts to modify the drivers of cost and value.

2.2 Creating Competitive Advantage

Porter (1990) suggested that Sources of competitive advantage stem from characteristics such as quality, price, creativity and innovation, flexibility, timeliness of delivery, and scope of services offered. Firms respond to conditions in their marketplaces by modifying their competencies (internal capabilities and linkages with suppliers and associates) and the ways in which they position themselves in relation to their competitors (their strategic direction) (O'Farrell et al 1993; Porter 1990). Each of these components is intricately related and ultimately contributes to firm competitive advantage. Porter argues that firms create value for their customers by establishing a value chain within the organization. When customers recognize these values as being superior to the firm's competitors, the firm has established competitive advantage within its marketplace. Porter describes two broad ways in which firms can deliver this value: lower cost and differentiation. A lower cost emphasis is one where the firm can provide a good or service more efficiently than either the client or other competing firms; a differentiation emphasis is one where firms create superior value in the form of product or service quality. While a number of factors affect costs, there are a number of ways firms can become cost leaders and there can only be one firm in any market that can truly claim to have achieved cost leadership by definition. Pursuing this strategy requires a high degree of internal focus and a resistance to adaptation to market requirements. It is the efficiency rather than an effectiveness route. It falls to give a customer the reason to buy or use and hence while creating a short term financial advantage; it does not secure long term market advantage. Differentiation

embraces the opportunity to add value for the customer and to modify the offering in a manner that will give the customer a reason to buy/use. It can be a more defensible route to sustainable advantage through creating a market rather than merely internal financial advantage. It can be achieved from lower price levels through to superior technical quality and more elaborate services. Critical to its success as a strategy is the existence or building of the underlying competences and assets required to realize the chosen form of differentiation. Deciding on the basis of differentiation is at the heart of competitive positioning. Thompson and Strickland (1996) defines the following sources of competitive advantage: having the best made product in the market, delivering superior customer service, achieving lower costs than rivals, being in a more convenient geographical location, proprietary technology, having a feature and styling with more buyer appeal, shorter lead times in developing and testing new products, having a well known brand name and good quality and providing customer more value for their money than competitors.

2.3 Positioning Strategies

These strategies in the recent years have become vital in Strategic Management, Strategic Marketing and Marketing Management. In this chapter the following positioning strategies will be covered. These strategies are in line with the objectives of the study and they include: competitive positioning, price positioning, benefit positioning, quality positioning, service positioning, and innovation positioning and one to one marketing.

2.3.1 Competitive Positioning

In our competitive society, companies recognize the need to differentiate their products and services from others. The competitive position a firm chooses to occupy is a combination of its choice of target market and the differential advantage it is seeking to create as a means of securing that market (Hooley et al 1998). It is essentially the combination of benefits or features the target customer receives. This will be a combination of price charged (Porter 1996), quality delivered (Buzzell and Gale, 1987), service provided (Berry and Parasuraman, 1991) degree of innovation offered (Wong and Saunders, 1993), delivery of specific features (Aaker, 1991) and degree of customization

(peppers and Rogers, 1993). There are three main ways Porter (1996) suggested in which firms can position their offerings in the market. Variety positioning is essentially product centred. It is based on producing a subset of an industry's products or services. Companies select the types of service offerings it can make based on its assets and competences rather than customer requirements and then focus on those offerings. The danger is that customers may not continue to have a need for services the firm has capabilities to offer. A firm that neglects to develop its capability and asset profile will be at risks of being left behind by dynamic changes of the market. Needs based Positioning occurs where a firm identifies its target market and then designs its products or services to meet as many of its product or service related needs as possible. The success of this approach rests with the ability of the firm to come up with the capabilities to cover the wide spectrum of customer needs. Access based positioning is based on the identification of segments through commonality of accessibility. The basis for this positioning is that of segmenting customers who are accessible in different ways. Although their needs are similar to those of other customers, the best configuration of activities to reach them is different. Access can be a function of customer geography or customer scale or of anything that requires a different set of activities to reach customers in the best way. This strategy rests on having assets and competences that can be exploited to meet the objectives. However, as customer requirements change, those competences may be of no much significant. The distinguishing feature is the emphasis placed on the resources and following customer needs. Critical is the ability of a firm to evolve her capabilities and assets as markets change so as to retain a match. Hooley et al (1998) suggested ways in which a firm can position herself based on the six main dimensions of differentiation. The key to creating sustainable competitive positions is to ensure that they are built on the marketing assets and competences of the firm.

2.3.2 Price Positioning

Price is unquestionably one of the most important marketplace cues. The pervasive influence of price is due, in part, to the fact that the price cue is present in all purchase situations and, at a minimum, represents to all consumers the amount of economic outlay that must be sacrificed in order to engage in a given purchase transaction (Lichtenstein et

al,1993). Price communicates to the market the company's intended value proposition of its products and services (Kotler, 2003). A company will therefore set its price for a product or service in relation to the value derived and perceived by the customer. Selecting the price objective to pursue in terms of where to position a market offering is an important consideration in setting a pricing policy. Companies pursuing survival as a major objective will have overcapacity, intense competition or changing consumer needs. This is a short term objective and companies pursuing it must learn how to add value or face extinction. On the other hand, companies who want to maximize their market share will pursue higher volumes that will lead to lower unit costs and higher long run profit. Johnson & Scholes(2002)notes that the key challenges is how costs are reduced in ways that others cannot match such that a low price strategy gives sustainable advantage. Price positioning can be successful where there is a clearly defined price sensitive sector of the market and a firm has a cost advantage in serving that market. It requires strong inside out and spanning capabilities. Effective cost control systems are needed not only within the firm's own operations but also within suppliers. This strategy requires the presence of price sensitive customer segment. Subsequently, price positioning can be successful where there is a clearly defined, price sensitive sector of the market and the firm has a cost advantage in serving that market. Some firms however, deliberately price their products and services more highly than competitors to create exclusive perceptions for their offerings. The competences necessary for high premium positioning to be effective are centred on the ability to create superior or exclusive image that customers are willing to pay a premium to be associated with.

2.3.3 Benefit Positioning

Products and services are positioned as a leader in a certain benefit proposition. This rests on clearly identifying alternative benefit segments with markets and then focusing on providing what they want. It is closely related to Porter's (1996) needs - based positioning. Segmenting markets on the basis of benefits customers are seeking can often help identify new market opportunities and suggest ways in which marketing effort can

be most effectively targeted. Positioning on this basis require well-developed competencies to identify the benefits customers are seeking and to segment the market into meaningful but commercially viable sectors creatively. Effective new product/service development skills to ensure that the benefits sought are actually delivered to customers through building in the relevant features are a requirement

2.3.4 Quality Positioning

Economic models dealing with price and quality relationships typically take "quality" to mean the positioning, class or performance of the product in terms of a vector of product attributes (for example, Rosen 1974). The description of a product (or service) in these terms is also well accepted in the marketing literature (e.g. Wilkie and Pessemier 1973). Thus a definition of "quality" as performance quality is essentially synonymous with the class or position of the product. The service quality of a firm is tested at each service encounter (Kotler, 2003). Customers compare perceived service with expected service from past experiences, word of mouth and advertising. Berry and parasuraman (1991) identified reliability, assurance, responsiveness, empathy and tangibles as the five determinants of service quality. Reliability referred to the ability to perform the promised service delivery dependably and accurately. Assurance refers to the knowledge and courtesy of employees and their ability to convey trust and confidence. Responsiveness is the willingness to help customers and provide prompt service Empathy is the provision of caring, individualized attention to customers while tangibles are the appearance of physical facilities, equipment, personnel and communication materials. Economides (1989) analyzes a Hotelling type of location model with an additional quality attribute. The addition of the quality attribute leads to maximal differentiation in the location (or variety) in products, in contrast to the usual result of minimal differentiation. Chander and Leruth (1989) develop a model of product differentiation in which congestion is taken as a measure of the lack of quality, though congestion mechanisms are not modeled explicitly. Devany (1976) and Devany and Saving (1983) develop models in which quality is identified with waiting time and congestion effects are modeled explicitly via queuing mechanisms. Bennet and Boyer (1990) consider flight frequency as a measure of quality in a model of the airline industry. Quality positioning requires effective internal

control systems in particular assessment and assurance. Beyond control however, it requires technical competence, particularly in manufacturing, where physical products are produced. Of most importance is the clear view of what constitutes “quality” in the eyes of the customer. This includes the outside-in capabilities of market sensing and customer bonding. Effective supply chain management ensures that inputs are of the required quality and not simply the cheapest available. To customer, quality is manifest through better reliability, durability and aesthetic appearance. Quality positioning can only be viable where customers are prepared to pay for superior quality. It is important to underscore the fact that quality and value are decided by the customers in the market place and not by the engineers in the factory or in the marketing department of the firm.

2.3.5 Service Positioning

The traditional four Ps marketing approaches worked well for goods but additional elements require attention for service businesses (Kotler, 2003). Since most services are provided by people, the selection, training and motivation of employees can make a huge difference in customer satisfaction. Companies also demonstrate their service position through physical evidence and presentation. On the other hand service companies can choose among different processes to deliver their service. Service positioning is based on offering superior service clearly tailored to the needs of the target market. Variations in the nature and level of the service offered, coupled with the differences in requirements across customer groups implies that service positioning can be viable and attractive for more than one company in a market. What is very vital in providing superior service are the market sensing skills that can identify what level and type of service is required, customer bonding skills that build closer relationships with key customers, and monitoring skills that can regularly assess customer satisfaction with the level and type of service offered. Selection, training, motivation and service reward to staff are areas that need first priority in firms seeking to establish a competitive advantage through service provision. Services can be differentiated by developing a better and faster delivery system since they are difficult to intimate. A company can be position as reliable in their on time delivery, order cycle time and order completeness. On the other hand a company

can position as offering better emergency handling, product recalls and answering enquires promptly.

2.3.6 Innovation Positioning

Businesses have come to realize the importance of innovation for survival in a world of global competition. A recent report from the British Department of Trade and Industry (Sullivan 1998) indicates that the major companies, irrespective of country-France, Germany, Italy, Japan, Sweden, United Kingdom, and the United States-spend between 4% and 5% of sales on research in the automobile and the commercial aircraft industries, from 5% to 8% in the three sectors of semi-conductors and computers, electrical products, and chemical products and 10% to 15%% in the health products, pharmaceuticals, and software sectors. In the past year, the research and development (R&D) spending in the top 300 companies world-wide increased 12.8%, with the largest increases in some 100 American companies. Innovation is the process of creating new and better solutions to customers' problems. Hurly and Hutt (1998) talk of innovation as a process that focuses the effects of both market orientation and learning on performance. Innovation can be seen as the process of the organization to more closely align it with the market requirements (Damanpour 1991), either as a response to environmental dynamics or as a pre-emptive action to influence the environment. Thus innovation acts as a process both to create and to defend competitive position from imitation or erosion (Desphande et al, 1993). Organizational innovation has been consistently defined as the adoption of an idea or behaviour that is new to the organization (Damanpour 1988, 1991, Daft & Becker 1978, Hage 1980, Hage & Aiken 1970, Zaltman, Duncan & Holbek 1973, Oerlemans et al 1998, Wood 1998, Zummato & O'Connor 1992). The innovation can either be a new product, a new service, a new technology, or a new administrative practice. Marketing environment is changing rapidly, in particular due to technological developments; hence, there may be opportunities to position on the basis of innovativeness of speed to market. The key competences required include excellent new product development skills together with both technical and creative abilities. Innovation may also come in the form of new processes, new approaches to market. In his study of German 'hidden champions', Simon (1996) emphasized their continuous processes of

product and service improvement. Constant innovation is shown to be one of the significant characteristics of these world markets leaders. By the mid 1990s, however, Japan had moved on. The challenge for many Japanese firms is now believed to be radical and major change, rather than incremental improvement to enable them to compete in the future is the major focus.

2.3.7 One to One Marketing

The ultimate to targeting and positioning is the attempt to offer products tailored to the requirements of individual customers. Tailored positioning is generally found in service industry where a service can be tailored to the requirements of individual customers. This increases user satisfaction and as a consequence user loyalty is the long term (Bilissus et al, 2002). The important skills for tailored positioning are a combination of competences to enable a firm to identify what the customer wants and establish relationships with customers and competences that are flexible to meet production capability. Tailored positioning rests on understanding individual rather than market segments need and having the flexibility to provide target market services at a price the customer is willing to pay. While technology can play an important role in enabling economically viable customization, the process must be market led rather than technology driven.

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

The researcher sought to carry out a survey of positioning strategies adopted by firms offering courier services in Kenya. This design was deemed appropriate as the researcher was looking for in-depth information on the dimensions of competition in the courier industry and the subsequent positioning strategies the firms have adopted to deal with the challenges of increased competition.

3.2 Population and Sample Collection

Population of the study composed of ten major courier firms based in Nairobi. This method was deemed appropriate due to its simplicity in application. In Kenya majority of courier firms listed by CCK offer courier services as additional services to their core services. These ten firms are well structured and their core business is courier thus relevant for the study.

3.3 Data Collection

Given the nature of study, the main source of data was mainly primary. In this research, the use of questionnaire was considered appropriate. Data was collected from Marketing managers and Marketing staff of the ten courier service providers in Nairobi. Five questionnaires were administered to each of these ten courier companies. The marketing managers were expected to enumerate the positioning strategies being employed in their respective firms. This method of data collection was the most appropriate as the researcher was interested in cases that have the required information in respect of the objectives of the study.

3.4 Data Analysis

Data was analyzed using descriptive statistics and content analysis. Content analysis helps to determine the presence of key words or concepts within texts. This tool helped researcher quantify and analyze the presence, meaning and relationships of such words

and concepts and make inferences about the messages. In descriptive statistics Likert Scale questions was also used to determine the extent of which positioning strategies adopted by courier firms in provision of their services. This method further enabled the researcher to include large amounts of information and systematically identify its properties. **SPSS** a statistical software application was used to analyze data being collected for the study.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

The objective of the study was to identify the positioning strategies used by courier firms in provision of service to their services. It is to determine also to which extend these strategies are used by courier companies to develop a sustainable competitive advantage. Ten couriers firms were selected and data was collected thus considered adequate for the objectives of the study.

4.2 General Information

Table 4.1.Level of Management

Level of Management	Frequency	Percentage
T	14	28
M	21	42
L	14	28
NA	1	2
Total	50	100

Source: Research Data

The highest number of the respondents were the Middle level at 42% and both the Top and Lower level management were at 28%,Those who did not wished to indicate were only 2% of the respondents.

Table 4.2. The duration taken by the organization in the courier business:

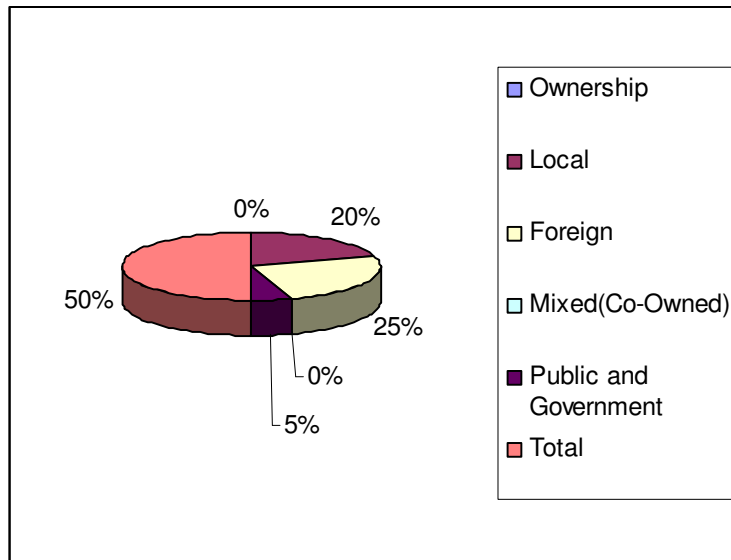
Number of years	Frequency	Percent
5<10	14	28
10<15	14	28
15>	21	42
NA	1	2
Total	50	100

Source: Research Data

Most of the interviewed firms indicate that they have taken more than 15 years in courier business. Other firms represents 28% of the firms interviewed that they have been in

courier business in between 5<10 and 10<15 years. This generally indicate that majority of the Courier firms have been in the business for a long time.

Figure 4.3: The ownership of the company



Source: Research Data

From the Figure 4.3 above it is evident that Majority of courier firms are owned by foreigners being 50% of the interviewed ones. Locally owned represented 40% and 10% is owned by the Government.

Table 4.4: Size of customer base category

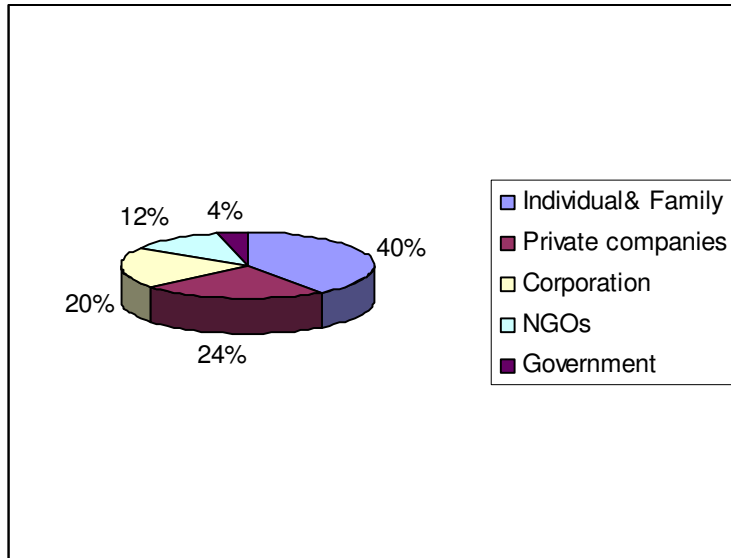
Customer base	Frequency	Percent
0<50000	5	10
500001<100000	7	14
100001<150000	14	28
1500000>	24	48
	50	100

Source: Research Data

In Table 4.4 it reveals that 48% of the respondents indicated that their customer base is more than 150,000 followed by category of 100000<150000. The customer base

categories of $0 < 50000$ and $50000 < 100000$ were at 10% and 14% .This means majority of the firm interviewed are established in the Kenyan market .

Table 4.5: User groups

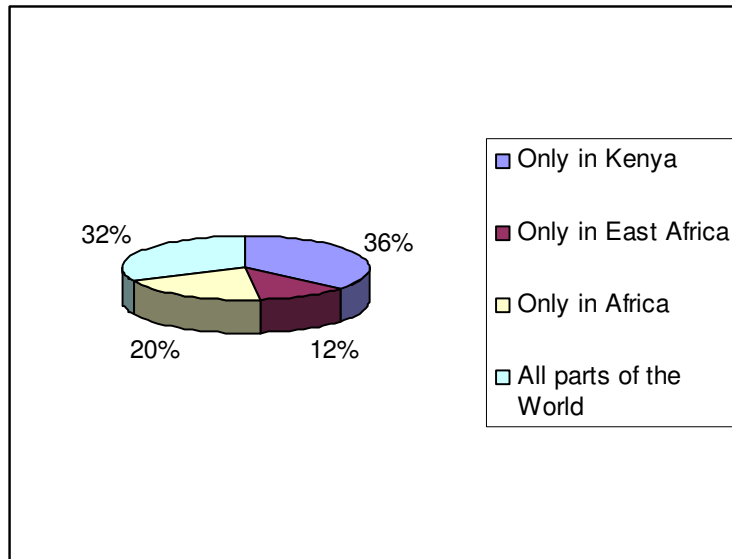


Source: Research Data

In Figure 4.5 it is evident that 40% of the customers are individual and family households, 24% constitutes to private companies, corporations constitutes to 20%.

The NGOs and government organizations only constitute to 12% and 4% respectively.

Figure 4.6: Coverage



Source: Research Data

In Figure 4.6 indicates most companies serve the Kenyan market at 36%, followed closely by those offering the services internationally with 32%. Other firms serve Africa and East Africa regions, being represented by 12% and 20% respectively.

4.3 Defining positioning strategy

	N	Minimum	Maximum	Mean	Std. Deviation
Is definition of positioning strategy adherence to specification?	49	1.00	5.00	3.7143	1.76777
Is definition positioning strategy delivery of services on time?	49	1.00	5.00	3.7143	1.76777
Is definition positioning strategy superior provisions of services?	49	1.00	5.00	3.7143	1.76777
Is definition positioning strategy sequencing of events at the right time?	49	1.00	5.00	4.0000	1.32288
Is definition positioning strategy meeting customer needs by satisfying all the above four?	49	1.00	5.00	3.7143	1.76777
Valid N	49				

Source: Research Data

Positioning strategy according to respondents is defined based on the five dimensions; the first being sequence of events at the right time with a mean of 4.0000, adherence to specifications, delivery of services on time, superior provision of services and meeting customer needs are also equally important in defining positioning strategy with all these four dimensions receiving a mean of 3.7143 rating and standard deviation of 1.76777

4.4 Positioning strategies

	N	Minimum	Maximum	Mean	Std. Deviation
Have you used competitive positioning as a strategy?	49	3.00	5.00	4.5714	.73598
Have you used price positioning as a strategy?	49	3.00	5.00	4.0000	.76376
Have you used benefiting positioning as a strategy?	49	3.00	5.00	4.1429	.84163
Have you used quality positioning as a strategy?	49	3.00	5.00	4.4490	.76543
Have you used service positioning as a strategy?	49	4.00	5.00	4.7143	.45644
Have you used innovation positioning as a strategy?	49	3.00	5.00	4.5714	.73598
Have you used one to one marketing positioning as a strategy?	49	3.00	5.00	4.1429	.84163
Valid N (listwise)	49				

Source: Research Data

The respondents on positioning strategies Strongly Agree (4.7143) that majority of the Courier firms used service positioning as a strategy. Service positioning indicates that majority of respondents strongly agree that this is the most popular used strategy with a standard deviation of .73598 Competitive positioning and innovation positioning are the second most used Strategies at 4.5714 rating each. Quality positioning is also important, one to one marketing positioning and benefiting positioning are equally the same (4.1429). Price positioning received a mean of 4.0000 rating and standard deviation of .76376

4.5 Positioning strategies used by courier firms

	N	Minimum	Maximum	Mean	Std. Deviation
To what extent has your organization used responsive to customers in differentiating services	49	4.00	5.00	4.8571	.35355
To what extent has your organization used quality assurance to customers in differentiating services	49	4.00	5.00	4.8571	.35355
To what extent has your organization used simple enrolment procedures in differentiating services	49	4.00	5.00	4.5714	.50000
To what extent has your organization used competent employees in differentiating services	49	3.00	5.00	4.4286	.73598
To what extent has your organization used privacy and confidentiality of clients in differentiating services	49	4.00	5.00	4.5714	.50000
To what extent has your organization used empathy to clients in differentiating services	49	3.00	5.00	4.5714	.73598
To what extent has your organization provided variety for customers in differentiating services	49	2.00	5.00	4.4286	1.06066
To what extent has your organization used reliability from credible employees in differentiating services	49	2.00	5.00	4.2857	1.04083
To what extent has your organization used using efficient processes in differentiating services	49	3.00	5.00	4.4286	.73598
To what extent has your organization used customer education in differentiating services	49	3.00	5.00	4.4286	.73598
Valid N (listwise)	49				

Source: Research Data

The respondents strongly agree that responsiveness to customers in differentiating services and quality assurance to customers in differentiating services are equally very important receiving a mean of 4.8571 ratings and standard deviation of .35355. The use of simple enrolment procedures in differentiating services, privacy and confidentiality of clients in differentiating services and empathy to clients in differentiating services are equally important receiving a mean of 4.5714 ratings with standard deviation of .50000. The other positioning strategies used are simple enrolment procedures in differentiating services, provision of variety for customers in differentiating services, using efficient processes in differentiating services and customer education in differentiating services are equally important with a mean of 4.4286 rating. The respondents also view reliability from credible employees in differentiating services as of importance receiving a mean of 4.4286.

4.5.1 Competition

	N	Minimum	Maximum	Mean	Std. Deviation
Price comparison to competition	49	1.00	5.00	3.4286	1.19024
wide coverage	49	1.00	5.00	4.2857	1.39940
Better Facilities	49	2.00	5.00	4.2857	1.04083
Cost effective	49	1.00	5.00	3.8571	1.36931
superior services	49	1.00	5.00	3.5714	1.30703
well advertised	49	2.00	5.00	3.8571	1.13652
Valid N	49				

Source: Research Data

The table reveals majority of the respondents strongly agree that Wide coverage and better facilities differentiate their firms' services from those of competitors receiving a mean of 4.2857 rating. Cost effective and well advertising are equally considered important for differentiation of services from competition receiving a mean of 3.8571 rating. Superior services are also important in distinction of products and services from

rivals' receiving mean of 3.5714. Respondents were neutral on pricing of courier services, thus received a mean of 3.4286 and standard deviation of 1.19024.

4.6 Consumer Benefits

	N	Minimum	Maximum	Mean	Std. Deviation
convenient mode of payment when making its service packages on sale	49	4.00	5.00	4.5714	.50000
Is your location easily accessible	49	3.00	5.00	4.2857	.70711
Does your organization consider availability needed when making its service packages on sale	49	3.00	5.00	4.2857	.70711
Does your organization consider prompt response to client when making its service packages on sale	49	3.00	5.00	4.4286	.91287
Does your organization consider offering premium quality when making its service packages on sale	49	3.00	5.00	4.5714	.73598
Does your organization consider affordable mode of payment when making its service packages on sale	49	4.00	5.00	4.7143	.45644
Does your organization consider competent error handling service when making its service packages on sale	49	3.00	5.00	4.1429	.64550
Does your organization consider assurance communication when making its service packages on sale	49	3.00	5.00	4.2857	.70711
Does your organization consider competent customer care when making its service packages on sale	49	4.00	5.00	4.7143	.45644
Valid N (listwise)	49				

Source: Research Data

The respondents consider affordable mode of payment when making its service packages on sale and competent customer care when making its service packages on sale as the most important consumer benefits receiving a mean of 4.7143 rating and standard deviation of .45644. Convenient mode of payment when making its service packages on sale and offering premium quality when making its service packages on sale are considered very important receiving a mean of 4.5714. Prompt response to client when making its service packages on sale is considered important rating at mean of 4.4286. The respondents also view location and accessibility of the firm, availability needed when making service packages on sale and assurance communication when making service packages on sale are equally important receiving a mean of 4.2857 ratings.

4.7 Quality positioning

	N	Minimum	Maximum	Mean	Std. Deviation
Are your policies customer centred?	49	4.00	5.00	4.7143	.45644
Are your procedures accurate	49	3.00	5.00	4.5714	.73598
Is your service delivery fast	49	3.00	5.00	4.2857	.70711
Are your services flexible to suit customer needs	49	3.00	5.00	4.0000	.76376
Are your processes easy to follow	49	3.00	5.00	4.2857	.88976
Valid N (listwise)	49				

Source: Research Data

The company policies that are customer centred is considered the most important receiving a mean of 4.7143 and standard deviation of .45644. The respondents consider accurate procedures used for service delivery very important receiving a mean of 4.5714 rating.

Service delivery and processes that are easy to follow are equally important receiving a mean of 4.2857 rating. Service flexibility to suit customer needs is also considered important receiving a mean of 4.0000 rating and standard deviation of .76376.

4.8 Innovative positioning strategies

	N	Minimum	Maximum	Mean	Std. Deviation
Does your firm allocate resources for research and development	49	2.00	5.00	4.5714	1.06066
Does your firm undertake new product development	49	3.00	5.00	4.2857	.70711
Does your firm undertake new process development to meet customer expectations	49	3.00	5.00	4.1429	.64550
Does your firm develop new ways of solving issues	49	3.00	5.00	4.1429	.84163
Does your firm undertake proactive approach in response to environmental dynamics	49	4.00	5.00	4.5714	.50000
Valid N (listwise)	49				

Source: Research Data

The respondents on innovative strategies strongly agree that allocation of resources for research and development and proactive approach in response to environmental dynamics are the most important strategies for their firms receiving a mean of 4.5714. The respondents also strongly agree that undertaking of new product development is important receiving a mean of 4.1429 and standard deviation of .70711. Firm undertaking new process development to meet customer expectations and firm development of new ways of solving issues is considered also important carrying equal weight receiving a mean of 4.1429 rating.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

This chapter gives a brief summary of the findings, conclusion and recommendations on positioning strategies adopted by Courier firms in Kenya particularly those based in Nairobi. The service industry is characterized by foreign owned multinationals, locally owned and government owned making the business environment very competitive. This has prompted the key players in the industry to adopt various positioning strategies. The conclusions will be drawn from the findings from data obtained from the population of courier companies. The respondents' mainly from marketing departments were interviewed to capture the relevant data. As was already mentioned in chapter one, objective of the study was to identify positioning strategies used by courier firms and determine how firms use these strategies to develop and sustained their competitive edge.

5.2 Summary

In relation to the first objective, to identifying the positioning strategies used by courier firms in Kenya. The study found out that the internal environment plays a major role in the success and failure of any strategy to be put in place. The top management who are the decision makers has a great influence on what is implemented in positioning strategy. They therefore there is a need to understand the associated benefits of the positioning strategy to the company since their decisions in most cases are binding to the other functions in the organization. Acceptance of the positioning strategies by those who implement is also critical, therefore there is need for good identification of the customer needs to help in speeding up the adoption of this strategy and avoid rejection of the same. The study revealed that responsiveness to customers in differentiating services and quality assurance to customers in differentiating services are the most used positioning strategies with a mean score of 4.8571(strongly agree) and standard deviations in all aspects showed significant variations. The second research objective was: to find out how the strategies are used to offer and maintain competitive advantage in the industry.

Limiting aspects such as lack of technical skills, poor understanding of the positioning strategies by those in the management and poor internal support hinder the success of implementing positioning strategies. In competitive strategy the respondents strongly agree that Wide coverage and better facilities differentiate their firms' services from those of competitors with a mean of 4.2857 rating. The study revealed also that price is not significant in differentiating your services from the competition, thus price received a mean of (3.4286) neutral. Most respondents to large extent consider company's customer centred policies or customer focus as most critical factor for attaining quality positioning with a mean of 4.7143 (very large extent). The respondents also consider service flexibility to suit customer is important with a mean of 4.0000 (large extent). Lastly the respondents strongly agree (4.5714) that allocation of adequate resources for research and development is very critical for achieving innovative objectives. All these factors will ensure the success of developing pertinent positioning strategies is attain, hence firms can achieve and sustain their competitive advantage.

5.3 Conclusions

The research revealed that majority of the firms selected have been operating in the industry for more than 15years; therefore have had enough experience in the Kenyan markets in terms of perceptions, taste and preferences. The ownership of most are both local and foreign. The customer base of most firms interviewed indicated that they serve more than 150,000 customers. This indicates that courier companies still have untapped market, hence they can adopt fully relevant positioning strategies to exploit this potential. This research established that there exist significant challenges for developing pertinent positioning strategies by courier firms. The study confirmed that similar positioning strategies are extensively used by courier firms in Kenya, that is: competitive, service, price, quality, customer benefits, one to one marketing and innovative strategies.

5.4 Recommendations

It is evident from this research that there is need to constantly involve the key decision makers every stage of the developing and implementation of relevant positioning strategies. Positioning strategy will be judged as a failure if its design, development is not

compatible with the structure, culture, and goals of the organization as a whole. The management involvement is therefore a must if any strategy is to receive a positive attitude within the organization. This is so because all components of positioning strategies are interdependent, a change in one will affect all of the others. Therefore, the organization's tasks, participants, structure, and culture are bound to be affected when a strategy is changed. Training of employees from other departments is critical as there are the ones to determine the success or failure of the adopted strategy. A good positioning strategy may be deemed as a failure simply because those who implement are ignorant; therefore implementers of these strategies must have the knowledge, skills and passion on how to adopt and differentiate their products and services from competition. The perception and use of positioning strategies can be heavily conditioned by personal and situational variables. To further complicate the picture, what customers say they like or want products or services that may not necessarily produce any meaningful improvements in company's performance. Lastly there is need to develop framework that will facilitate fast and sound decision making in order to achieve the desired positioning objectives as well as corporate goals. This will ensure that firms will come up with the best positioning strategies that will ensure they maintain their distinct position and sustain competitive advantage in the courier industry.

5.5 Limitations of the Study

This study interviewed the senior, middle and lower management levels of the organization who were well conversant with positioning strategies. In some instances the researcher had to administer the questionnaire personally to them explaining the complex terms and concepts as related to positioning strategies to ensure that reliable information is obtained in order for valid conclusions to be made. This was quite a tedious and demanding exercise. Some respondents were unwilling to give some information and were simply sighting management and company policies. The study was limited only to positioning strategies used by courier companies, hence didn't consider other factors affecting the choice of those strategies.

5.6 Suggestions for Further Research

This particular study can be extended to other companies in service industry, private companies, public institutions and other firms in Kenya to establish the relevant positioning strategies for better provision of services. Empirical studies can also be carried out among various firms in both manufacturing and service industries that have not fully adopted positioning strategies to establish the underlying reasons behind and also find out their perception about the same. Despite the limitations, this study can act as a stepping-stone in the assessment of positioning strategies adoption in Courier industry and service companies especially due its vital role that they play in the socio-economic development in the country. This work therefore sets up future contributions that will enable the government agents, courier firms, researchers, NGOs and corporations will enable better understand and evaluate the challenges facing courier firms and service industry as a whole. This will provide an indication of readiness of service firms to improve their standards and service delivery to meet the expectations of the more knowledgeable and inquisitive enlighten modern customers. Finally a study should be carried out to determine the positioning strategies used in other service sectors such as banking, insurance, supermarkets, beauty salons, clearing and forwarding, and airline.

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APPENDICES:

APPENDIX 1: LETTER TO THE RESPONDENT

UNIVERSITY OF NAIROBI,
SCHOOL OF BUSINESS,
P.O. Box 30197-00100,
NAIROBI.

Dear Sir/ Madam,

RE: POSITIONING STRATEGIES ADOPTED BY FIRMS THAT OFFER COURIER SERVICES IN KENYA

I am a postgraduate student undertaking a Master of Business Administration Degree at the School of Business, University of Nairobi. I am currently carrying out a research on positioning Strategies Adopted by Firms that offer Courier Services in Kenya.

My approach to this survey is both consultative and collaborative and ensures that it causes minimum disruption to your schedule of activities. I kindly request you to provide the required information by responding to the questions in the questionnaire. The information required is purely for academic purposes and will be treated in the strictest confidentiality. A copy of the research project will be made available to you upon request. I will appreciate your co-operation in this academic exercise.

Thanking you in advance.

Yours faithfully,

**Bosuben Isaac Kipyegon,
MBA Student,
School of Business,
University of Nairobi.**

APPENDIX II: LIST OF 10 MAJOR COURIER FIRMS IN KENYA BASED IN NAIROBI

1. DHL Worldwide Express K (Ltd)
2. G4S Security Services Kenya K (Ltd)
3. East African Courier Ltd (FedEx)
4. Postal Corporation of Kenya (PCK)
5. Roy Parcel Services Ltd
6. One World Courier Ltd
7. Fargo Courier Ltd
8. Regional Courier Services Ltd
9. Transworld Courier Express Ltd
10. TNT International Express

APPENDIX III: QUESTIONNAIRES

Questionnaire

This questionnaire is designed to gather information for a research which is to establish the Positioning strategies employed by Courier firms in provision of their services in Kenya and also to investigate the extend to which positioning strategies are used by firms in courier industry to develop and sustain their competitive advantage

Section A. General Information

A profile of respondents

1. Respondents name (optional).....

2. Name of the organization you are working in.....

3. Indicate by ticking the category of level of management

a) Top management ☐

b) Middle management level ☐

c) Lower management level ☐

d) Others (specify).....

4. How many years has your organization been in the courier business.....

(a) Less than 5 years ☐ (b) 5-10 years ☐

(c) 10-15 years ☐ (d) over 15 years ☐

5. What is the ownership of the company.....

(a) Local ☐ (b) Foreign ☐

(c) Mixed (co-Owned) ☐ (d) Public and Government owned ☐

6. What estimate size of your customer base category.....

(a) 0-50000 [] (b) 50001-100000 []

(c) 100001-150000 [] (d) More than 150000 []

7. Please indicate the user groups that constitute most of you customers by ticking of categories below:

(a)Individual Household []

(b)Family Household []

(c)Private Companies []

(d)Corporations []

(e)NGOs []

(f)Government Institution []

(g)Any Other Specify.....

8. What coverage area of your service provision.....

(a)Only in Kenya []

(b)Only in East Africa []

(c)Only in Africa []

(d)All parts of the World []

Section B. Definition of Positioning Strategy

This section seeks to define positioning strategy. Indicate by a tick in the spaces provided in the table below:

KEY

1. Most unimportant
2. Not important
3. Neither/nor important
4. Important
5. Most important

No.	Statement	Most unimportant	Not important	Neither/nor important	Important	Most important
1	Adherence to specifications					
2	Delivery of services on time					
3	Superior provisions of services					
4	Sequencing of events at the right time					
5	Meeting customer needs by satisfying all the above four					

Section C: Positioning strategies

This section seeks to establish the positioning strategies used. Indicate by a tick in the spaces provided in the table below:

KEY

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

No.	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Competitive positioning					
2	Price positioning					
3	Benefiting positioning					
4	Quality positioning					
5	Service positioning					
6	Innovation positioning					
7	One to one marketing					

Section D: Positioning Strategies used by Courier Firms

1a. This section indicates differentiation of services in the process of creating a distinct image of a service to give a clear picture in the customer's mind vis-à-vis alternative services offered by competition. Please indicate (by ticking space provided in the table below) to what extent your organization uses the following competitive indicators to differentiate its services.

KEY

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

No.	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Responsive to customers					
2	Quality assurance to customers					
3	Simple enrolment procedures					
4	Competent employees					
5	Privacy and confidentiality of clients					
6	Empathy to clients					
7	Provide variety for customers					
8	Reliability from credible employees					
9	Using efficient processes					
10	Customer education					

b).Competition. Use of the following features to distinguish the services your firm provides: Please indicate (by ticking in the appropriate box)

KEY

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

	1	2	3	4	5
a.)Price compares to competition	[]	[]	[]	[]	[]
b).Have wide coverage	[]	[]	[]	[]	[]
c).Better facilities	[]	[]	[]	[]	[]
d) .We are cost effective	[]	[]	[]	[]	[]
e).Our services are superior	[]	[]	[]	[]	[]
f).We are well advertised	[]	[]	[]	[]	[]
g).others specify.....					

2. Indicate the extent you agree or disagree whether your organization considers the following consumer/user benefits when making its service packages on sale. Please tick spaces provided in the table below;

No.	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Convenient mode of payment					
2	Our location is easily accessible					
3	Availability when needed					
4	Prompt response to client					
5	Offer Premium quality					
6	Affordable mode of payment					
7	Competent error handling service					
8	Assurance Communication					
9	Competent customer care					

3. The list below are a number of statements about the organization, which you work. Please indicate to what extent you agree or disagree (tick in the appropriate box) **where:**
5 Strongly agree and 1 strongly disagree

	5	4	3	2	1
(a)The organization has set clear pricing objectives for its services	☐	☐	☐	☐	☐
(b)The organization considers competition in pricing	☐	☐	☐	☐	☐
(c)The organization has a flexible pricing policy	☐	☐	☐	☐	☐
(d)The organization has uniform pricing policy in all its branches	☐	☐	☐	☐	☐
(e)The most important objective is profitability	☐	☐	☐	☐	☐

4. Indicate the extent to which the following describe the quality positioning of the firm's services. **Where:**

5 Very largely extent

4. Large extent

3. Moderate extent

2. Little extent

1. Not at all

	5	4	3	2	1
(a) Our policies are customer centred	☐	☐	☐	☐	☐
(b) Our procedures are accurate	☐	☐	☐	☐	☐
(c) Our service delivery is fast	☐	☐	☐	☐	☐
(d)The services are flexible to suit customer needs	☐	☐	☐	☐	☐
(e) Our process is easy to follow	☐	☐	☐	☐	☐

5. Indicate the extent to which your firm undertakes innovative positioning to sustain competitive advantage. Please tick the space provided in table below;

KEY

1. Strongly disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly agree

No.	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Allocate resources for research and development					
2	New product development					
3	New process development to meet customer expectations					
4	Develop new ways of solving issues,					
5	Proactive approach in response to environmental dynamics					

6. Indicate the extent to which your organization attempt to provide services tailored to the requirements of particular individual/group customers. (Please tick appropriate box)

KEY

1. Strongly disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly agree

	1	2	3	4	5
(i) Provide services specifically needed by clients	☐	☐	☐	☐	☐
(ii) Have specifications for particular customers only	☐	☐	☐	☐	☐
(iii) Have competences to identify what customer wants	☐	☐	☐	☐	☐
(iv) Others specify.....					

Thank you for your co-operation.